

Business Insurance Policy

Steadfast Client Trading Platform
Product Disclosure Statement
and Policy Wording

Steadfast 
THE STRENGTH YOU NEED

vero 

Vero Business Insurance

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Claims made and notified basis of cover

This notice is in relation to the Management Liability Cover Section only and does not form part of the PDS or policy.

Management Liability Cover Section (excluding Optional Cover 1 – “Employee Dishonesty”) is issued on a “claims made and notified” basis. This means that the Management Liability Cover Section (excluding Optional Cover 1 – “Employee Dishonesty”) responds to claims first made against you during the period of insurance and notified to us during the period of insurance, provided that you were not aware, or did not notify us, at any time prior to the policy inception of circumstances which would have put a reasonable person in your position on notice that a claim may be made against them.

Section 40(3) of the Insurance Contracts Act 1984 may apply to any written notification of facts. The facts that you may decide to notify within the period of insurance are those which might give rise to a claim against you. Such notification must be given as soon as reasonably practicable after you become aware of the facts and prior to the time at which your policy expires. If you give written notification of facts your policy may respond even though a claim arising from those facts is made against you after your policy has expired.

When the period of insurance expires, no new notification of facts that may give rise to a claim against you can be made under the Management Liability Cover Section of the expired policy, even though the facts giving rise to the claim against you may have occurred during the period of insurance.

If you notify a claim first made against you during the period of insurance under this Cover Section, after the period of insurance expires, our liability may be reduced by an amount that fairly represents the extent to which our interests were prejudiced as a result of your delay in notifying us of the claim as soon as reasonably practicable within the period of insurance.

Exceptions to this are Additional Benefit 12 – “Retired directors and officers” and Additional Benefit 13 – “Automatic Discovery Period” of the Management Liability Cover Section, under which some cover for new notification of claims or facts is available. Please refer to page 103 for details of these Additional Benefits and when they apply.

Introduction

Welcome to Vero Insurance

Vero is a specialist provider of quality business insurance products and packages in Australia. Our mission is to help ensure your business' success – whether you run a small business or a large corporation.

With over 180 years of experience providing quality insurance products in Australia, we're experts at helping business owners cover their risks and helping to secure the future of their business.

We offer our products exclusively through insurance brokers and authorised agents, because we believe that impartial, specialist advice is paramount when it comes to selecting business insurance. Vero has a great reputation in the industry, and we work closely with insurance brokers to help ensure we meet the unique needs of our many, varied clients.

Help protect your business, and your future, with an insurer that understands business.

Vero is a member of the Suncorp Group.

Who is the insurer?

This insurance is issued by AAI Limited ABN 48 005 297 807 AFSL 230859 trading as Vero Insurance.

How to contact us

You may contact **us** by:

- ▼ Online Claims
Lodgment: via www.vero.com.au/claims
- ▼ Telephone: 1300 888 071
- ▼ Email: via the "Contact Us" page on **our** website www.vero.com.au
- ▼ Mail: Vero Insurance
GPO Box 3999
Sydney NSW 2001

About Steadfast

Steadfast Group Limited (Steadfast) is a public company. It includes a large network of insurance brokerages who operate in Australia as Steadfast Brokers. This **policy** is available exclusively to **you** through a Steadfast broker.

Steadfast Group Limited does not issue, guarantee or underwrite this policy.

Important information about Steadfast's advice

Any advice Steadfast gives about this **policy** does not take into account any of **your** particular objectives, financial situation or needs. For this reason, before **you** act on Steadfast's advice, **you** should consider the appropriateness of the advice taking into account **your** own objectives, financial situation and needs. Before **you** make any decisions about whether to acquire this **policy**.

We recommend that **you** read this **PDS** and Policy Wording.

About your insurance policy

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

Your policy is made up of the **Product Disclosure Statement (PDS)** and Policy Wording, any **Supplementary PDS (SPDS)** we may send **you**, any **endorsements** and the **policy schedule**. **You** should read all these documents together to tell **you** what **we** cover, what **we** exclude, what **we** pay to settle claims and other important information.

We will provide cover under those **cover sections** shown on the **policy schedule** and for those Optional Covers shown on the **policy schedule** for the **period of insurance**. The commencement date and expiry date of the **period of insurance** are shown on **your policy schedule**.

You must pay the premium by the due date and comply with all of the **policy** conditions.

The General Policy Conditions listed on pages 14 to 17, General Claims Conditions listed on pages 17 to 20 and General Exclusions listed on pages 21 to 26 apply to the whole **policy**. Unless otherwise expressly stated these apply to each of the Cover Sections, including any Extensions of Cover, Extra Covers, Additional Benefits or Optional Covers in those Cover Sections. Specific conditions, definitions and exclusions also apply to individual Cover Sections and any Extensions of Cover, Extra Covers, Additional Benefits or Optional Covers in those Cover Sections.

Some of the words used in this **PDS** have a special defined meaning. These words are in **bold** in this **PDS** and Policy Wording. Most of the words **we** have defined are listed in the General Definitions on pages 26 to 32 or the Definitions of the applicable **cover section**. The words may appear without bold type in **endorsements**.

About this Product Disclosure Statement and Policy Wording

We are required to give **you** a **Product Disclosure Statement (PDS)** if **you** are insuring a **building** which has residential use under the Property Damage or Glass Cover Sections and **you** are:

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

This **PDS** and Policy Wording consists of 4 parts:

- ▼ Part 1: A Policy summary.

You can use this summary, together with **your** Steadfast broker, to decide which Cover Sections **you** need for **your business**.

- ▼ Part 2: Important information.

This part of the booklet includes information about **your** rights and responsibilities and the General Insurance Code of Practice and how to contact **us** if **you** have a complaint. This part applies to all Policy Cover Sections and should be read by all people who take out this policy.

- ▼ Part 3: Information for certain persons insuring a **building** which has residential use.

This part only applies to **you** if **you** are insuring a **building** which has residential use under the Property damage or **Glass** Cover Sections and **you** are an individual or a small business as described above.

- ▼ Part 4: Contains the Business Insurance policy coverage.

This part of this booklet contains the General Claims Conditions, General Policy Conditions, General Definitions, General Exclusions and the **cover sections**.

If **we** issue **you** with an insurance **policy**, **you** will be given a **policy schedule**. The **policy schedule** sets out the specific terms applicable to **your** cover and should be read together with this Policy wording and **PDS**.

You must pay the premium by the due date and comply with all the **policy** terms and conditions.

The Policy wording, **PDS** the **policy schedule** and any **endorsements** **we** send to **you** form **your** legal contract with **us** so please keep them in a safe place for future reference. If **you** require further information about this product, please contact **your** Steadfast broker.

To understand the terms and conditions of **your policy**, **you** must read the policy summary (Part 1), the Important Information Section (Part 2) and **your** Business Insurance policy terms and conditions (Part 4).

If **you** are insuring a **building** which has residential use under the Property Damage or Glass Cover Sections and **you** are an individual or a small **business**, **you** should also read Part 3.

Some of the words used in this **PDS** have a special defined meaning. These words are in bold in this **PDS** and **policy** wording. Most of the words **we** have defined are listed in the General Definitions on pages 26 to 32 or the Definitions of the applicable **cover section**. The words may appear without bold type in **endorsements**.

Part 1: Policy summary

Below is a summary of the covers offered in this **Policy**. This Policy wording incorporates 11 different Cover Sections of business insurance. **You** are insured only in respect of those cover sections shown as insured in the **Policy schedule**.

Not all covers are available on their own and some are dependent on **you** taking out another cover as well.

The **policy schedule** should be checked to ensure that **you** have the cover sections and extent of cover **you** require. Together with **your** Steadfast broker **you** can choose Cover Sections to meet **your** requirements.

Cover Section	Summary of covers (see relevant Section for details, relevant limits, and specific conditions and exclusions that apply)
Property damage	This Cover Section provides cover for accidental loss of or damage to your property insured at your premises and provides a number of automatic additional benefits.
Business interruption	This Cover Section provides cover for the loss of income and the additional increased costs of working which results from the interruption of your business caused by events covered under the "Property Damage Cover Section," the "Theft Cover Section," the "Money Cover Section," the "Glass Cover Section," "Goods in Transit Cover Section" or the "General Property Cover Section" of your policy .
Theft	This Cover Section provides cover for loss of or damage to your property contents and stock caused by theft or attempted theft and provides a number of Additional Benefits.
Money	This Cover Section provides cover for your business's money whilst on your premises , in a safe or strong-room, in transit to or from your premises , or in your personal custody, or the custody of a trusted employee .
Glass	This Cover Section provides cover for breakage of glass at your premises (including internal glass such as glass partitions, or external windows) and provides a number of automatic Additional Benefits.
General property	This Cover Section provides cover for loss or damage to portable or valuable business property such as tools, laptop computers, a personal digital assistant that you carry around with you occurring anywhere in Australia or the rest of the world.
Machinery and electronic equipment breakdown	This Cover Section provides cover for: <ul style="list-style-type: none"> (a) the breakdown of your business's machinery and electronic equipment at the premises including air conditioning units, computers and electronic equipment such as photocopiers and faxes; (b) the cost of restoring your business's computer records following a computer breakdown; (c) the increased costs of working (such as the hiring of alternative computers, the hiring of additional staff) following the breakdown of your business's computers; (d) the costs of replacing your business's stock which is kept in freezers or refrigerated units, if the fridge or freezer breaks down.
Public and products liability	This Cover Section provides cover for your legal liability for personal injury to another person (other than employees) or for damage to property owned or controlled by someone else or advertising injury in connection with your business and caused by or arising out of an occurrence , or arising in connection with your products .
Management liability	This Cover Section provides cover for the management liability of you, your directors, officers and employees .
Goods in transit	This Cover Section provides cover for the loss or damage to goods that your business buys, sells or uses whilst they are in transit.
Tax audit	This Cover Section covers the professional fees incurred in connection with an audit or investigation of your business's tax affairs by any authority authorised to do so, e.g. the Australian Taxation Office, Workers Compensation authority.

Optional Covers

This **PDS** has a number of Optional Covers which, for an additional premium and subject to any conditions that apply, **you** can choose to include in **your policy**. If included these will be shown on **your policy schedule**.

When **we** send **your** renewal offer, it will usually include **your** previously selected Optional Cover. Contact your Steadfast broker to remove or add any Optional Cover.

Part 2: Your rights and responsibilities

This part applies to all Cover Sections of **your PDS** and Policy Wording. All policyholders need to read this Part 2.

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;
- ▼ is common knowledge;
- ▼ **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.

Not meeting your responsibilities

If **you** do not meet **your** responsibilities outlined in **your policy**, or if **you** do not tell **us** everything relevant to **our** decision whether or not to insure **you**, or if **you** mislead **us**, **we** can refuse to pay a claim or reduce the amount **we** pay or cancel **your policy**.

If fraud is involved, **we** can treat **your policy** as if it never existed.

Cooling off period

You have the right to return the **policy** or a **cover section** of the **policy** by notifying **us** in writing within thirty (30) days of the date it was issued to **you** ("cooling off period"), unless **you** have a claim under the **policy** or that **cover section** within the cooling off period.

If **you** return **your policy** or remove a **cover section** of the **policy** during the cooling off period, **we** will return the amount **you** have paid (including GST if applicable) and **you** will have no cover for the **policy** or that **cover section**.

In addition, if **you** vary **your policy** (for example by adding a **cover section**, **endorsement** or increasing an **insured amount**), **you** have the right to cancel that variation within thirty (30) days of the date it was added by notifying **us** in writing ("additional cooling off period") unless **you** wish to make or have made a claim under that variation within the additional cooling off period. If it is cancelled within this time, **we** will return the amount **you** have paid for that variation

To cancel at other times, (including when a claim has been made during the cooling off period) please see "Cancellations" below.

Cancellations

How you may cancel

You can cancel **your policy** at any time. **You** can do this by giving notice to **your** Steadfast broker.

You can specify a future date from which **you** would like to cancel **your policy**. If **you** do not specify a date then the cancellation takes effect on the date **we** receive **your** request. If **you** cancel **your policy**, **we** will refund the proportion of **your** premium for the unexpired **period of insurance** (including GST if applicable) less any non-refundable government charges, provided the refund is more than \$10 (GST inclusive).

If **you** pay by instalments, on cancellation **you** agree to pay **us** any portion of the premium that is owing but not yet paid and that amount is due and payable.

How we may cancel

We can cancel **your policy** when the law allows us to do so. **We** will cancel **your policy** by telling **you** so in writing, either in person or by post to **your** last known address. If **we** cancel **your policy** **we** will refund the proportion of **your** premium for the unexpired **period of insurance** (including GST if applicable) along with any non-refundable government charges if the refund is more than \$10 (GST inclusive). If **we** cancel **your policy** due to fraud, **we** will not refund any **money** to **you**.

If **we** pay a claim for the full **insured amount** on **your building**, whether by reinstatement or replacement or by a payment to **you**, that cover ends. Any **Cover Section**, Extra Cover, Additional Benefit or Optional insurance for that cover also ends.

When **your policy** ends as a result of us paying out a claim for the full **insured amount** on **your building** **we** will not refund any premium for an unexpired **period of insurance**. If **you** have been paying **your** premium by monthly direct debit instalments, **we** will deduct the remaining instalment premiums due for the unexpired **period of insurance** from the amount **we** pay for the claim.

The amount of your premium

The premium is the amount **you** pay **us** for this insurance and is specified in **your policy schedule**. It includes stamp duty, Goods and Service Tax (GST), and any other government charges or levies that apply. The amount of these taxes and charges will be specified in **your policy schedule**.

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

In addition to the factors **we** use to calculate **your** premium, the discounts **you** qualify for also affect **your** premium. **Your** premium includes any discounts **you** qualify for and these are applied before adding applicable government charges. **We** can vary or withdraw a discount at any time, however changes will not affect the premium for an existing **policy** during its current **period of insurance**.

Paying your premiums

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

You must pay the premium by the due date. For the first **period of insurance**, if **you** do not pay the premium owing by the due date, **we** can cancel **your policy**.

For renewals of policies paid annually, if **you** do not pay **your** premium by the due date, then **you** have no cover from the due date.

If **you** change **your policy**, **you** may be entitled to a partial refund of premium or be required to pay an additional premium.

Paying by monthly instalments

If **you** pay **your** premium by monthly instalments and a monthly instalment is overdue, **we** will let **you** know and **we** can cancel **your policy**:

- ▼ by giving **you** at least 14 days advance notice; or
- ▼ without advance notice, once an instalment is one (1) month (or more) overdue.

Retroactive date and exclusions of prior acts

A retroactive date applies to the Management Liability Cover Section. This means that it does not cover loss resulting from any wrongful act occurring or committed prior to the retroactive date specified in **your policy schedule**. This Cover Section also excludes cover for any wrongful act occurring or committed by a subsidiary or its directors, officers or employees prior to its acquisition or creation by **you**.

Excess

This is the amount **you** have to pay each time **you** make a claim under **your policy**.

The amount and type of **excess** that applies to **your policy** is shown either in Part 4 of this **PDS** and Policy Wording or on **your policy schedule**.

For some types of cover, Extra Cover or, Additional Benefit, the **excess** that applies may be higher than, or in addition to, the one shown in **your policy schedule**. If this is the case this will be stated in the applicable **cover section**.

If **you** claim under more than one section of **your policy** for one incident or **event**, then **you** only pay the highest excess that applies unless expressly stated otherwise in the **policy** that another excess applies. **You** may be required to pay one or more **excesses**.

