



Essentials Business Insurance Policy

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Important Information

This Policy

This policy is an important document. The policy wording and schedule together set out the cover provided, the amount insured and the terms and conditions of your insurance. Only those *cover sections* shown as covered in your schedule are insured. Please read the policy carefully and keep it in a safe place.

Your insurance broker has arranged this policy for you. If you have any questions about your cover, or you wish to contact ProRisk, please contact your insurance broker for assistance.

ProRisk

ProRisk, Professional Risk Underwriting Pty Ltd ABN 80 103 953 073 AFSL 308076, is a coverholder for certain Underwriters at Lloyd's. ProRisk has the authority to bind this policy on their behalf.

Your Duty of Disclosure

Section 21 of the Insurance Contracts Act 1984 provides that before you enter into a contract of general insurance with an insurer, you have a duty to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, upon what terms. You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

- Your duty, however, does not require disclosure of matter:
- That diminishes the risk to be undertaken by the insurer;
- That is of common knowledge;
- That your insurer knows, or in the ordinary course of its business, ought to know;
- As to which compliance with your duty of disclosure is waived by the insurer.

Non-Disclosure

If you fail to comply with your duty of disclosure, Underwriters may be entitled to reduce their liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, Underwriters may also have the option of avoiding the contract from its beginning.

Privacy Statement

ProRisk is bound by the obligations of the Privacy Act 1988 (as amended) regarding the collection, use, disclosure and handling of personal information. We will protect the privacy of your personal information.

We collect personal information about you to enable us to provide you with relevant products and services, to assess your application for insurance and, if a contract is entered, to enable us to provide, administer, and manage your policy, and to investigate and handle any claims under your policy. We may disclose your information to third parties (who may be located overseas), such as the insurer, lawyers, claims adjusters, and others appointed by ProRisk or by the insurer to assist us and them in

providing relevant products and services. We may also disclose your information to people listed as co-insured on your policy and to your agents. By providing your personal information to us, you consent to us making these disclosures.

If you do not provide all or part of the information required, we may not be able to provide you with our products and services, consider your application for insurance, administer your policy, assess or handle claims under your policy, or you may breach your Duty of Disclosure.

When you provide us with personal information about other individuals, we rely upon you to have made them aware of that disclosure, and of the terms of the ProRisk Privacy Statement, and to obtain their consent.

For a copy of the ProRisk Privacy Statement or to request access to or update the personal information, contact the Privacy Officer at ProRisk by email: enquiries@prorisk.com.au or by mail at the address shown on this policy.

General Insurance Code of Practice

ProRisk and Underwriters at Lloyd's proudly support the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry. A copy of the Code can be obtained from www.codeofpractice.com.au.

This policy and the schedule are Insurance Council of Australia's General Insurance Code of Practice compliant, apart from any claims adjusted outside Australia.

Complaints Handling

Any enquiry or complaint relating to this Insurance should be referred to ProRisk in the first instance. We have a complaints handling and internal dispute resolution process to assist you, and information about our complaints handling procedures is available upon request. If this does not resolve the matter or you are not satisfied with the way a complaint has been dealt with, you should write to:

Lloyd's Underwriters' General Representative in Australia

Suite 2, Level 21

Angel Place

123 Pitt Street

Sydney NSW 2000

Telephone Number: (02) 9233 1433

Facsimile Number: (02) 9233 1466

: who will refer your dispute to the Complaint's Department at Lloyd's.

Complaints that cannot be resolved by the Complaints Department may be referred to the Financial Ombudsman Service (UK). Further details will be provided at the appropriate stage of the complaints process.

Australia Terrorism Insurance Act 2003 Notice (NMA2984)

The Underwriters have treated this Insurance (or part of it) as an Insurance to which the Australia Terrorism Insurance Act 2003 (ATIA) applies.

ATIA and the supporting regulations made under the Act deem cover into certain policies and provide that the Terrorism exclusion to which this Insurance is subject shall not apply to any "eligible terrorism loss" as defined in ATIA.

Any coverage established by ATIA is only in respect of any "eligible terrorism loss" resulting from a "terrorist act" which is a "declared terrorist incident" as defined in ATIA. The Terrorism exclusion to which this Insurance is subject applies in full force and effect to any other loss and any act or event that is not a "declared terrorist incident".

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged.

If any or all of the Underwriters have reinsured this Insurance with the Australian Reinsurance Pool Corporation, then any such Underwriters will not be liable for any amounts for which they are not responsible under the terms of ATIA due to the application of a "reduction percentage" as defined in ATIA which results in a cap on the Underwriter's liability for payment for "eligible terrorism losses".

Words with Special Meanings

Words are sometimes capitalised or italicised to show that words are abbreviations or have a particular defined meaning, please refer to the Definitions contained in this introduction, and the relevant *cover sections* to obtain the full meaning of these terms.

Cooling-off Period

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

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

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

How to Make a Claim

If you need to make a claim against this policy, please refer to 'Claims Procedures' under General Terms & Conditions on page 8. If you have any queries, please contact your intermediary or us as soon as possible.

Under-insurance

The Fire cover section contains Under-insurance (also known as 'Average')

clauses that may limit the amount that we pay when you have a claim. This will only happen if you understate a sum insured or declared value.

Example:

The insurable value of your property, insured in accordance with the Basis of Settlement at the commencement of the period of insurance, upon which the sum insured or limit of liability is based, is declared as \$1,000,000.

Property damage amounting to \$400,000 occurs from an event covered by the policy.

The insurable value of such property at the commencement of the period of insurance calculated as stated, is actually \$1,500,000.

Under-insurance applies because the declared value of the property is less than 80% of the insurable value calculated in accordance with the Basis of Settlement applicable.

$$\text{Claim payment} = \frac{\$1,000,000 \times \$400,000}{\$1,500,000 \times 80\%} = \$333,333$$

In this example, we would pay \$333,333 for the cost of reinstating your property, subject to the application of any excess(es).

Goods & Services Tax

The sum insured that you choose should exclude Goods and Services Tax ("GST").

In the event of a claim, if you are not registered for GST, we will reimburse you the GST component in addition to the amount we pay you. If you are registered for GST, you will need to claim the GST component from the Australian Taxation Office.

<u>Input Tax Credit</u>	<u>Claim Settlement</u>
0%	Settled inclusive of GST
100%	Settled less GST
80%	Settled less 80% of the GST

You must advise us of your correct input tax credit percentage where you are registered as a business and have an Australian Business Number. Any GST liability arising from your incorrect advice is payable by you.

Headings

Headings have been included for ease of reference, but do not form part of the policy.

Definitions

The following definitions shall apply to the words used in your policy.

Act of terrorism means an act including, but not limited to, the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political,

religious, ideological or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Australia means the Commonwealth of Australia and all of its States and Territories including all external Territories, all referred to in this policy as Australia.

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

- (a) carports, pergolas and canopies;
- (b) barns and outbuildings;
- (c) storage sheds and tanks;
- (d) walls, fences, gates and letterboxes;
- (e) all permanent fittings and fixtures to any building;
- (f) external fixed items:
 - swimming pools, saunas and spas;
 - gangways between buildings;
 - lights and signs; and
 - air conditioning units;
- (g) flag poles;
- (h) communications masts, aerials, antennae and dishes;
- (i) fixed floor coverings;
- (j) paths and driveways;
- (k) foundations of any building;
- (l) structural improvements to any building;
- (m) underground and above ground services connected to any building; and
- (n) piers and jetties.

Business means your business, occupation, trade or profession.

Contents means all contents at the *premises*, including property (other than buildings and stock) of others, and when the word contents is used in the schedule to describe a category of property insured, it is agreed that we accept the designations used in your books and records.

Cover section means the individual coverage that we give you that attaches to and forms part of your policy when this is shown in the schedule, for example Burglary Section or Glass Section.

Employee dishonesty means the unlawful taking of property by your employee, whether acting alone or in collusion with others, with the intent to:

- (a) cause loss to you; or
- (b) benefit any person or organisation other than you.

