



QBE Insurance (Australia) Limited

Aviation

Business Pack Insurance Policy

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About this Booklet

Welcome to QBE Australia

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

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

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

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

Please do not hesitate to contact your broker or agent if you have any questions about this Policy booklet or your insurance cover.

About QBE Australia

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 is a member of the QBE Insurance Group Limited ABN 28 008 485 014 (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the largest insurers and reinsurers in the world.

Aviation business Pack Insurance

Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of Level 27, 8-12 Chifley Square, Sydney NSW 2000.

Information about your Policy

This is the Policy wording.

It tells you:

- a. what the Policy covers;
- b. what the Policy does not cover;
- c. how to make a claim;
- d. excesses; and
- e. other conditions.

Details of the insurance which are particular to you are shown on your Policy Schedule which we send to you with the Policy wording.

The date when your insurance cover ends is particularly important.

Please read this Policy carefully and retain it in a safe place.

Duty of disclosure

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

You have this duty until we agree to insure you.

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

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

If you do not tell us something

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

The General Insurance Code of Practice

QBE Australia is a signatory to the General Insurance Code of Practice.

The Code aims to:

- Commit us to high standards of service
- Promote better, more informed relations between us and you
- Maintain and promote trust and confidence in the general insurance industry
- Provide fair and effective mechanisms for the resolution of complaints and disputes between us and you
- Promote continuous improvement of the general insurance industry through education and training.

Privacy

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 full list of ways we could use it. To get a free copy of it 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.

Resolving complaints & disputes

At QBE we're committed to providing you with quality products and delivering the highest level of service.

We also do everything we can to safeguard your privacy and the confidentiality of your personal information.

Something not right?

We know sometimes there might be something you're not totally happy about, whether it be about our staff, representatives, products, services or how we've handled your personal information.

Step 1 – Talk to us

If there's something you'd like to talk to us about, or if you'd like to make a complaint, speak to one of our staff. When you make your complaint please provide as much information as possible. They're ready to help resolve your issue.

You can also contact our Customer Care Unit directly to make your complaint. Our aim is to resolve all complaints within 15 business days.

Step 2 – Escalate your complaint

If we haven't responded to your complaint within 15 days, or if you're not happy with how we've tried to resolve it, you can ask for your complaint to be escalated for an Internal Dispute Resolution (IDR) review by a Dispute Resolution Specialist.

The Dispute Resolution Specialist will provide QBE's final decision within 15 business days of your complaint being escalated, unless they've requested and you've agreed to give us more time.

Step 3 – Still not resolved?

If you're not happy with the final decision, or if we've taken more than 45 days to respond to you from the date you first made your complaint, you can contact the Australian Financial Complaints Authority (AFCA). AFCA is an ASIC approved external dispute resolution body.

AFCA resolves insurance disputes between consumers and insurers, at no cost to you. QBE is bound by AFCA decisions - but you're not. You can contact AFCA directly and they'll advise you if your dispute falls within their Rules.

Disputes not covered by the AFCA Rules

If your dispute doesn't fall within the AFCA Rules, and you're not satisfied with our decision then you may wish to seek independent legal advice.

Privacy complaints

If you're not satisfied with our final decision and it relates to your privacy or how we've handled your personal information, you can contact the Office of the Australian Information Commissioner (OAIC).

Contacting QBE's CCU, AFCA or the OAIC

How to contact QBE Customer Care

Phone	1300 650 503 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	<ul style="list-style-type: none"> complaints@qbe.com, to make a complaint. privacy@qbe.com, to contact us about privacy or your personal information. customercare@qbe.com, to give feedback or pay a compliment.
Post	Customer Care, GPO Box 219, Parramatta NSW 2124

How to contact AFCA

Phone	1800 931 678 (free call)
Email	info@afca.org.au
Online	www.afca.org.au
Post	Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

How to contact the OAIC

Phone	1300 363 992 Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	enquiries@oaic.gov.au
Online	www.oaic.gov.au

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

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

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

When you are:

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

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

You must advise us of your correct Australian Business Number (ABN) and Taxable Percentage.

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

Where the settlement of your claim is less than the sum insured/limit of indemnity or the other limits of insurance cover, we will only pay an amount for GST (less your entitlement for ITC) 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, ITC, 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 ITC on your premium as a percentage of the total GST on that premium.

Evidence of value

Please retain receipts of purchase or proof of the value of all property insured by this Policy so that you can prove the amount of any loss if you have to claim under this Policy.

Full insurance – Protect your assets

If you have elected to insure your building and contents for reinstatement and replacement costs (excluding stock), the sum insured should represent the full replacement value at new costs and if this is not done losses may not be paid in full. It is your responsibility to ensure adequacy of sums insured and you should re-assess these sums insured during the currency of the Policy and prior to renewal each year.

Preventing our right of recovery

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

Third party interests

You must inform us of the interests of all third parties (e.g. financiers, lessors) to be covered by this insurance. We will protect their interests only if you have informed us of them and we have noted them on the Policy Schedule.

Our agreement

This Policy is a legal contract between you and us. You pay us the premium, and we provide you with the cover you have chosen as set out on your Policy Schedule, subject to the terms and conditions of the Policy. Cover is provided during the period of insurance shown on your Policy Schedule or any renewal period.

We will not pay any more than the sum insured or limit of liability for each section which is shown on your Policy Schedule, unless stated otherwise in the Policy wording.

We will not pay the excesses shown in the Policy wording or on your Policy Schedule. If any loss or damage or liability leads to a claim under more than one (1) section of this Policy, you must pay the highest applicable excess, but you need pay only one (1) excess.

General exclusions

This Policy excludes loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

1. War

War, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or looting, sacking or pillage following any of these, or the expropriation of property.

2. Any act(s) of terrorism

Any act(s) of terrorism. For the purpose of this exclusion, an act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the Government of the day 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) of the day or de facto, and which:

- a. involves violence against one (1) or more persons; or
- b. involves 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.

3. Radioactivity

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

This Policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to 1, 2 or 3 above.

4. Unoccupancy

Loss, damage or liability during any period in excess of sixty (60) consecutive days during which the business premises are left unoccupied, unless with our written consent.

To have been occupied, the business premises must have been used for business purposes for at least two (2) consecutive days.

5. Intentional damage

Damage or liability intentionally caused or incurred by:

- a. you, or
- b. a member of your family, or
- c. a person acting with your express or implied consent or that of a member of your family.

6. Electronic data

Electronic data or the cost of rewriting records as a result of loss of electronic data.

However, we will provide cover for losses to electronic data and rewriting of records as provided by additional benefit 4.4 of the property section arising out of the following perils:

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

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

If the electronic equipment section of the Policy is current and 5.1 Electronic data and electronic data media is insured we will also provide cover for losses to electronic data arising out of vibration, power surge, low voltage, mechanical, electrical and electronic breakdown, but not breakdown occurring as a result of any virus, worm, Trojan horse, hacking, or any unauthorised access.

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

7. Admitted insurance

Claims made or actions instituted within any Country, State or Territory (outside Australia) that require insurance to be issued or secured with an 'Insurer or Organisation' licensed in that Country, State or Territory to grant such insurance.

8. Sanctions limitation and exclusion clause

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.

General conditions applicable to all sections

Your obligations

You are to:

- a. take all reasonable precautions to avoid or minimise loss, damage, disablement or liability,
- b. maintain all business premises, fittings, appliances and equipment in sound condition,
- c. comply with all statutory obligations, by-laws and regulations imposed by any public authority, for the safety of persons or property, and
- d. obtain certificates of inspection for all equipment required by any statute or regulation to be so certified.

Contribution

If at the time of any loss, damage, liability or injury there is any other existing insurance, whether effected by you or by any other person or persons covering the same property, we will not be liable to pay or contribute more than our rateable proportion of such loss, damage or liability.

Misrepresentation and non-disclosure

If:

- a. you failed to disclose any matter which you were under a duty to disclose to us, or
- b. you made a misrepresentation to us before the contract of insurance was entered into, and
- c. as a consequence we would not have entered into the contract for the same premium and on the same terms and conditions expressed in this Policy, then
 - i. our liability in respect of any claim shall be reduced to an amount to place us in the same position in which we would have been placed if the failure to disclose had not occurred or the misrepresentation had not been made, or
 - ii. if the non-disclosure or misrepresentation was fraudulent, we may avoid this Policy.

Alteration

Unless our written consent is obtained, we will not cover loss, damage or liability caused or contributed to by any alteration after the commencement of this Policy:

- a. in the trade or manufacture carried on, or whereby the nature of the occupation or other circumstances affecting the building insured or containing the property insured is changed in such a way as to increase the risk of damage or the likelihood of liability losses,
- b. whereby your interest ceases by will or operation of law,
- c. whereby the business is wound up or carried on by an insolvency practitioner or permanently discontinued.

If you alter the risk in any of these ways we may cancel your Policy.

Cancellation

1. You may cancel this Policy at any time in which case we will retain the pro-rata rate for the time the Policy has been in force.
2. We may cancel this Policy by giving you written notice to that effect where you have:
 - a. failed to comply with the duty of utmost good faith,

- b. failed to comply with the duty of disclosure at the time when the Policy was entered into,
- c. made a misrepresentation to us during the negotiations for the Policy before we entered into the Policy,
- d. failed to comply with a provision of the Policy,
- e. failed to pay the premium or failed to pay any instalments for longer than one (1) month,
- f. made a fraudulent claim under this Policy or any other policy of insurance (whether with us or some other insurer) that provided insurance cover during any part of the period during which this Policy of insurance provides insurance cover,
- g. failed to notify us of any specific act or omission where such notification is required under the terms of this Policy.

3. We may cancel this Policy pursuant to any right at law but subject to the provisions of the *Insurance Contracts Act 1984* (Cth) (the Act).
4. When we cancel the Policy it will have effect from whichever of the following times is the earliest:
 - a. the time when another policy of insurance replacing this Policy is entered into, or
 - b. 4 o'clock in the afternoon of the third business day after the day on which notice was given to you.
5. When we cancel the Policy we will repay on demand a rateable proportion of the premium for the unexpired period of insurance from the date of cancellation.

Other insurance

You will notify us in writing of any insurance or insurances already effected or which may be subsequently effected covering, whether in whole or in part, the property hereby insured.

Changes in Policy

No change in this Policy will be valid unless agreed in writing by us nor shall the requirements of any section be deemed to be waived unless we agree in writing.

Transfer of interest

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

Automatic reinstatement

- a. After we have admitted liability for loss or damage (other than for a total loss under the property section, employee dishonesty section, employment practices section and statutory liability section or claims in respect of products liability), we automatically reinstate the sum insured to the amount shown on your Policy Schedule at the time of loss.
- b. If we request an additional premium, you must pay it to us or the cover will be reduced by the amount of the claim settlement.

Claims

What you must do if you want to claim under this Policy

You must follow these procedures if something happens which causes loss or damage or injury which may lead to a claim. If you do not, we may refuse your claim or reduce the amount we pay you.

When loss or damage occurs you must:

- a. take all reasonable steps to reduce the loss or damage and to prevent further damage
- b. immediately make a full report to the Police if:
 - i. you know or suspect that property has been stolen;
 - ii. someone has broken into your premises; or
 - iii. someone has caused malicious damage to your property;
- c. not make any admission of liability, offer, promise or payment in connection with any event,
- d. promptly inform us by telephone or in person,
- e. preserve any damaged property and make it available for inspection by our representative or agent (including a loss adjuster),
- f. not authorise the repair or replacement of anything without our agreement.

If you want to make a claim you must:

- a. fill in our claim form which you can obtain from your broker or agent,
- b. return the claim form to us within thirty (30) days of the event that gave rise to the claim,
- c. give us all the information and documentation which we request. If we ask for it, you must provide us with a statutory declaration verifying the truth of your claim and any matters connected with it, and
- d. immediately send us any court document or other communication you receive about the claim. Do not take any action yourself or ask anyone else to do so on your behalf.

Proceedings and negotiations

- a. We control all claims.
- b. We require that you give us all information and assistance we may need:
 - i. to settle or defend claims, or
 - ii. to recover from others any amount we have paid for a claim.
- c. you must allow us to:
 - i. make admissions, settle or defend claims on your behalf, and
 - ii. take legal action in your name against another person to recover any payment we have made on a claim.
We may keep any amount we recover in priority to your right to recover any amount that you have lost which is not insured under this Policy, whether or not we have paid your claim in whole or in part.

Discharge of our liabilities

At any time we can pay to you or on your behalf, for all claims made against you for any one (1) occurrence:

- a. the limit of liability of the section under which the claim is made, after deducting any amounts already paid, or
- b. any lower sum for which the claim may be settled.

If we do so:

- i. the conduct of any outstanding claim(s) will become your responsibility, and
- ii. we will not be liable to pay any further amounts other than costs, charges, or expenses that we agreed to pay before we made the payment referred to above.

Limits and excess

- a. We will not pay more than the sum insured in respect of any claim:
 - i. other than those benefits that are identified as payable in addition to the sum insured, or
 - ii. unless we agree in writing to pay legal costs or expenses in relation to a claim.
- b. You must pay the amount of any excess shown on your Policy Schedule for each claim you make. Payment of your excess may be requested when you lodge your claim form or may be deducted from our payment to you.
- c. If you suffer damage which leads to a claim under more than one (1) section of this Policy:
 - i. the highest applicable excess is payable, but
 - ii. only one (1) excess is payable.

Inspection and salvage

- a. You must give us access to your property and the location or make them available to us for inspection if you make a claim.
- b. You must allow us to take possession of any damaged property and deal with it in a reasonable manner. If we do not take possession of the damaged property, you cannot abandon your responsibilities for the property.

Other insurances

At the time you make a claim, you must give us written notice of any other insurance covering the property or legal liability which may also apply to your claim.