Fraudulent claims

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

- ▼ refuse to pay a claim;
- ▼ cancel **your policy**; or
- ▼ take legal action against **you**.

Privacy statement

AAI Limited trading as Vero Insurance is the insurer and issuer of **your** commercial insurance product, and is a part of the Suncorp Group of companies, which **we**'ll refer to simply as "the Group".

Why do we collect personal information?

Personal information is information or an opinion about an identified individual or an individual who is reasonably identifiable. **We** collect personal information so that **we** can:

- ▼ identify **you** and conduct appropriate checks;
- ▼ understand **your** requirements and provide **you** with a product or service;
- ▼ set up, administer and manage **our** products and services and systems, including the management and administration of underwriting and claims;
- ▼ assess and investigate any claims **you** make under one or more of **our** products;
- ▼ manage, train and develop **our** employees and representatives;
- ▼ manage complaints and disputes, and report to dispute resolution bodies; and
- ▼ get a better understanding of **you**, **your** needs, **your** behaviours and how **you** interact with **us**, so **we** can engage in product and service research, development and business strategy including managing the delivery of **our** services and products via the ways **we** communicate with **you**.

What happens if you don't give us your personal information?

If **we** ask for **your** personal information and **you** don't give it to **us**, **we** may not be able to provide **you** with any, some, or all of the features of **our** products or services.

How we handle your personal information

We collect **your** personal information directly from **you** and, in some cases, from other people or organisations. **We** also provide **your** personal information to other related companies in the Group, and they may disclose or use **your** personal information for the purposes described in "Why do we collect personal information?" in relation to products and services they may provide to **you**. They may also use **your** personal information to help them provide products and services to other customers, but they'll never disclose **your** personal information to another customer without **your** consent.

Under various laws **we** will be (or may be) authorised or required to collect **your** personal information. These laws include the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, Personal Property Securities Act 2009, Corporations Act 2001, Autonomous Sanctions Act 2011, Income Tax Assessment (1997 Act) Regulations 2021, Income Tax Assessment Act 1936, Income Tax Assessment (1936 Act) Regulation 2015, A New Tax System (Goods and Services Tax) Act 1999 and the Australian Securities and Investments Commission Act 2001, as those laws are amended and includes any associated regulations.

We will use and disclose **your** personal information for the purposes **we** collected it as well as purposes that are related, where **you** would reasonably expect **us** to. **We** may disclose **your** personal information to and/or collect **your** personal information from:

- ▼ other companies within the Group and other trading divisions or departments within the same company (please see **our** Group Privacy Policy for a list of brands/companies);
- ▼ any of **our** Group joint ventures where authorised or required;
- ▼ customer, product, business or strategic research and development organisations;
- ▼ data warehouse, strategic learning organisations, data partners, analytic consultants;
- ▼ social media and other virtual communities and networks where people create, share or exchange information;
- ▼ publicly available sources of information;
- ▼ clubs, associations, member loyalty or rewards programs and other industry relevant organisations;
- ▼ a third party that we've contracted to provide financial services, financial products or administrative services – for example:
 - ▼ information technology providers,
 - ▼ administration or business management services, consultancy firms, auditors and business management consultants,
 - ▼ marketing agencies and other marketing service providers,
 - ▼ claims management service providers
 - ▼ print/mail/digital service providers, and
 - ▼ imaging and document management services;
- ▼ any intermediaries, including **your** agent, adviser, a broker, representative or person acting on **your** behalf, other Australian Financial Services Licensee or **our** authorised representatives, advisers and **our** agents;

- ▼ a third party claimant or witnesses in a claim;
- ▼ accounting or finance professionals and advisers;
- ▼ government, statutory or regulatory bodies and enforcement bodies;
- ▼ policy or product holders or others who are authorised or noted on the **policy** as having a legal interest, including where **you** are an **insured** person but not the **policy** or product holder;
- ▼ in the case of a relationship with a corporate partner such as a bank or a credit union, the corporate partner and any new incoming insurer;
- ▼ the Australian Financial Complaints Authority or any other external dispute resolution body;
- ▼ credit reporting agencies;
- ▼ other insurers, reinsurers, insurance investigators and claims or insurance reference services, loss assessors, financiers;
- ▼ legal and any other professional advisers or consultants;
- ▼ hospitals and, medical, health or wellbeing professionals;
- ▼ debt collection agencies;
- ▼ any other organisation or person, where **you**'ve asked them to provide **your** personal information to **us** or asked **us** to obtain personal information from them, e.g. your mother.

We'll use a variety of methods to collect **your** personal information from, and disclose **your** personal information to, these persons or organisations, including written forms, telephone calls and via electronic delivery. **We** may collect and disclose **your** personal information to these persons and organisations during the information life cycle, regularly, or on an ad hoc basis, depending on the purpose of collection.

Overseas disclosure

Sometimes, **we** need to provide **your** personal information to – or get personal information about **you** from – persons or organisations located overseas, for the same purposes as in "Why do we collect personal information?"

The complete list of countries is contained in **our** Group Privacy **Policy**, which can be accessed at www.vero.com.au/privacy, or **you** can call **us** for a copy.

From time to time, **we** may need to disclose **your** personal information to, and collect **your** personal information from, other countries not on this list. Nevertheless, **we** will always disclose and collect **your** personal information in accordance with privacy laws.

How to access and correct your personal information or make a complaint

You have the right to access and correct **your** personal information held by **us** and **you** can find information about how to do this in the Suncorp Group Privacy Policy.

The Policy also includes information about how **you** can complain about a breach of the Australian Privacy Principles and how **we**'ll deal with such a complaint. **You** can get a copy of the Suncorp Group Privacy Policy. Please use the contact details in "Contact Us".

Contact us

For more information about our privacy practices including accessing or correcting **your** personal information, making a complaint, or obtaining a list of overseas countries **you** can:

- ▼ Visit www.vero.com.au/privacy
- ▼ Speak to **us** directly by phoning one of our Sales & Service Consultants on: 1300 888 073 or by
- ▼ Email **us** at privacyaccessrequests@vero.com.au

Complaints resolution

We are committed to:

- ▼ listening to what **you** tell **us**;
- ▼ being accurate and honest in telling **you** about **our** products and services;
- ▼ communicating with **you** clearly; and
- ▼ resolving any complaints or concerns **you** have in a fair, transparent and timely manner.

How to contact us with a complaint

If **you** experience a problem, are not satisfied with **our** products or services or a decision **we** have made, please let **your** Steadfast Broker who provided **your** initial service or **us** know so that **we** can help.

Contact **us**:

- ▼ By phone: 1300 888 073
- ▼ By email: claims@vero.com.au

If **we** are not able to resolve **your** complaint or **you** would prefer not to contact the people who provided **your** initial service, **our** Customer Relations team can assist:

- ▼ By Phone: 1300 264 470
- ▼ By Email: idr@vero.com.au
- ▼ In writing: Vero Customer Relations, PO BOX 14180 Melbourne City Mail Centre VIC 8001

Customer Relations will contact you if they require additional information or if they have reached a decision. When responding to **your** complaint **you** will be informed of the progress and the timeframe for responding to **your** complaint.

Seek review by an external service

We expect our procedures will deal fairly and promptly with **your** complaint. However, if **you** remain dissatisfied, **you** may be able to access the services of the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. Any determination AFCA makes is binding on us, provided **you** also accept the determination. **You** do not have to accept their determination and **you** have the option of seeking remedies elsewhere.

AFCA has authority to hear certain complaints. Contact AFCA to confirm if they can assist **you**.

You can contact AFCA:

- ▼ By phone: 1800 931 678
- ▼ By email: info@afca.org.au
- ▼ In writing: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001
- ▼ By visiting: www.afca.org.au

Other information

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

The premium will include an amount of GST.

You must tell us about the input tax credit (ITC) **you** are entitled to for **your** premium and **your** claim, each time **you** make a claim. If **you** do not give us this information or if **you** tell us an incorrect ITC, **we** will not pay any GST liability **you** incur.

Our liability to **you** will be calculated taking into account any ITC to which **you** are entitled for any acquisition which is relevant to **your** claim, or to which **you** would have been entitled had **you** made a relevant acquisition.

In respect of **your** policy, where **you** are registered for GST purposes **you** should calculate the **insured amounts** having regard to **your** entitlement to **input tax credits**. **You** should, therefore, consider the net amount (after all **input tax credits**) which is to be insured and determine an **insured amount** on a GST exclusive basis.

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

"GST"; "input tax credit"; "acquisition" and "supply" have the meaning given in A New Tax System (Goods and Services Tax) Act 1999.

Financial Claims Scheme

This policy may be a “protected policy” under the Federal Government’s Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA. Information about the FCS can be obtained from APRA By:

▼ Telephone: 1300 55 88 49

▼ Website: www.fcsapra.gov.au

General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice. **You** can get a copy of the Code can be obtained from the Insurance Council of Australia website (www.insurancecouncil.com.au) or by phoning (02) 9253 5100 or 1300 728 228.

Terrorism and Cyclone Insurance Act 2003

Some Cover Sections of this policy exclude cover for losses as a result of terrorism.

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

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

Updating information

The information in this **PDS** and Policy Wording was current at the date of preparation. Vero Insurance may update some of the information in the **PDS** and Policy Wording that is not materially adverse from time to time without needing to notify **you**.

You can obtain a copy of updated information by contacting **us** on 1300 888 071. **We** will give **you** a free paper copy of any updates if **you** request them. If it becomes necessary, **we** will issue a **Supplementary** or replacement **PDS** which **we** will give **you**.

Part 3: Information for some policyholders only

This Part applies to **you** if **you** are insuring a home building under the Property Damage Cover Section, Theft Cover Section or Glass Cover Section and **you** are:

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

You need to read this part if it applies to **you**.

A home building is a building which is used or intended to be used principally and primarily as a place of residence.

An example of what is considered a home building is where the building is a commercial premise, but **you** may also live in the building, or **you** rent part of the building for residential use.

If the building is only used by **you** for residential purposes, it cannot be insured under this product.

How various factors may affect your premium

The premium is the amount **you** pay **us** for this insurance. The premium payable by **you** will be shown on **your policy schedule**.

The amount **you** pay includes applicable Commonwealth and State taxes, charges and levies. The amount of these taxes, charges and levies will be specified in **your policy schedule**.

If **you** change **your policy** **you** may be entitled to a partial refund of premium or be required to pay an additional premium.

The following table is a guide to the significant factors which impact generally on **your** premium.

Factor	Lowers premium	Increases premium
Insured amount	Lower insured amount	Higher insured amount
Address and/or postcode	Low risk address and/or postcode	High risk address and/or postcode
Optional insurance	None taken	One or more taken
Claims experience	Low claims experience	High claims experience
Voluntary excess	Higher excess	Lower excess
Occupation	Low risk occupation	High risk occupation
Location	Low risk location	High risk location
Number of premises	Fewer premises	More premises
Building materials	More fire resistant materials	Less fire resistant materials
Security	High security	Low security
Age of building	Newer building	Older building
Endorsements	Reduces our risk or your cover	Increases our risk or your cover
Our expenses of doing business including payments we make to intermediaries	Low expenses	High expenses

Why the cost of your insurance premium can change

Your insurance premium can change during the **period of insurance** if the circumstances or risks covered by **your policy** change. For example **your** premium will change if **you**:

- ▼ change the use of **your premises** or add new covers to **your policy**.

Also, each time **you** renew **your** insurance **your** premium is likely to change, even if **your** circumstances or the risks covered by **your policy** have not changed. This is because premiums are affected by:

- ▼ the total cost of current and future claims;
- ▼ the cost of claims **we** expect to pay in the future;
- ▼ any changes in government taxes or charges;
- ▼ **our** expenses of doing business; and
- ▼ whether indexation is specified in **your policy schedule**.

At renewal, **we** might decide to pass on all, or part of, any premium increase or decrease.

Premium discounts

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

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

Excess

An **excess** is **your** contribution to the cost of a claim. If **you** make a claim, **you** may be required to pay one or more **excesses**.

The description of those **excesses** and the circumstances in which they are applied are shown in the relevant Cover Section in Part 4 of this **PDS** and Policy Wording or in **your policy schedule**. In some Cover Sections an additional or higher **excess** than the one shown in **your policy schedule** may apply to specific covers, Extra Covers or Additional Benefits. Any such additional or higher **excesses** will be detailed in the **policy**.

We take into consideration a number of factors when setting the amount of **your excess**, such as:

- ▼ **your business** occupation;
- ▼ any voluntary **excess** that **we** may allow **you** to choose;
- ▼ **your** claims history; and
- ▼ any additional risk factors that are unusual or unique to **your business** circumstances.

Part 4: Your policy coverage

Important information

1. Your policy

Your policy is a legal contract between **you** and **us**. The contract is based on the information **you** gave **us** when **you** applied for the insurance and any subsequent information which **you** have supplied. Based upon the information provided by **you** and subject to the premium being paid, **we** agree to insure **you** during the **period of insurance**.

Your period of insurance starts on the date shown on **your policy schedule** and finishes at 4:00 pm on the expiry date shown on **your policy schedule**.

Your policy is made up of this **PDS** and Policy Wording, any applicable **SPDS**, the **policy schedule** and any **endorsements**. These should be read and kept together. **We** will provide cover under those **cover sections** that are shown on **your policy schedule** and for those Optional Covers that are shown on the **policy schedule**.

2. Who is insured?

The **policy** provides insurance only for the parties shown on **your Policy schedule** unless otherwise stated in individual Cover Sections or **endorsements**.

3. Policy limits

We will not pay any more than the **insured amount** or **limit of liability** or sub-limit for each Cover Section, part of a Cover Section or individual item or cover that is shown on the **Policy schedule**, unless **we** specifically state otherwise in **your policy**.

You should ensure that the **insured amount**, **limits of liability** and sub-limits that apply to this **policy** are adequate for **your** needs. If **you** do not select adequate amounts to insure then **you** may have to bear any uninsured losses **yourself**.

Limits of certain Additional Benefits and Extra Covers

The sub-limits of some of the Additional Benefits and Extra Covers in this **policy** are expressed as a percentage of an **insured amount**. This means that if the underlying **insured amount** is inadequate then the amount of cover provided under the Additional Benefits or Extra Cover may also be inadequate for **your** needs.

Underinsurance

In addition, the Property Damage Cover Section, and Business Interruption Cover Section each contains an underinsurance condition that can result in the amount **we** pay **you** being reduced because **you** did not adequately insure.

4. General Provision

The General Policy Conditions, General Definitions, General Claims Conditions, and General Exclusions form part of this **policy**. Unless otherwise expressly stated these apply to each of the cover sections, including any Extra Covers, Additional Benefits or Optional Covers in those Cover Sections.

Specific conditions, definitions and exclusions also apply to individual Cover Sections and any Extra Covers, Additional Benefits or Optional Covers in those Cover Sections.

If **you** do not comply with the General Policy Conditions, General Claims Conditions or another condition in this **policy**, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your policy**.

A reference to days in the **policy** means calendar days unless otherwise specified.

Some words used in this **policy** have special meanings. These words are in bold. The words **we** have defined are listed in either the General Definitions on pages 26 to 32 or the Definitions in the applicable Cover Section

The headings in each Cover Section are not part of the **policy** itself. Their purpose is to provide **you** with a general guide about the content of the text.