Endorsement means an individual endorsement document that we give you that attaches to and forms part of your policy. This document varies the terms and conditions of your policy.

Excess means the first amount of each claim. The amount of the excess is shown in the schedule.

Flood means the covering of normally dry land with water released or that has escaped from the normal confines of:

- any watercourse, whether natural or altered;
- any lake, whether natural or altered; or
- any reservoir, canal or dam.

Money means coins, bank notes or negotiable instruments such as, but not limited to, cheques, stamps, money orders, vouchers and tickets being the property of the business.

North America means:

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

Period of insurance means the Period of insurance shown in the schedule or any subsequent period for which we have agreed to renew or extend the cover.

Pollutants means any solid, liquid, gaseous or thermal irritant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals or waste. Waste includes but is not limited to material to be recycled, reconditioned or reclaimed.

Premises means the premises at the location shown in the schedule.

Premium means the amount(s) shown in the schedule that you have to pay inclusive of all charges for the cover we provide.

Proposal means the proposal document you complete for this insurance.

Schedule means the schedule document that we give you that attaches to and forms part of your policy.

Stock means all stock at the premises, including work in progress and property of others held on consignment, and when the word stock is used in the schedule to describe a category of property insured, it is agreed that we accept the designations used in your books and records.

Sum insured means the Sum insured shown in the schedule.

We, Us and Our means certain Underwriters at Lloyd's.

Year means a period of 365 consecutive days or 366 consecutive days in a leap year.

You, Your or Yours means the person(s) or parties shown as the Insured in the schedule, including all subsidiary companies, organisations and entities incorporated in Australia in which the Insured has a controlling interest (exceeding 50%) engaged in the

business described in the schedule and not for any other purpose or activity.

Our Agreement

Subject to all of the terms and conditions contained in your policy and payment of the *premium*, we will provide you with the cover shown in the *cover sections* of your policy up to the appropriate amount shown in the schedule or other limits shown in your policy.

1. Approved Claim Preparation Costs

In addition to the amount of cover provided by each *cover section* we will pay up to \$25,000 for reasonable professional fees and such other expenses incurred by you for the preparation of a claim under a *cover section*.

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

2. Emergency Mitigation Costs

In the case of an emergency where you are required to prevent further loss or damage to your property as a direct result of that emergency, and the property is covered by your policy, we give you the authority to arrange these emergency repairs on our behalf.

3. Repairs to Damage by You

When we agree that the repair of the damage can be undertaken by you or your employees, we agree to pay your labour costs and overhead expenses subject to the Limitations of Cover. However we will not pay more than the amount required by a competent contractor to do the same work.

Limitations of Cover

The cover provided by your policy is limited by the Limitations of Cover shown in the *cover sections* and the General Exclusions applicable to all *cover sections* that follow.

General Exclusions

The following General Exclusions apply to your policy:

1. War, Act of Terrorism, Confiscation, Radioactivity, Nuclear Perils

Your policy does not cover loss, damage, costs or expense, personal injury, illness or liability directly or indirectly caused by,

resulting from or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence thereto:

- (a) any war, hostilities whether war is declared or not, acts of foreign enemies, rebellion, revolution, civil war, invasion, insurrection or the use of military or usurped power;
- (b) any *act of terrorism* or any action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*;
- (c) any order of any Government, Public or Local Authority involving the confiscation,

nationalisation, requisition, damage or destruction of any property unless such destruction was undertaken to reduce the spread of fire;

- (d) radioactivity or any radioactive substances; or
- (e) nuclear fission or nuclear fusion.

2. Alteration of Risk

If the risk of loss, damage, injury, illness or liability is significantly increased by any alteration in the circumstances that affect you or your *business* we will not cover any claims that are caused by or arise from such alteration unless:

- (a) you did not know of the alteration; or
- (b) you have notified us of the alteration and we have agreed to accept the alteration to the risk.

3. Acquisition of Companies

Your policy does not cover:

- (a) any company or other legal entity acquired during the *period of insurance*; or
- (b) any property or liability associated with such company or any other legal entity or *business* undertaking or operation, except as stated below.

Provided that we have been notified in writing within 30 days of any acquisition, and the *business* is of a similar occupation to that stated in the schedule, we will agree to provide cover subject to your acceptance of our terms and undertaking to pay the additional *premium* we may require. Our liability shall not exceed the Limit of liability, *Sum insured* Limit or any Sub-limit of liability applicable under the relevant *cover sections* making up your policy for each *category* of property.

4. Unoccupied Buildings & Premises

Excepting for loss or damage to insured property by Lightning, Earthquake and Subterranean Fire, Your policy does not provide any cover at a *building* or *premises* after the *building* or that *premises* has been unoccupied for more than 90 consecutive days. Unoccupied means left vacant by you or any other authorised person whether furniture or other contents remain or not.

Provided that:

- (a) cover will apply at an unoccupied *building* or *premises* if we have specifically agreed to this in writing;
- (b) cover will resume when that *building* or that *premises* is again occupied by authorised persons; and
- (c) you agree to pay us any additional *premium* that we may require.

5. Electronic Date Recognition

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

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

- (a) no date value (including the current date) will cause any interruption in operation;
- (b) date based functionality must behave consistently for dates prior to, during and after the year 2000;
- (c) in all interfaces, output, display and data storage, the century in any date must be recognised as a leap year;
- (d) all leap years and non-leap years must be correctly recognised;
- (e) no particular date value is treated otherwise than as a date or used for special meanings;
- (f) all information involving dates is correctly stored, retrieved, processed, recognised, calculated, sequenced, compared, managed, manipulated and presented including formulas involving dates in one century or in multiple centuries;
- (g) the relevant software or device must correctly interface and inter-operate with any related software or device and date or date related information from them in accordance with the other requirements of this definition of Electronic Date Compliant.

For the purpose of this Exclusion 5, date includes a period of time. Software or device means any software, computer, hardware, equipment, media, microchip, integrated circuit, embedded system or similar device, whether your property or not.

6. Asbestos

Your policy does not cover any liability for:

1. personal injury arising directly or indirectly, out of or caused by, through or in connection with the inhalation of (including the fear of inhalation of, or exposure to) asbestos, asbestos fibres or derivatives of asbestos;
2. property damage, or loss of use or diminution in value of property, arising directly or indirectly, out of or caused by, through or in connection with asbestos, asbestos fibres or derivatives of asbestos; and
3. the cost of cleaning up, removing, treating, controlling, storing or disposing of asbestos, asbestos fibres or derivatives of asbestos.

Provided this Exclusion shall not apply to Extensions of Cover – A, 1. Extra Cost of Reinstatement under the Fire cover section.

7. Pollution

Your policy does not cover:

- (a) loss, damage, costs or expense, injury, illness or liability directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of *pollutants* into or upon any property, land, the atmosphere or any

watercourse or body of water (including ground water);

- (b) loss, damage, costs or expense, injury, illness or liability directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of *pollutants* caused by any product that has been discarded, dumped, abandoned or thrown away by others;
- (c) the cost of removing, nullifying or cleaning up *pollutants*;
- (d) the cost of preventing the escape of *pollutants*.

Exclusion 7(a) and (c) shall not apply where the claim arises from a sudden identifiable, unintended and unexpected event which takes place in its entirety at a specific time and place and occurs outside of North America, however, the total aggregate Limit of liability during any one *period of insurance* shall not exceed the Limit of liability stated in the schedule.

8. Aggravated, Punitive or Exemplary Damages, Fines or Penalties

Your policy does not cover any fines, penalties, exemplary, punitive, liquidated or aggravated damages and/or additional damages resulting from the multiplication of compensatory damages.

9. Obsolete or Redundant Plant & Equipment

Your policy does not cover obsolete or redundant plant and equipment (but not property categorised as *stock*) that is no longer used in the *business* provided that this Exclusion shall not apply to items kept for spare parts.