Contribution

When a loss paid under this Policy is also recoverable under another policy and we have paid more than our rateable share, we reserve the right to seek contribution from the other insurer or insurers.

False claims

If you, or someone acting on your behalf makes a false claim, or causes loss or damage deliberately, we may:

- a. refuse to pay the claim,
- b. cancel this Policy, or
- c. take legal action against you.

Insurance Contracts Act 1984 (Cth)

Nothing contained in this Policy is to be construed to reduce or waive either your or our privileges, rights or remedies available under the *Insurance Contracts Act 1984 (Cth)* (Act).

Due observance

If you fail to comply with any term, condition or provision of the Policy, we may refuse to pay a claim. However our rights will be subject to the provisions of Section 54 of the *Insurance Contracts Act 1984* (Cth) (the Act).

Words with special meaning

Wherever the words listed below are used in the Policy wording, they mean what is set out below.

Where other words and terms are only used in one section of the Policy, we'll describe their special meaning in that section.

Word or term	Meaning
Australia	the Commonwealth of Australia, its dependencies and Territories.
Business	the trade or occupation described on your Policy Schedule (and no other for the purpose of this insurance) carried on at and from the location.
Business hours	your office and working hours (including overtime) during which you or your employees are on the location for the purpose of your business.
Excess	<p>the amount specified on your Policy Schedule, payable by you on each and every claim arising out of one (1) event or occurrence under that Policy section.</p> <p>Should more than one (1) excess be payable under this Policy for any claim or series of claims arising from the one (1) event, such excesses will not be aggregated and the highest single level of excess only will apply.</p>
Flood	<p>the covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:</p> <ol style="list-style-type: none"> a lake (whether or not it has been altered or modified); a river (whether or not it has been altered or modified); a creek (whether or not it has been altered or modified); another natural watercourse (whether or not it has been altered or modified); a reservoir; a canal; a dam.
Location/s	the place(s) listed on your Policy Schedule where you carry out your business.
Market value	the retail value of items of a similar type, age and condition, with adjustment for its special features, if any. Used price guides and any other information may be used to assist in determining market value.

Word or term	Meaning
Money	cash, notes, negotiable instruments, cheques, postal notes, post office money orders, negotiable securities, stamps, credit card sales vouchers, instant lottery tickets, bus or transport tickets, telephone credit cards or franking machine credits.
Period of insurance	the period shown on your Policy Schedule.
Policy	includes this Policy wording, your Policy Schedule and any future documents issued to you which amends the Policy wording or Policy Schedule
Policy Schedule	the schedule of insurance, or any future renewal schedule, or endorsement schedule.
Safe or strongroom	a container or structure which has been specifically designed for the safe storage of money or valuables and is designed compliant with Australian standards to protect the contents against fire and to resist unauthorised opening by hand-held or power operated tools.
Senior Counsel	a person entitled to use the letters 'QC' or 'SC' in any one (1) or more superior Court in Australia or New Zealand.
We, us, our	QBE Insurance (Australia) Limited, ABN 78 003 191 035.
You, your	the person(s), companies or firms named on your current Policy Schedule as the 'Insured'.

Property section

1. Definitions applying to this section

Word or term	Meaning
1.1 Buildings	<p>all buildings, including:</p> <ul style="list-style-type: none"> a. lessors' fixtures and fittings including fixed carpets and floor coverings, b. all services to the buildings, c. all other structural improvements at the location including outbuildings, shelters, verandas, carports, fencing, gates, paths and roadways. <p>Buildings do not include:</p> <ul style="list-style-type: none"> d. machinery, e. stock, f. contents, g. land, dams, bridges, canals, tunnels, railway tracks (not at the address), h. property located in an underground mine.
1.2 Contents	<p>all stock in trade and merchandise, including trading stock in the course of production, business furniture, machinery, plant and equipment belonging to you or for destruction or damage for which you are responsible or for which you have assumed responsibility to insure prior to the occurrence of any destruction or damage.</p> <p>Contents also includes:</p> <ul style="list-style-type: none"> a. customers' goods for which you are responsible or for which you have assumed responsibility to insure prior to any destruction or damage, b. patterns, models, moulds, dies and lasts. We will pay the cost of repair or replacement, or if not repaired or replaced, the value standing in your financial records, whichever is the lesser, c. improvements, alterations, decorations, fittings and additions to leased buildings which have been made by you and for which you are not entitled to be reimbursed by the lessor in the event of destruction or damage, d. lessors' fixtures, fittings and fixed carpets and floor coverings for which you are legally responsible, unless insured by you as part of 1.1 Buildings – item (a), e. the buildings (for which you are responsible under the terms of any lease), caused by theft or attempted theft, f. antiques, curiosities and works of art limited to \$10,000 for any one (1) article (unless specified otherwise on your Policy Schedule,

Word or term	Meaning
	<p>Contents do not include:</p> <ul style="list-style-type: none"> g. growing crops, trees or any other plants, h. animals or any other living organism, i. motor vehicles, watercraft and aircraft which are not stock, j. jewellery, furs, bullion, articles containing gold or silver which are not stock, k. land, dams, bridges, canals, roadways, tunnels, railway tracks (not at the address), wharves, docks, jetties, pontoons, piers or similar structures, l. property located in an underground mine, m. money, security documents, stamps or explosives.
1.3 Records and documents	<p>written, printed, filmed or taped records (including computer records), deeds, plans or drawings or documents of any other type which are:</p> <ul style="list-style-type: none"> a. used in the business, b. in a building at the location, and c. are owned by you or are in your custody in the ordinary course of the business.
1.4 Sea	oceans, bays, ports or tidal waters.
1.5 Stock	<p>the items belonging to you or for which you are legally responsible or have assumed a responsibility to insure described below:</p> <ul style="list-style-type: none"> a. merchandise or materials of trade manufactured, unmanufactured or in the course of manufacture, including the value of work done, b. materials used in making or packing, c. consignment stock, d. goods held in trust or on commission.
1.6 Water	includes snow, sleet or hail.

2. Cover

We will indemnify you up to the limit specified on your Policy Schedule in respect of physical loss of or damage to:

- a. buildings,
- b. contents,
- c. other interests as defined on your Policy Schedule,

directly caused by an insured event.

3. Insured events

3.1

- a. Fire
Fire, but not loss or damage to any property undergoing heating or the direct application of heat. This exclusion is limited to the item(s) immediately affected and will not apply to other property damaged as a result of such application of heat.
- b. Molten material
Escape of molten material from its normal confines on or about the business premises but excluding:
 - a. the cost of repairing any fault which enabled such escape,
 - b. the cost of retrieving or removing escaped material from any escape channel or catchment area designed for the purpose,
 - c. loss of or damage to such escaped material,
 - d. loss or destruction of or damage to furnace linings, crucibles, moulds, other containers or ladles from which molten material escapes.

3.2 Lightning

3.3 Wind and water

Wind and water including water and any other liquid discharged from mains, pipes, gutters, drains, tanks or fixed apparatus used to hold or carry liquids, but not loss or damage:

- a. by sea, tidal wave, high water, storm surge, flood, erosion, subsidence, landslide, mudslide or settling,
- b. by steam or condensation,
- c. by water seeping from outside the premises,
- d. to shade sails, shade cloths, plastic or textile awnings, plastic or textile blinds, artificial playing surfaces, shade houses and any type of hot or glass house,
- e. to property in the open air unless such property comprises part of a permanent structure designed to function without the protection of walls or roofs,
- f. to gates, fences, retaining walls, signs,
- g. to buildings while they are being built that do not have all walls, doors, and roofs completely fixed.

Exclusion (d) of Insured event 3.3 does not apply to the first \$20,000 of loss or damage in any one (1) period of insurance, provided that you must pay the first \$250 (or any higher amount specified on your Policy Schedule for this cover) of each and every claim arising out of one (1) event.

We will also cover the reasonable costs incurred in locating the source of insured loss or damage, where such loss or damage is caused by bursting or leaking of any mains, pipes, gutters, drains, tanks or fixed apparatus used to hold or carry water or other liquids, up to the sum of \$25,000 in any one (1) period of insurance. We will not pay for the repair or replacement of apparatus, pipe or tank itself.

3.4 Sprinkler leakage

- a. Water discharged or leaking from any automatic sprinkler or drencher installation or tank connected therewith.
- b. The indemnity granted will include expenses incurred for attendance of the fire brigade for the purpose of shutting off the water supply following accidental discharge of water from the automatic sprinkler or drencher system or the cost of removal of such water or cleaning operations incidental thereto.

However, this clause 3.4 will not include the cost of cleaning up any pollutant material which has gone beyond the boundaries of the location or has entered the public drainage system or any creeks or waterways.

3.5 Impact

Impact by:

- a. vehicles designed for use on land,
- b. animals, excluding animals kept on the premises,
- c. a falling tree or part of a tree but not if the loss or damage is caused by you or a person acting with your express or implied consent felling or lopping trees,
- d. a communication tower, mast, aerial, antennae or any satellite dish and other fixture attached thereto following collapse or breakage but not including damage to such tower, mast, antennae, satellite dish or fixture unless caused by an event insured by this Policy,
- e. a falling building or other structure or part thereof but not if such collapse is caused by:
 - i. lack of maintenance to a building or structure at the location; or
 - ii. demolition of a building or other structure at the location except for demolition following loss or damage otherwise insured by this section.
- f. watercraft

3.6 Explosion

All explosions including explosion or implosion of boilers, but excluding:

- a. damage to boilers and/or economisers and/or pressure vessels and their contents resulting from the explosion thereof, and
- b. damage to property which is insured by any other policy covering boiler explosion or sprinkler leakage, except for any amount beyond that payable for damage to the property under such other policy.

Exclusion (a) shall not apply to damage to a boiler or pressure vessel that:

- i. is used solely for domestic purposes; or
- ii. has a value of less than \$200,000.

3.7 Earthquake

Earthquake, tsunami, subterranean fire or volcanic eruption, or fire occasioned by or in consequence thereof provided that in respect of damage occurring during any one (1) period of forty eight (48) consecutive hours to buildings (which shall mean all buildings whether or not separated by roadways) and contents which are in the same ownership, at one (1) location and which form one (1) establishment, we will not be liable to pay or contribute the lesser of:

- a. the first \$20,000, or
- b. an amount equal to 1% of the total sum insured at the location.

The amount calculated under clauses 3.7(a) or 3.7(b) will first be deducted from the amount of each claim, as finally determined, for loss arising out of any one (1) event.

3.8 Aircraft

Aircraft and other aerial devices and/or articles dropped from its sonic boom and space debris.

3.9 Riots and strikes

The acts of:

- a. persons taking part in riots or civil commotion or strike or lock-outs or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation, but excluding damage caused directly or indirectly by total or partial cessation of work or the retarding or interruption or cessation of any process or operation, or
- b. any lawfully constituted authority in connection with the acts referred to in clause 3.9(a).

3.10 Vandalism

The acts of vandals or persons of malicious intent (including persons carrying out a theft or attempted theft) provided that the police are immediately informed of any damage, but excluding:

- a. loss or damage caused by tenants other than fire or explosion, or
- b. persons specified in Insured event, clause 3.9, or
- c. theft of contents,
- d. theft of building greater than \$2,000,
- e. caused by you or anyone who permanently or temporarily resides with you.

We will not cover loss or damage to any item insurable under the glass section of this Policy, whether such section is taken or not.

3.11 Accidental damage

- a. Loss of or damage to buildings or contents caused by any accident except loss or damage caused by:
 - i. Insured events 3.1 to 3.10 or by any event or circumstance excluded therein;
 - ii. theft or armed hold-up, or such attempt;
 - iii. fraudulent or dishonest acts by your employees;
 - iv. wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;

- v. the action of animals (including but not limited to birds, moths, termites or other insects, vermin), rust or oxidation, mildew, mould, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour, texture or finish;
- vi. error or omission in design, plan or specification or failure of design;
- vii. faulty materials or faulty workmanship;
- viii. any order of any government, public or local authority including the confiscation, nationalisation, requisition, repossession of or damage to any property;
- ix. incorrect sitting of buildings as a result of incorrect design or specification;
- x. unexplained inventory shortage, unexplained disappearance, disappearance resulting from clerical or accounting errors or shortage in the supply or delivery of materials to or from you;
- xi. consequential loss of any kind;
- xii. machinery breakdown, electrical or electronic breakdown, how so ever caused;
- xiii. computer virus;
- xiv. any person deliberately switching off or disconnecting the power supply;
- xv. loss of or damage to property directly or indirectly caused by or contributed to by normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration.

b. We will not cover loss or damage to:

- i. live animals, birds or fish or any other living creature;
- ii. any property in transit;
- iii. any item insurable under the glass, machinery breakdown or electronic equipment sections of this Policy;
- iv. property during the course of, and as a result of, its processing;
- v. alterations and additions when the value of work exceeds 10% of the sum insured or \$250,000 whichever is the lesser.

The total amount payable under Insured event 3.11 for any one (1) item or items which are subject to loss or damage from any one (1) event are limited to:

- i. the lesser of \$250,000 or the building and contents sum insured under this property section; or
- ii. the sum insured shown for accidental damage on your Policy schedule;

whichever is the greater.

4. Additional benefits

We will cover:

4.1 Property temporarily removed

Property temporarily removed from the location to any other premises within Australia and in transit there and back, up to an amount of 20% of the contents and stock sum insured, but only to the extent that the sum insured on that item is not otherwise exhausted.

We do not cover:

- a. stock already sold and in transit to a customer, portable computers, portable hand held equipment and mobile phones,
- b. property which has been removed for a period in excess of 90 consecutive days without our prior written agreement to continue cover,
- c. property on hire at a location other than that shown on your Policy Schedule.

clause 3.11 Accidental damage of Insured event does not apply to this additional benefit.