5. References to legislation

A reference to any legislation or legislative provision includes any statutory modification, replacement or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision (whether of Australia or elsewhere).

General policy conditions

These conditions apply to all Cover Sections unless **we** state in a General Policy Condition that it only applies, or does not apply, to certain Cover Sections.

If **you** do not comply with these "General Policy Conditions", **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your policy**.

1. Accountancy records

You must provide to **us** all books of account, **business** books and any other documents as may be required to investigate or verify **your** claims. If **you** do not, **we** may refuse to pay or may reduce the amount of a claim.

2. Bankruptcy or insolvency

In the event that **you** should become bankrupt or insolvent, **we** shall not be relieved thereby of the payment of any claims hereunder because of such bankruptcy or insolvency. In case of execution against **you** of any final judgment covered by this **policy** being returned "unsatisfied" by reason of such bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against **us** in the same manner, and to the same extent as **you** but not in excess of the **insured amount**.

3. Change to risk

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

- (a) **you** are convicted of a criminal offence
- (b) the nature of or type of **business** carried on by **you** or **your** tenants changes;
- (c) the occupation and activities carried on by the tenants of **your buildings** changes;
- (d) **you** undertake construction works or alterations at or to **your business premises**;
- (e) as property owner **you** intend to either redevelop or demolish **your property insured**, have lodged an application to do this, or a government authority has issued a demolition order;
- (f) **your** interest in the **policy** ceases, including by operation of law;
- (g) **you** are declared bankrupt or the **business** is wound up or carried on by an insolvency practitioner or permanently discontinued;

You must notify **us** as soon as possible of any of the above changes.

If **you** have not told **us** about any of the above matters having occurred in any other period of insurance **you** held this **policy** with **us**, **you** must also tell **us** as soon as possible. If **you** are a property owner insuring **buildings** that **you** lease, **our** decision to insure **you** and the premium **we** charge **you** will take into account information about **your** tenants and how the **building** is used that **you** tell **us** when **you** apply for a policy with **us**, during the **period of insurance** and at each renewal. For this reason it is important that **you** tell **us** as soon as possible if any of these things change.

For example:

If **your building** has three tenants (an accountant's office, a jeans retailer and a sandwich bar) **we** will calculate **your** property premium on the sandwich bar, as it is more hazardous than either of the other two occupations.

If during the **period of insurance** the sandwich bar closes down and a menswear shop opens, then **you** must notify **us** of the change and **we** will calculate **your** property premium either using the jeans retailer or menswear shop, whichever is the more hazardous occupation.

If **you** do not notify **us** when **you** need to **we** may refuse to pay **your** claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** delay in notifying **us**).

If **we** agree to the changes **you** tell **us** about, **we** will confirm this in writing. When **you** contact **us** to inform **us** of any of these above matters occurring or having occurred, **we** may need to agree with **you** that one of the following changes is made in order to continue **your** cover:

- ▼ impose an additional **excess**,
- ▼ charge extra premium; or
- ▼ apply a special condition to **your policy**.

In some cases, it may lead **us** to reduce or refuse to pay a claim or mean **we** can no longer insure **you** and **we** will cancel **your policy**.

4. Designation of property

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

5. Governing law

The construction, interpretation and meaning of the terms of this **policy** will be determined in accordance with the laws of Australia and the State or Territory where the **policy** was issued. Any disputes relating to the construction, interpretation and meaning of the terms of this **policy** will be submitted to the exclusive jurisdiction of the courts of Australia.

6. Hazardous or dangerous goods

When hazardous or dangerous goods are used by the **business** or stored at any **premises** shown on the **policy schedule** (either by **you** or by **your** tenants with **your** knowledge or consent), **you** must take reasonable steps to ensure that such goods are stored and used in accordance with workplace health and safety laws and regulations applicable to the use and storage of hazardous or dangerous goods, of which **you** should have reasonably been aware.

You can obtain information about these laws and regulations from the workplace health and safety regulator in **your** State or Territory, for example, Worksafe or Workcover.

If **you** do not comply with this condition, **we** may refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance).

This General Policy Condition is not applicable to the Theft Cover Section, Glass Cover Section, Money Cover Section, Machinery Breakdown Cover Section, Tax Audit Cover Section or Goods in Transit Cover Section.

7. Inflation protection

If **your policy schedule** specifies that the Property Damage Cover Section applies, **we** will automatically adjust the **insured amounts** specified for the Property Damage Cover Section in **your policy schedule**, each year according to the most appropriate price index (as determined by **us**) and any other relevant indices published by the Australian Bureau of Statistics.

The premium and relevant government charges **you** pay will be based on the adjusted **insured amounts** as specified in **your policy schedule**.

This automatic **insured amount** adjustment at renewal does not replace **your** responsibility for reviewing the **insured amounts** at renewal. **You** are not required to accept the revised **insured amounts** and can ask **us** to amend them at any time.

8. Inspections

We (or agents appointed by **us**) have the right to inspect and examine, by mutual appointment, any **property insured**.

9. Other persons or organisations

The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties having a legal interest or charge over the **property insured** shall be automatically included as third party beneficiaries without notification or specification. The nature and extent of such interest is to be disclosed to **us** in the event of any claim covered by this **policy**. Any other people not in this category or not named on the **policy schedule** are not covered and cannot make a claim. All third-party beneficiaries must comply with the terms and conditions of the **policy**.

Where the separate interests of more than one party in the **property insured** are insured under this **policy**, any act or neglect of a third-party beneficiary will not prejudice the rights of the remaining party or parties provided that the remaining party/ies are entirely innocent of and have no prior knowledge of any such act or neglect and shall, within a reasonable time after becoming aware of any act or neglect whereby the risk of loss, **damage** or destruction has increased, give notice in writing to **us** and shall on demand pay such reasonable additional premium as **we** may require.

All persons entitled to claim under the **policy** are bound by the terms and conditions of the **policy**.

When a claim is paid under the **policy** and is also recoverable under another policy or policies, **you** agree to provide **us** with details of such policies and so that **we** may seek contribution from the other insurer or insurers.

10. Multiple insured parties

Except as otherwise expressly provided in Public and Products Liability Cover Section, Management Liability Cover Section and Tax Audit Cover Section, where there is more than one person or organisation insured under this **policy** any notice given by **us** under this **policy** to any one of **you** shown on the **policy** will be deemed to be notice given to all of **you**.

11. Non-imputation

Where this insurance is arranged in the joint names of more than one **insured**, as described in the definition of **you**, it is hereby declared and agreed that:

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

12. Progress payments

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

13. Sale of salvage

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

14. Single occurrence

We will not pay for loss or **damage** to property covered by this **policy** under more than one **cover section** of the **policy** in respect of the same item and **occurrence** unless a relevant **insured amount** has been paid out in full and **you** have not been fully indemnified, less any applicable **excess**, for the loss or **damage**.

15. Subrogation and recoveries

Notwithstanding Section 67 of the Insurance Contracts Act (Cth), monies recovered in subrogation proceedings will be applied, net of the expense of such recovery:

- (a) first to **you** to the extent of **your** uninsured loss in respect of a claim paid under a section of this **Policy** (disregarding the amount of any **excess** applicable);
- (b) secondly to **us** in reimbursement of the amount paid to **you** in respect of that claim under that **cover section**; and
- (c) thirdly to **you** in satisfaction of any **excess** amount applicable.

Any other monies remaining after these allocations will be **your** property. Nothing in this Condition shall prevent **you** and **us** entering into a "Subrogation Agreement" following a loss agreeing to a different basis of sharing costs and expenses and the allocation of monies recovered.

All recoveries will be applied as herein only after deduction of the reasonable cost of obtaining such recovery. All recoveries made prior to settlement of any claim under this **cover section** will be held for the benefit of **us** and applied as stated herein after settlement if any is made.

Recoveries do not include any amount recovered from insurance, suretyship, reinsurance, security or indemnity taken for the benefit of **us**.

16. Taking steps to reduce risk

You must take steps to ensure that **you** prevent or minimise loss, **damage** or liability by:

- ▼ maintaining **buildings**, structures, fixtures, fittings, furnishings, appliances, **machinery**, implements and plant in sound condition to minimise or avoid theft, loss, damage or liability;
- ▼ ensuring that only competent **employees** are employed;
- ▼ avoiding or minimising **loss** of, or **damage** to, **property insured** or other people's property or injury to other people;
- ▼ complying with all laws, statutory obligations, by-laws, regulations and public authority requirements that concern the safety of persons or property, for example workplace health and safety laws;
- ▼ obtaining certificates of inspection for all equipment required by any statute or regulations to be certified; and
- ▼ complying, at **your** expense, with all **our** recommendations to prevent or minimise theft, **loss** or **damage**.

The steps required are the steps that a reasonable person in the circumstances would take.

If the **premises** are occupied by **your** tenants **you** must ensure that regular and routine inspections of the condition of the **premises** (including at tenant entry and exit) are undertaken and a record of those inspections kept (including photographs).

If **you** do not comply with this condition, **we** may refuse to pay **your** claim or reduce the amount **we** pay **you**, if and to the extent that **your** non-compliance puts **you** or **us** in a worse position in respect of **your** claim.

17. The amount of cover

If **you** are not entitled to an **input tax credit** on **your policy** premium, all **insured amounts** and **limits of liability** stated in **your policy** are GST inclusive (unless **your policy** states otherwise).

If **you** are entitled to an **input tax credit** on any part of the **policy** premium, the **insured amounts** and **limits of liability** stated in **your policy** are exclusive of any **input tax credit** which **you** are entitled to claim (unless **your policy** states otherwise).

18. Transfer of interest

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

19. Unoccupancy

You must ensure that any **building** at the **premises** does not stay unoccupied or, if **you** are the **building** owner, untenanted, for a continuous period of 90 (ninety) days or more. Subject to General Exclusion 11. – 'Unoccupancy', **you** are not insured while the **building** is unoccupied for a period of 90 (ninety) days or more, unless **we** agree to insure **you**.

If any **building** will or is likely to be unoccupied or untenanted for such a period, **you** must notify **us** as soon as possible. If **you** notify **us** that the **premises** will be unoccupied or untenanted for a continuous period of 90 (ninety) days or more and **we** agree to continue to insure **you** under this **policy** during the period where the **building** is unoccupied or untenanted, **we** will confirm this in writing. **You** may be required to pay an additional premium and **we** may apply different conditions and impose a higher **excess** if **we** agree to this.

This General Policy Condition is not applicable to Management Liability Cover Section, Tax Audit Cover Section or Goods in Transit Cover Section.

20. Waiver of subrogation rights

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

- (a) **we** shall waive any rights and remedies or relief to which **we** are or may become entitled by subrogation against:
- (i) any co-insured (including directors, officers and employees);
 - (ii) any corporation or entity (including directors, officers and employees) owned or controlled by any insured or against any co-owner of the **property insured**.
- (b) **you** may without prejudicing **your** position under this **policy**:
- (i) release any statutory governmental, semi-governmental or municipal authority or any landlord or any other person or parties from any liability if required at law, including by contractual agreement, to do so;
 - (ii) agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause;
 - (iii) agree to enter into a lease for occupancy of any **building** or part of a **building** or a lease or hiring of property where the terms of the lease or hiring include a disclaimer clause in favour of the lessor or the owner.

General claims conditions

These conditions apply to all Cover Sections unless **we** state in a General Claims Condition that it only applies, or does not apply, to certain Cover Sections.

You must comply with these conditions if an **event** occurs which may lead to or results in a claim.

If **you** do not comply with these General Claims Conditions, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your policy**.

1. Making a claim

Promptly contact **your** Steadfast broker or call the Vero First Response Unit as soon as possible on 1300 888 073. **We're** available 24 hours a day. You can also lodge a claim online via www.vero.com.au/claims.

2. Claim notification

You must:

- ▼ notify the police as soon as practicable following a theft or attempted theft of any **property insured** or if any **property insured** is misappropriated, lost or maliciously damaged that **you** are able to identify at the time of the theft or attempted theft and provide an update of this list to police once **you** have identified a complete list of stolen or damaged items, if **we** ask **you** to;
- ▼ notify **us** as soon as possible and give **us** all known details of the **event**;
- ▼ as soon as possible provide **us** with any legal document or other communication **you** receive about the claim, including any legal proceedings brought against **you**; and
- ▼ provide **us** with all reasonable information, documentation and records (including computer, electronic and accounting records), to enable **us** to substantiate and investigate the claim that **we** request (including attending an interview or giving evidence in court as **we** may reasonably require). If **we** ask **you** for a statutory declaration verifying the details of **your** claim and any other matters connected with the claim, **you** must provide it.

Where possible, after notifying the police, keep details of the date reported, name of police officer, police station reported to and the report number.

This General Claims Condition does not apply to the notification of claims made against **you** or facts or circumstances that could give rise to a **claim** against **you**, **financial loss** or **business crisis events** under the Management Liability Cover Section.

For the condition applicable to the notification of these matters under that **cover section**, refer to Cover Section Condition 4 – "Notification" in that **cover section**.

3. Minimise loss

You must:

- ▼ take such reasonable precautions to minimise or prevent further **loss, damage**, liability, injury or illness. For example, if there is a hole in the roof, arrange for it to be covered to prevent further water damage from the rain;
- ▼ take such reasonable steps to recover lost or stolen **property insured**; and
- ▼ take such reasonable steps that **we** may ask **you** to take to mitigate the **loss, damage**, liability, injury or illness.

If **you** are unsure about what precautions to take to minimise or prevent further **loss, damage**, liability, injury or illness, please contact **our** claims services on 1300 888 073.

4. Retain all damaged property

You must:

- ▼ retain and preserve all **damaged** property for inspection by **us** or **our** agent (including a loss adjuster) prior to authorisation of repairs unless alterations and repairs are immediately necessary, for safety reasons or to minimise or prevent further **loss, damage**, liability, injury or illness. If repairs are necessarily carried out without **our** prior approval, **you** are still required where reasonably practicable in the circumstances, to retain and preserve all **damaged** property for our inspection, unless it is unsafe to do so, in which case **you** must provide **us** with photographic evidence of the **damaged** property recording its condition prior to disposal or destruction; and
- ▼ retain and preserve all property, products, plant and all other things that may assist **us** in investigating or defending a claim against **you**, including assisting in determining if there are rights of recovery against another entity or person.

5. Our rights of possession

Where **loss** or **damage** has occurred, **we**, **our** employees or **our** agents have the right to be given reasonable access to inspect **property insured** and, where reasonably necessary, to take possession of **property insured** or arrange for it to be delivered to **us**. The reasons when **we** need to do this include assessing or preventing further **loss** or **damage**, dealing with salvage and obtaining evidence to enable **us** to exercise **our** rights of recovery. **We** will deal with this property in a reasonable manner.

6. Provide proof of ownership

If **you** make a claim for **property insured** that is lost, stolen or **damaged**, **you** must provide reasonable **proof of your ownership** or legal responsibility for such **property insured** and evidence of its value, if **we** ask for it. This may include **proof of purchase** such as sales receipts, tax invoices, accounts and bank or credit card statements or a **certificate of authenticity**, manufacturer's box or **original operating manual** that provide a description of the **property insured** and show the purchase price, date and location. **We** will take into account what **property insured** **you** are claiming for, how old the item is and its residual value when considering what **you** provide as proof of ownership and evidence of value.

We understand **you** may not keep such information for every **business** item **you** own, especially if items are recorded in **your** books of account. **You** or **your** accountant may have records for tax purposes, and these may be sufficient to prove ownership and value of the **property insured**.