General Terms & Conditions

The following general terms and conditions apply to your policy:

1. Precautions

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

2. Cancellation

(a) How you may cancel this policy

You may cancel this policy or any *cover section* at any time by notifying us in writing. You can do so by giving such notice through your intermediary.

Where you involves more than one person or party, we will only cancel the policy when written agreement to cancel is received from all of the such named persons or parties.

(b) How we may cancel this policy

We may cancel this policy or any *cover section* in any of the circumstances permitted by law by informing you in writing.

We will give you this notice in person or send it to your address last known to us.

(c) **The Premium**

We will refund you the proportion of *premium* for the unexpired portion of the *period of insurance* less any tax or duty paid or owing for which we are unable to obtain a refund.

(d) **Premium Funders**

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

3. Claims Procedures

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

When an event happens that is likely to result in a claim under your policy you, or any other person or party covered by your policy, must:

- (a) take all reasonable precautions to prevent further loss, damage, injury, illness or liability;
- (b) inform the police immediately if property is lost, stolen or maliciously damaged;
- (c) notify us immediately of the event;
- (d) provide us with full written details of the event within 30 days of learning that the event happened;
- (e) supply us with all information and assistance as we may reasonably require;
- (f) allow us to use any legal rights held by you or held by any other party covered by your policy;
- (g) allow us to negotiate, defend or settle the claim:
- (i) in your name and on your behalf;
 - (ii) in the name of and on the behalf of any other party covered by your policy.
 - (h) immediately send us any claim, writ, summons, or full details of other relevant legal or other proceedings such as an impending prosecution or inquest you receive or become aware of; and
- (i) as far as possible preserve any products, appliances, plant or other items which might prove necessary or useful as evidence until we have had an opportunity of inspection.

4. Payments in respect to Goods & Services Tax

When we make a payment to you or on your behalf under this policy for the acquisition of goods, services or other supplies, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999, in relation to that acquisition, whether or not that acquisition is actually made.

When we make a payment to you or on your behalf under this policy as compensation instead of payment for the acquisition of goods, services or other supplies, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or supplies.

5. Payment of Excess

When you have a claim under a *cover section* of your policy you must pay the *excess* amount in accordance with the terms and conditions applicable to that *cover section*. Limits and sub-limits of liability and sums insured shall apply in addition to, and shall not be reduced by, the amount of any applicable *excess*.

Should a single event result in you claiming under more than one *cover section* of your policy, then only the single highest *excess* will apply to all claims that arise out of the one event.

Only one *excess* will apply to all damage resulting from earthquake, subterranean fire, volcanic eruption, bushfire, storm, hail or rainwater that is continuous, is due to the same general conditions, and occurs within a 72-hour period from the first happening of damage.

6. Progress Payments

If we have agreed that a claim is covered by your policy, we will make reasonable progress payments.

7. Interests of Other Parties

When this policy covers the interest of more than one party, any act or omission of an individual party will not prejudice the rights of the remaining parties, provided that the remaining parties immediately on becoming aware of any act or omission relevant to our acceptance of the risk or which increases the risk of loss, damage or liability, give notice in writing of the circumstances to us and agrees to pay such reasonable additional *premium* we may require.

8. Fraudulent Claims

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

9. Non-Disclosure or Misrepresentation

If you make a misrepresentation to us or if you do not comply with your Duty of Disclosure and we issue your policy with terms and conditions that are different to the terms and conditions that would have been issued had there not been any misrepresentation and your Duty of Disclosure had been complied with, then:

- the cover provided will be reduced so that we are placed in the same position as we would have been in had there not been any misrepresentation and your Duty of Disclosure had been complied with;
- we may also cancel your policy; or

- we may avoid your policy if the misrepresentation or your non-compliance with your Duty of Disclosure is fraudulent.

10. Other Insurance & Contribution

When you make a claim on your policy you must also supply us with written details of all policies that may pay or partially pay that claim.

11. Notifications

All notices and communications must be made or confirmed in writing by you or your intermediary. Other forms of communication will not be acted upon by us until confirmed in writing by you or your intermediary.

12. Proper Law & Jurisdiction

The construction, interpretation and meaning of the provisions of this policy shall be determined in accordance with Australian law.

Policy Wording

Section 1 Fire

Introduction

This *cover section* only forms part of your policy when Section 1 Fire is shown in the schedule and is limited to the *period of insurance* indicated.

Definitions

The following definitions shall apply to the words used in this *cover section*.

Breakdown means the actual breaking, seizing, deformation or melting of any part of any property while that property is in use that is caused by mechanical, electrical or electronic defect within the property that causes sudden malfunction that requires repair or replacement before the property can resume normal operation.

Category and Categories means the category into which property can be designated from the following:

1. *Building(s)*;
2. Plant/Machinery & All *Contents* excluding *Stock*;
3. *Stock*;
4. Plant & Machinery;
5. *All Contents*;
6. Tenant's Leasehold Improvements; or
7. Specified Items; where Specified Items are any items of property that are specified in the schedule.

Provided that when property is being designated to these categories, we agree to accept the designation used by you in your records, prior to the loss or damage.

Damage or Damaged means accidental physical damage, destruction or loss.

Insured Peril means any of the insured perils that are shown in this *cover section* under the heading Cover.

Pollution or Contamination means the discharge, dispersal, release or escape of any type of pollutant or contaminant into or upon property, land, atmosphere or any watercourse or body of water including, but not limited to, ground water.

Pre-damage Value means the value of the property that is damaged immediately before the damage has occurred. This value must take account of wear and tear, maintenance, construction, general condition and the anticipated future useful life of the property.

Property means any tangible property both real or personal of every kind and description belonging to you or that you are responsible for, or which you have assumed responsibility to insure prior to the occurrence of any damage. Provided that this does not include personal property of directors, partners and employees that is not on the *premises*.

Reinstatement means to restore that part of the property that is damaged so that the function, output and construction are similar to that part of the property when it was new, by repairing it or, at our option, replacing that part of the property with similar new property.

Replacement Cost means the cost to replace property with new property that has similar function, output and construction to that of the original property when it was new. This shall include all charges, fees and costs such as, but not limited to local authority permit and approval charges, architects, engineers and other consultants fees necessarily incurred when replacing this property.

Total Sum Insured means the amount shown in the schedule as the Total Sum insured for a specific *premises*.

Cover

We will pay up to the sum insured in accordance with the Basis of Settlement for property shown in the schedule that is damaged at the *premises* during the *period of insurance* by any of the following *insured perils*:

1. Fire, Lightning & Explosion

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

Provided that we will not pay for damage to any pressure vessel (including a boiler) caused by the explosion or implosion thereof:

- (a) where the pressure vessel is not used solely for domestic purposes; and
- (b) has a value of more than \$200,000.

2. Impact

Impact caused by:

- (a) vehicles or their loads;
- (b) animals;
- (c) trees or branches;
- (d) communication masts, towers, antennae or dishes;
- (e) aircraft, spacecraft, including sonic boom, meteorites or space debris; or
- (f) a falling *building* or other structure or part thereof.

3. Malicious Damage

Malicious damage that is not caused by you, including malicious damage caused during industrial disputes, riots and civil commotions and by persons carrying out a theft or attempted theft, however, we do not cover theft or disappearance of property other than theft of parts of the *building* when *buildings* are insured.

4. Storm, Hail and Water

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

Provided that damage to textile blinds and awnings, shade cloth, shade houses, fibreglass houses and glass houses, gates, fences, signs and retaining walls caused by or arising from storm, rainwater, wind, hail or snow is limited to a maximum of \$25,000 in total, any one event.

This *insured peril* does not include damage:

- (a) caused by erosion, landslide, mudslide, rockslide or subsidence;
- (b) that occurs gradually;
- (c) caused by *flood*; or
- (d) caused by the action of the sea, tidal wave or high water;

unless caused by or arising from direct consequence of an earthquake or seismological disturbance, volcanic eruption or water escaping from a water main owned by a water supply authority.

5. Molten Material

Escape of molten material from its normal container or safety devices, but excluding damage to the molten material, its normal container and the cost of locating or rectifying the cause of the escape.