4.2 Architects and other fees

- a. Architects, surveyors and legal fees
Architects, surveyors and legal fees, all necessarily incurred in the repair or reinstatement of damage to your property following loss or damage for which a claim is admissible under this section but only to the extent that the sum insured on that item is not otherwise exhausted.

- b. Government fees
Any fee, contribution or other impost payable to any government, local government or other statutory authority, incurred by you as a condition precedent to the obtaining of consent to reinstate any property insured under this section.
We will not be liable for payment of any fine or penalty imposed on you by such authorities.
The maximum we will pay under this additional benefit 4.2(b) is \$10,000.

- c. Discharge of mortgage
Reasonable legal costs and fees payable by you, to discharge any mortgage on buildings or contents that are considered by us to be a total loss.

We will pay:

- i. for buildings or contents, up to the balance of the sum insured for the applicable item of property where such balance is not otherwise exhausted;
- ii. for buildings only and when the sum insured is exhausted, up to 10% of the sum insured for such buildings or \$25,000, whichever is the lesser.

In addition to the sum insured shown on your Policy Schedule against the item (where appropriate), we will also cover:

4.3 Peak period increases

Peak period increases of 50% in the stock sum insured during the following periods (unless otherwise shown on your Policy Schedule):

- a. from sixty (60) days before Christmas Day to the twentieth day following, both days inclusive,
- b. from thirty (30) days before Easter Sunday to the twentieth day following, both days inclusive,
- c. any other period shown on your Policy Schedule, in lieu of the covers in (a) and (b) above.

Provided you can 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.

4.4 Rewriting of records

The cost of rewriting or reproducing necessary written or printed documents, computer system records, business records, plans and designs limited to an amount equal to 10% of the contents sum insured or \$50,000, whichever is the lesser.

4.5 Loss of land value

Up to \$100,000 for the reduction in land value which shall be the value certified by the valuer general or other competent person or authority selected by us, that results from the requirements of any legal authority that does not allow rebuilding or only partial rebuilding at the location following loss or damage covered under this section.

Provided that:

- a. this will be calculated by subtracting the land value after rebuilding or after we have agreed that rebuilding is not possible from the land value before the damage, and
- b. we will not pay more than 10% of the sum insured shown for buildings at the premises where the damage happened.

Clause 6.1 of Special conditions does not apply in respect of this benefit.

4.6 Fire extinguishment costs

Fire extinguishment costs to a maximum of \$25,000 covering:

- a. wages of your employees,
- b. the cost of replenishment of fire fighting appliances or damage to materials (including employees' clothing and personal effects) unless otherwise specifically insured,
- c. the costs you are liable for under the Fire Brigades Act or similar or superseding legislation of any Australian State or Territory,

provided always that our liability in respect of these costs will be limited to those necessarily and reasonably incurred in extinguishing fires at or adjoining the location of the property insured by this section or immediately threatening to involve such property.

4.7 Removal of debris, temporary repairs and temporary protection

The cost of removal, storage and disposal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs and temporary protection as a direct result of an insured event up to a maximum amount of:

- a. \$25,000, or
- b. the amount specified on your Policy Schedule, or
- c. the extent that the sum insured on buildings and contents (whichever is applicable) is not otherwise exhausted,

whichever is the greater.

4.8 Employee's tools, equipment, personal effects and clothing.

Personal property of directors and employees of your business if:

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

Cover is limited to \$5,000 any one (1) person but if any person is entitled to indemnity under any other policy of insurance effected by him/her or by any person other than you, this cover will only apply in respect of any amount in excess of that provided by such other policy. There is no cover for you or any person named as the insured on your Policy Schedule.

4.9 Landscaping

Notwithstanding clause 3.11(b)(i) of Insured events the cost of loss of or damage to landscaping which will include trees, shrubs, plants and lawns, including expenses reasonably incurred in clearing, cleaning or repairing drains, gutters, sewers, pipes, tanks or fixed apparatus resulting from an insured event (other than event in clause 3.3).

Our liability will not exceed the sum of \$10,000 for any one (1) loss.

4.10 New premises – Temporary cover

We will temporarily extend cover provided by this section to property at any new situation first occupied by you during the period of insurance provided that:

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

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

4.11 Capital addition – Contents

Cover for contents insured at any one (1) situation is extended to include any alterations or additions to contents (excluding stock) to an amount not exceeding 20% of the sum insured on contents at that situation, or \$200,000 whichever is the lesser sum.

4.12 Prevention of damage

Cover is extended to include costs incurred to extinguish a fire on or in the vicinity of your premises which threatens damage to your property or for costs to prevent or diminish imminent damage to your property by any other insured event including the removal of property from your premises subject to a limit of \$20,000 for any one (1) claim.

4.13 Catastrophe escalation cost

If any of your buildings are damaged by any event insured against by this Policy section, and:

- a. we classify such damage as a total loss, and
- b. the event giving rise to the damage has resulted in any competent authority declaring a state of emergency affecting the area in which your damaged building is situated,

we will increase the sum insured applicable to such buildings under this section by up to 20% provided that your building is rebuilt to cover any increase in building costs for labour and materials and any other additional costs which may apply after the event.

Provided that:

- i. we will not pay more than the increased building costs which are actually incurred by you.
- ii. we will not pay any amount under this Additional benefit until you have incurred costs exceeding the sum insured applicable to such building under this section.

Increase in 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 event not occurred.

4.14 Capital additions - buildings

Cover for buildings insured at any one (1) situation is extended to include any alterations and additions to buildings commenced during the period of insurance if the value of such alterations and additions does not exceed 20% of the sum insured on buildings or \$500,000 whichever is the lesser.

4.15 Environmental upgrade

If you elect to repair or replace property that is lost, damaged or destroyed during the period of insurance, using or with more environmentally friendly technology, products or materials, that improve the energy and water efficiency of the property, we will pay you up to 10% more than the amount we would otherwise have paid to repair or replace the item that is being upgraded.

5. Basis of settlement

Unless otherwise specified on your Policy Schedule, claims will be settled on the basis of reinstatement and replacement and extra costs, as follows.

5.1 Reinstatement and replacement

'Reinstatement and replacement' shall mean:

- a. where property (excluding stock, customers goods and buildings awaiting or undergoing demolition) is destroyed,
 - i. if a building the rebuilding thereof; or
 - ii. if property other than a building the replacement thereof by similar property; in either case in a condition equal to but not better or more extensive than its condition when new.
- b. where property (excluding stock, customers goods and buildings awaiting or undergoing demolition) is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.
The basis of settlement of any claim will be the cost of reinstatement of the property destroyed or damaged at the time of such destruction or damage as follows:
 - i. The work of rebuilding, or replacement, or repairing as the case may be (which may be carried out on another site and in any manner suitable to your requirements but subject to our liability not being increased as a result), must be commenced and carried out with reasonable despatch, failing which we will effect settlement on an indemnity basis.

- ii. When any property to which this clause applies is damaged or destroyed in part only, our liability will not exceed the sum specified on your Policy Schedule.
 - iii. No payment beyond the amount which would have been payable under this section will be made until a sum equal to the cost of reinstatement is actually incurred. All other insurances covering the property by or on your behalf will be on a similar reinstatement basis.
- c. where stock or customers goods are destroyed or damaged, we will, at our option:
- i. pay the market value at the time of the loss or damage;
 - ii. replace or repair the stock with property or materials of the same or similar standard and specification of the stock or customers goods at the time of loss or damage;
 - iii. pay the cost of repair or replacement.
- d. where buildings awaiting or undergoing demolition are destroyed or damaged we will pay the salvage value of the damaged building materials, fixtures and fittings.

5.2 Extra cost

We will also pay in respect of property (excluding stock) insured under this section the extra cost of reinstatement including demolition or dismantling of such property necessarily incurred to comply with the requirements operative at the time of reinstatement of:

- a. any Act of Parliament or regulation made thereunder, or
- b. any by-law or regulation of any Municipal or other statutory authority, provided in either case that:
- c. the work of reinstatement (which may be carried out wholly or partially on another site if any Act, by-law or regulation of any Municipal or other statutory authority (in 5.2 (a) and (b) so necessitates subject to our liability not being thereby increased) must be commenced and carried out within a reasonable time failing which we will not be liable to make any payment beyond the amount which would have been payable under this section if this clause had not been incorporated therein,
- d. the amount recoverable will not include the additional cost incurred in complying with any Act, regulation, by-law regulation if the municipal or other statutory authority (in 5.2 (a) and (b)) or requirement with which you had to comply prior to the damage,
- e. Clause 6.1 will not be applied to the amount recoverable under this clause,
- f. 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:
 - i. be limited to the extra cost necessarily incurred in reinstating only that portion damaged; and
 - ii. not include any extra cost in relation to any portion of the property not damaged; and
 - iii. not exceed, in any event, the sum which we could have been called upon to pay if such property had been wholly destroyed.

5.3 Floor space ratio index (plot ratio)

Where buildings are damaged and reinstatement of such damage is limited or restricted by:

- a. any Act of Parliament or regulation thereunder, or
- b. any by-law or regulation of any Municipal or other statutory authority,

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

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

Provided that our liability under clauses 5.1, 5.2 and 5.3 in total, will not exceed, the limit of indemnity stated on your Policy Schedule in respect of the buildings which are the subject of the claim.

5.4 Indemnity

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

5.5 Undamaged foundations

Where a building, but not its foundations is destroyed and the work of reinstatement is carried out wholly or partially upon another site to meet the requirements of any Act, by-law or regulation of a Municipal or other statutory authority, the abandoned foundations will be considered as having been destroyed. Provided that any increase in the re-sale value of the land through the presence of the abandoned foundations shall be regarded as salvage and paid by you to us.

6. Special conditions

6.1 Co-insurance

In the event of loss or damage to property we will be liable for no greater proportion of the loss or damage than the sum insured at the location bears to 80% of:

- a. the replacement cost of the property insured at the commencement of the period of insurance (as if it had been totally destroyed), or
- b. the current value of the property insured if the basis of settlement is shown on your Policy Schedule as indemnity, provided that our liability will not exceed the sum insured stated against each item on your Policy Schedule.

This condition will not apply if the amount of any loss or damage does not exceed 5% of the total of the sums insured at the location.

Example:

The sum insured is declared as \$1,000,000.

Property damage totalling \$500,000 occurs from an event covered by the Policy.

The insurable value of such property at the commencement of the period of insurance is actually \$1,750,000.

Co-insurance applies because the declared value is less than 80% of the insurable value calculated in accordance with the basis of settlement applicable.

In this example, we would pay \$357,142.86 for the cost of reinstating your property, subject to the application of any excess(es).

Claim payment = $\$1,000,000 \times \$500,000 = \$357,142.86$

$\$1,750,000 \times 80\%$

6.2 Hazardous goods

Storage and use of hazardous goods usual to your business is allowed in the manner and quantities permitted by any Act of Parliament or regulation thereunder, or any by-law or regulation of any Municipal or other statutory authority. If you store or use hazardous goods other than as permitted above and such misuse or incorrect storage results in or contributes to damage or loss of property insured we may reduce or refuse to pay your claim.

6.3 Sprinkler installations

If a building insured under this section of cover is fitted with an automatic sprinkler system and you:

- a. own the building, or
- b. are responsible for operation or maintenance of the sprinkler system,

you must ensure that the system, including external alarms and connections to a fire station or other approved monitoring facility are at all times maintained in good condition and efficient working order.

Written notice must be provided to us of:

- i. alterations or additions to any such installations;
- ii. any disconnection of water supply or automatic alarm system during the course of maintenance where the total period of disconnection exceeds forty eight (48) hours over any seven (7) consecutive days.
Compliance with this condition shall be a condition precedent to our liability.

6.4 Tenants actions

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

- 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,
- 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.

7. Endorsement

Strata title mortgagee(s) interest

This cover only applies where indicated on your Policy Schedule as applying and:

- a. you own part of a building that has been subdivided into strata, community or similar title units, and
- b. you have a mortgage on that part of the building, and
- c. you have arranged this Policy to insure only the interest the mortgagee.
We will pay the mortgagee the lowest of:
 - d. the sum insured shown on your Policy Schedule,
 - e. the amount to repair the damage to a condition similar to but no better than when new,
 - f. if the body corporate (or similar) partially covers the loss, then the difference between what the body corporate insurance pays and the cost of the damage, or
 - g. 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:
 - h. a claim would be payable under Insured events 3.1 to 3.10 of the property section (and not subject to any exclusions or other limitation in the Policy), and
 - i. the policy of the body corporate or similar does not apply or only partially covers the loss, and
 - j. the mortgagee requires you to discharge your mortgage.

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

Business interruption section

1. Definitions applying to this section

Word or term	Meaning
1.1 Accountant	a professional accountant to be appointed by both you and us or failing such appointment nominated by the President of the Institute of Chartered Accountants in Australia or by the President of the Australian Society of CPA's.
1.2 Annual income	the gross income during the twelve (12) months immediately before the date of damage, to which adjustment shall be made to reflect the trend in the business and any other circumstances in order to arrive at the same result that would have been obtained had the damage not occurred.
1.3 Average weekly income	the average weekly gross income during the fifty two (52) weeks immediately before the damage (or such lesser period in the event that your business has been in operation for less than fifty two (52) weeks) to which adjustment shall be made to reflect the trend in the business and any other circumstances in order to arrive at the same result that would have been obtained had the damage not occurred.
1.4 Gross income	the money paid or payable to you for goods sold and/or services rendered or for rental received or payable (plus outgoings as defined or specified in any lease) to you in the course of the business less uninsured working expenses.
1.5 Indemnity period	the period beginning with the occurrence of the damage and ending not later than the number of weeks or months stated on your Policy Schedule during which the results of the business will be affected in consequence of the damage.
1.6 Outstanding accounts receivable	<p>the total amount owed to the business by customers as at the end of the month immediately prior to the date of the damage adjusted for:</p> <ol style="list-style-type: none"> bad debts, amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of damage) to customers' accounts in the period between the date to which the last statement relates and the date of the damage, and any abnormal condition of trade which had or could have had a material effect on the business, so that the figures thus adjusted will represent as nearly as reasonably practicable those which would have been attained at the date of the damage had the damage not occurred.