7. Cooperation

We require **you** to co-operate and provide **us** with all reasonable assistance in connection with any investigation, negotiation, recovery, defence, legal proceeding or settlement of any claim including:

- ▼ doing all things necessary to allow **us** to take over legal proceedings **you** are a party to in the circumstances discussed in General Claims Condition 16 – "Rights of Recovery"; and
- ▼ attending an interview or giving evidence in court as **we** may reasonably require.

8. Notification of other insurance

In the event of a claim **you** must provide **us** with the details of any other insurance that provides cover for the claim to enable **us** to exercise **our** right to seek contribution from the insurer of that other insurance.

9. Repair or replacement

You must not authorise the repair or replacement of any insured item without **our** agreement, unless reasonably necessary to prevent further loss, **damage** or injury. If **we** agree that the repair or replacement of the insured item to prevent further **loss, damage** or injury can be undertaken by **you** or **your employees**, **we** agree to pay **your** reasonable labour costs and overhead expenses subject to the terms, condition and exclusions of the **policy**. However, **we** will not pay more than the amount required by a competent contractor to do the same work.

10. Admitting liability

You must not admit liability for any loss, **damage** or injury, or settle or attempt to settle or defend any claim without **our** written prior consent.

This General Claims Condition does not apply to claims against **you** under the Management Liability Cover Section. Such claims are subject to the Settlement Cover Section Conditions in the applicable Cover Section.

11. Conduct of claims

In relation to liability claims **you** make under **your policy**, **we** have the right and full discretion to conduct claims. **We** may engage legal or other representatives to assist in the conduct of a claim. At all times **we** reserve the right to negotiate and settle a claim on terms **we** consider appropriate. **You** must allow us to make admissions, settle or defend claims made against **you** on **your** behalf.

This General Claims Condition does not apply to claims against **you** under the Management Liability Cover Section. Such claims are subject to the Claims Conduct and Settlement Cover Section Conditions in the Management Liability Cover Section.

12. Paying your excess

You must pay the **excess** that applies to a claim under this policy. Any **excess** that is applied to **your** claim must be paid in full prior to final settlement of that claim.

The **excess** that applies will depend on the circumstances of the claim. Some Additional Benefits and Optional Covers have their own **excess** which is in addition to any other **excess** that may apply to a claim.

The amount of the **excesses** and the circumstances that each **excess** applies to are shown on **your policy schedule** or set out in the applicable Cover Section. **We** will tell **you** how to pay **your excess** and who to pay it to.

When **you** make a claim there are three options as to how to pay **your excess**:

- ▼ the applicable **excesses** may be deducted from the amount **we** pay **you** under **your** claim;
- ▼ the **excess** may be paid in some instances to the appointed repairer or supplier; or
- ▼ **you** may pay the **excess** directly to **us**.

The **excess** that applies will depend on the circumstances of the claim. If more than one **excess** can be applied to one **occurrence** then **you** will only need to pay the highest **excess** that applies unless expressly stated otherwise in the **policy**.

Insured amounts, limits of liability and sub-limits shall apply in addition to, and shall not be reduced by, the amount of any applicable **excess**.

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

13. Claims settlement

(a) Input Tax Credits entitlement

If any **event** occurs which gives or may give rise to a claim **you** must tell **us** your entitlement to **input tax credits** (ITC) for your insurance premium and claim if **you** are registered, or are required to be registered for GST purposes. If **you** do not inform **us** of **your** entitlement, or the information **you** give **us** is incorrect, **we** will not cover **you** for any resulting fines, penalties or tax liability **you** incur. When **we** calculate a payment to **you** for **your** claim, **we** can reduce it by any **input tax credit** you are, or would be, entitled to receive.

(b) Cash payments

Any cash payments made to **you** under this policy will be based on costs including GST. However, if **you** are, or would be, entitled to claim any **input tax credits** for the repair or replacement of the **property insured** or for other things insured by the **policy** **we** will reduce **our** payment to **you** by the amount of **your input tax credit** entitlement.

(c) Discharge of our liabilities

If, at any time, **we** pay **you** the **insured amount**, **limit of indemnity** or **limit of liability** for any claim under this **policy**, the future conduct of the claim then becomes **your** responsibility. **We** may also pay any Extensions of Cover, Extra Covers, Additional Benefits or optional insurance that are in addition to the **insured amount**, **limit of indemnity** or **limit of liability**.

An exception to this is in the Public and products liability **cover section** where:

- (i) **we** will only pay those charges, expenses and legal costs covered under clause 2 of "Defence costs and supplementary payments" of the Public and products liability **cover section** incurred by **us**, or by **you** with **our** written consent, prior to the date of payment of the **limit of liability**; and:
- (ii) if a payment exceeding the **limit of liability** has to be made to dispose of a claim or legal action against **you** under the Public and products liability **cover section**, **our** liability to pay those charges, expenses and legal costs covered under clause 2 of "Defence costs and supplementary payments" of that **cover section**, with respect to the **occurrence**, will be limited to that proportion of those charges, expenses and legal costs as the **limit of liability** bears to the amount paid to dispose of the claim or legal action.

Please see Cover Section Condition 1 – "Our rights regarding claims" in the Public and products liability **cover section** of this **policy** for details of these provisions including an example of how the provision described in (ii) above would apply.

(d) Claims preparation expenses

We will pay for accountant, claims consultants, surveyors, architects, engineers and other professional fees necessarily and reasonably incurred for the preparation of a claim for which **we** agree to indemnify **you** under this **policy**. The most **we** will pay is \$25,000 in total any one (1) claim, unless a higher amount is included in the particular **cover section** of the **policy**.

This benefit is in addition to the **insured amount**.

For the sake of clarity the Claims Preparation Expenses Condition does not apply to the Management Liability Cover Section, or the Tax Audit Cover Section.

14. Salvage

After settling a claim by replacing any damaged or lost **property insured**, if **we** so elect, that damaged or lost **property insured** (other than a **building**) becomes **ours** and **we** are entitled to receive the proceeds of any salvage, except to the extent **you** are not fully indemnified.

15. Rewards

To the extent permitted by law, **we** will pay up to \$5,000 for any one (1) **event** for the reasonable cost of any reward paid by **you** for information which results in the:

(a) apprehension; and

(b) entry of judgment against, or conviction of,

the person(s) responsible for the **loss** or **damage** covered under the Property Damage, Theft, Money or Glass Cover Sections.

You must provide reasonable evidence which demonstrates that the reward has been paid.

We do not cover any reward paid by **you**:

(a) to **your** directors or officers, any **employee**, partner of **your business**, **your** tenant, or **your family**; or

(b) for information which **you** knew was already held by or provided to **us** or any law enforcement authority.

16. Rights of recovery

If **you** have suffered loss or damage or incurred a liability and **you** make a claim with **us** for that loss, damage or liability, then **we** have the right and **you** permit **us** to take action or start legal proceedings against any person or entity liable to **you** for the recovery of **your** loss. "**Your** loss" means **your** insured losses, payments made and expenses in relation to that loss, damage or liability.

Any action or legal proceeding **we** take will be commenced in **your** name. If **you** make a claim with **us** for loss, damage or a liability **you** have incurred and **you** have already started action or legal proceedings against any person or entity liable to **you** for **your** loss, **we** have the right and **you** permit **us** to take over and continue that action or legal proceeding.

Where **your** loss forms part of any class action which has not been started under **our** instructions, **we** have the right and **you** permit **us** to exclude **your** loss from that class action for the purpose of **us** including it in any separate legal proceedings which are or will be started under **our** instructions.

You must provide **us** with all information and reasonable, assistance and co-operation in the recovery of **your** loss. This assistance may include:

▼ providing a more detailed version of events including completing a diagram or statement/ affidavit;

▼ providing **us** with any documents to prove **your** loss;

▼ providing copies of any available photographs or footage of the incident;

▼ lodging a police report;

▼ attending court (only if required); or

▼ providing evidence and documentation relevant to **your** claim and executing such documents, including signed statements which **we** reasonably request.

We will pay for the cost of filing the police report and relevant searches to locate the third party. **We** will cover the costs **you** incur when having to attend court up to a limit of \$250 in total per claim.

You must not enter into any agreement, make any admissions or take any action or step that has the effect of limiting or excluding **your** rights and **our** rights to recover **your** loss, unless **we** have given **you** **our** prior written agreement. If **you** do, **we** may not cover **you** under this **policy** for **your** loss.

When we may refuse a claim/reduce what we pay/recover costs or monies/cancel your policy

We may refuse to pay a claim or **we** may reduce the amount **we** pay **you** (to the extent to which **we** are prejudiced as a result of **your** non-compliance) and/or recover from **you** any costs and/or any monies **we** have paid and/or cancel **your policy** if:

(a) **you** do not do what **your** duty of disclosure requires you to;

(b) **you**:

- ▼ are not truthful;
- ▼ have not given **us** full and complete details; or
- ▼ have not told **us** something when you should have.

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

(c) **you** have not complied with any of the conditions of **your policy**;

(d) **you** do any of the following without **us** agreeing to it first:

- ▼ make or accept any offer or payment or in any other way admit **you** are liable for loss or damage;
- ▼ settle or attempt to settle any claim; or
- ▼ defend any claim; or

(e) cover is excluded by the **policy**.

Subject to the other terms and condition of the **policy**, if **you** prevent **our** right to recover from someone else or if **you** have entered into a contract or agreement which excludes or limits **your** right to recover compensation from another person who is liable to compensate **you** for any loss, **damage** or legal liability which is covered by this **policy**, **we** will not cover **you** under this **policy** for that loss, **damage** or legal liability.

General exclusions

These exclusions apply to all **cover sections** unless expressly stated otherwise.

1. Conflict

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

- ▼ revolution, hostilities, war or other acts of foreign enemy, war like activity (whether war is declared or not), military coup, hostile acts of sovereign or government state-sponsored entities;
- ▼ expropriation including lawful seizure, resumption, confiscation, nationalisation, destruction or **damage** to property by or under the order of any government or public or local authority; or
- ▼ any looting or rioting following any of the events stated above.

This exclusion does not apply to the Management Liability Cover Section, to the extent of any inconsistency.

2. Communicable Disease

This **policy** does not insure any **loss, damage**, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, in connection with, or attributable to, a **communicable disease** or the fear or threat (whether actual or perceived) of a **communicable disease** regardless of any other cause or **event** contributing concurrently or in any other sequence thereto.

However, this exclusion does not apply to:

- ▼ Public and Products Liability Cover Section;
- ▼ Management Liability Cover Section; or
- ▼ Tax Audit Cover Section.

3. Nuclear

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

- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion only, combustion shall include any self-sustaining process of nuclear fission and/or fusion. This exclusion shall not apply to liability arising from radio-isotopes, radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits; or
- (b) nuclear weapons material.

4. Non-compliance

This **policy** does not insure **loss** or **damage** or liability caused by or as a result of **your** wilful or reckless failure to comply with any statutory obligations, by-laws, regulations or public authority requirements that concern the safety of persons or property and that apply to **your business**, for example workplace health and safety law.

However, this exclusion does not apply to the extent that **your** wilful or reckless failure to comply did not contribute to the loss or **damage** or liability.

This exclusion does not apply to the Management Liability Cover Section, to the extent of any inconsistency.

5. GST, fines or penalties

This **policy** does not insure any GST, fine, penalty or charge that **you** are liable for because **you** did not tell **us** **your** entitlement to input tax credits on the premium for this policy, or the entitlement **you** told **us** was incorrect.

6. Intentional acts

This **policy** does not insure:

- ▼ **loss** or **damage** intentionally caused by **you** or another party, committed with **your** knowledge or consent; or
- ▼ fraudulent or dishonest acts committed by **you**, **your family** or **your employees** acting alone or in collusion with others.

However, this exclusion does not apply to the extent that **your** or their act or omission did not contribute to the **loss**, **damage** or liability.

This exclusion does not apply to the Management Liability Cover Section, to the extent of any inconsistency.

7. Terrorism

This **policy** does not insure:

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

However, this exclusion does not apply to the following **cover sections**:

- (a) Theft;
- (b) Money;
- (c) Glass;
- (d) General Property.

8. Cyber incidents and cyber acts

- (a) This **policy** does not insure any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any **cyber act** or **cyber incident** or **malware or similar mechanism** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **cyber act** or **cyber incident** or **malware or similar mechanism**, subject to 8(b), (c) and (d) below and 9(f) of General Exclusion 9 – “Data Loss” below.

- (b) Paragraph 8(a) above does not apply where:

- (i) **loss** of, or **damage** to, **property insured** is caused by an event covered under the **Applicable Cover Sections**; or
- (ii) business interruption loss covered under the “What we cover” clause under “Insurable gross profit basis”, “Annual revenue basis” or “Weekly revenue basis” or Extra Cover 2 – “Explosion of pressure vessels” of the Business Interruption Cover Section (where the Business Interruption Cover Section is specified in **your policy schedule**) directly results from **loss** of, or **damage** to, **property insured** or, in the case of Extra Cover 2 – “Explosion of pressure vessels”, pressure vessels including boilers, compressors or economisers caused by such event occurring at the **premises**,

where such event causes the **cyber incident**, unless such event is caused by, contributed to by, resulting from, arising out of or in connection with a **cyber act** or **malware or similar mechanism** or action taken in controlling, preventing, suppressing or remediating any **cyber act** or **malware or similar mechanism**.

- (c) Notwithstanding paragraph 8(a) above, if one of the events listed below (being an event covered under the **Applicable Cover Sections**) directly results from a **cyber incident** or **cyber act**, we will cover:

- (i) **loss** of, or **damage** to, **property insured** under the **Applicable Cover Sections** (other than the Machinery Breakdown and Electronic Equipment Cover Section) caused by such event; and
- (ii) business interruption loss covered under the “What we cover” clause under “Insurable gross profit basis”, “Annual revenue basis” or “Weekly revenue basis” or Extra Cover 2 – “Explosion of pressure vessels” of the Business Interruption Cover Section (where the Business Interruption Cover Section is

specified in **your policy schedule**) directly resulting from **loss** of, or **damage** to, **property insured** or, in the case of Extra Cover 2 – “Explosion of pressure vessels”, pressure vessels including boilers, compressors or economisers caused by such event occurring at the **premises**.

Event

- ▼ Fire;
- ▼ Lightning or thunderbolt;
- ▼ Explosion or implosion;
- ▼ Storm, wind, rainwater, cyclones or tornadoes, snow or sleet, hail and run-off of rainwater;
- ▼ **Flood**;
- ▼ Water damage;
- ▼ **Aircraft** or **vehicle** impact;
- ▼ Falling objects;
- ▼ Earthquake, tsunami, subterranean fire, or volcanic eruption, or fire resulting from any of these;
- ▼ Riot and civil commotion;
- ▼ Theft or attempted theft of tangible property.

- (d) Paragraph 8(a) will not apply to **loss** or **damage** covered under the “Machinery breakdown basis – What we cover” clause or the “Electronic equipment basis – What we cover” clause of the Machinery Breakdown and Electronic Equipment Cover Section provided:
- (i) the **breakdown** of **machinery** or **electronic equipment** directly results from a **cyber incident**; and
 - (ii) such **cyber incident** is not caused by, contributed to by, resulting from, arising out of or in connection with a **cyber act** or **malware or similar mechanism** or action taken in controlling, preventing, suppressing or remediating any **cyber act** or **malware or similar mechanism**.
- (e) The cover written back by paragraphs 8(c) and (d) above applies notwithstanding sub-paragraph 9(a)(i) of General Exclusion 9 – “Data Loss”.