6. Leakage of Liquid other than Water

Liquid discharged or leaking from any tank, pipe or storage system installed in or on the *building* or in an adjoining *building*.

Basis of Settlement

When property shown in the schedule is damaged during the *period of insurance* the following Basis of Settlement will apply at each of the *premises*:

1. Business Records

- (i) For damage to *business* books, plans, computer records, patterns, and other *business* records, we will pay the cost of re-creating the documents that are damaged; and
- (ii) for damage to *business* records of your customers at the *premises* or your *business* records stored off-site, we will pay up to a maximum of \$25,000 any one loss.

2. Old Plant & Equipment

Unless specifically insured otherwise:

- (i) for items kept as spare parts, we will pay the cost of repairs or the second hand replacement value of a similar part of the same age and condition, whichever is the lesser; and
- (ii) for any item kept for use as backup in an emergency, we will pay the cost of repairs or the second hand replacement value of a similar item of the same age and condition, whichever is the lesser.

3. Branded Goods

Any salvage of branded goods and/or merchandise owned by you or for which you are legally liable and/or goods sold but not delivered shall not be disposed of by sale without your consent. If such salvage is not disposed of by sale then the damage will be assessed at the market value of the goods after brands, labels or names have been removed by you or on your behalf.

4. All Other Property that is Damaged

For all other property that is damaged we will pay for the cost of *reinstatement*.

5. Output Replacement

For any property which has a measurable function, capability or output and it is necessary to replace the item or items with new property to perform a similar function or functions, we will pay your claim as follows:

- (i) If property is to be replaced by an item which has the same or lesser total function, capability or output, the amount we will pay is the new installed cost of such replacement item or items.
- (ii) If property is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the cost of *reinstatement* of the damaged property, we will pay the new installed costs of the item or items replaced.
- (iii) If property is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the *replacement cost* of the property damaged, the amount we will pay is the lesser of the cost of *reinstatement* or that proportion of the new installed cost of the replacement item or items which the output of the property damaged bears to the output of the replacement item or items.

Limitations of Cover

1. Categories of Property

We will only pay for property at specific *premises* that can be correctly designated to one of the *categories* of property shown in the schedule for that *premises*.

2. Sum insured

- (a) For each specific *category* of property at specific *premises* we will only pay up to the *sum insured* shown for that *category* of property at that *premises* unless we have stated otherwise elsewhere in this *cover section*.
- (b) For each of the specific *premises* where damage happens, the *sum insured* for each *category* of property that suffers damage will be reduced by any payment made or due to be made by us following damage covered by this *cover section*.

3. Total Sum insured

- (a) We will not pay more than the total *sum insured* that applies to the specific *premises* where the damage happens.
- (b) The total *sum insured* will be reduced by any payment made or due to be made by us following damage covered by this *cover section*.

4 Delay in Reinstatement or Re-creation of Documents

If *reinstatement* is unreasonably delayed by you, we will only pay the lesser of:

- (a) the cost of *reinstatement* including the cost of re-creation of documents that would have been incurred had the *reinstatement* or re-creation of documents taken place immediately after the damage; or
- (b) the actual cost of *reinstatement* including the cost of re-creation of documents following such unreasonable delay.

5. Cash Settlement

If you request a cash settlement or if *reinstatement* is not carried out, we will only pay the lesser of:

- (a) the cost of repairing the insured property less an equitable allowance for age, wear and tear, depreciation, or betterment; or
- (b) the *pre-damage value* of the property at the time of its loss or destruction; or
- (c) the *sum insured* applicable to such property if separately specified.

In assessing the application of Limitation of Cover, 7. Under-insurance, the basis of the calculation will be the value of property and not its *replacement cost*.

6. Directors & Employees Property

Cover for damage to the personal property of directors, partners and employees of your *business* that is on the *premises* is limited to a maximum of \$5,000 any one person.

7. Under-insurance

If there is a claim for damage to property at *premises* covered by this policy that exceeds 10% of the total *sum insured* applicable at that *premises*, we will pay that proportion of any claim calculated in accordance with the Basis of Settlement, that the total *sum insured* for all *categories* of property insured at the *premises* at the commencement of the *period of insurance* bears to 80% of the cost of reinstating damage to all such property calculated at the commencement date of the *period of insurance* in accordance with the Basis of Settlement.

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

8. Excess

You are liable for the *excess* for each and every event that results in damage.

Exclusions

- 1. Unless shown in the schedule, we will not pay for damage to:
 - (a) furs, jewellery, gold, silver, platinum, pearls, diamonds, sapphires, rubies and other precious stones, unless these items are *stock* and *stock* is shown in the schedule as insured;

- (b) *money*;
- (c) glass, unless such glass is directly damaged by:
 - (i) fire, lighting, explosion, impact, storm and tempest or earthquake;
 - (ii) riot, civil commotion, persons taking part in industrial disputes; or
 - (iii) persons acting maliciously, other than where such glass is cracked or broken through its entire thickness;
- (d) property in transit outside the *premises*, other than property that is covered by Extension of Cover – C, 1. Restricted Transit;
- (e) aircraft, locomotives, rolling stock, watercraft whilst in water;
- (f) registered motor vehicles including, but not limited to, motor cycles, caravans and trailers;
- (g) animals, other than animals within a *building* and owned as *stock*, whereby the *building* was damaged by fire, lightning, explosion, impact, storm or tempest;
- (h) bridges, docks, roadways, tunnels and wharves;
- (i) canals, dams, reservoirs other than tanks, and their *contents*;
- (j) standing timber, growing crops, plants, land including top soil and fill, landscaping, gardens and pastures.
Provided that when the cost of *reinstatement* of damage to a *building*, landscaping, plants and gardens are not excluded property when they are used to restore landscaping and gardens to a condition similar to that immediately prior to the damage;
- (k) property being constructed, built, erected, altered or dismantled, including all associated materials or supplies. Provided that this Exclusion does not apply to:
 - (i) such property, if the total cost of this work is less than \$100,000 or 20% of the total *sum insured* at the *premises* concerned, whichever is the lesser; or
 - (ii) that portion of the *building* or part of any property that is not directly affected by such work;
- (l) mining property and any equipment located beneath the surface of the ground.

- Provided that this Exclusion does not apply to underground services connected to a *building*;
- (m) property while it is undergoing any process where damage results from it being processed;
 - (n) landlord's fixtures and fittings unless these are included as part of the *sum insured* for *buildings*;
 - (o) any *building* that is vacant awaiting or undergoing demolition, and this Exclusion shall apply to all *contents*, fittings, plant and machinery associated with such property unless we have agreed otherwise;
 - (p) pressure vessels (including boilers) arising from the explosion or implosion thereof, where:
 - (i) the load on the safety valve upon the particular equipment was in *excess* of the manufacturer's specification at the time of the damage; or
 - (ii) any safety valve limiting pressure was removed or rendered inoperative;
 - (q) property caused by scratching, biting or pecking by birds.

Special Condition

1. Sprinklers and Fire Alarm Systems

Where fire protection systems (either manual or automatic sprinkler or alarm systems) are installed in the *building*, these systems must be maintained in accordance with the relevant Australian Standards.

Optional Limitation of Cover

1. Indemnity

If Indemnity is shown in the schedule then:

- (a) The following Basis of Settlement will apply instead of that shown under Basis of Settlement:

Basis of Settlement

When property is damaged at any *premises* during the *period of insurance*, we will pay the cost to repair or replace that property less an equitable amount for age, wear, tear and depreciation, and will make an adjustment for the general condition and remaining useful life of that property as well as the useful life of the individual items or components that are damaged; and

- (b) Limitation of Cover, 7. Under-insurance is replaced with the following clause:

Under-insurance on an Indemnity Basis

If there is a claim for damage to property at *premises* covered by this policy that exceeds 10% of the total *sum insured* applicable at that *premises*, we will pay that proportion of any

claim calculated in accordance with the Basis of Settlement under this Optional Limitation of Cover, that the total *sum insured* for all *categories* of property insured at the *premises* at the commencement of the *period of insurance* bears to 80% of the value of all such property at the commencement date of the *period of insurance*.