Word or term	Meaning
1.7 Payroll	<p>the amount you pay:</p> <ol style="list-style-type: none"> employees for wages, bonuses, holiday pay and sick pay, for payroll tax, fringe benefits tax, workers' compensation insurance premiums, accident compensation levies, superannuation, health insurance and pension fund levies.
1.8 Standard income	the gross income during that period corresponding with the indemnity period in the twelve (12) months immediately before the date of the damage, adjusted to reflect the trend in the business and any other circumstances in order to arrive at the same result that would have been obtained had the damage not occurred
1.9 Uninsured working expenses	<ol style="list-style-type: none"> the cost to purchase stock, and the working expenses you have chosen not to cover, <p>shown on your Policy Schedule.</p>
1.10 Weekly income	the gross income received by you for each week the business is in operation.

2. Cover

We will indemnify you up to the limits specified on your Policy Schedule for loss of gross income, weekly income or payroll cover (as selected by you and shown on your Policy Schedule) resulting from interruption or interference to the business caused by loss or damage to property insured under the property, theft, money, general property or glass sections or any other policy insuring the same events and for which liability is admitted unless liability is not admitted solely due to the operation of or provision in any such section or policy excluding liability for loss below a specified amount, or caused by an explosion of a boiler or economiser on the premises.

2.1 Gross income

Where gross income has been selected, the amount payable as indemnity shall be:

- In respect of reduction of gross income, the amount by which the gross income earned during the indemnity period shall in consequence of the damage fall short of the standard income.
- Additional expenditure necessarily and reasonably incurred with our consent for the sole purpose of avoiding or diminishing the reduction in the gross income of the business caused by the loss or damage.

The amount expended shall not exceed the reduction in gross income thereby avoided (less expenses saved as a result of the damage).

2.2 Weekly income

Where weekly income has been selected, the amount payable as indemnity shall be:

- a. the percentage of the weekly sum insured that the reduction in your weekly income bears to the average weekly income, provided that the interruption or interference to the business is for a period exceeding one (1) week and our liability shall not exceed the average weekly income,
- b. additional expenditure necessarily and reasonably incurred with our consent for the sole purpose of avoiding or diminishing the reduction in the weekly income of the business caused by the loss or damage.

The amount expended shall not exceed the reduction in weekly income thereby avoided (less expenses saved as a result of the damage).

2.3 Payroll cover

We will cover the reasonable and necessary payroll costs you incur during the indemnity period following a claim under the 'Business interruption section' to:

- a. reduce or avoid loss of turnover,
- b. maintain normal business operations and service,
- c. resume normal business operations and service, and/or
- d. pay out payroll in lieu of notice,

up to the amount of the sum insured shown on your Policy Schedule.

Special condition

If your Policy Schedule shows you are covered for payroll cover, then payroll will be treated as an uninsured working expense.

3. Additional benefits

In respect of claims under additional benefits 3.1 to 3.7 inclusive we shall not be liable for the first two (2) normal trading days of any loss resulting from the interruption or interference and our total liability shall not exceed 20% of the amount insured under this Policy section as gross income or weekly income, whichever is selected.

The indemnity under this section is extended to include interruption or interference with your business in consequence of:

3.1 Prevention of access

- a. damage by any insured event covered by the property section to property within a twenty (20) kilometre radius of your premises or to property forming part of or contained in a complex of which the location forms part,
- b. bomb threat,
- c. closure or evacuation of all or part of the premises by order of a competent government, public or statutory authority as a result of:
 - i. food poisoning, murder or suicide; or
 - ii. infectious or contagious human diseases; within a twenty (20) kilometre radius of your premises.
However there is no cover for highly pathogenic Avian Influenza or any disease declared to be a listed human disease under the *Biosecurity Act 2015* (as amended) irrespective of whether discovered at the location of your premises, or out-breaking elsewhere.

- d. closure or evacuation of all or part of the premises by order of a competent government, public or statutory authority as a result of:
 - i. vermin or other animal pests; or
 - ii. incorrect operation of drains or other sanitary arrangements; at the location.

which shall prevent or hinder the use of your building or access thereto, or results in a cessation or diminution of trade due to temporary falling away of potential customers.

3.2 Public utilities, customers and suppliers extension

Where damage occurs within Australia at:

- a. an electricity power station or substation,
- b. a gas supplier,
- c. water or sewerage services,
- d. land based telecommunications installations,
- e. a customer's premises,
- f. a supplier or manufacturer of goods, components or materials,
- g. a repairer's premises, or
- h. storage or processing premises not occupied by you,

and these premises supply goods or services utilised by you, or you, supply goods or services to them, where damage is caused by and would be covered by an insured event listed in the property section of this Policy, the consequential reduction of gross income or weekly income resulting from such interruption or interference shall be deemed to be loss resulting from loss or damage to property used by you at your premises.

3.3 Transport infrastructure

Where damage occurs within Australia, but outside any premises occupied by you to roads, bridges and rail lines over which property is conveyed to or from your premises (but not including damage by flood), and such damage is caused by and would be covered by an insured event listed in the property section of this Policy, the consequential reduction of gross income or weekly income resulting from such interruption or interference shall be deemed to be loss resulting from loss or damage to property used by you at your premises.

3.4 Transit

Damage to property owned by the insured or for which the insured is responsible whilst in transit by road, rail, sea or air to any place in Australia away from your premises caused by an insured event which would be covered under the property section of this Policy.

3.5 Computer installation

Damage caused by an insured event which would be covered under the property section of this Policy, to a computer installation within Australia, including any ancillary equipment and data processing media, utilised by you.

3.6 Documents temporarily removed

Damage caused by an insured event which would be covered under the property section of this Policy to any of your documents or documents held in trust by you while:

- a. temporarily at premises in Australia, not occupied by you, or
- b. in transit to any place in Australia.

3.7 Motor vehicles owned or operated by you

Loss or damage to any registered motor vehicle or trailer owned by or operated by you, while such vehicles are at the premises or at other premises in Australia.

This section also extends to include liability for:

3.8 Additional increased cost of working

If you have chosen to insure gross income or weekly income, we will pay up to \$25,000 for the additional expenditure, not otherwise recoverable under any other cover option in this section, you reasonably incur to minimise the effect of the loss or damage to the business during the indemnity period.

3.9 Fines, damages & penalties

- a. fines or damages for breach of contract resulting from non-completion or late completion of orders. We will not pay for exemplary, punitive or aggravated damages, or
- b. the discharge of contract purchases, cancellation notices, fines or damages for breach of contracts for the purchase of goods or services you cannot use during the indemnity period, less the value of these goods to you or the amount received for their sale,

but only where such is due to damage to the property insured which has resulted in an admissible claim under the property section or the theft section of this Policy.

Under this additional benefit, the maximum we will pay is 5% of the gross income or weekly income sum insured of this Policy section within any one (1) period of insurance.

3.10 Government incentives

The monetary loss of gross income is extended to include the loss of any government-approved incentives, subsidies or market development allowances you are entitled to in relation to your business.

This only applies if the loss of these benefits was caused as a result of damage to the property insured which has resulted in an admissible claim under the property section or theft section of this Policy.

Under this additional benefit, the maximum we will pay within any one (1) period of insurance is 10% of the gross income or weekly income sum insured of this Policy section.

3.11 Claim preparation costs

Reasonable fees (including but not limited to external claim specialists) and such other reasonable expenses as are necessarily incurred by you with our consent for preparation of claims under the property, business interruption and theft sections of this Policy and which are not otherwise recoverable under this Policy, up to the sum of \$20,000 or the amount shown on your Policy Schedule, whichever is the greater.

3.12 Outstanding accounts receivable

Subject to the terms, conditions and exclusions of optional benefit, outstanding accounts receivable, we will automatically cover you to a limit of \$7,500 any one (1) claim, or the amount shown on your Policy Schedule whichever is the greater.

3.13 Accumulated stocks provision

In adjusting any loss, an account shall be taken and due allowance made if any shortage in gross income or weekly income due to the interruption or interference is postponed by reason of the gross income or weekly income being temporarily maintained from accumulated stocks of finished goods.

3.14 Interim claim payments

When a claim is payable for a loss recoverable under this section we will, if required by you and at intervals to be mutually agreed, make interim payments as calculated from any loss adjuster's report or other information and documentation supplied to us.

3.15 Re-writing of records

Where you have selected to insure gross income or weekly income, we will cover the reasonable clerical and professional costs incurred to re-write your necessary business records if they are damaged by an event for which you are covered.

We will not pay for any financial loss caused by the loss of your records under this optional benefit.

The maximum amount we will pay for any event is \$20,000 or the amount shown on your Policy Schedule, whichever is the greater.

This additional benefit is in addition to your gross income or weekly income sum insured and is also in addition to additional benefit 4.4 rewriting of records under the property section.

4. Optional benefits

Applies only where indicated on your Policy Schedule as being operative.

4.1 Outstanding accounts receivable

Notwithstanding the cover provided by Additional benefit 3.12 outstanding accounts receivable, we will indemnify you up to the limit specified on your Policy Schedule for loss of outstanding accounts receivable resulting from loss or damage to your business records contained in the location, by events insured by the property section or theft section of this Policy.

The Insurance is limited to:

- a. the difference between:
 - i. the outstanding accounts receivable, and
 - ii. the total of the amount received or traced in respect thereof,
- b. the additional expenditure incurred with our consent in tracing and establishing outstanding accounts receivable after the damage, provided that:
 - i. if the sum insured is less than the outstanding accounts receivable, the amount payable will be proportionally reduced;
 - ii. as soon as possible after the end of each month, you will record and store at alternative premises the total of the outstanding accounts receivable and these figures will be kept for a period of twelve (12) months.

4.2 Additional increased cost of working

If you have chosen to insure the additional increased cost of working, we will pay the additional expenditure, not otherwise recoverable under any other cover option in this section, you reasonably incur to minimise the effect of the loss or damage to the business during the indemnity period.

In addition to Additional benefit 3.8, we will not pay any more than the sum insured for additional increased cost of working shown on your Policy Schedule.

5. Departmental provision

If the business is conducted in departments the independent trading results of which are ascertainable, the cover provided by this section shall apply separately to each department affected by the loss or damage, except that if the sum insured under this section shall be less than the total of the gross income or weekly income (whichever is selected) for each department (whether affected by the loss or damage or not), the amount payable shall be proportionately reduced.

6. Conditions applying to this section

6.1 Co-insurance

If the sum insured on gross income is less than 80% of the annual income (or its proportionately increased multiple where the indemnity period exceeds twelve (12) months), the amount payable shall be proportionally reduced.

This condition will not apply if your claim is for less than 5% of the sum insured for gross income.

6.2 Assistance

On the happening of damage which results in a claim as soon as practicable you shall deliver to us a written statement of claim certified by an accountant and make available all books and records (including access to data stored on media) necessary for verification of the claim.

Theft section

1. Definitions applying to this section

Word or term	Meaning
1.1 Property	the property shown on your Policy Schedule.
1.2 Stock	stock in trade belonging to you or for which you are legally responsible, including all stock in which you may acquire an insurable interest during the period of insurance (but not including tobacco, cigarettes and cigars).
1.3 Contents	all contents used in the business including tools of trade, movable plant (excluding stock and registered motor vehicles and trailers), office machinery and equipment, furniture, fixtures and fittings and fixed machinery, customers' goods for which you are responsible or for which you have assumed responsibility to insure prior to any loss, destruction or damage.
1.3 Buildings	that part of a permanent and fixed structure with a roof and walls and which is capable of fully enclosing an area under the roof when all external doors and windows are closed. 'Building' does not include any yard or other open space, or any veranda, pergola, carport or other open sided structure which cannot be fully enclosed by the use of doors and/or windows.

2. Cover

We will pay you for loss of or damage to property, less the excess, up to the limits specified on your Policy Schedule.

We will pay:

- a. for contents, the replacement value at the time of its loss or damage,
- b. for stock, the current value at the time of its loss or damage, or

at our option reinstate or replace such contents or stock or any part thereof as a result of the following events:

2.1 Theft or attempted theft consequent upon the actual forcible and violent entry into any part of the building(s) at the location;

2.2 Theft or attempted theft thereof by a person concealed at the location followed by his/her exit therefrom after business hours;

2.3 Assault or violence, violent intimidation or threat thereof to you or your employees;

2.4 Theft, fraud or dishonesty by any of your employees provided that the loss is discovered within twenty one (21) days of its occurrence and our limit of liability, during any one (1) period of insurance shall not exceed \$2,500.

but 2.1 to 2.4 will exclude any loss by:

- a. theft in which any member of your household is involved as a principal or accessory,
- b. theft from any open space whether fenced or unfenced outside the walls of the building.

3. Exclusions

We will not cover loss of or damage to:

- 3.1 money;
- 3.2 documents, patterns, models, moulds, plans or designs, unless specified on your Policy Schedule;
- 3.3 tobacco, cigarettes or cigars, unless specified on your Policy Schedule;
- 3.4 growing crops, trees or any other plants;
- 3.5 animals or any other living organism;
- 3.6 jewellery, furs, bullion, precious stones, articles containing gold or silver which are not stock;
- 3.7 watercraft, aircraft or any accessories, equipment or spare parts while contained in or on a watercraft or aircraft unless they are stock and are on your business premises at the time of any loss or damage.