For General Exclusion 8., **property insured**, **machinery** and **electronic equipment** do not include **data**.

Loss of, or damage to, **data** is not **loss** or **damage**.

General Exclusion 8. only applies to the Property Damage Cover Section, the Theft Cover Section, the Glass Cover Section, the Money Cover Section, the General Property Cover Section, the Machinery Breakdown and Electronic Equipment Cover Section and the Goods in Transit Cover Section (“the **Applicable Cover Sections**”) and to the Business interruption Cover Section.

In paragraph (d) of General Exclusion 8. “**breakdown**”, “**machinery**” and “**electronic equipment**” have the meaning given in the Definitions of the Machinery breakdown and electronic equipment Cover Section.

For the purpose of General Exclusion 8.:

- (i) **loss** of, or **damage** to, **property insured**;
- (ii) **loss** of, or **damage** to, pressure vessels, including boilers, compressors or economisers; and
- (iii) **loss** or **damage** covered under the Machinery breakdown basis – “What we cover” clause or the “Electronic equipment basis – What we cover” clause of the Machinery Breakdown and Electronic Equipment Cover Section,

must involve physical loss or physical damage to tangible property.

For the purpose of General Exclusion 8., any loss, damage, deletion, unavailability, inaccessibility, corruption or deformation of **data** shall not be considered physical loss or physical damage.

9. Data Loss

(a) This **policy** does not insure:

- (i) any loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:
 1. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **data**;
 2. error or omission in creating, amending, entering, deleting or using **data**;
 3. total or partial inability or failure to receive, send, access or use **data** for any time or at all; or
 4. any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **data**; or
- (ii) the value of any **data**,

subject to 9(b), (c), (d) and (e) below and 8(e) of General Exclusion 8 – “Cyber incidents and cyber acts” above.

(b) Sub-paragraph 9(a) (i) above does not apply if:

- (i) **loss** of, or **damage** to, **property insured** is caused by one of the events listed below (being an event covered under the **Applicable Cover Sections**); or
- (ii) business interruption loss covered under the "What we cover" clause under "Insurable gross profit basis"; "Annual revenue basis" or "Weekly revenue basis" or Extra Cover 2 – "Explosion of pressure vessels" of the Business Interruption Cover Section (where the Business Interruption Cover Section is specified in **your policy schedule**) directly results from **loss** of, or **damage** to, **property insured** or, in the case of Extra Cover 2 – "Explosion of pressure vessels"; pressure vessels, including boilers, compressors or economisers caused by such event occurring at the **premises**,

where such event causes any of the matters described in sub-paragraphs 9(a) (i) 1 to 4 above.

Event

- ▼ Fire;
- ▼ Lightning or thunderbolt;
- ▼ Explosion or implosion;
- ▼ Storm, wind, rainwater, cyclones or tornadoes, snow or sleet, hail and run-off of rainwater;
- ▼ **Flood**;
- ▼ Water damage;
- ▼ **Aircraft** or **vehicle** impact;
- ▼ Falling objects;
- ▼ Earthquake, tsunami, subterranean fire, or volcanic eruption, or fire resulting from any of these;
- ▼ Riot and civil commotion;
- ▼ Theft or attempted theft of tangible property.

(c) If one of the events listed below (being an event covered under the **Applicable Cover Sections**) is directly caused by any of the matters described in sub-paragraphs 9(a) (i) 1 to 4 above, **we** will cover:

- (i) **loss** of, or **damage** to, **property insured** under the **Applicable Cover Sections** caused by such event; and
- (ii) business interruption loss covered under the "What we cover" clause under "Insurable gross profit basis"; "Annual revenue basis" or "Weekly revenue basis" or Extra Cover 2 – "Explosion of pressure vessels" of the Business Interruption Cover Section (where the Business Interruption Cover Section is specified in **your policy schedule**) directly resulting from **loss** of, or **damage** to, **property insured** or, in the case of Extra Cover 2 – "Explosion of pressure vessels"; pressure vessels, including boilers, compressors or economisers caused by such event occurring at the **premises**.

Event

- ▼ Fire;
- ▼ Explosion or implosion;
- ▼ **Flood**;
- ▼ Water damage;
- ▼ **Aircraft** or **vehicle** impact;
- ▼ Falling objects;
- ▼ Riot and civil commotion;
- ▼ Theft or attempted theft of tangible property.

(d) Sub-paragraph 9(a) (i) will not apply to **loss** or **damage** covered under the "Machinery breakdown basis – What we cover" clause or the "Electronic equipment basis – What we cover" clause of the Machinery breakdown and electronic equipment Cover Section provided the **breakdown** of **machinery** or **electronic equipment** directly results from any of the matters described in sub-paragraphs 9(a) (i) 1 to 4 above.

(e) Provided that:

- (i) where **loss** of, or **damage** to, **media** is covered under the Property Damage Cover Section, subparagraph 9(a) (i) above does not apply to costs of restoring **data** covered under Extra Cover 13 – "Rewriting of records" or Additional Benefit 6 – "Rewriting of records" of the Property Damage Cover Section; or
- (ii) where **loss** or **damage** as a result of **breakdown** to **electronic equipment** is covered under the Machinery Breakdown and Electronic Equipment Cover Section, subparagraph 9(a) (i) above does not apply to the costs of restoring **data** stored on **media** covered by Additional Benefit 4 – "Restoration of computer data" of the Machinery breakdown and electronic equipment Cover Section,

but loss of, or damage to, **data** is not **loss** or **damage**.

- (f) The cover written back by paragraph 9(c) and sub-paragraph 9(e)(i) above applies notwithstanding paragraph 8(a) of General Exclusion 8 – “Cyber incidents and cyber acts” if the **loss** or **damage** is covered under paragraph 8(c) of General Exclusion 8 – “Cyber incidents and cyber acts”

The cover written back by paragraph 9(d) and sub-paragraph 9(e)(ii) above applies notwithstanding paragraph 8(a) of General Exclusion 8 – “Cyber incidents and cyber acts” provided:

- (i) the **loss** or **damage** directly results from a **cyber incident**; and
- (ii) such **cyber incident** is not caused by, contributed to by, resulting from, arising out of or in connection with a **cyber act** or **malware or similar mechanism** or action taken in controlling, preventing, suppressing or remediating any **cyber act** or **malware or similar mechanism**.

For General Exclusion 9. **property insured** does not include **data**.

Paragraphs 9(b) and (c) above, only apply to the Property Damage Cover Section, the Theft Cover Section, the Glass Cover Section, the Money Cover Section, the General Property Cover Section and the Goods in Transit Cover Section (“**the Applicable Cover Sections**”) and the Business interruption Cover Section.

In paragraphs 9(d) and (e) above, “**breakdown**”, “**machinery**” and “**electronic equipment**” have the meaning given in the Definitions of the Machinery Breakdown and Electronic Equipment Cover Section.

For the purpose of General Exclusion 9.:

- (i) **loss** of, or **damage** to, **property insured**;
- (ii) **loss** of, or **damage** to, pressure vessels, including boilers, compressors or economisers; and
- (iii) **loss** or **damage** covered under the Machinery breakdown basis – “What we cover” clause or the “Electronic equipment basis – What we cover” clause of the Machinery Breakdown and Electronic Equipment Cover Section,

must involve physical loss or physical damage to tangible property.

For the purpose of General Exclusion 9., any loss, damage, deletion, unavailability, inaccessibility, corruption or deformation of **data** shall not be considered physical loss or physical damage.

However, General Exclusion 9. does not apply to:

- ▼ the Public and Products Liability Cover Section and
- ▼ the Management Liability Cover Section.

10. Geographical limitations

Unless **we** agree in writing to the contrary, **we** will not pay for any loss or **damage** to **your property insured** that is outside the Commonwealth of Australia at the time of its loss or **damage**, except as specifically stated otherwise in the appropriate section.

11. Unoccupancy

Unless **we** otherwise agree in writing, **we** will not pay for any loss or **damage** to **your property insured** if the loss or **damage** happens after **your premises** has been unoccupied for more than 90 (ninety) consecutive days. Unoccupied means left vacant by **you** or any other authorised person whether furniture or other **contents** remain or not.

This exclusion does not apply to **damage** caused by:

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

This exclusion will not apply if the **premises** are partly occupied. Cover will resume when that **building** is again occupied by authorised persons.

12. Acquisition of companies

The **policy** does not cover loss, destruction, liability or **damage** caused by, contributed to by or arising from:

- (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;

unless **you** notify **us** in writing within 30 (thirty) days of the acquisition and if the **business** is of a similar occupation to that stated in the **policy schedule**, **we** will 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 relevant **insured amount**, **limit of indemnity** or any sub-limit of indemnity applicable under the relevant **cover section(s)** making up the **policy** for each “Designation of property” as noted in the General Policy Conditions above.

13. Sanctions

We will not provide any cover, pay any claim, make any payment (including any refund), or provide any benefit under this **policy**, if doing so will contravene or violate any sanction, prohibition, restriction, proscription or prevention under any sanctions, laws or regulations, including but not limited to sanctions, laws or regulations of Australia, New Zealand, the European Union, the United Kingdom or the United States of America or those set out in any United Nations resolutions.

General definitions

Unless defined differently in individual Cover Sections, these definitions apply to all Cover Sections.

Aircraft

Any craft or machine made or intended to fly or move in or through the air or space other than a model aircraft or unmanned inflatable balloons used for advertising or promotional purposes.

Aircraft includes remote control devices or **hovercraft** and air cushioned **vehicles** or device.

Animal(s)

Any living creature including, but not limited to, livestock, birds, fish, vermin or rodents, or insects.

Automatic Teller Machine (ATM)

An electronic machine, connected to a data system that enables customers of a financial institution to perform financial transactions and may incorporate a range of antifraud and physical security solutions.

Building(s)

A building is a permanent structure located on the **premises**, BUT such permanent structure must have a commercial use or the **premises** must be used for a commercial purpose, including the following:

- (a) sheds with a concrete floor and fixed to foundations at the **premises**;
- (b) customised and modified shipping containers or transportable buildings permanently located at the **premises** used as workshops, lunchrooms or storage and which are permanently fixed to the ground with electrical or plumbing services, as necessary;
- (c) shipping containers used by **you** as outbuildings;
 - (i) at the **premises** and within the perimeter fencing which **stock** or **contents** of **your business** is stored long term;
 - (ii) at the **premises** and within the perimeter fencing which **stock** of **your business** is:
 - ▼ delivered to or from; or
 - ▼ loaded into or unloaded from; or
 - ▼ stored within;provided the container doors are secured and locked, when unattended, with padlocks with a security rating of 6 or above under Australian Standard 4145.4-2002 REC:2018 Locksets, Part 4: Padlocks, available from www.standards.org.au (or any subsequent amendment) and the padlocked container is fully enclosed by a cyclone fence with locked gates at the **premises** after hours;
- (d) walls, foundations, storage tanks, awnings, exterior lights, masts, antennae and aerials, fixed external signs, gates, fencing, pavements, roads and other structural improvements on the land;
- (e) property owner's fixtures and fittings, floor coverings, plant, plumbing or wiring services that are within the **building**;
- (f) carports, pergolas and canopies, verandahs, shelters, and staircases;
- (g) barns and outbuildings;
- (h) external fixed items including swimming pools, saunas and spas, gangways between buildings, lights and signs and air conditioning units;
- (i) wharves, piers and jetties;
- (j) plant and machinery permanently fixed to **your buildings**;
- (k) bitumen, concrete or sealed surface driveways, roadways and carparks;
- (l) underground and above ground services that are **your** property or **you** are responsible for and which extend from the **buildings** to the public main.

Building(s) does not include:

- (a) plant and machinery not permanently fixed to **your buildings**;
- (b) **stock**;
- (c) **contents**;

- (d) property undergoing erection, construction, alteration or addition (including partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one **premises** exceeds \$500,000 or 20% of the **total insured amount** on **buildings** and **contents**, whichever is the lesser, provided that this limit shall only apply to the portion of the **property insured** which is the subject of any such work and not to any other portion of the **property insured**;
- (e) land, unsealed driveways, unsealed paths, topsoil and fill, dams, reservoirs, canals, tunnels and railway tracks (not at the premises).

Business

The **business(es)**:

- (a) shown and described on the **policy schedule** and, where applicable, as further described in any more specific underwriting information or proposal provided to **us** at the time when this insurance was negotiated; and
- (b) for the purpose of the Public and Products Liability Cover Section, the definition given in that Cover Section.

Business hours

The working and office hours of the **business** (including overtime) during which **you, your** directors, officers, partners or **employees** are in the **building** for the purposes of the **business**.

Computer virus

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

Communicable Disease

Any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- (a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not;
- (b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
- (c) the disease, substance or agent can cause or threaten harm to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

Computer system

Any computer, hardware, software, communications system, electronic device, (including, but not limited to, any smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output or data storage device, networking equipment or back up facility.

Consequential loss

Loss of use, loss of earning capacity and any other consequential loss of any kind, including loss, damage, cost or expense caused directly or indirectly by or resulting from:

- (a) delay or interruption of the **business**;
- (b) lack of power, light, heat, steam or refrigeration; or
- (c) any other indirect result or consequence of a **breakdown**.

Contamination

The discharge, dispersal, release, escape of any type of **pollutants** or contaminant into or upon property, land, atmosphere or any watercourse or body of water including, but not limited to, ground water.

Contents

All property belonging to **you** or which **you** are responsible for and used by **you** in the **business**. **Contents** includes:

- (a) unused stationery and printed books;
- (b) where **you** are a tenant of a leased or rented **premises**:
 - (i) property owner's plant, fixtures and fittings, window blinds, floor coverings and **glass** for which **you** are liable under the terms of a lease or similar agreement;
 - (ii) plant, fixtures and fittings and fixed carpets and floor coverings installed by **you** for **your** use in the **business**;
 - (iii) signs and awnings; installed by **you** for **your** use in the **business**;
- (c) **money** up to \$500;
- (d) plant and machinery not permanently fixed to **your buildings**, unregistered forklifts and hoists, communications systems, fixtures and fittings, signs and awnings (signs and awnings are included only if **you** are a tenant);
- (e) computers, word processors, printers, scanners and other peripheral equipment and other electronic equipment or electronic data processing systems;

- (f) digital or analogue telecommunication transmission and receiving equipment, lighting facilities, televisions, audio visual amplification or surveillance equipment and office machines;
- (g) **media** and tangible records, documents, manuscripts, plans, drawings, designs, **business** books, but only for the value of these materials in their unused or uninstalled state or as blank stationery; or
- (h) current patterns, models, moulds, dies and casts used in the **business** but limited, unless repaired or replaced, to the value stated in **your** financial records at the time of damage;
- (i) paintings, works of art, antiques or curios;
- (j) documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations;
- (k) property of **your** welfare, sports and social clubs.
- (l) **stock**, but not if it is shown as a separate item on the **policy schedule**;
- (m) if **you** have not insured **buildings** under this **policy**:
 - (i) shipping containers permanently located at the **premises** in which the **stock** of **your business** is delivered to **your premises** or from which merchandise is either being loaded into, unloaded from or stored in before dispatch, provided the container doors are secured and locked when unattended;
 - (ii) shipping containers permanently located at the **premises** in which the **stock** or **contents** of **your business** is stored, provided the container doors are secured and locked when unattended;
- (n) shipping containers not owned by **you** but temporarily in **your** possession for the delivery, unloading, loading and/or dispatch of goods and merchandise to or from the **premises**, but only to the extent that **you** are not indemnified against loss, destruction or damage under any other policy of insurance;
- (o) shipping containers owned by **you** or temporarily in **your** possession and used by **you** in **your business** for the delivery, unloading, loading and/or dispatch of goods and merchandise to or from the **premises**, but only to the extent that **you** are not indemnified against loss, destruction or damage under any other policy of insurance. provided the container doors are secured and locked, when unattended, with padlocks with a security rating of 6 or above under Australian Standard 4145.4-2002 REC:2018 Locksets, Part 4: Padlocks, available from www.standards.org.au (or any subsequent amendment) and the padlocked container is fully enclosed by a cyclone fence with locked gates at the **premises** after hours.