Provided that:

- (i) the value of the claim will be calculated first in accordance with the Basis of Settlement; and
- (ii) the only Extensions of Cover that will apply to this *cover section* is Extensions of Cover – C, 8. Minimisation of Damage.

Extensions of Cover

When property at specific *premises* is damaged by an *insured peril*, then, provided that we do not pay more in the aggregate than the total *sum insured* for that *premises*, we will pay for the following costs that are incurred as a result of that damage:

1. Extra Costs of Reinstatement

The additional costs incurred by you to reinstate your insured property in complying with the requirements of any lawful authority that are imposed after the damage but limited to costs directly relating to that portion of the *building* actually damaged.

Provided that we will not pay for any costs that would have been incurred when complying with the requirements of any lawful authority that applied to the property or *premises* prior to the damage.

2. Temporary Repairs

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

3. Demolition & Debris Removal

The reasonable costs incurred by you for:

- (a) the demolition and removal of property that is damaged;
- (b) the demolition and removal of any property that is necessary to allow *reinstatement* of property that has been damaged; and
- (c) the cleaning up, removing, storing and disposing of damaged property at or from:
 - (i) the *premises*; and
 - (ii) any other location that you are legally required to remove debris from or clean up, provided that you do not own property at this other location and your liability did not result from an agreement made after the start of the *period of insurance* unless this liability would have existed anyway.

4. Fees & Costs

Fees and costs such as, but not limited to, local authority permit and approval charges, architects, engineers and other consultants fees necessarily incurred in *reinstatement* of property that is damaged.

5. Unpacking Expenses

The cost and expenses incurred by you in taking inventory (including unpacking, repacking and restacking) to identify, quantify and value any property damaged during the *period of insurance* including examination of property not belonging to you but in your care, custody or control.

6. Accidental Damage

Cover is extended to include accidental damage of property, not otherwise excluded by this *cover section*, at the *premises* or while temporarily located at any other *premises* in *Australia*.

This cover is subject to the following Accidental Damage Exclusions.

Accidental Damage Exclusions

- (a) We will not pay for breakage of internal glass and all other glass that is cracked through its entire thickness, unless such glass is directly damaged by fire, lightning, explosion, earthquake, impact, storm and tempest.
- (b) We will not pay for property while it is undergoing any process where damage results from it being processed.
- (c) We will not pay for damage to any *building* that is vacant awaiting or undergoing demolition. This Exclusion shall apply to all *contents*, fittings, plant and machinery associated with such property, regardless of the fact these items were intended to be removed prior to demolition unless we have agreed otherwise.
- (d) We will not pay for damage caused by or arising from:
 - (i) theft, other than physical damage to property at the *premises* during theft or any attempted theft;
 - (ii) any legal liability that you have other than the legal liability that is covered within 3. Demolition and Debris Removal clause (c)(ii) that is shown under the heading Extensions of Cover – A;
 - (iii) the incorrect siting of *buildings* as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any Statutory Regulations;
 - (iv) demolition ordered by any lawful authority as a result of failure by you to comply with any lawful requirement;
 - (v) any unexplained shortage or inventory shortage or disappearance of property;
 - (vi) *pollution* or contamination of property, except when caused directly by fire, lightning, explosion, impact by any road vehicle or animal, aircraft or other aerial devices or articles dropped from them, falling communication masts, towers, antennae or dishes, falling *buildings* or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing and discharging of tanks, apparatus or pipes containing water or liquid of any kind, or sprinkler leakage;
- (e) We will not pay for any consequential loss of any kind.
- (f) We will not pay for damage caused directly by or arising directly from:
 - (i) *breakdown*;
 - (ii) gradually operating causes such as, but not limited to, wear and tear, mildew, mould, corrosion, disease, oxidisation, fading, tree roots, evaporation, change in flavour, colour, temperature or texture;
 - (iii) vermin, insects, termites;
 - (iv) latent defect, inherent defects, faulty workmanship, faulty material, structural defects or faulty design;
 - (v) faults or defects known to you or any employee whose knowledge in law would be deemed to be your knowledge and not disclosed to us at the time this insurance was arranged, extended, varied or renewed;
 - (vi) the cessation of work whether total or partial or cessation, interruption or retarding of any process or operation as a result of any industrial dispute;
 - (vii) fraud or dishonesty by you or your directors, partners, employees, officers or any other persons who have an interest in the property;
 - (viii) deliberate and unauthorised corruption, amendment or erasure of data by you or your directors, partners, employees, officers or any other person who has an interest in the
- (vii) *flood*;
- (viii) storm, rainwater, wind, hail or snow;
- (ix) the action of the sea, tidal wave or high water, unless caused by or arising from the direct consequence of an earthquake or seismological disturbance;
- (x) erosion, landslide, subsidence, settling, seepage, shrinkage or expansion of earth, vibration or earth movement except when caused by or arising from the direct consequence of an earthquake or seismological disturbance, volcanic eruption or water escaping from a water main owned by a water supply authority.

property whether acting alone or in collusion with any other person;

- (ix) the gaining of unauthorised access by any person, other than you or your directors, partners, employees, officers or any other person who has an interest in the property, to your computer via any communication system that is used by your computer system;
- (x) the operation or presence of any computer program that alters or erases data or programs in a manner that is undesired by you;
- (xi) a computer virus, being an executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained, and which destroys or alters the host program or other computer code or data, causing undesired program or computer system operation;
- (xii) explosion or implosion of any pressure vessels (including any boilers);
- (xiii) scratching, denting, chipping or defacing, except when caused directly by fire, lightning, explosion, impact by any road vehicle or animal, aircraft or other aerial devices or articles dropped from them, falling communication masts, towers, antennae or dishes, falling *buildings* or structures or parts thereof, meteorite, riot, civil commotion, person taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing and discharge or leaking of tanks, apparatus or pipes containing water or liquid of any kind, or sprinkler; or
- (xiv) scratching, biting or pecking by birds.

Provided that we will pay for any damage to property that is not otherwise excluded that results from damage caused directly by or arising directly from any of these causes.

7. Fire Fighting Costs

The cost of refilling fire fighting appliances used in putting out a fire at or adjoining the *premises* threatening insured property and any additional cost payable by you to a fire brigade, fire fighting authority or an authorised government authority for attendance at a fire or chemical emergency involving insured property.

Provided that the wages of any full-time members of a works fire brigade are not covered by this Extension of Cover and this Extension of Cover is limited to \$50,000 in total, any one event.

8. Temporary Protection & Watchmen

The costs reasonably incurred by you to protect the property including the cost of temporary repairs, the hiring of watchmen or the removal of insured property to a place of safe storage pending the repair or

reinstatement of your *premises* and the additional cost of such storage if not otherwise insured.

Provided that this Extension of Cover is limited to \$25,000 any one event.

9. Increase in Cost of Working

We will pay up to the *sum insured* shown for Additional Increase in Cost of Working for all costs not otherwise recoverable that are necessarily incurred by you in an attempt to reduce a loss of income.

Provided that this Extension of Cover is limited to \$20,000 or 20% of the Sum Insured during the *period of insurance*, whichever is the lesser for any one event.

10. Restricted Transit

We will cover each *category* of property shown in the schedule for damage during transit within *Australia* that is caused by fire, explosion, wind, earthquake and malicious damage, but not theft.

We will also cover damage to each *category* of property shown in the schedule whilst in transit in or on any vehicle owned or operated by you caused by collision or overturning of the conveying vehicle.

Provided that the most we will pay under this Extension of Cover is the lesser of \$10,000 or 10% of the *sum insured* for that *category* of property.

11. New Premises – Temporary Cover

We will temporarily extend the cover provided by this *cover section* to property at any *premises* that is used by your *business* for the first time during the *period of insurance*.