4. Theft protection condition

(not a condition unless indicated on your Policy Schedule)

If any alarm is fitted to the premises and you are responsible for this system we will not pay for loss or damage by theft unless the alarm system is:

- a. maintained in good condition and is working effectively,
- b. regularly tested in accordance with the manufacturer's recommendations, and
- c. engaged and operational outside business hours.

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

Compliance with this condition will be a condition precedent to our liability.

5. Additional benefits

5.1 Theft without forcible entry

Subject to the sum insured not being otherwise exhausted, we will cover you for losses of or damage to contents (excluding stock) resulting from theft without forcible and violent entry from within the buildings at the location up to an amount of \$2,000 or the amount shown on your Policy Schedule.

5.2 Replacement of locks, keys and combinations

In addition to the sum insured shown on your Policy Schedule, we will also pay up to an amount of \$5,000 for the cost of:

- a. recoding or replacing locks, keys and combinations that are used to lock your safe, strongroom or premises,
- b. opening safes or strongrooms,

as a result of burglary or attempted burglary of insured property occurring during the period of insurance and insured by this section.

Clause 5.2 (a) of this additional benefit will also apply if there are reasonable grounds to suspect that keys or combinations have been stolen or copied without your permission.

5.3 Employee's tools, equipment, personal effects and clothing

Personal property of directors and employees of your business if:

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

Cover is limited to \$5,000 for any one (1) person but if any person is entitled to indemnity under any other policy of insurance effected by him/her or by any person other than you, this cover will only apply in respect of any amount in excess of that provided by such other policy. There is no cover for you or any person named as the insured on your Policy Schedule.

5.4 Peak period increases

Peak period increases of 50% in the stock sum insured apply during the following periods (unless otherwise shown on your Policy Schedule):

- a. from sixty (60) days before Christmas day to the 20th day following, both days inclusive,
- b. from thirty (30) days before Easter Sunday to the 20th day following, both days inclusive,
- c. from fourteen (14) days before any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) to seven (7) days after the same festive, religious or ethnic event or celebration,
- d. any other period shown on your Policy Schedule, in lieu of the covers in (a), (b) and (c) above.

Provided you can demonstrate that the stock levels during such period has 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 your sum insured for stock is included in another item on your Policy Schedule we will only apply the increase to the portion of the sum insured which relates to stock.

5.5 Loss of negotiable securities

If, as a result of events 2.1, 2.2 or 2.3 occurring during the period of insurance you suffer loss of cash, bank notes, negotiable cheques, Australia Post money orders, negotiable securities, sales vouchers or stamps, we will pay you the amount of such loss not exceeding in total the sum of \$500.

5.6 Temporary protection

We will pay you for the cost of temporary protection necessarily incurred to secure the safety of the property insured pending repair of the damage, provided that our total liability during any one (1) period of insurance for all such costs of temporary protection shall be limited to the sum of \$5,000.

5.7 Buildings, fixtures and fittings

We will pay for:

- a. damage to any building owned by you where such damage is caused by forcible and violent entry or exit, or any attempt thereat,
- b. loss of or damage to fixtures, fittings and services to your building(s) caused by theft or attempted theft (with or without evidence of forcible entry). Provided that the fixtures, fittings or services are permanently fixed to the building and not attached only by a flexible cord or conduit to a gas, water or electricity supply point.

Our total liability during any one (1) period of insurance for all such loss or damage shall be limited to the sum of \$5,000.

5.8 Rewriting records

We will pay the cost of rewriting or reproducing necessary written or printed documents, computer system records, business records, plans and designs limited to an amount not exceeding the sum of \$5,000 for any one (1) occurrence.

5.9 Temporary removal

We will cover your contents whilst temporarily removed from your building(s) at the location(s) specified on your Policy Schedule to any other building(s) in Australia.

Provided that we will not cover:

- a. your stock held by others on consignment,
- b. money,
- c. directors or employees tools, equipment, personal effects and clothing,
- d. property that has been removed for a period exceeding ninety (90) consecutive days unless we have agreed in writing to continue cover,
- e. theft unless consequent upon actual forcible and violent entry into the building at the other location.

The maximum we will pay is 20% of the total sum insured of the location specified with the highest sum insured shown on your Policy Schedule for this section of cover.

5.10 New premises (ongoing or temporary occupation) – Temporary cover

We will temporarily extend cover provided by this section to property at any new situation first occupied by you during the period of insurance provided that:

- a. this temporary cover period is limited to the lesser of,
 - i. thirty (30) days from the date you acquire or commence using the premises; or
 - ii. the expiry date of the current period of insurance; or
 - iii. the date on which the property ceases to belong to you;
- b. the property is used for the business described on your Policy Schedule,
- c. the property is of similar type to that already insured under this Policy section,
- d. the new premises comprise buildings of similar construction, fire and burglary protection as featured in any premises currently described on your Policy Schedule.

You must provide to us full details of the new premises within thirty (30) days of the commencement of this temporary cover. If we agree to continue the cover you must pay any additional premium that we may require.

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

Money section

1. Cover

We will cover you in the event of loss of or damage to money belonging to you and connected with the business, less the excess, up to the limits specified against each item on your Policy Schedule:

- 1.1 in transit anywhere in Australia or in a bank's night safe. Wages and salaries subsequent to transit will be covered until disbursed provided that if not paid out by the end of business hours on the day of transit; the money will be kept in a securely locked safe or strongroom outside business hours,
- 1.2 in the building(s) during business hours,
- 1.3 in the building(s) outside business hours,
- 1.4 in the building(s) whilst contained in an automatic teller machine or a locked safe or locked strongroom,
- 1.5 at your or your employee's residence.

2. Additional benefits

2.1 Peak period increases

Peak period increases of 50% in the sums insured apply during the following periods (unless otherwise shown on your Policy Schedule):

- a. from sixty (60) days before Christmas day to bank closing time on the first banking day thereafter, both days inclusive,
- b. from thirty (30) days before Easter Sunday to bank closing time on the first banking day thereafter, both days inclusive,
- c. on gazetted public or bank holidays, such period to include adjoining weekend periods. Our liability under this clause will cease at bank closing time on the next bank business day following the gazetted holiday.

This additional cover will not apply to item 1.3 (money in the building(s) outside business hours).

2.2 New premises (ongoing or temporary occupation) – Temporary cover

We will temporarily extend cover provided by this section to money at any new situation first occupied by you during the period of insurance provided that:

- a. this temporary cover period is limited to the lesser of:
 - i. thirty (30) days from the date you acquire or commence using the premises; or
 - ii. the expiry date of the current period of insurance;
- b. the premises are used for the business described on your Policy Schedule,
- c. the new premises comprise buildings of similar construction, fire and burglary protection as featured in any premises currently described on your Policy Schedule.

You must provide to us full details of the new premises within thirty (30) days of the commencement of this temporary cover. If we agree to continue the cover you must pay any additional premium that we may require.

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

2.3 Travellers money

Loss of money belonging to you, in the custody of an employee whilst travelling on business outside Australia, subject to a limit of \$5,000.

2.4 Counterfeit currency

We will indemnify you for losses sustained by you due to the acceptance in good faith, in exchange for merchandise, money or services, of counterfeit Australian currency notes, up to \$500 in any one (1) period of insurance.

2.5 Replacement of locks, keys and combinations

In addition to the sum insured shown on your Policy Schedule, we will also pay up to an amount of \$5,000 for the cost of:

- a. re-coding or replacing locks, keys and combinations that are used to lock your safe, strongroom or premises,
- b. opening safes or strongrooms,

as a result of burglary or attempted burglary of insured property occurring during the period of insurance and insured by this section.

Clause 2.5 (a) of this additional benefit will also apply if there are reasonable grounds to suspect that keys or combinations have been stolen or copied without your permission.

2.6 Safes, strongrooms, automatic teller machines

When you insure money under cover option 1.4, we will also pay up to an amount of \$5,000 in addition to the sum insured for that item for damage to safes or strongrooms or automatic teller machines as a result of theft or attempted theft of money.

2.7 Temporary protection and security guards

We will pay the costs necessarily and reasonably incurred by you in effecting temporary protection and the employment of guards/watchmen to safeguard the insured property as a result of theft or attempted theft of money occurring during the period of insurance and that is insured under this section.

The limit of our liability under this additional benefit is \$3,000 for any one (1) event.

3. Exclusions

We will not cover loss of money:

- 3.1 due to shortage resulting from clerical or accounting errors or loss due to errors in receiving or paying out,
- 3.2 not discovered within seven (7) working days of the occurrence,
- 3.3 due to your fraud or dishonesty or that of any member of your family, directors or partners,
- 3.4 exceeding \$2,500 during any one (1) period of insurance by or through the collusion of or any act of fraud or dishonesty by any of your employees,
- 3.5 carried by professional money carriers, professional carriers or common carriers,
- 3.6 from any unattended vehicle,
- 3.7 from any safe or strongroom opened by a key or by use of details of combination which have been left on the business premises outside business hours.

4. Theft protection condition

(not a condition unless indicated on your Policy Schedule)

If any alarm is fitted to the premises and you are responsible for this system we will not pay for loss or damage by theft unless the alarm system is:

- a. maintained in good condition and is working effectively,
- b. regularly tested in accordance with the manufacturer's recommendations, and
- c. engaged and operational during the time that the premises are closed for business and are not attended by you or any employees.

Compliance with this condition will be a condition precedent to our liability.

Glass section

1. Definitions applying to this section

Word or term	Meaning
Breakage	fracture extending through the entire thickness of the glass or vitreous china fixtures.
External glass	fixed glass in external windows, walls, doors, showcases, skylights.
Internal glass	glass in internal partitions, windows and doors, refrigerating cabinets, glass in counters, furniture, storage cabinets, shelving, interior showcases, fixed mirrors and other fixed internal glass including ceramic vitreous china urinals and toilet pans and hand basins.
Vandalism	intentional damage other than breakage to external and internal glass by third parties other than family or employees.

2. Cover

We will cover you, less the excess, in respect of breakage of, or vandalism to external glass and internal glass as indicated on your Policy Schedule which occurs during the period of insurance at the location belonging to you or for which you are legally responsible.

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

3. Exclusions

We will not cover:

3.1 breakage of:

- a. tubing or light fittings, and
- b. glass that was cracked, imperfect, chipped, or in poor condition before the period of insurance,
- c. glass caused by artificial heat,
- d. glass not fit for the purpose intended,
- e. glass or sanitary ware or sinks during installation, removal or work thereon or upon their framework or other fittings,
- f. glass which is stock,
- g. glass in any item normally carried by hand.

3.2 Breakage caused by:

- a. fire, explosion, storm, earthquake and flood,
- b. transit to or from your business premises,
- c. wear and tear.

4. Additional benefits

In the event of accidental breakage of insured glass, we will also pay up to \$5,000 in total under clauses 4.1 to 4.5 or the amount specified on your Policy Schedule, whichever is the greater, for all losses arising out of the one (1) occurrence.

4.1 Temporary protection and shuttering

The cost of, temporary shuttering, boarding up, the employment of security guards to safeguard the insured property, or other security protection necessary, pending replacement of the broken glass.

4.2 Items affixed to glass

Damage to, sign writing, ornamentation, security film, reflective materials or window tinting film, burglary alarm sensors, wiring, tape and connections affixed to the glass.

4.3 Shopfronts

Damage caused by violence to window frames, door frames and shop fronts.

4.4 Damage to property

Damage, or spoilage to contents and/or stock due to breakage of insured glass.

4.5 Damage to electric signs

Damage to electrically illuminated signs including those made of Perspex or plastic and we will pay even when other insured glass is not damaged.

General property section

1. Definitions applying to this section

Word or term	Meaning
Building	that part of a permanent and fixed structure with a roof and walls and which is capable of fully enclosing an area under the roof when all external doors and windows are closed. 'Building' does not include any yard or other open space, or any veranda, pergola, carport or other open sided structure which cannot be fully enclosed by the use of doors and/or windows.
Insured item	<p>the items which are specified on your Policy Schedule including carrying case and usual accessories and which are owned by you or for which you are legally responsible.</p> <p>Any item of insured property which is:</p> <ol style="list-style-type: none"> mobile plant, photographic or video equipment, mobile communication equipment, including telephones and radios, sporting equipment, electronic equipment, including computers, diaries, GPS units, and accessories of items (a) to (e) above, <p>must be individually described, identified and valued on your Policy Schedule.</p>
Insured item	<p>The maximum amount we will pay for any other item of insured property, which is not specifically described, identified and individually valued but is shown on your Policy Schedule under a general description or category of property is \$1,000 for any one (1) individual item.</p> <p>Property not categorised and described only in general terms as 'all property' or the like does not include;</p> <ol style="list-style-type: none"> items (a) to (f) above; stock; customers' property; vehicles, trailers, aircraft or watercraft; accessories, spare parts or tools of any of the items described in (iv) above; money.
Insured loss	loss or damage arising from a sudden and unforeseen accident occurring anywhere in Australia during the period of insurance.

2. Cover

2.1 We will cover insured items for insured loss.

2.2 Fire, theft, collision and other expressed perils

When 'Cover option A' is stated on your Policy Schedule, we will cover insured items for loss or damage occurring during the period of insurance anywhere in Australia caused by:

- Fire, lightning, explosion, malicious damage or vandalism,
- Theft following forcible and violent entry which causes visible damage to a locked vehicle or building,
- Theft of equipment securely attached to a vehicle through use of locks or padlocks, which results in visible damage to the securing devices,
- Collision or overturning of the conveying vehicle.