Contents does not include:

- (a) **stock**, if it is shown as a separate item on the **policy schedule**;
- (b) **buildings**;
- (c) **specified items**;
- (d) directors' and **employees'** tools of trade and **personal effects**;
- (e) jewellery, precious metals or stones, bullion or furs unless they are worth less than \$10,000 any one item unless such item is **stock**;
- (f) **vehicles** registered for road use and any other machinery whilst registered for road-related areas, caravans, trailers, **watercraft**, **aircraft**, **hovercraft**, rolling stock and locomotives or their accessories provided that this exclusion will not apply to:
 - ▼ mobile plant and equipment (excluding **vehicles**) not otherwise insured;
 - ▼ motor vehicles or trailers, caravans or motorcycles that are **stock** of **your business**;
- (g) live **animals** contained within a building and owned as **stock**;
- (h) plants, shrubs, lawns, growing crops, pastures and standing timber other than pot-plants; or
- (i) in the case where **contents** does not include **stock**, **customers' goods**, other than customer's records and documents held or created by **you** as part of **your business**.

This definition of **contents** is subject to the "Designation of property" as noted in the General Policy Condition.

Cover section

Any part of this **policy** described as a Cover Section or a **cover section**.

Customer's goods

- (a) goods that belong to **your** customer(s) that are in **your** physical or legal control because **your business** repairs, services, maintains those goods;
- (b) goods that have been purchased by **your** customer but remain at **your premises** awaiting collection or delivery;
- (c) items of property at **your premises** under a "sales or return" consignment agreement.

Cyber act

An unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **computer system**.

Cyber incident

- (a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **computer system**; or
- (b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **computer system**.

Damage or Damaged

Sudden and unforeseen physical damage or destruction.

Data

Information, facts, concepts, code or any other information of any kind that is converted, recorded or transmitted in a form to be accessed, communicated, displayed, distributed, interpreted, processed, transmitted or stored or used in or by a **computer system**.

Employee

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

In addition to the definition above, employee also includes:

- (a) volunteers; or
- (b) school based students, on work experience, while also completing their secondary education.

However, an **employee** does not include any broker, factor, consignee, or contractor.

Endorsement

Documentary evidence given to **you** by **us** that details an alteration to the **policy** and which forms part of the **policy**.

Event or events

One incident or all incidents of a series consequent on, or attributable to, one source or original cause.

Excess

The amount which is payable by **you** for each claim made under this **policy**.

Family

Any person who is:

- ▼ **your** spouse, **your** partner or **your** de facto and lives with **you**;
- ▼ **your** parent or parent-in-law;
- ▼ **your** child or child of **your** spouse, partner or de facto (not being **your** child); or
- ▼ **your** brother or sister.

For the purposes of this definition "**you**" and "**your**" refers to the directors, owners and officers of the company or legal entity specified in the **policy schedule** as the **insured**.

Flood

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

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

Glass

- (a) Fixed glass forming part of or fixed to the exterior of the **building** including glass in fixed signs; or
- (b) Fixed internal glass including fixed glass in furniture, counters, shelving and showcases, fixed and hanging mirrors, fixed washbasins, sinks, toilet pans and cisterns, contained within the **building**.

Glass which **you** own or are legally responsible for which is **external glass**, **internal glass** and **sanitary fittings**, but does not include **your business stock**.

Hovercraft

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

Input tax credit

The amount **you** are entitled to claim as a credit against GST that **you** have paid.

Insured

For all **cover sections** other than the Public and Products Liability, Management Liability and Tax Audit Cover Sections, any person, company or legal entity shown on the **policy schedule** as the **insured**.

Insured amount

The amount specified as the **insured amount** or Sum Insured in the **policy schedule** for a **cover section**, part of a **cover section** or individual item or cover.

Limit of Liability

The amount specified as the Limit of Liability in the **policy schedule** for a **cover section**, part of a **cover section** or individual item or cover.

Loss/losses/lost

Sudden or unforeseen physical loss.

Malware or Similar Mechanism

Any program code, programming instruction or other set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programmes, data files or operations (whether involving self-replication or not), including but not limited to 'virus', 'Trojan horses', 'worms', 'logic bombs' or 'denial of service attack'.

Media

Tangible material on which **data** is recorded or stored, such as magnetic tapes, hard drives, cartridges, dongles, CD's, DVD's, USB's, flash drives, memory cards or floppy disks.

Money

Tangible cash, bank notes, currency notes, negotiable cheques, negotiable securities, travellers' cheques, debit and credit card vouchers, discount house vouchers, **money** orders, postal orders, unused postage stamps, **revenue** stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of **stock**, bonds, coupons and all other types of securities) and the **contents** of franking machines.

Money does not include collectable items (for example coin or stamp collections), or anticipated **revenue** or any kind of crypto-currency.

Obsolete stock

Stock which can no longer be sold for its full value; for example: **stock** which is out-of-season fashion, superseded computers or perishable goods beyond their used by date.

Occurrence

An **event**, including continuous or repeated exposure to substantially the same general conditions.

Period of insurance

The period of time shown on the **policy schedule** during which insurance is provided under this policy.

Personal effects

Clothing and personal belongings normally worn or carried.

Personal information

Any information from which an individual may be reasonably identified or contacted, including an individual's name, telephone number, email address, tax file number, Medicare number, credit card details or any other non-public personal information as defined in the Privacy Act 1988 (Cth) or in any subsequent legislation that alters, repeals or replaces such legislation.

Personal injury

- (a) bodily injury, death, sickness, disease, disability, shock, fright, mental anguish, mental injury or loss of consortium;
- (b) false arrest, false imprisonment, wrongful eviction, wrongful detention or malicious prosecution;
- (c) defamation or invasion of right of privacy; or
- (d) assault and battery not committed by **you** or at **your** direction unless committed for the purpose of preventing or eliminating danger to persons or property.

Policy

Your insurance contract. It consists of this **PDS**, any **Supplementary PDS** we may give **you**, any **endorsements** and the **Policy schedule**.

Policy schedule

The record of the particulars of **your** insurance which forms part of this **policy**. The **policy schedule** is issued when **we** have accepted and will confirm **your** insurance cover. At each renewal of **your policy**, the renewal schedule becomes **your** current **policy schedule**.

Updated **policy schedules** or **endorsements** may also be sent to **you** showing alterations to **your policy**.

Pollutants

Any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste materials. Waste includes material to be recycled, reconditioned or reclaimed.

Premises

The address listed as the Situation in the **policy schedule** at which and from which **you** operate **your business**. The **premises** includes **buildings** and land within the legal boundaries.

Private and confidential information

Any information (including **data**) other than **personal information** that is not publicly available and where disclosure may affect the economic, competitive or commercial interests of the owner of the information including trade secrets, computer programs, customer information, patents, trademarks, copyrights or processing methods.

Product Disclosure Statement (PDS)

PDS or **PDS** and Policy Wording is the name of this document and it contains the terms of **your** insurance cover. It tells **you** what cover **we** provide, details of costs and **excesses** and other important information. It should be read together with the **policy schedule**, any **endorsements** and any Supplementary **PDS** that **we** may give **you**.

Proof of purchase

Includes documents such as sales receipts, tax invoices, accounts and bank or credit card statements that provide a description of the insured item or property and show the purchase price, purchase date and location of purchase.

Proof of your ownership

Includes certificate of authenticity, manufacturer's box, original operating manual and proof of purchase.

Property insured

The property as described on the **policy schedule** in respect of each **cover section**.

Safe or strongroom

A safe is a fire and burglary rated lockable container specifically designed for the safe storage of **money**, documents or valuables and is designed to resist unauthorised opening by hand-held or power operated tools.

A strongroom is a room-sized vault structure and is an integral part of the building within which they are built.

A safe is not:

- (a) a petty cash box;
- (b) locked drawer in any type of filing cabinet or desk;
- (c) burglary resistant container weighing less than 20 kilograms that is not fixed to the wall or floor of the premises by anchoring it using mechanical bolting; e.g Dynabolts.
- (d) an **ATM**.

Sanitary fittings

Baths, sinks, lavatory bowls, vitreous china cisterns, washbasins and pedestals forming permanent fixtures.

Seasonal increase period/s

Any period of time during the **period of insurance** that has **turnover**, sales or level of **stock** at least 20% higher than the average **turnover**, sales or level of **stock** at other times during the **period of insurance**.

The total number of days **we** will allow as seasonal increase periods is 126 days in total during any one (1) **period of insurance**. **You** do not have to tell us what the dates of the periods are, but if **you** claim under a **cover section** which has the seasonal increase cover, then **your** financial records over at least the previous 2 years must substantiate the period as a seasonal increase period. If the **business** is less than 2 years, **we** will use the financial records of **your business** from the date of commencement until the date of the loss or **damage** to substantiate **your** claim.

You can nominate different **stock** increase period(s) or higher percentage increases of **stock**. If **you** do they will be shown on **your policy schedule** and **you** must pay any additional premium that applies.

Stock

Products, merchandise and materials, **you** intend to sell, **stock** in trade, raw materials or work in progress or being repaired or altered and packing materials used by **you** in the **business**.

Stock includes:

- ▼ cigars, cigarettes and liquor;
- ▼ live **animals**, contained within a building and owned as stock;
- ▼ **customers' goods** and items of property at **your premises** under a written "sale or return" consignment agreement under which you agree to purchase the **customers' goods** or items of property for an agreed price when **you** find a buyer.

Subsidiary company

Any company in which **you** have a controlling interest. For the purpose of this definition the term “controlling interest” shall mean the beneficial ownership of shares carrying more than 50% of votes capable of being cast at a general meeting of all shareholders of the company.

Supplementary Product Disclosure Statement (SPDS)

A document that updates or adds to the information in the **PDS**.

Total Insured Amount

The total of all **insured amounts** for **buildings, contents, stock** and **specified items** for a particular **premises**.

Terrorism

An act, including but not limited to the use of force or violence (or threat of force or violence) by any person or group of people acting alone, or on behalf of or in connection with any organisation or government, that from its nature or context are done for, or in connection with, political, religious, ideological ethnic or similar reasons with the intention to influence any government or put the public or any section of the public in fear.

The/this policy

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

Vehicle

Any type of machine on wheels or on caterpillar tracks (including any trailer, caravan or other apparatus attached to the machine) made or intended to be propelled other than by manual or **animal** power, which is designed to travel primarily on land.

Watercraft

Any vessel, craft or machine made or intended to float or travel on or through water other than model boats.

We/us/our

AAI Limited trading as Vero Insurance.

You/Your

For all **cover sections** other than Public and Products Liability Cover Section, Management Liability Cover Section and the Tax Audit Cover Section this means the person(s), companies, legal entity or firms named on the current **policy schedule** as the **insured**.

For the purposes of this definition “**you**” and “**your**” refers to the directors, owners and officers of the company or legal entity shown on the **policy schedule** as the **insured**.

Property damage cover section

About this cover section

This section of the **policy** covers accidental **loss** of or **damage** to **your property insured** during the **period of insurance**. **We** do not cover the theft or **breakdown** of **your property insured** under this **cover section**.

You can claim for accidental **loss** of or **damage** to **your property insured** as described under “What we cover” if:

- ▼ “Property damage” is specified in the **policy schedule**;
- ▼ the accidental **loss** or **damage** occurs during the **period of insurance**;
- ▼ the claim is not excluded by any of the exclusions under “What we exclude”; and
- ▼ the claim is not excluded by any of the General Exclusions.

Your insurance under this cover section

What we cover

We will cover **you** for accidental **loss** of or **damage** to **your property insured** at the **premises** during the **period of insurance**.

What we will pay

The maximum **we** will pay for any one (1) claim from any one **occurrence**, other than a claim for a **specified item** or **contents** that are works of art, antiques or curios, under this **cover section** is the **limit of indemnity**, unless it is specifically stated in this **cover section** that payments are made in addition to this amount.

The maximum **we** will pay for each **specified item** is the **insured amount** specified in **your policy schedule**.

For **contents** that are works of art, antiques or curios **we** will only pay the reasonable value of the item up to a maximum of \$10,000 for each item.

For any item of **contents** or for any **specified item** that is part of a pair or set, the limit applies to the pair or set even if only part of the pair or set is lost or destroyed.

There are two bases of settlement for paying **your** claims up to these maximum limits. They are “Replacement value” basis and “Indemnity value” basis. The basis **you** have chosen is specified in the **policy schedule** adjacent to the category or item.

Except as detailed below in regard to how **we** settle claims for the **loss** of or **damage** to **buildings**, **we** will settle any claim by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

1. Building(s), specified items or contents (other than stock and customers' goods)

Reinstatement or replacement

We will only pay to return the property to a condition substantially the same as, but not better or more extensive than, its condition when new, using building materials readily available and in common use in Australia.

Unless the **policy schedule** shows **you** are insured for “Indemnity value” then, when **buildings, specified items** or **contents** (apart from **stock** or **customers' goods**) are **lost, damaged** or destroyed:

(a) for **buildings**, subject to Cover Section Condition 7 – “Underinsurance”:

- (i) if the reasonable cost to repair, rebuild or replace the **buildings** is less than or equal to the **insured amount** for the **buildings** and you wish to repair, rebuild or replace the **buildings**, **we** will, at **our** option (acting reasonably) and in consultation with **you**, either:
 - ▼ repair, rebuild or replace the **buildings** at the **premises** specified in the **policy schedule** or at another site to a condition equal to, but not better or more extensive than, its condition when new; or
 - ▼ pay **you** the reasonable costs to repair, rebuild or replace the **buildings** at the **premises** specified in the **policy schedule** or at another site where **you** control, undertake or arrange others to undertake the agreed work of rebuilding, replacing or repairing to a condition equal to, but not better or more extensive than, its condition when new;
- (ii) if you do not wish to repair, rebuild or replace the **buildings**, **we** will pay **you** the lesser of the reasonable cost of repair, rebuilding or replacement or the market value of the **buildings**, but **we** will exclude any professional fees as well as additional extra local authority requirements or other regulations included in the cost for its rebuilding, repair or reinstatement that **you** do not incur;
- (iii) if the reasonable costs to repair, rebuild or replace the **buildings** to a condition equal to, but not better or more extensive than, its condition when new is greater, or likely to be greater, than the **insured amount**, **we** will pay **you** the **insured amount** instead of repairing, rebuilding or replacing.