Provided that:

- (a) this temporary cover is limited to a period of 60 consecutive days from the day that you first use the new *premises*;
- (b) this temporary cover is not available to property that cannot be correctly designated to one of the categories of *property* that has a *sum insured* shown in the schedule;
- (c) this temporary cover is only available to *property* that is of a similar type to that insured by this *cover section*;
- (d) for each specific *category* of *property* shown in the schedule, this temporary cover is limited to 50% of the *sum insured* for that *category*, or if more than one *premises* is shown in the schedule then this 50% limitation will apply to the lowest *sum insured* that applies to a specific *category* of *property*;
- (e) the new *premises* have *building*, fire protection and security features that are similar to those at one of the *premises* (shown in the schedule); and
- (f) you provide us with full details of the new *premises* within 60 days of you first using the new *premises*.

12. Automatic Reinstatement

At each of the *premises*, when a *category sum insured* and a *total sum insured* is reduced following damage covered by this *cover section*, we will automatically

increase these reduced amounts to their value immediately before the damage, provided that you pay or agree to pay the additional *premium* required by us.

13. Disposal of Salvage

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

14. Other Parties/Waiver of Subrogation

We automatically extend cover to include all other parties that have an insurable interest in the *property* including lessors, financiers, trustees, mortgagees, owners and others who are specifically noted in your records; and We waive any rights and remedies or relief that we are entitled to by way of subrogation against any of these parties.

15. Stock Seasonal or Festive Increase

The *sum insured* for *stock* is increased by 50% for losses occurring during the days specified in the schedule under the heading 'Seasonal or Festive Increase', up to a maximum of 116 days or, if no days are specified, this increased cover for *stock* will apply to:

- (a) eight (8) weeks prior to and including Christmas Day;
- (b) three (3) weeks after and including 26 December;
- (c) six (6) weeks prior to and including Easter Tuesday;
- (d) one (1) week after but not including Easter Tuesday;
- (e) six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where you can reasonably demonstrate that the *stock* levels during that period have risen by more than 20% above standard levels and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event; and
- (f) one (1) week after the same festive, religious or ethnic event or celebration.

If your *sum insured* on *stock* is included in another item on your current schedule, we will only apply the increased cover to the portion of the *sum insured* that relates to *stock*.

Provided that this Extension of Cover will not extend the insurance beyond the *period of insurance* noted in the policy schedule.

16. Temporary Removal to Other Premises

We will extend the cover provided by this *cover section* to *property*, while it is temporarily removed from the *premises* shown in the schedule, to some other *premises* in *Australia* for any period up to 90 days.

Provided that:

- (a) this Extension of Cover is not provided to *property* in transit;

- (b) this Extension of Cover is only available to *property* that can be correctly designated to a *category* that has a *sum insured* shown for the *premises* at which this *property* is normally located; and

- (c) the most we will pay under this Extension of Cover is 20% of the *sum insured* for the *category* of *property* that applies to this *property* at the *premises* at which the *property* is normally located.

17. Minimisation of Damage

We will pay for the reasonable cost of removing *property* from the *premises*, and any damage resulting from the removal, if the *premises* are threatened by fire or any other perils insured by this *cover section* and the purpose of the removal was to prevent or minimise damage insured under this *cover section*.

Optional Extensions of Cover

If shown in the schedule the following extensions shall apply:

1. Flood

When '*Flood*' is shown in the schedule, we will provide cover for damage to *property* caused by *flood*.

Section 2 Burglary

Introduction

This *cover section* only forms part of your policy when Section 2 Burglary is shown in the schedule and is limited to the *period of insurance* indicated.

Definitions

The following definitions shall apply to the words used in this *cover section*.

Category and Categories means the category into which property can be designated from the following:

1. All contents;
2. All contents excluding *stock*;
3. *Stock* including goods for which you are responsible but excluding Cigarettes and Tobacco Goods;
4. Cigarettes and Tobacco Goods; or
5. Specified Items listed in the schedule.

Provided that when property is being designated to these categories we agree to accept the designation used by you in your records. Categories shall have a corresponding meaning to category.

Property means the Property shown in the schedule as Insured Property.

Theft means theft or attempted theft.

Cover

We will pay for the cost of replacing or repairing *property* that is lost or damaged by *theft* at the *premises* following:

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

Provided that the *theft* happens during the *period of insurance*.

Limitations of Cover

1. Categories of Property

We will only pay for *property* that can be correctly designated to one of the categories that are shown as insured in the schedule.

2. Sum insured and Reinstatement of Sum insured

- (a) For each specific *category* of *property* we will only pay up to the *sum insured* that applies to that specific *category* of *property*.
- (b) Following damage covered by this *cover section* we will reduce the *sum insured* for those categories that are affected by the damage by an amount equal to any payments made or due to be made by us.
- (c) When a *sum insured* is reduced following a *theft* we will automatically increase this reduced *sum insured* to its value immediately before the *theft*.

Provided that:

- (i) the maximum amount we will pay in any one *period of insurance* is limited to twice the *sum insured*; and
- (ii) you pay or agree to pay the additional *premium* we require.

3. Excess

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

Exclusions

We will not pay for:

1. *theft* from any open-sided structure such as, but not limited to, verandas, yards or other open spaces whether they are partially or fully enclosed by a *building* or not;
2. *theft* when entry has been made using keys or security codes;
3. *theft* of *money* or negotiable instruments such as but not limited to cheques, stamps, money orders, vouchers and tickets exceeding \$250 in total;
4. *theft* of motorised vehicles and/or watercraft, unless motorised vehicles and/or watercraft are specifically shown as insured in the schedule for this *cover section*;
5. unexplained disappearances or unexplained shortages whether resulting from clerical or accounting errors or shortages in the supply of materials to or by you;
6. consequential loss of any kind; and
7. the dishonest manipulation of any database or computer system.

Special Condition

1. Alarm Systems

Where burglar alarm or intruder detection alarm systems (either local or monitored systems) are installed in the *building*, these systems must be maintained, tested and used in accordance with the manufacturers specifications. The alarm system must be activated whilst the *building* is unoccupied. Testing and use includes resistance, checking the battery, alarm detection coverage and transmission to the monitoring station.

Extensions of Cover

The following extensions of cover apply when property is lost or damaged by *theft*, provided that we do not pay more than the total sum insured for this section in any one event.

1. Damage to Premises

Provided that the *sum insured* for specific *premises* is not exceeded, we will pay for the cost of repairing *buildings* that are physically damaged during a *theft* at that *premises*.

2. New Premises – Temporary Cover

We will temporarily extend the cover provided by this *cover section* to *property* at any *premises* that are used by your *business* for the first time during the period of insurance.

Provided that:

- (a) this temporary cover is limited to a period of 60 consecutive days from the day that you first use the new *premises*;
- (b) this temporary cover is not available to *property* that cannot be correctly designated to one of the categories that are shown as insured in the *schedule*;
- (c) this temporary cover is only available to *property* that is of a similar type to that insured by this *cover section*;
- (d) for each specific *category* of *property* shown in the *schedule* this temporary cover is limited to 50% of the *sum insured* for that *category*; or
- (e) if more than one *premises* are shown in the *schedule* then this 50% limitation will apply to the lowest *sum insured* that applies to a specific *category* of *property*;
- (f) the new *premises* have *building* and security features that are similar to those at one of the *premises* shown in the *schedule*, having the same occupation;
- (g) you provide us with full details of the new *premises* within 60 days of you first using the new *premises*; and
- (h) you pay the *premium* that we require for this new *premises*.

3. Seasonal or Festive Increase

The *sum insured* for *stock* excluding any Cigarettes or Tobacco Goods, is increased by up to a maximum of 50% for losses occurring during the days specified in the *schedule* under the heading 'Seasonal or Festive Increase', up to a maximum number of 116 days, or

If no days are specified, the 50% increase for *stock* excluding any Cigarettes or Tobacco Goods, will apply to:

- (a) eight (8) weeks prior to and including Christmas Day;
- (b) three (3) weeks after and including 26 December;
- (c) six (6) weeks prior to and including Easter Tuesday;

- (d) one (1) week after but not including Easter Tuesday;
- (e) six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where you can reasonably demonstrate that the *stock* levels during that period have risen by more than 20% above standard levels and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event; and
- (f) one (1) week after the same festive, religious or ethnic event or celebration.