3. Basis of settlement

We will pay up to the sum insured for each insured item, less the excess:

3.1 For a total loss:

- where the insured item can be replaced, the cost to replace the item with the same or similar item equal to but no better or more extensive than its condition when new, or
- where the item cannot be replaced as it is no longer available or a similar item is not available, the sum insured, or
- where the item can be replaced but you prefer a cash settlement, the cost to replace the item with the same or similar item equal to but no better or more extensive than its condition when new less an equitable amount for age, wear, tear, depreciation and the general condition and remaining useful life of the item.

3.2 For a partial loss:

- the cost to repair the insured item to a condition equal to but no better or more extensive than its condition when new, or
- where the item can be repaired but you prefer a cash settlement, the cost to repair the item as above less an equitable amount for age, wear, tear, depreciation and the general condition and remaining useful life of the item.

4. Exclusions

4.1 We will not cover any loss or damage directly or indirectly caused by:

- mechanical, electronic or electrical breakdown or derangement unless as a consequence of an insured loss,
- cracking, scratching or breakage of glass or fragile items or surfaces unless as a consequence of insured loss,
- loss or damage caused by rust, or oxidation, mildew, mould, moths, vermin, insects, change of colour, or any process of heating, drying, cleaning, dyeing or alteration to any insured item,
- the action of light or atmospheric conditions or gradually developing conditions, vibration, wear, tear and/or depreciation,
- dishonesty by you or others to whom any insured item may be delivered, entrusted, loaned or rented,
- action of the sea, tidal wave, high water or flood,

- g. theft by employees,
- h. unexplained inventory shortage,
- i. theft, other than theft resulting from forcible and violent entry evidenced by visible damage to the securely locked portion of any building or vehicle containing any insured item.

4.2 We will not cover loss or damage to any sporting equipment whilst in use.

4.3 We will not cover any consequential loss or damage.

Machinery breakdown section

1. Definitions applying to this section

Word or term	Meaning
1.1 Plant and machinery	<p>electrical and mechanical items, including electronic and other integral parts of the insured items including boilers, pressure vessels and pressure pipe systems as defined in 1.2 below.</p> <p>'Plant and machinery' does not include:</p> <ul style="list-style-type: none"> a. vehicles or mobile plant, b. computers, electronic data processing equipment, office equipment, telecommunication transmitting and receiving equipment, audio visual amplification and surveillance equipment, c. research, diagnostic and electro medical equipment, d. televisions, videos, gambling or amusement machines, e. lifts or escalators.
1.2 Boilers, pressure vessels and pressure pipe systems	<p>the permanent structure of those insured items which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure) including all direct attachments connected to the permanent structure and includes with respect to boilers the rotating, reciprocating or electrical apparatus attached to them.</p>
1.3 Insured damage	<p>sudden and unforeseen physical loss or damage to the insured item which occurs during the period of insurance and requires immediate repair or replacement to allow continuation of use.</p>

2. Cover

We will cover you for insured damage to your plant and machinery, less any excess, up to the limits specified on your Policy Schedule.

3. Basis of settlement

3.1 In the event of insured damage under this section we will pay for the reasonable cost of repairs or replacement necessary to return the insured item to its former state of operation including:

- a. cost of dismantling, re erection and removal of debris,
- b. replacement of refrigerant lost from an insured item as a direct result of insured damage,
- c. charges for overtime and work on public holidays where necessarily and reasonably incurred,
- d. freight within the Commonwealth of Australia by any recognised scheduled service, and
- e. hire of a temporary replacement item during the time taken to repair damage to any insured item.

Provided the total of all these costs in clauses 3.1(c), 3.1(d) and 3.1(e) are limited to 50% of the normal cost of repair payable under this section.

Our liability inclusive of these additional costs shall not exceed the sum insured specified on your Policy Schedule.

3.2 All insured damage which can be repaired must be repaired, however should the item be uneconomical to repair due solely to the nature of the insured damage, settlement will be as follows:

- a. The cost of replacement of the insured item by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the insured item when new, or
- b. The sum insured for the insured item,

whichever is the lesser.

3.3 We shall not be required to replace exactly the insured item, but only as circumstances permit.

3.4 The value of any salvage will be subtracted from any amount payable under this section.

3.5 The sum insured for insured items of plant and machinery specified on your Policy Schedule will be automatically reinstated following insured damage for no extra premium.

3.6 The amount of each claim otherwise payable will be reduced by the amount of the excess shown on your Policy Schedule.

3.7 Where components or manufacturer's specifications are no longer available due to obsolescence, the basis of settlement will be the cost which would have been incurred if the components or specifications had still been available.

4. Additional benefits

4.1 Property damage

We will indemnify you for Insured damage to property not insured under this section which is owned by you or if you are responsible for loss or damage to it provided:

- a. that loss or damage occurred within the location during the period of insurance as a direct result of impact from part of an insured item of plant and machinery, and
- b. the loss or damage is directly caused by insured damage and occurs in circumstances where cover is provided, and not excluded under this section.

We will not pay more than the sum insured specified on your Policy Schedule for that insured item of plant and machinery as specified on the Policy Schedule for insured damage to the uninsured item.

4.2 Increased cost of working

We will pay for costs that are incurred by you for the sole purpose of avoiding or diminishing a reduction in income from your business during the period that the plant and machinery is damaged.

Provided that:

- a. these costs are additional to your normal operating costs,
- b. these costs are incurred because of an interruption of your normal operations that directly results from insured damage to plant and machinery that is covered by this Policy section,
- c. you receive our prior written approval to incur these costs,
- d. we will not pay more than \$2,500 for increased cost of working, and
- e. we will not pay for any costs incurred during the first 48 hours following the loss.

4.3 Newly installed Items

We will temporarily extend cover provided by this section to cover additional items of plant and machinery that are installed during the period of insurance, provided that this temporary cover is limited to the lesser of:

- a. thirty (30) days from the date you installed the additional items of plant and machinery, or
- b. the expiry date of the current period of insurance.

You must provide to us full details of the new items within thirty (30) days of the commencement of this temporary cover. If we agree to continue the cover you must pay any additional premium that we may require.

The maximum we will pay for this additional cover is 50% of the sum insured shown on your Policy Schedule.

5. Optional benefit - Deterioration of stock in cold storage

Applies where indicated on your Policy Schedule as being operative.

5.1 Scope of cover

We will indemnify you up to the sum insured less the excess for loss of or damage to the stock as specified whilst contained in the cold storage spaces cooled by the insured Items nominated on your Policy Schedule and caused by deterioration or putrefaction as a result of:

- a. insured damage to the refrigeration machinery,
- b. sudden and unforeseen failure of the public power supply,
- c. operation of or failure to operate, controls or protective devices within the refrigeration machinery; but this does not include loss caused by the manual operation or manual setting of controls or protective devices,
- d. contamination of the stored stock by the accidental escape of refrigerant into the cold chamber, or
- e. sudden leakage of refrigerant from the refrigeration machinery or pipe system forming part of the refrigeration machinery,

occurring during the period of insurance at the location.

5.2 Basis of settlement

We will pay the cost of replacement of the lost or damaged stock calculated immediately prior to the loss or damage occurring, less the applicable excess, up to the sum insured stated on your Policy Schedule.

5.3 Exclusions – applying to this extension (In addition to the exclusions contained in clause 6 apply to this extension).

We will not pay for:

- a. any loss or damage due to shrinkage, inherent defects or diseases,
- b. loss or damage caused by improper storage, collapse of the packing material or storage structure,
- c. penalties for delay or detention or consequential loss or damage or liability of any nature whatsoever, and
- d. loss or damage following loss of public power supply due to:
 - i. the deliberate act of any public power supply authority;
 - ii. the decision by any public power supply authority to restrict or withhold supply;

- iii. shortage of power generation fuel or water.

5.4 Additional benefit - Peak period increase

An increase of 30% in the limit of indemnity under this extension will apply during the following periods (unless otherwise shown on your Policy Schedule):

- a. from sixty (60) days before Christmas day to the 10th day following, both days inclusive,
- b. from thirty (30) days before Easter Sunday to the 10th day following, both days inclusive.

4.5 The sum insured under this extension will be automatically reinstated following insured damage for no extra premium.

6. Exclusions

We will not pay for:

6.1 Loss or damage caused by or arising from:

- a. fire, smoke or soot,
- b. extinguishing a fire including subsequent demolition or repair work,
- c. lightning,
- d. chemical explosion (other than explosion of flue gas in boilers),
- e. impact of motor vehicles, aircraft or watercraft,
- f. earthquake, subterranean fire or volcanic eruption,
- g. land slip or subsidence,
- h. storm, tempest, flood, windstorm or cyclone,
- i. water escaping, discharged or leaking from any source which is external to the plant and machinery insured,
- j. theft or burglary,
- k. intentional or malicious damage, or
- l. the carrying out of tests involving abnormal stresses, including overloading of any insured item.

6.2 The cost of:

- a. replacement of expendable items such as belts, filters, fuses, electric heating elements, electrical contacts, thermostats, thermal expansion valves, cutting blades, crushing surfaces, glass or porcelain, ceramics, chains, seals, links, dies and moulds, conveyor belting, lubricants, fuel and any transfer media,
- b. replacement of component parts worn through normal machine operation,
- c. adjustment, cleaning, purging or recharging of refrigeration or air conditioning equipment,
- d. repairs to piping and other ancillary systems due to cracking of pipe work, or
- e. replacement of refractory or brickwork forming part of an insured item,

unless necessary as part of the rectification of insured damage not otherwise excluded under this section.

6.3 The cost of:

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

6.4 Consequential loss of any kind or description whatsoever.

6.5 Insured damage to any item being moved caused by dual lifting.

6.6 Costs you are entitled to recover for labour and parts under a maintenance agreement, warranty, guarantee or indemnity in your favour by the manufacturer or any other person.

7. Conditions applying to this section

7.1 Reasonable steps

On the happening of any occurrence which might give rise to a claim under this section you will in addition to complying with general conditions applicable to all sections for claims:

- a. take all reasonable steps to minimise the extent of the loss, and
- b. preserve any damaged or defective plant or items and make them available to us for inspection.

7.2 Operating damaged plant

Our liability will cease for any plant which has sustained damage and is operated without having been repaired in a manner consistent with the generally accepted rules of engineering practice.

7.3 Under-insurance

Where you have declared to us the quantity of plant and machinery items, and

- a. we have shown on your Policy Schedule that all blanket machinery at the premises is covered (with or without machinery exclusions), and
- b. the actual total number of the plant and machinery items at the premises exceeds the quantity declared by more than two items,

we will reduce the amount we pay by the proportion the quantity of declared plant and machinery items bears to the number of plant and machinery items at the premises at the time of loss.

7.4 Inspection

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

You or your repairer is to keep all machinery or parts for a period of thirty (30) days after you have reported (in writing) a loss or damage to us and allow us access, at our cost, to inspect the machinery or parts. If you do not keep the machinery or parts, we may refuse to pay part or all of a claim.

Your repairer will be required to make written records showing adequate details of loss or damage to machinery, cause of loss or damage, work done and parts replaced. If you do not ensure the repairer complies with the request, we may refuse to pay part or all of a claim.

7.5 This insurance only applies after completion of successful initial commissioning.

Electronic equipment section

1. Definitions applying to this section

Word or term	Meaning
1.1 Insured damage	sudden and unforeseen physical loss or damage to the insured item which occurs during the period of insurance and requires immediate repair or replacement to allow continuation of use, caused by vibration, power surge, low voltage, mechanical, electrical and electronic breakdown.
1.2 Electronic plant	all computers, word processors including all ancillary equipment attached thereto, software, other electronic equipment as specified on your Policy Schedule as insured items.
1.3 Software	the collection of programs which cause a computer to perform a desired operation or series of operations.
1.4 Electronic data	the information stored on the electronic data media including software programs.
1.5 Electronic data media	non-volatile magnetic or optical discs or tapes or solid state semiconductor memory used in the computer to store the information.

2. Cover

We will cover you if any insured item or items of electronic plant or any part of an item of electronic plant specified on your Policy Schedule which is at the location or is at other premises for the sole purpose of maintenance, repair or service suffers insured damage during the period of insurance, less the excess, up to the limits specified on your Policy Schedule, in accordance with the basis of settlement.

3. Basis of settlement

3.1 In the event of insured damage to an insured item of electronic plant we will pay the cost of replacement or repairs necessary to return the insured item to its former state of operation including:

- a. cost of dismantling, re-erection and removal of debris,
- b. charges for overtime and work on public holidays where necessarily and reasonably incurred, and
- c. freight within the Commonwealth of Australia by any recognised scheduled service,

provided that the costs in clauses 3.1(b) and 3.1(c) are limited to 50% of the normal cost of repair payable under this section.

Our liability inclusive of these additional costs shall not exceed the sum insured specified on your Policy Schedule.

3.2 No deduction will be made for depreciation or parts replaced except for valves, tubes (including picture and x-ray tubes) and light sources. We will deduct a proportion of the replacement cost of these items being the proportion which the period of use up to the time of failure, bears to the normal service life expected by the manufacturer or supplier.

3.3 All insured damage which can be repaired, must be repaired, however, should the item be uneconomical to repair due solely to the nature of the insured damage, settlement will be as follows:

- a. the sum insured for the insured item as stated on your Policy Schedule, or
- b. for insured items less than six years old the cost of replacement of the insured item by an item of similar, function, type, capacity and quality and in a condition equal to but not better than, the condition of the insured item when new, or
- c. for insured items six years or older, the installed value of the insured item will be depreciated by 10% per annum for each year of service to a maximum of 70%.

Our liability will be the lesser of 3.3(a), 3.3(b) or 3.3(c) less the applicable excess.

3.4 The value of any salvage will be subtracted from the amount payable under this clause.

3.5 If more than one (1) insured item is lost or damaged in one (1) occurrence, we will apply only the highest of the excess applicable to such insured items.