When **we** settle claims for **buildings**, **we** will not pay more than the **insured amount** for **buildings** plus any amounts payable under the Extensions of Cover, Extra Covers and Additional Benefits of this **cover section**; and

- (b) for **contents** or **specified items** (other than **stock** or **customers' goods**), subject to Cover Section Condition 7 – "Underinsurance":
- (i) if the reasonable cost to repair or replace **contents** or **specified items** with similar property is less than or equal to the **insured amount**, and **you** wish to repair or replace the property, **we** will pay **you** the reasonable costs to repair or replace the **contents** or **specified items** with similar property of equal quality, standard and specification; or
 - (ii) if the reasonable cost to repair or replace **contents** or **specified items** with similar property is greater or likely to be greater than the **insured amount**, or **you** do not wish to repair or replace the **contents** or **specified item**, or if the **contents** or **specified item** cannot be repaired or replaced, **we** will pay **you** the market value of the **contents** or **specified items** at the time of the **damage** or **loss** taking into account the **proof of purchase**, estimates and valuations obtained or provided.

When **we** settle claims for **contents** and **specified items** (other than **stock** or **customers' goods**), **we** will not pay more than the relevant **insured amount** for **contents** or **specified items** plus any amounts payable under the Extensions of Cover, Extra Covers and Additional Benefits of this **cover section**.

Reinstatement or replacement is subject to the following conditions:

- (a) where **you** control, undertake or arrange for others to undertake the work of rebuilding, replacing or repairing, work must be commenced and completed by **you** within a reasonable time and **we** may reduce **our** liability to the extent **we** are prejudiced by any unnecessary delay within **your** control;
- (b) when rebuilding at another site, **we** will not pay more than **we** would pay to rebuild at the **premises**;
- (c) when any **property insured** is **damaged**, but not destroyed, **we** will not pay more than the amount that **we** would have been required to pay if that **property insured** had been destroyed;
- (d) **we** will only pay to return **buildings** to a condition substantially the same as, but not better or more extensive than, its condition when new, using building materials readily available and in common use in Australia; and
- (e) **we** will only pay to return **contents** or **specified items** (other than **stock** or **customers' goods**), to a condition substantially the same as, but not better or more extensive than, their condition when new.

2. Indemnity Value (Optional reduction in cover)

If the **policy schedule** shows **you** are insured for "Indemnity Value" then, for any **loss** or **damage** to **building(s)** or **contents** (apart from **contents** that are works of art, antiques or curios, **stock** or **customers' goods**) **we** will at **our** option (acting reasonably) and in consultation with **you**, either:

- (a) pay **you** the market value of the **buildings** or **contents** at the time of its **loss** or **damage**; or
- (b) pay **you** the cost of repair, rebuilding or replacement up to the market value of the **buildings** or **contents**, but **we** will reduce the amount **we** pay **you** to take into account age, wear, tear and depreciation (subject to Cover Section Condition 7 – "Underinsurance").

3. Factors we take into account in settling your claim

Under both "1. Reinstatement or replacement" and "2. Indemnity Value (Optional reduction in cover)" **we** will consider the below factors when considering how to settle **your** claim (including but not limited to):

- ▼ the circumstances of the **loss** or **damage**;
- ▼ **your** willingness to rebuild at the **premises**;
- ▼ the adequacy of the **insured amount**;
- ▼ **your** intent to improve or enhance the **buildings**;
- ▼ the potential of underinsurance or unexpected costs or delay in rebuilding, replacing or repairing **property insured**;
- ▼ **your** intent to undertake rebuilding, replacement or repair **yourself** or for **you** to arrange for such work to be done;
- ▼ the time it may take for **you** to resume normal **business** operations;
- ▼ the imposition of any government, local authority and other requirements affecting or influencing the repair, rebuild, replacement or use of **buildings** or **contents**; and
- ▼ **our** or **your** ability to repair, rebuild or replace the **property insured** or rebuild a **building** at the **premises**.

4. Extra costs of reinstatement or replacement: Building is not a heritage building

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

The extra costs of reinstatement or replacement are subject to the following conditions:

- (a) the work of reinstatement must be commenced and completed within a reasonable time;
- (b) the amount payable will not include any additional costs in complying with any requirement that **you** were required to comply with before the **loss** or **damage** occurred; and
- (c) if the cost of reinstatement of the **building** is less than 50% of what would have been the cost of reinstatement if that **building** had been totally destroyed, then the amount **we** will pay will:
 - (i) be limited to the extra cost necessarily incurred in reinstating the damaged portion of the **building** only;
 - (ii) not include any extra cost in relation to any portion of the **building** which is not damaged, other than undamaged foundations as provided for in clause 10 – “Undamaged portions of buildings” below; and
 - (iii) not exceed, in any **event**, the amount that **we** would have paid if that **building** had been totally destroyed.

5. Extra costs of reinstatement or replacement: Heritage building

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

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

The extra costs of reinstatement or replacement of a heritage building are subject to the following conditions:

- (a) the work of reinstatement must be commenced and completed within a reasonable time; and
- (b) the amount payable will not include any additional costs in complying with any requirement that **you** were required to comply with before the **loss** or **damage** occurred.

6. Stock (including customers' goods)

When **we** settle claims for **stock** (including **customers' goods**) **we** will not pay more than the relevant **insured amount**, plus any amounts payable under the Extensions of Cover, Extra Covers and Additional Benefits of this **cover section**.

If **stock** (including **customers' goods**) are **lost** or **damaged**, **we** will, subject to Cover Section Condition 7 – “Underinsurance”:

- (a) if the **stock** or **customers' goods** can be repaired or replaced, pay **you** to replace or repair the **damaged stock** or **customers' goods** with property or materials of equal quality, standard and specification unless (in the case of **stock** other than **customers' goods**), the **stock** has become **obsolete stock**;
- (b) if the **stock** or **customers' goods** cannot be repaired or replaced, **we** will pay **you** the original cost to **you** of the **stock** or **customers' goods** plus an amount commensurate with the cost of repairing damaged **stock** or **customers' goods**, but not exceeding its pre-damage value at the time of the **loss** unless (in the case of **stock** other than **customers' goods**) the **stock** has become **obsolete stock**; or
- (c) where the **stock** (other than **customers' goods**) is **obsolete stock**, **we** will pay **you** its reasonable value as **obsolete stock** at the time of the **damage** but no more than its original cost to **you**.

7. Branded stock

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

If **you** do not agree to us selling the branded **stock** as salvage, **we** will pay **you** the market value of the **stock** less its salvage value after all branding, labels, names, barcodes or identifying features being removed prior to sale.

8. Loss of floor space

If a **building** insured under this **cover section** on a “Reinstatement or replacement” basis can only be rebuilt with a reduced floor space as a result of:

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

we will, in addition to the amount payable to reinstate such **building** on the basis set out in clauses 1 and 4 above, pay **you** the difference between:

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

Provided that **our** total amount payable under this “Loss of floor space” shall not exceed the **insured amount** in respect of the building/s which are the subject of the claim.

9. Output replacement for equipment, machinery or plant

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

- (a) Where any **property insured** is to be replaced with any item or items which have the same or a lesser total function, capability or output, then the basis of settlement is the new installed cost of such replacement item or items as would give the same total function, capability or output as the **property insured**.
- (b) Where any **property insured** is to be replaced with an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of that **property insured**, then the basis of settlement is the new installed cost of the item or items so replaced.
- (c) Where any **property insured** 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 value of the **property insured**, then the basis of settlement is the lesser of the reinstatement value or that proportion of the new installed cost of the replacement item or items which the output of the **damaged property insured** bears to the output of the replacement item or items; provided always that the amount payable shall not be of lesser value than the estimated cost which would have been payable if such damaged property could have been replaced by an item or items that would have given the same total function, capability or output as the damaged **property insured**. If the reinstatement value of the damaged **property insured** is not ascertainable then the basis of settlement is the new installed cost of the replacement item or items.

10. Undamaged portions of buildings

When a **damaged building** has to be rebuilt at a location other than the **premises** because the requirements of any lawful authority prevent the reinstatement of the **building**, including the foundations and services, then the abandoned undamaged portion of the **building** shall be deemed to be destroyed.

Provided that, if the presence of such undamaged portion of the **building** increases the value of the original site, the increased sale value shall be regarded as salvage and the amount thereof shall be payable to **us** by **you** upon completion of the sale of the site or shall be deducted from the total amount otherwise payable by **us** under this **cover section**, whichever shall first occur.

Should the site not be sold, then the increased site value, when applicable, shall be agreed between **you** and **us**, or in default, **we** and **you** shall submit to arbitration and be bound by the decision of the arbitrator.

Extensions of cover

Following **damage** covered by this **cover section** to **buildings** or **contents** at **your premises**, **we** will also pay or provide the Extensions of Cover set out below.

Unless stated otherwise below, any amounts payable under these Extensions of Cover do not form part of the sums paid subject to the **limit of indemnity** and may apply in addition to the **limit of indemnity**.

If **we** pay a claim under an Extension of Cover, **we** will settle that Extension of Cover by paying **you** by cheque or direct deposit into **your** bank account. This means that **we** will not repair or replace or arrange for a service. An exception to this is where we arrange the repair, rebuilding or replacement (including temporary repairs and removal of debris) of **buildings**. In that case, for those Extensions of Cover that form part of the repair, rebuilding or replacement of **buildings**, **we** will arrange for the Extension of Cover to be provided.

1. Capital additions

If **buildings** or **contents**, excluding **stock**, are insured **we** will cover **loss** or **damage** to any new alterations, additions and improvements undertaken during the **period of insurance**, as if those new alterations, additions and improvements were insured **buildings** or **contents** (excluding **stock**), in excess of the **insured amounts** for **buildings** or **contents**, excluding **stock**, specified in the **policy schedule**.

We will pay no more than:

- (a) \$500,000; or
 - (b) 20% of the **total insured amount** of **buildings** and **contents**,
- whichever is the lesser amount.

For example:

If **your business** is retail, and the **contents** of **your** rented shop are insured for \$150,000 and **you** are refitting the shop shelving and service counters, the capital additions amount payable under this Extension of Cover would be \$30,000 (20% of \$150,000), as the **contents insured amount** is less than \$500,000. Capital additions are not to be confused with repairs.

You should advise **us** when there is a change in the construction of or alteration to **your premises**.

Cover Section Condition 7 – “Underinsurance” does not apply to the amount payable under this Extension of Cover.

2. Catastrophe inflation protection

If a claim for **loss** or **damage** to **your building** that is a direct result of a **catastrophe** is covered by this **cover section**, we will:

- (a) pay up to an additional 20% of the **insured amount** for **buildings**; and
- (b) increase the amounts payable under Extension of Cover 1 "Capital additions" (relating to **buildings** only) and Additional Benefit 5. "Prevention of imminent damage" of this **cover section** by up to 20%, for any additional costs incurred in rebuilding that can be directly attributed to increases in the price of services and materials as a direct result of the **catastrophe**.

For example, if **your insured amount** for **buildings** was \$1,000,000 we would pay up to an extra \$200,000 (20% of \$1,000,000). However, this Extension of Cover does not operate to increase the **total insured amount** for the purposes of calculating the application of any Extra Cover or Additional Benefit or Cover Section Condition 7 - "Underinsurance") in this **cover section**.

We will not pay more than the **increase in building costs** which is incurred as a direct result of the **catastrophe**.

We will not pay any claim under this Extension of Cover if **you** choose not to rebuild the **buildings** (or any part of them) at the **premises** shown on the **policy schedule**. We will not increase the **insured amount** to pay for **damage** to any **property insured** other than **buildings**.

We will not pay any claim under this Extension of Cover if the **policy schedule** shows the **building** as being insured for "Indemnity value".

3. Seasonal increase in stock

We will automatically increase the **insured amount** in respect of **stock** by 50% during the **seasonal increase period**.

If however, the **insured amount** in respect of **stock** is included in **your contents insured amount** we will only apply the seasonal increase to that portion of **your contents insured amount** which relates to **stock**.

Extra covers

When **damage** to **property insured** is covered by this **cover section**, we will also pay or provide the Extra Covers set out below for costs that are incurred as a result of that **damage**.

Unless stated otherwise below, any amounts payable under these Extra Covers form part of the amounts paid subject to the **limit of indemnity** not otherwise exhausted and do not apply in addition to the **limit of indemnity**.

If we pay a claim under an Extra Cover, we will settle that Extra Cover by paying **you** by cheque or direct deposit into **your** bank account. This means that we will not repair or replace or arrange for a service. An exception to this is where we arrange the repair, rebuilding or replacement (including temporary repairs and removal of debris) of **buildings**. In that case, for those Extra Covers that form part of the repair, rebuilding or replacement of **buildings**, we will arrange for the Extra Cover to be provided.

1. Loss of perishable food stock without damage

We will, to an extent not exceeding the value of perishable food **stock** and/or merchandise following loss or **damage** to **property insured** covered by this Property Damage Cover Section, also agree to treat as damaged the loss sustained by **you** resulting from the deterioration of such undamaged food **stock** due to **your** inability to process it in the normal way and in a timely manner or through alternative outsourcing arrangements. We will pay up to \$10,000 any one **event**.

2. Discharge of mortgages

We will pay the reasonable legal costs of discharge of a mortgage or mortgages on **buildings**, **contents** or **stock** following settlement of a claim under this **policy** on a total loss basis. We will pay up to \$50,000 any one **event**.

3. 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 or water efficiency of the property, we will pay up to 10% more than the amount we would otherwise have paid to repair or replace the item that is being upgraded subject to a maximum cost of \$10,000 for each claim.

4. Expediting Expenses

We will pay for reasonable costs and expenses incurred by **you** for express carriage rates and extra payments for overtime, night, Sunday or holiday working incurred in connection with the repair, replacement or reinstatement of the **property insured** that suffered **loss** or **damage**.

Provided that we will not pay more than:

- (a) 50% of the cost of repairing, replacing or reinstating the **property insured**; or
- (b) \$25,000,

whichever is the lesser for each claim.

5. Floating stock

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

- (a) there are at least two **premises** specified on the **policy schedule** and an **insured amount** has been separately specified on the **policy schedule** for **stock** at each **premises** insured under this **cover section**, including the affected **premises**; and
- (b) **you** transfer the **stock** between **premises** as a usual business practice.

We will not pay a claim under this Extra Cover where **stock** levels in excess of the **insured amount** at **your premises** have been temporarily located at that **premises** for a period exceeding 90 (ninety) days and where **we** have not agreed in writing to an extended period, during the **period of insurance**.

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

For the sake of clarity, the **limit of indemnity** at the **premises** subject to the temporary transfer of **stock** will be adjusted in accordance with this **cover section**.

Worked Claims Example

“Floating stock” cover allows **you** to move any value of **stock** between **your premises**, for the purpose of sale, without notifying us of the change in each individual **premises** and as long as **your** individual **stock** levels, at each of **your** insured **premises**, does not exceed **your** total **stock insured amount** during any one **period of insurance**.

	Normal stock trading records	Stock values at the time of loss
Premises A	\$100,000	\$30,000
Premises B	\$100,000	\$50,000
Premises C	\$150,000	\$270,000 [Fire damage]
Total Stock amount insured	\$350,000	\$350,000

6. Government fees

If any of **your property insured** is destroyed or damaged, **we** will pay any fee, contribution or other impost payable to any other Government, Local Government or other Statutory Authority where payment of the fee, contribution or impost is necessary to the obtaining of consent to reinstate any **property insured** provided that **we** will not be liable for payment of any fines and/or penalties imposed upon **you** by any such authorities.