Provided that this Extension of Cover will not extend the insurance beyond the period of insurance noted in the policy *schedule*.

4. Locks & Keys

If during the period of insurance keys used at the *premises* are accidentally lost or stolen, we will pay,:

- (a) the cost incurred to replace these keys; and
- (b) other costs that are necessarily incurred to restore the security of the *premises* to the same level of security that existed prior to the loss of these keys.

Provided that the maximum amount that we will pay is limited to \$5,000 in total, any one event.

5. Temporary Protection and Watchmen

Following a *theft* that is covered by this *cover section* we will pay the costs necessarily incurred by you to safeguard the *premises* such as temporary repairs and the employment of watchmen or guards.

Provided that the maximum amount that we will pay is limited to \$5,000 in total, any one event.

6. Security

We will pay the costs necessarily incurred by you to replace and develop security film and restore the security system to its former functionality following a *theft* or attempted *theft* that is covered by this *cover section*.

Provided that the maximum amount we will pay is limited to \$5,000 in total any one event.

7. Clothing & Personal Effects

If clothing or personal effects are lost or damaged during a *theft*, we will pay the cost of replacing these items.

Provided that the total amount payable under this Extension is limited to \$5,000 any one person and \$10,000 in total, any one event.

8. Business Records

Following a *theft* which is covered by this *cover section* we will pay the costs necessarily incurred by you to re-create *business* books, plans, computer system records, patterns and other *business* records.

9. Employee Dishonesty

We will pay you for loss of *property* arising from *employee dishonesty*, occurring during the period of

insurance, which is discovered within 30 days of its occurrence. Exclusion 7, the dishonest manipulation of any database or computer system, and Extension 11 - *Theft without Forcible Entry*, proviso (b), *theft* by you or any of your employees, do not apply to this Extension.

Provided our liability under this Extension is limited to \$5,000 for any one event. If you are also insured under the *Money cover section*, the benefits payable for *employee dishonesty* shall not be cumulative. This Extension shall not apply if you are also insured under Extensions of Cover, 5. *Employee dishonesty* of the *Money cover section*.

10. Theft without Forcible Entry

We will cover loss or damage to *property* caused by *theft* from the *premises* even if there is no visible forcible and violent entry.

Provided that we will not pay for:

- (a) *theft* involving shoplifting;
- (b) *theft* by you or any of your employees; and
- (c) consequential loss of any kind.

Provided the maximum amount that we will pay is limited to \$5,000 in total, any one event.

11. Illegal Use of Corporate Financial Transaction Card

If this policy covers your *contents* and any corporate credit card used by the *business* is lost or stolen during the period of insurance, we will pay any financial loss sustained by you arising from the illegal use of the card by an unauthorised person.

Provided that we will not pay:

- (a) any financial loss arising from the misuse or illegal use of corporate credit cards by your employees or any other person acting in collusion with an employee of yours; or
- (b) more than \$5,000 in total for any one loss or event.

12. Disposal of Damaged Property

We will also pay in addition to the *sum insured* the costs necessarily incurred by you to dispose of damaged *property* which has no salvage value.

Provided the maximum we will pay is limited to \$5,000 in total any one event.

Section 3

Money

Introduction

This *cover section* only forms part of your policy when Section 3 Money is shown in the *schedule* and is limited to the period of insurance indicated.

Definitions

The following definitions shall apply to the words used in this *cover section*.

Business hours means your business and office hours including overtime hours when you or your employees are on the premises for business purposes.

Locked means to engage locking mechanisms and activate all security features of a device so that the maximum level of security obtainable by the device is achieved.

Loss and Lost means accidental loss, damage or destruction.

Money, for the purpose of this cover section, is extended to include *money* held in trust or for which you are responsible and which is not otherwise insured.

Safe means a burglar-resistant container that has been designed to resist fire and attack by hand-held or power-operated tools which has been specifically designed for the storage of *money* and valuables.

Strongroom means a burglar resistant structure constructed of masonry and steel that has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of *money* and valuables.

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

Cover

1. Blanket Cover

When Blanket Cover is shown in the *schedule*, cover is provided in all of the circumstances described below, as if all of the Specified Covers were shown in the *schedule*.

2. Specified Cover

When Specified Cover is shown in the *schedule*, we will pay up to the *sum insured* shown in the *schedule* for *loss* of *money* during the period of insurance for the following categories of *money*:

(a) Money in Transit

Money in transit or in a nightsafe or automatic teller machine until removed by a bank employee.

Provided that this cover is only provided up until the close of *business* on the next bank trading day from the time the transit commenced.

(b) Money on the premises

Money on the *premises* during *business hours* when not contained in a *locked safe* or *locked strongroom*.

Provided that cover during non *business hours* is limited to \$1,000.

(c) Money in a Locked safe or locked strongroom

Money in a *locked safe* or *locked strongroom*.

(d) Money in your custody

Money in your personal custody or the personal custody of an authorised person while in a private residence.

Limitation of Cover

1. Excess

You are liable for the *excess* for each and every event that results in a *loss*.

Exclusions

We will not pay for:

1. theft from an unattended vehicle that is not *locked*;
2. theft from a *safe* or *strongroom* when the locking device is opened by:
 - (a) a key, a magnetic key or card, or similar device;
 - (b) a sequence of numbers or letters, or numbers and letters; or
 - (c) any combination of the security devices shown in 2(a) and 2(b) above, when these security devices are left unsecured on the *premises*;
3. theft from a *safe* or *strongroom* that is not *locked* during non *business hours*;
4. shortage due to error or omission;
5. *loss* discovered more than 10 working days after such *loss*.
Provided that this does not apply to Extension of Cover, 5. *Employee dishonesty*;
6. *loss* due to fraudulent or dishonest acts by you.
Provided that this does not apply to theft by your employees following visible, forcible and violent entry;
7. *loss* due to the dishonest manipulation of any database or computer system;
8. consequential *loss* of any kind.

Extensions of Cover

1. Reinstatement of Sum insured

When a *sum insured* is reduced following a *loss* we will automatically increase this reduced *sum insured* to its value immediately before the *loss*.

Provided that:

- (a) the maximum amount we will pay during the period of insurance is limited to twice the *sum insured*; and
- (b) you pay or agree to pay any additional *premium* we require.

2. Seasonal or Festive Increase

The *sum insured* for *money* is increased by 50% for losses occurring during the days specified in the *schedule* under the heading 'Seasonal or Festive Increase', up to a maximum of 116 days or, if no days are specified, this increased cover will apply to:

- (a) eight (8) weeks prior to and including Christmas Day;
- (b) three (3) weeks after and including 26 December;
- (c) six (6) weeks prior to and including Easter Tuesday;
- (d) one (1) week after but not including Easter Tuesday;
- (e) six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where you can reasonably demonstrate that the *stock* levels during that period have risen by more than 20% above standard levels and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event; and
- (f) one (1) week after the same festive, religious or ethnic event or celebration.

Provided that this Extension:

- (i) will not extend the insurance beyond the period of insurance noted in the policy *schedule*; and
- (ii) does not apply to *money* on *premises* outside of *business hours*; and
- (iii) will not apply to the individual days mentioned under Extensions of Cover, 4. Bank or Public Holiday Increase.

3. Additional Cover

In addition to the *sum insured*:

(a) Damage to safes or strongrooms

If Blanket Cover or *money* in *safes* or *strongrooms* is shown in the *schedule*, then we will pay up to \$2,000 for damage to *safes* and *strongrooms* following theft or an attempted theft of *money*.