3.6 The amount of each claim otherwise payable will be reduced by the amount of this excess shown on your Policy Schedule.

4. Conditions applying to this section

4.1 Initial commissioning

This Insurance only applies after completion of successful initial commissioning.

4.2 Follow manufacturers' instructions

You must maintain service, and use the electronic plant in accordance with the manufacturers' instructions. If you do not we may reduce the amount we pay.

4.3 Maintenance agreements

If a maintenance agreement is shown on your Policy Schedule, we will not pay your claim unless the maintenance agreement is current at the time of the insured damage.

4.4 Underinsurance

Where you have declared to us the quantity of electronic plant items: and

- a. we have shown on your Policy Schedule that all electronic plant at the premises is covered, and
- b. the actual total number of the electronic plant items at the premises exceeds the quantity declared by more than four electronic items.

We will reduce the amount we pay by the proportion the quantity of declared electronic plant items bears to the number of electronic plant items at the premises at the time of loss.

5. Optional benefits

Applies only where indicated on your Policy Schedule as being operative.

5.1 Electronic data and electronic data media

Scope of cover

We will indemnify you for insured damage to the electronic data and electronic data media caused solely as the result of insured damage to the electronic plant which is specified on your Policy Schedule for an amount not exceeding the sum insured.

Basis of settlement

We will pay you for such insured damage up to the sum insured less the applicable excess specified on your Policy Schedule including:

- a. the actual cost of replacement of lost or damaged electronic data media by new unused materials,
- b. any expenses which can be proved to have been incurred by you only for the purpose of restoring the electronic data by reproduction of data or information in a condition equivalent to that existing prior to insured damage and necessary to allow operation of the insured item to continue in the normal manner. Lost electronic data may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in the original form.
And provided:
- c. We will only be liable for costs and expenses incurred within a period of twelve (12) months following the insured damage within the period of insurance.
- d. This optional benefit only applies whilst the insured electronic data media is:
 - i. at the location;
 - ii. at a media storage location; or
 - iii. temporarily at an alternative location for processing purposes or in transit between any of these locations.
- e. The amount of each claim otherwise payable will be reduced by the amount of the excess shown on your Policy Schedule.

Exclusions – applying to this optional benefit (in addition the exclusions contained in this section apply to this extension) We will not pay for:

- a. loss or distortion of electronic data contained on the electronic data media while mounted in or on any machine for use of processing unless such loss or distortion occurs:
 - i. at the location due to insured damage to insured electronic plant which is specified on your Policy Schedule; or
 - ii. at another location temporarily for processing purposes due to insured damage to the insured electronic plant which would be indemnifiable if the insured electronic plant was insured under this section;
- b. loss or distortion caused by computer virus being an executable programme or computer code segment that is self-replicating, requires a host programme or executable disc segment in which it can be contained and which destroys or alters the host programme or other computer code or data causing undesired programme or computer system operation,
- c. wasting or wearing away or wearing out caused by or naturally resulting from ordinary use or working or gradual deterioration,
- d. loss or damage caused by atmospheric conditions, moisture or changes in temperature unless directly resulting from damage to air-conditioning equipment which would be indemnifiable if the equipment were insured under this Policy section,
- e. consequential loss of any kind or description whatsoever,

- f. work undertaken without our approval other than for minor or provisional repairs. There is no cover under this optional benefit with respect to any insured item which has been operated without being satisfactorily repaired following insured damage,
- g. the cost of restoring data created more than three months before the insured damage causing loss of data that has not been backed up on alternative electronic data media.

5.2 Increased cost of working

Cover

We will indemnify you as set out below up to the sum insured for any additional costs of operating your business directly resulting from interruption or interference to your business as defined on your Policy Schedule but only if:

- a. the interruption or interference is as a result of insured damage to the insured electronic plant which is specified on your Policy Schedule, and
- b. the interruption or interference is caused solely as a result of insured damage.

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

Basis of settlement

- a. We will pay you for the additional expenditure incurred over and above the normal expenses which would have been incurred by you for the operation of your insured electronic plant by the use of substitute equipment to maintain normal business operation during the interruption up to the sum insured specified on your Policy Schedule, less the applicable excess including:
 - i. the actual hire charges incurred for the rental of substitute equipment; and
 - ii. the cost of additional personnel and transport expenses incurred with the use of the substitute equipment.
- b. The indemnity period and time excess as set out on your Policy schedule will commence upon the commencement of use of substitute insured electronic plant.
- c. We will be liable for additional expenditure incurred during the actual period of the interruption but not exceeding the period specified on your Policy Schedule as the indemnity period.
- d. The total of all claims payable under this optional benefit during the period of insurance will not exceed the aggregate of the sum insured stated on your Policy Schedule.
- e. We will not be liable for loss, damage or costs incurred by you during the time excess.
- f. The amount of each claim otherwise payable will be reduced by the amount of the excess shown on your Policy Schedule.

Exclusions applying to this optional benefit (In addition the exclusions contained in this section apply to this optional benefit)

We will not pay for:

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

Special condition – applying to Increased cost of working

For the purpose of this increased cost of working only, exclusion 6.3(h) of this section does not apply.

6. Exclusions

We will not cover:

6.1 Loss or damage caused by or arising from:

- a. fire, smoke or soot,
- b. extinguishing a fire including subsequent demolition or repair work,
- c. lightning,
- d. chemical explosion (other than explosion of flue gas in boilers),
- e. impact of motor vehicles, aircraft or watercraft,
- f. earthquake, subterranean fire or volcanic eruption,
- g. landslide or subsidence,
- h. storm, tempest, flood, windstorm or cyclone,
- i. water escaping, discharged or leaking from any source which is external to the electronic plant insured,
- j. theft or attempts there at,
- k. intentional or malicious damage,
- l. atmospheric conditions, moisture or changes in temperature unless directly resulting from damage to or malfunction of air conditioning equipment,
- m. software viruses or other disruptive programming techniques.

6.2 Insured damage to electronic data and electronic data media unless you have electronic plant insured.

6.3 The cost of:

- a. replacement of expendable items such as batteries, valves, x-ray and picture tubes, belts, chains, tapes, cards, ribbons, filters, tubes, electric heating elements or electrical contacts, or
- b. replacement of component parts worn through normal use or operation, unless necessary as part of the rectification of insured damage not otherwise excluded under this section:
- c. maintenance work,
- d. alterations, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation,
- e. replacement or repair following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation),
- f. temporary repairs unless they constitute part of the final repairs and do not increase the total repair costs,
- g. repairs of scratches to painted or polished surfaces unless caused by insured damage, or
- h. anything to the extent you are entitled to recover the costs of labour or parts under a maintenance agreement, warranty, guarantee or indemnity in your favour by the manufacturer of the relevant insured item or any other person.

6.4 Consequential loss of any kind or description whatsoever, subject to any extension selected by you.

7. Special conditions applying to this section

7.1 Claims

On the happening of any occurrence which might give rise to a claim under this section you must in addition to complying with general conditions applicable to all sections for claims:

- a. take all reasonable steps to minimise the extent of the loss, and
- b. preserve any damaged or defective plant or items and make them available to us for inspection.

7.2 Our liability

Our liability will cease for any plant which has sustained damage and is operated without having been repaired in a manner consistent with the generally accepted rules of engineering practice.

7.3 Inspection

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

Employee dishonesty section

Definitions applying to this section

Word or term	Meaning
Employee(s)	<p>any person employed by you under a contract of service or apprenticeship but does not include:</p> <p>any director, partner, trustee or principal except when performing acts within the scope of the usual duties of an employee,</p> <p>any broker, factor, commission agent, consignee, contractor or other agent of the same general character.</p>

Cover

We will pay you for loss of money or contents, caused by theft, fraud or dishonesty by any of your employees, less the excess, up to the sum insured specified on your Policy Schedule, provided that the loss:

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

The maximum amount we will pay for all claims during the period of insurance is the amount specified on your Policy Schedule.

Additional benefits

Auditors fees

With our prior approval, we will pay up to \$5,000 towards the reasonable and necessary fees payable by you to internal and/or external auditors and for other expenses which you incur in preparation of a claim or to bring criminal charges against an employee.

Unidentified employees

If a loss is alleged to have occurred as the result of the fraud or dishonesty of any one (1) or more of your employees and you are unable to positively identify them we will pay for the loss provided that you are able to provide evidence that the loss was due to the fraud or dishonesty of one (1) or more employees.

Retroactive cover

The insurance provided under this Policy section also applies to any loss by fraud or dishonesty committed during the currency of any previous policy provided that:

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

Exclusions

We will not pay for any loss of money or contents:

- a. resulting from any further act of fraud or dishonesty after you first discover that the employee has previously engaged in provable dishonest conduct or has previous convictions for dishonest acts,
- b. discovered more than twelve (12) months after the period of insurance has expired or more than twelve (12) months after the termination of employment of the employee concerned,
- c. that is not reported to us within twenty eight (28) days of the discovery of any act of fraud or dishonesty on the part of any employee or any other matter in respect of which a claim may arise,
- d. beyond the limit of cover stated in this additional benefit in respect of any one (1) employee and all employees, even if the dishonest conduct continued during more than one (1) period of insurance,
- e. if the only proof of loss is shortage revealed by an inconsistency in:
 - i. accounting records;
 - ii. comparison between physical counts and inventory or stock records; or
 - iii. profit and loss calculation;
- f. resulting from dishonest conduct of an employee which occurs after you discover the employee is engaging in or likely to engage in dishonest conduct.

Excess

The amount of each claim otherwise payable shall be reduced by the amount of the excess shown on your Policy Schedule.

Conditions applying to this section

1. **Employee's salary**
To the extent permitted by law you must agree to withhold any salary, commission, moneys or assets that are the property of any employee whose dishonesty has caused a claim under this Policy section. Any such sum will be deducted from the amount of the loss before any claim is made under this benefit.
2. **Reinstatement**
In the event of the sum insured being reduced by the amount of any claim payable under this additional benefit, the sum insured may be reinstated by payment of appropriate additional premium, provided that the amount by which the sum insured is reinstated will be available only in respect of acts of fraud or dishonesty committed after such reinstatement.
3. **Property recovered from employees**
If property is recovered by you from your employees after we have paid a claim, we agree the property will be first applied to your excess and any uninsured loss you have incurred and then the balance will be paid to us up to the amount we have paid including our costs in handling the claim.

Tax audit section

Definitions applying to this section

Word or term	Meaning
Accountant's fees	fees, charges, expenses and disbursements rendered by any accountant, assessor, consultant, investigator or by any mediator appointed by any alternative dispute resolution centre which are reasonably and properly incurred in relation to any statutory tax audit.
Business	the business of the insured as described on your Policy Schedule, including personal taxation returns of the insured and spouse.
Culpability component	a determination by a relevant statutory authority signifying circumstances consequent to which the insured incurs a culpability component signifying, or which has been imposed on the basis of, reckless or deliberate tax evasion or similar offence by the insured.
Occurrence	any occurrence which may give rise to a statutory tax audit.
Statutory tax audit	<p>an official examination and verification of accounts and records from a relevant statutory body, pursuant to the:</p> <ol style="list-style-type: none"> 1. <i>Income Tax Assessment Act (Australia) 1997</i> (Cth). 2. <i>The Fringe Benefits Tax Assessment Act 1986 and Fringe Benefits Tax Acts 1986</i> (Cth). 3. Section 10 of the <i>Crimes Act (Australia) 1914</i> (Cth). 4. Payroll Tax Act of any Australian State or Territory. 5. <i>Sales Tax Assessment Act 1992</i> (Relevant State Act). 6. <i>Taxation Administration Act 1953</i>. 7. <i>Superannuation Guarantee Charge Act 1992</i> (Cth). 8. <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth). <p>or any other legislation intended to replace such legislation, related to statutory tax audits which incur accounting costs arising in the course of and in the normal conduct of its business.</p>

Cover

We agree to indemnify you up to the sum insured specified on your Policy Schedule in respect of your liability to pay the fees of an accountant engaged by you in connection with an audit of your Business conducted pursuant to a statutory tax audit, where:

- a. notification of the audit occurred during the period of insurance, and
- b. notification of the audit is given to us during the period of insurance

less the amount of the excess shown on your Policy Schedule.

Limit of liability

Our aggregate limit of liability in any one (1) period of insurance for all claims arising out of the one (1) occurrence will not exceed the sum insured specified on your Policy Schedule.

Our consent

We will pay any accountant fees incurred unless our prior written consent has been obtained in accordance with the terms and conditions of this Policy.

We will be entitled at any time to withdraw the indemnity granted under this Policy if it appears to us that you no longer have reasonable grounds for defending the tax audit whereupon we will not be liable in respect of any accountant's fees incurred thereafter.

Our agreement to make any payment in relation to statutory tax audit and accountant's fees and our approval of your accountant, do not constitute any acknowledgement that all accountant's fees charged by your accountant are reasonable and are to be reimbursed in accordance with the terms of this Policy.

Substantiation of claim

Subject to the terms, conditions, limitations and exclusions of this Policy, we agree to indemnify you up to a maximum of \$1,000 any one (1) claim for substantiation of a claim and for which documentary evidence only is required.

Exclusions

We will not pay accountant's fees:

- a. unless we are satisfied that the applicable culpability component has not been or is not likely to be imposed in excess of 50% assessable related to the culpability scale imposed pursuant to the relevant culpability scale applicable to those Acts set out in the definition of statutory tax audit above of the appropriate State,
- b. incurred in the defence of any statutory tax audit arising out of any directorship or the holding of any other position or office with any corporation,
- c. arising out of an audit commenced outside the period of insurance,
- d. in respect of work undertaken by you or income derived by you outside Australia,
- e. arising out of any delay in the submission of an income tax return,
- f. in circumstances where you, in respect of a final assessment of taxable income and/or income tax payable, incur a culpability component signifying, or which has been imposed on the basis of, recklessness or deliberate tax evasion or similar offence by you,
- g. arising out of the failure of a third party to submit an income tax return,
- h. in respect of an audit where the returns for the period in question were not prepared by or approved by an independent accountant or registered tax agent prior to lodgment with the Australian Taxation Office.

Notwithstanding anything to the contrary in this Policy, we will not pay accountant's fees incurred in the defence of any statutory tax audit in circumstances where you:

- i. are or become bankrupt or commit an act of bankruptcy;
- ii. make or enter into a scheme of arrangement or compromise with creditors;
- iii. being a corporation, are in liquidation or come under the control of a receiver or receiver and manager or an agent for a mortgagee in possession.

Conditions applying to this section

The following conditions apply to this section of the Policy.

There are also general conditions which apply to all sections of this Policy.

Your obligations

You must at all times exercise care and take all necessary precautions to avoid incurring any liability which might give rise to a claim under this Policy and must not recklessly pursue a course of action which will inevitably result in a claim under this Policy.

Notification of occurrences and claims

- a. If, during the period of insurance, you become aware of any occurrence which may give rise to a claim under this Policy you must give us immediate notice in writing. Any subsequent tax audit arising out of such occurrence will be deemed to have been commenced during the period of insurance.
- b. You must, upon receipt of any notice, whether written or oral, of any intention to make a claim or demand or issue a writ or summons against you or upon becoming aware of any allegation which may give rise to any such claim, demand, writ or summons or upon the discovery of any occurrence, immediately notify us in writing as soon as practicable during the period of insurance and must provide full information in respect thereof. Notwithstanding anything to the contrary in this Policy, the accountant will be appointed by and on your behalf and you will be primarily liable for the payment of accountant's fees incurred by that accountant.
- c. You must authorise and instruct the accountant:
 - i. to disclose to us all such information and documentation as we may require from time to time;
 - ii. to keep us fully and continually informed of all material developments in the tax audit and of the completion of the statutory tax audit;
 - iii. to inform us immediately of any offers or compromise proposals or recommendations to make offers or compromise proposals; and
 - iv. to inform us if, in the accountant's opinion, there is no longer any reasonable prospect of success or if the prospects for success materially alters.
- d. You must not unreasonably refuse to follow the advice of the accountant as to the conduct of the statutory tax audit including advice relating to the making or accepting of any offer to settle or the discontinuance of the statutory tax audit.
- e. You must afford the accountant full co-operation in the pursuit or defence of the statutory tax audit.

Taxation of costs

- a. You must forward copies of all accounts for Accountant's fees, and any correspondence relating to them to us upon receipt and must not pay or otherwise compromise or settle such account without giving us at least 14 days prior notice.
- b. If instructed by us, you must direct any accountant or other person retained on your behalf in the conduct of the statutory tax audit to have any account or charge referred to any relevant authority to be taxed, assessed or audited.

Recovery of costs

- a. You must pay to us any and all costs, up to the amount of the accountant's fees incurred by us, which are recovered by you in connection with the statutory tax audit and you will take at our expense every measure to recover such accountant's fees from any third party.
- b. We will not exercise any rights of subrogation that may accrue as a consequence of any payment made under this Policy against any director, partner or subcontractor of yours, unless such payment has been brought about or contributed to by the dishonest, fraudulent or criminal act of such director, partner or subcontractor.
- c. We may limit or exclude our liability in relation to any accountant's fees if you, without our prior written consent which consent may be withheld in our absolute discretion, enter into any agreement or other arrangement of understanding which has the effect of limiting or denying our rights of subrogation in relation to such accountant's fees.

Failure to comply with conditions

If you fail to comply with any of the terms or conditions of this Policy, we may reduce our liability in relation to any accountant's fees by an amount that fairly represents the extent to which our interests have been prejudiced as a result of that failure or omission. If the act or omission giving rise to such failure could reasonably be regarded as being capable of or causing or contributing to a loss in respect of which cover is provided under this Policy, we may refuse to indemnify you in respect of the claim.

Recovery

In the event that any statutory tax audit results in you receiving an award of damages, you will pay a pro rata proportion of those damages to us calculated on the basis of our contribution to accountant's fees, up to but not exceeding the amount expended by us on such accountant's fees.

Excess

The amount of each claim otherwise payable shall be reduced by the amount of the excess shown on your Policy Schedule.

Transit section

Cover

We will cover you up to the limit specified on your Policy Schedule less the excess for loss or damage to goods belonging to you or for which you are legally responsible, whilst in the normal course of transit by road, anywhere in Australia, on a vehicle owned or operated by you, occurring during the period of insurance, caused by:

- 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.

Basis of settlement

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.

Additional benefits

1. Removal of debris

This Policy section covers all reasonable costs and expenses incurred in unloading, removing and/or disposing of damaged goods and cleanup of an accident site incurred as a direct result of an insured event.

2. Packaging

This Policy section covers accidental loss or damage to packaging while carried in transit caused by an insured event.

'Packaging' means packing materials, shipping containers, crates, pallets, or similar receptacles belonging to you or for which you are responsible.

The maximum we will pay under additional benefits 1. and 2. in the aggregate in any one (1) period of insurance is 20% of the sum insured or \$5,000, whichever is the lesser.

Exclusions

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 Policy 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:

- g. dislodgement of goods as a result of contact by the conveying vehicle with roadway curbing, road humps, traffic islands and similar protuberances or uneven road surfaces,
- h. theft by or in collusion with any of your employees,
- i. electrical or mechanical derangement unless damage is visible to the exterior of the machine, or
- j. delay, loss of market, consequential loss of any kind, depreciation or deterioration.

Employment practices section

Definitions applying to this section

Word or term	Meaning
Bodily injury	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	back pay arising from an order of reinstatement or re-employment but shall be limited to the amount you are legally obliged 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	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	<p>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.</p> <p>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.</p>
Employee	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	<p>includes only:</p> <ul style="list-style-type: none"> a. the named insured specified on your Policy 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	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.

Word or term	Meaning
Penalty	any monetary sum payable by you to any regulatory authority pursuant to a wrongful act by you but excluding: <ol style="list-style-type: none"> any amounts payable as compensation, any compliance, remedial, reparation or restitution costs, any damages, including but not limited to any exemplary or punitive damages, any consequential economic loss any amounts uninsurable under the law pursuant to which this Policy is construed, any legal costs and associated expenses of the regulatory authority.
Territorial limits	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: <ol style="list-style-type: none"> discharge or termination, either actual or constructive, of an employment relationship, breach of any oral or written, express or implied, employment contract or quasi-employment contract, misleading representation or advertising relating to employment, failure to employ or promote, unfair deprivation of a career opportunity, unfair discipline, failure to grant tenure, negligent employee evaluation, workplace harassment of any kind (whether sexual or otherwise), including the alleged creation or permission of a harassing workplace environment, employment-related: <ol style="list-style-type: none"> denial of natural justice; invasion of privacy; defamation; infliction of emotional distress; discrimination on any legally prohibited basis.

Basis of cover - Claims made

This section 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:

- acts, errors or omissions actually or allegedly committed prior to the retroactive date applicable to this section,
- claims made, threatened or intimated against you prior to the commencement of the period of insurance,
- 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.

Limit of liability

The maximum amount payable by us under this section of the Policy inclusive of defence costs for any one (1) claim and in the aggregate during the period of insurance, irrespective of the number of:

- claims, and/or
- locations, premises, situations, and/or
- insured persons,

shall be the amount set out on your Policy Schedule.

Cover

We will cover you in accordance with the terms of this section, for employment practices subject also to the general exclusions and general conditions.

We agree to pay 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.

Additional benefits

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.

Extended reporting period

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 insurance, you may provide this notice in an extended period of insurance of forty five (45) days immediately following the period of insurance. Such notice is deemed to have been provided during the period of insurance.

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 ("circumstance") that might give rise to a claim and had not notified us of such circumstance prior to expiration of the 'Extended reporting period' attaching to the relevant period of insurance during which that knowledge was or should have been acquired, exclusions (b) and (c) of clause 'Basis of cover – Claims made' will not apply to the notification of a circumstance.

Provided always that:

- your failure to notify was not fraudulent, and
- 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 will 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.

Exclusions

There are also general exclusions which apply to all sections of this Policy.

We do not cover loss arising from any claim against you directly or indirectly based upon, attributable to or in consequence of any:

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.

Bodily injury

Directly or indirectly based upon, attributable to or in consequence of bodily injury.

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.

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.

Criminal proceedings

Criminal, administrative or other disciplinary proceeding against you.

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. wilful violation or wilful breach of any statute or regulation, or any wilful breach of any contract.

Non-pecuniary relief

Cost of compliance with any order for, grant of, or agreement to provide injunctive or non-pecuniary relief. This exclusion does not apply to defence costs.

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.

Property damage

Directly or indirectly based upon, attributable to or in consequence of physical loss of, damage to or destruction of any tangible property, including loss of use of the tangible property or any consequential loss.

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 Policy section.

Unfair contract

Actual or alleged unfair contract of employment, including but not limited to any claim or proceeding brought under Section 106 of the *Industrial Relations Act (NSW) 1996* or Section 276 of the *Industrial Relations Act (Queensland) 1999* or similar or superseding legislation in any other state, territory, or jurisdiction.

Unrelated proceedings

Any Defence costs in respect of that part of any proceedings which do not directly relate to the coverage items insured by this Policy section.

Conditions applying to this section

There are also general conditions which apply to all sections of this Policy.

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.

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.

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.

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.

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 Policy 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 Policy section.

Statutory liability section

Definitions applying to this section

Word or term	Meaning
Claim	a written or other notice by a regulatory authority in connection with any claim, official investigation or inquiry, or penalty proceedings.
Defence costs	<p>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.</p> <p>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.</p>
Employee	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	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	<p>includes only:</p> <ul style="list-style-type: none"> a. the named insured specified on your Policy 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	<p>reasonable legal costs and other expenses incurred by you or on your behalf with our consent, or by us, resulting from any legally compellable attendance by you at any official investigation or inquiry.</p> <p>'Investigation costs and expenses' does not include any fine, penalty or order for the payment of monetary compensation.</p>

Word or term	Meaning
Joint venture	any enterprise undertaken jointly by you with a third party or parties.
Official investigation or inquiry	<p>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.</p> <p>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.</p>
Penalty	<p>any monetary sum payable by you to any regulatory authority pursuant to a wrongful breach by you but excluding:</p> <ol style="list-style-type: none"> any amounts payable as compensation, any compliance, remedial, reparation or restitution costs, any damages, including but not limited to any exemplary or punitive damages, any consequential economic loss, any amounts uninsurable under the law pursuant to which this Policy is construed, any legal costs and associated expenses of the regulatory authority.
Regulatory authority	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.
Territorial limits	anywhere in the Commonwealth of Australia and its protectorates and Territories.
Wrongful breach	<p>any conduct by you which results in a contravention of:</p> <ol style="list-style-type: none"> any occupational, health, or safety legislation enacted by the Commonwealth of Australia or any State or Territory of Australia, any Environmental legislation.

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:

- acts, errors or omissions actually or allegedly committed prior to the retroactive date applicable to this section,
- claims made, threatened or intimated against you prior to the commencement of the period of insurance,
- 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.

Limit of liability

The maximum amount payable by us under this section of the Policy inclusive of investigation costs and expenses and defence costs for any one (1) claim and in the aggregate during the Period of insurance, irrespective of the number of:

- claims; and/or
- locations, premises, situations; and/or
- persons/entities insured;

shall be the amount set out on your Policy Schedule.

Cover

We will cover you in accordance with the terms of this section, for coverage items:

- Official investigations and inquiries – costs and expenses
- Fines and penalties
- Pollution liability defence costs

A. Official investigations and inquiries – costs and expenses

We agree to 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:

- we will be entitled, at our discretion, to appoint legal representation to represent you in the official investigation or inquiry, and
- 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.

B. 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 '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:

- 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.

C. 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 '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.

Additional benefits

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.

Extended reporting period

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 insurance, you may provide this notice in an extended period of insurance of forty five (45) days immediately following the period of insurance. Such notice is deemed to have been provided during the period of insurance.

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 ('circumstance') that might give rise to a claim and had not notified us of such circumstance prior to expiration of the 'Extended reporting period' attaching to the relevant period of insurance during which that knowledge was or should have been acquired, exclusions (b) and (c) of clause 'Basis of cover – Claims made' 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 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 will 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.

Exclusions

There are also general exclusions which apply to all sections of this Policy.

This section does not cover loss arising from any claim against you:

Aircraft, watercraft and vehicles

Any claim arising out of a wrongful breach relating to the regulation of air, marine or motor traffic.

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.

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.

Fines and penalties

Punitive, aggravated, exemplary damages or fines or penalties imposed by law other than provided under coverage item B. Fines and penalties.

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. wilful violation or wilful breach of any statute or regulation, or any wilful breach of any contract.

Joint venture

Arising from or attributable to any joint venture partners of your business.

Pollutants

Other than as provided under coverage item C. 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.

Prior or pending

Arising directly or indirectly from or in consequence of a claim:

- a. made, threatened or intimidated 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.

Property damage

Directly or indirectly based upon, attributable to or in consequence of physical loss of, damage to or destruction of any tangible property, including loss of use of the tangible property or any consequential loss.

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 Policy section.

Unrelated proceedings

Any defence costs in respect of that part of any proceedings which do not directly relate to the coverage items insured by this Policy section.

Conditions applying to this section

There are also general conditions which apply to all sections of this Policy.

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.

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.

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.

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.