(b) Keys, locks and combinations

If Blanket Cover or *money* in *locked safes* or *locked strongrooms* is shown in the *schedule* and Exclusion 2(c) does not apply, then:

- (i) we will pay to replace locks, keys, magnetic keys or cards or similar devices, or to change the sequence of numbers or letters, or numbers and letters to any *safe* or *strongroom* if:

- keys, magnetic keys or cards or similar devices are accidentally lost;
- the sequence of numbers or letters, or numbers and letters becomes known by any unauthorised person or are accidentally lost, or;
- circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices;

- (ii) we will also pay the cost of opening *safes* and *strongrooms* following *loss* of keys, magnetic keys or cards or similar devices.

Provided that the total amount payable under this Extension is limited to \$2,000 in total, any one event.

(d) Travellers money

We will pay for *loss* of *money* in your custody while you are travelling for your *business* anywhere in the world.

Provided that the total amount payable under this Extension is limited to \$2,000 in total, any one event.

(e) Temporary Protection and Watchmen

We will pay for costs necessarily incurred by you to *safeguard* the *premises* following theft or attempted theft that is covered by this *cover section*, including but not limited to temporary repairs or the employment of watchmen or guards.

Provided that the total amount payable under your policy is limited to \$2,000 in total, any one event.

(f) Security

We will pay in addition to the *sum insured* the costs necessarily incurred by you to replace and develop security film and restore the security system to its former functionality following a theft or attempted theft that is covered by this *cover section*.

Provided that the maximum amount we will pay is limited to \$2,000 in total any one event.

4. Bank or Public Holiday Increase

The *sum insured* and the limits of *loss* for items shown in the *schedule* are increased by 100% on days that are bank or public holidays. This increase shall continue to apply up until 4 pm on the first bank trading day after such holiday.

Provided that this Extension of Cover does not apply to:

- (a) damage to *safes* and *strongrooms*; and
- (b) *money* on *premises* outside *business hours*; and
- (c) is not cumulative with Extension of Cover, 2. Seasonal or Festive Increase.

5. Employee Dishonesty

We will pay you for *loss of money* by theft or dishonesty by any of your employees occurring during the period of insurance, which is discovered within 30 days of its occurrence. Exclusions 6 and 7, so far as they relate to *loss* due to fraudulent or dishonest acts by you and *loss* due to the dishonest manipulation of any database or computer system, do not apply to this Extension.

Provided our liability under this Extension is limited to \$2,000 for any one event. If you are also insured under the Burglary *cover section*, the benefits payable for *employee dishonesty* shall not be cumulative. This Extension shall not apply if you are also insured under Extension of Cover - 5. *Employee dishonesty* of this *cover section*.

Section 4

Glass

Introduction

This *cover section* only forms part of your policy when Section 4 Glass is shown in the *schedule* and is limited to the period of insurance indicated.

Definitions

The following definitions shall apply to the words used in this *cover section*.

Advertising (or identification) signs means signs made from glass or electrical illuminated signs permanently fitted to the *building* or within the boundaries of the *premises*.

Breakage or Broken means a fracture extending through the entire thickness of the glass or in the case of laminated glass or plastic or perspex, the entire thickness of the laminate, plastic or perspex.

Glass means internal glass or external glass.

External Glass means glass or plastic material used as glass fixed in external windows, doors, showcases, skylights forming part of the *premises*.

Internal Glass means glass or plastic material used as glass in internal partitions, windows and doors, glass in counters, glass forming shelves and/or stock restraints, interior showcases, fixed mirrors and other fixed internal glass including ceramic vitreous china urinals and toilet pans and hand basins.

Cover

If *glass breakage* occurs during the period of insurance we will pay for the actual cost of replacing and fixing the *glass* in its frame or in its normal location with *glass* of a similar type and quality to the *glass* that is *broken*.

We will pay any additional costs incurred by you to comply with current *building* regulations that relate to the *glass* that is *broken*, when applicable.

Limitations of Cover

1. Types of Glass

We will only pay for internal or *external glass* if they are shown in the *schedule*.

2. Excess

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

Exclusions

We will not pay for damage to:

1. property during installation or removal of *glass*;
2. *glass* that is *stock* in trade or merchandise; or
3. *glass* that is only scratched, chipped or discoloured.

Extensions of Cover

These extensions of cover apply following *glass breakage*, provided that the total of all payments under these extensions of cover is limited to \$8,000 during the period of insurance.

1. Additional Benefits

If *glass* shown in the *schedule* is *broken* during the period of insurance then we will pay the costs that are necessarily incurred by you to:

- (a) effect temporary repairs, install shuttering and employ watchmen or guards;
- (b) repair or replace:
 - (i) frames, sign-writing, alarm tapes, coatings; or
 - (ii) fittings;that are damaged as a result of *glass breakage*;
- (c) remove and refit fixtures and tiles to allow the repair or replacement of *broken glass*; and
- (d) arrange after hours services, express delivery and labour at overtime rates in relation to the repair and replacement of *broken glass*.

2. Reinstatement of Additional Benefits

Following a claim under Extension of Cover - Additional Benefit, if you pay or agree to pay an additional *premium*, we will return the limit to the full \$8,000.

3. Advertising (or Identification) Signs

We will pay for *breakage* of *advertising* (or identification) signs occurring during the period of insurance.

4. Damaged Stock

If '*Glass*' is shown in the *schedule* and *glass* is *broken* we will pay to repair or replace *stock* that is damaged by such *broken glass*.

Section 5

Business Special Risks

Introduction

This *cover section* only forms part of your policy when Section 5 Business Special Risks is shown in the *schedule* and is limited to the period of insurance indicated.

Definitions

The following definitions shall apply to the words used in this *cover section*.

Damage or Damaged means accidental physical damage, destruction or loss.

Item or Items means an Item or Items that are shown in the *schedule*.

Cover

We will pay up to the *sum insured* for the cost of repairing or replacing *items* that are *damaged* during the period of insurance.

Limitations of Cover

1. Geographical Limits

Cover only applies to *damage* that occurs within *Australia*, unless cover is limited by *endorsement* to the situation shown in your *schedule*.

2. Excess

You are liable for the *excess* for each and every event that results in *damage*.

3. Obsolete Items or Improvements

If an *item* cannot be purchased as a new *item* or if an *item* cannot be repaired or replaced without improving the output, capacity or efficiency of that *item* then we will only pay the cost of replacing or repairing that *item* less an amount equal to the value of any such improvement(s).

4. Unspecified Items

When cover is shown in the *schedule* for Unspecified *Items*, cover is limited to a maximum amount of \$2,000 for any one *item*.

Provided that we will not pay for Excluded Items.

5. Reduced Sum insured

The *sum insured* for the period of insurance will be reduced by any payment made or due to be made under this *cover section*.

Exclusions

1. Excluded Causes

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

- (a) the actual breaking, seizing, deformation or melting of any part of any *item* while that *item* is in use that is caused by mechanical, electrical or electronic defect within the *item* that causes sudden malfunction that requires repair or replacement before the *item* can resume normal operation;
- (b) corruption or loss of data;
- (c) vermin or insects;
- (d) scratching, denting, chipping or other aesthetic defects that do not affect the operation or function of the *item*;
- (e) gradually operating causes such as, but not limited to, wear and tear, atmospheric conditions, mildew, corrosion, disease, fading, rusting or other forms of oxidation; or
- (f) faulty materials, faulty workmanship or latent defect.

2. Excluded Items

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

- (a) mobile plant, motorised vehicles, watercraft, video equipment;
- (b) *stock*;
- (c) mobile telephones and radios, sporting equipment, aerial devices;
- (d) computers, electronic diaries, organisers or their accessories;
- (e) firearms; and
- (f) *money*.

3. Consequential Loss

We will not pay for consequential loss of any kind.

Optional Limitations

1. Restricted Cover

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

- (a) fire, storm, water, explosion, impact by a vehicle;
- (b) earthquake, aircraft, malicious *damage*, but not theft;
- (c) collision or overturning of a vehicle; and
- (d) theft following visible, forcible and violent entry to *locked* vehicles or *locked premises*.

2. Fire Excluded

If the peril of Fire is shown as being excluded in the *schedule* then damage due to fire is not covered by this *cover section*