7. Landscaping

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

Landscaping includes trees, shrubs, plants, lawns, rock work, retaining walls, ornamentation and edging pertaining thereto.

We will not pay more than \$50,000 or 20% of the **insured amount** for **buildings**, whichever is the lesser, at the **premises** in respect of any one **event**, in restoring landscape grounds to their original appearance when first laid out and planted, but **we** will not pay for costs arising due to the failure of trees, shrubs, plants, turf and the like to germinate or become established. This Extra Cover is included in the **insured amount** for the **buildings**.

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

8. Loss of land value

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

We will not pay more than:

- (a) 20% of the **insured amount** for the **building** shown on the **policy schedule**; or
- (b) \$100,000;

whichever is the lesser.

For example, if the **insured amount** for the **building** is \$400,000, **we** will not pay more than \$80,000 (20% of \$400,000), as this amount is less than \$100,000.

9. Playing surfaces

We will pay, up to \$50,000 plus any additional amount shown in the current **policy schedule** for playing surfaces, for the cost of repairing **damage** to outdoor playing surfaces at the **premises**, caused by:

- (a) vandals or malicious persons, other than **you** or **your** guests, director’s partners, officers, **employees** or members, or their guests;
- (b) fire occurring to **property insured** at the **premises** for which **we** have admitted liability under this **cover section**; or
- (c) the action of the fire fighting services, police or other emergency services in attending to their duties at the **premises**.

10. Professional fees

We will pay the reasonable cost of surveyors', architects' and other professional fees for estimates, plans, specifications, quantities, tenders and supervision, incurred in the repair or replacement of lost or damaged **buildings**.

The cost of professional fees is included in the **insured amount** of the lost or damaged **buildings**. If the **insured amount** has been exhausted, **we** will pay up to \$10,000 any one **event**. This Extra Cover does not apply if **your policy schedule** shows the **building** as being insured for "Indemnity value".

11. Removal and disposal of trees and branches

If **damage** to **property insured** is caused by impact from trees or branches of trees, **we** will pay the reasonable costs associated with the removal and disposal of the tree or branches, which caused the **damage**.

We will remove a standing tree or branch that formed part of a tree that caused the insured **damage** if:

- (a) **we** agree that the remaining tree or branch is unsafe;
- (b) the remaining tree or branch became unsafe as a direct result of the **event** covered under this **cover section** causing damage to the tree, and
- (c) all necessary approvals have been obtained and removal of the tree or branch would not result in a breach of any laws, by-laws, regulations or contractual obligations.

We will remove a stump that formed part of the tree that caused the insured **damage** only if:

- (a) all necessary approvals have been obtained and removal of the stump would not result in a breach of any laws, by-laws, regulations or contractual obligations, and
- (b) not removing the stump would interfere with repairing or replacing the damaged part of the **premises** is required to settle **your** claim.

12. Removal of debris including necessary temporary repairs

We will pay the reasonable costs of:

- (a) the removal, storage and disposal of **debris** or any thing that caused the **loss** or **damage**, from the **premises**;
- (b) the removal, storage and disposal of **debris** from premises, roadways, services, railways or waterways owned by any other person or entity where **you** are liable at law to remove, store or dispose of such **debris** as a result of the **loss** or **damage**;
- (c) the demolition, dismantling, shoring up, propping or underpinning of **property** or other temporary repairs to **property** as a result of the **loss** or **damage**; and
- (d) the demolition and removal of any **property**, which is necessary for the purpose of repair or replacement as a result of the **loss** or **damage**.

We will pay **you** up to the greater of:

- (a) \$100,000 or 20% of the **total insured amount** on **buildings, contents** and **stock**, shown on the **policy schedule**, whichever is the greater.

If (a) is insufficient to cover the reasonable costs detailed above, and **you** have not otherwise exhausted **your total insured amount**, **we** will pay up to the remaining balance of the **total insured amount**. If the **limit of indemnity** is not otherwise exhausted, **we** will additionally pay up to 5% of the **limit of indemnity** in addition to the **limit of indemnity**; or

- (b) the amount shown on the **policy schedule** for removal of debris.

If (b) is insufficient to cover the reasonable costs detailed above, and **you** have not otherwise exhausted **your total insured amount**, **we** will pay up to the remaining balance of the **total insured amount**.

Any amount shown on the **policy schedule** for removal of debris is in addition to the **limit of indemnity**.

We will not pay for:

- (i) the costs of removing, storing or disposing of **debris** if the liability to remove, store or dispose of **debris** has arisen as a result of any agreement made by **you**, unless **you** would have been liable in the absence of such agreement; or
- (ii) the costs of removing, storing or disposing of any contaminant or **pollutant** from outside the boundaries of the **premises** that does not form part of the construction material of the **building**.

13. Rewriting of records

- (a) If **media** at **your premises** is **lost** or **damaged**, **we** will pay the reasonable and necessary costs incurred in restoring the **business's data** stored on that **media**; and
- (b) if the **business's** tangible records stored at **your premises**, including customer's records or documents held or created by **you** as part of **your business**, are **lost** or **damaged**, **we** will pay the reasonable and necessary costs of rewriting, restoring or recreating those records.

We will not pay:

- (a) costs to restore **data** where the **media** it was stored on has not been **lost** or **damaged**; or
- (b) for the value of any **data** or tangible records.

14. Taking inventory

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

This Extra Cover is included in the **insured amount** for the **contents** and **stock**.

15. Metered water charges

We will pay the additional costs levied on **you** by a Water Company or Authority for metered water usage arising from the escape and loss of water at the **premises** following a theft or attempted theft of parts of the **building** when **buildings** are insured.

The most **we** will pay is limited to the lesser of seven (7) days additional costs or \$15,000 in total any one (1) **event**.

Further, if these costs are covered under this Extra Cover and under Extra Cover 7 – “Metered water charges” in the Theft Cover Section, then the maximum **we** will pay under both these **cover section** Extra Covers in total any one (1) **event** is the greater of the amounts payable under each of these Extra Covers. The Limit of Reinstatement for the **building** is not increased by this Extra Cover.

Our payment will be calculated on the amount of the suppliers charges for the period during which **damage** occurs, less the charge paid by **you** for the corresponding period in the preceding year, adjusted for charges and for variations affecting consumption by **you** during the intervening period.

We will not pay for such charges incurred in respect of any **building** which is unoccupied.

Additional benefits

We also provide the following Additional Benefits, subject to the exclusions and conditions of this **cover section** and General Exclusions, unless provided otherwise.

Unless stated otherwise below as included in the **insured amount**, any amounts payable under these Additional Benefits apply in addition to the **limit of indemnity**.

If **we** pay a claim under an Additional Benefit, **we** will settle that Additional Benefit by paying **you** by cheque or direct deposit into **your** bank account. This means that **we** will not repair or replace or arrange for a service. An exception to this is where **we** arrange the repair, rebuilding or replacement (including temporary repairs) of **buildings**. In that case, for those Additional Benefits that form part of the repair, rebuilding or replacement of **buildings** **we** will arrange for the Additional Benefit to be provided.

1. Costs related to damage to glass in vacant buildings

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

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

We will not pay more than \$5,000 during any one **period of insurance** for all claims under this Additional Benefit.

We will not cover **you** under this Additional Benefit for any breakage:

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

We will not pay for the breakage of:

- (a) tiles on shopfronts and office fronts, other than immediately around the broken **glass**; or
- (b) plastic or perspex signs.

We will not cover any claims under this Additional Benefit if:

- (a) **you** have selected Glass Cover Section;
- (b) **your** insured **building** is leased to a tenant; or
- (c) the **building** has remained unoccupied or untenanted for a continuous period longer than 60 (sixty) days and **we** have not agreed to an extended period in writing.

The **excess** that applies to this Additional Benefit is:

- (a) the **excess** shown on the **policy schedule**; or
- (b) \$500,

whichever is the higher.

2. Directors' and employees' tools of trade and personal effects

We will pay for **loss** of or **damage** to directors' and **employees'** tools of trade and personal effects, as if they were **contents**.

We will not pay more than \$6,000 for any one person for any one (1) **event** and \$10,000 in total for any one (1) **event**. Any amount **we** pay for this Additional Benefit will be included in the **contents insured amount**.

3. Fire Brigade attendance fees

We will pay up to \$100,000 any one **event** for any statutory charges payable by **you** to a fire brigade or firefighting authority for attendance at a fire or chemical emergency involving **property insured** and for the cost of refilling **your** firefighting appliances used in putting out a fire at or adjoining the **premises** and threatening the **property insured**, during the **period of insurance**.

The **excess** that applies to this Additional Benefit is \$500.

4. Limited transit cover

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

- (a) fire or explosion;
- (b) wind;
- (c) collision or overturning of the conveying vehicle;
- (d) acts of malicious persons;
- (e) escape of molten material from its intended confines at the **premises**;
- (f) lightning or thunderbolt;
- (g) implosion;
- (h) earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these during any period of 72 consecutive hours following the **event**;
- (i) riot, civil commotion or labour disturbances; or
- (j) water damage.

We will not cover **you** for more than:

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

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

We will not cover **you** for any claims under this Additional Benefit if **you** have selected cover under the Goods in Transit Cover Section.

5. Prevention of imminent damage

We will cover **you** for the necessary costs that **you** incur in the **period of insurance**:

- (a) to extinguish a fire on or in the vicinity of **your premises** which causes or threatens **loss** or **damage** to **your property insured**;
- (b) to prevent or diminish imminent **damage** to **your property insured**;
- (c) for the temporary protection and safety of **your property insured** at the **premises**, including the employment of security services; or

(d) to remove **property insured** from the **premises** if the purpose of the removal was to prevent or minimise **damage** insured under this **cover section**. **We** will also cover any **damage** resulting from the removal.

We will not pay more than \$100,000 for all claims under this Additional Benefit during any one **period of insurance**. **We** will not pay for:

- (a) any fines, penalties or liability incurred by **you**; or
- (b) any **loss** or **damage** to **your property insured**.

6. Rewriting of records

- (a) If **media** stored away from **your premises** anywhere in the Commonwealth of Australia is **lost** or **damaged**, **we** will pay the reasonable and necessary costs incurred in restoring the **business's data** stored on that **media**; and
- (b) if the **business's** tangible records stored away from **your premises** anywhere in the Commonwealth of Australia, including customer's records or documents held or created by **you** as part of **your business**, are **lost** or **damaged**, **we** will pay the reasonable and necessary costs of rewriting, restoring or recreating those records.

We will pay up to \$50,000 or any amount for Rewriting of Records shown in the **policy schedule**, whichever is greater.

We will not pay:

- (a) costs to restore **data** where the **media** it was stored on has not been **lost** or **damaged**; or
- (b) for the value of any **data** or tangible records.

7. Temporary cover for new premises

We will cover **you** for **loss** or **damage** occurring during the **period of insurance** to **buildings, contents** and **stock** at any new **premises**, provided that:

- (a) **you** first occupy the new **premises** during the **period of insurance**;
- (b) the **business** carried on, at or from the new **premises** is the same as the **business** shown on the **policy schedule**;
- (c) the property at the new **premises** is of the same nature as the **buildings, contents** and **stock** located at the **premises** and would have been covered if they were located at that **premises**; and
- (d) the **buildings** at the new **premises** are constructed of the same materials as the **buildings** at any **premises**, and have the same or superior protection systems as those at the **premises**.

We will not cover **you** for more than 50% of the highest **total insured amount** for any **premises** shown on the **policy schedule**.

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

We will not cover **you** under this Additional Benefit for any **loss** or **damage** at the new **premises** that occurs more than 90 days after **you** first occupy the new **premises**. The Underinsurance clause does not apply to this Additional Benefit.

8. Temporary removal of stock and contents

We will pay up to 20% of the **insured amount** for **stock** and **contents** for **loss** or **damage** to **stock** or **contents**, during the **period of insurance**, if the **stock** or **contents** has been temporarily removed from the **premises** or are in a temporary storage facility, self-storage unit or bulk storage facility as if it were at the **premises** but still within the Commonwealth of Australia.

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

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

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

9. Trace and access

We will pay the reasonable costs incurred to detect the point of bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems, during the **period of insurance**, at the **premises** used to hold or carry liquid or gas provided that the bursting, leaking, discharging or overflowing has caused or may reasonably be expected to cause **damage** to **property insured**.

We will cover the cost of reinstating parts of the property necessarily disturbed to locate the source of the problem but **we** will not cover the cost of repairing or reinstating any such apparatus, appliance, tanks, pipes or repair which has failed due to age, wear and tear, faults in material or faulty workmanship by the installer.

10. Exhibitions, Fair or Trade Shows

We will pay for **damage** to **contents** whilst at any exhibition, fair or trade shows including transit to and from such exhibitions, fairs, trade shows and Insured Locations up to a limit of \$5,000 each and every **loss**.

This Additional Benefit does not cover theft of mobile communication property while left unattended.

11. Theft of part of the building

If **you** own but do not occupy a **building** at the **premises** shown as insured under this **cover section** in the **policy schedule**, **we** will cover **you** for the theft of parts of the **building**. Any amount **we** pay for this Additional Benefit will be included in the **contents insured amount**.

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

We will not pay any claims under this Additional Benefit if **you** have selected the Theft Cover Section of the **policy**.

Optional extensions

The following Optional Extensions are optional and are available if **you** choose them and pay an additional premium.

If shown in **your policy schedule** the following Optional Extensions apply.

If **we** pay a claim under an Optional Extension, **we** will settle that Optional Extension by paying **you** by cheque or direct deposit into **your** bank account. This means that **we** will not repair or replace or arrange for a service. An exception to this is where **we** arrange the repair, rebuilding or replacement (including temporary repairs) of **buildings**. In that case, for those Optional Extensions that form part of the repair, rebuilding or replacement of **buildings** **we** will arrange for the Optional Extension to be provided.

1. Flood

When "Flood" is shown in the **policy schedule**, under this **cover section**, **we** will cover **loss** of or **damage** to **property insured** caused by **flood**, subject to the limits, conditions and exclusions of this policy, except for the **flood** exclusion.

2. Strata title mortgagee(s) interest

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

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

We will pay the mortgagee the lowest of:

- (a) the **insured amount** shown on the **policy schedule**;
- (b) the amount to repair the **damage** to a condition similar to but no better than when new;
- (c) if the body corporate (or similar) partially covers the **loss**, then the difference between what the body corporate's insurance pays and the cost of the **damage**; or
- (d) the amount sufficient to discharge the mortgage held by **you** over the unit at the date of the **damage**.

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

We only pay a claim if:

- (a) a claim would be payable under this **cover section** (and not subject to any exclusions or other limitation in the **policy**);
- (b) the policy of the body corporate or similar does not apply or only partially covers the **loss**; and
- (c) the mortgagee requires **you** to discharge **your** mortgage.

If **you** have arranged this **policy** to insure only the interest of a mortgagee in a strata title unit no Additional Benefits are payable under this **policy**.

What we exclude

1. **We** will not cover **you** under this **cover section** for any **loss** or **damage** caused by or occasioned through mechanical, hydraulic, electrical or electronic **breakdown** (**breakdown** as defined in the Machinery Breakdown and Electronic Equipment Cover Section), failure, malfunction or derangement of any machine or electrical or electronic device or temperature controlling equipment, including the deterioration of refrigerated **stock**, as otherwise insured or could be covered under the Machinery Breakdown and Electronic Equipment Cover Section of this **policy**.

Provided that this exclusion does not apply to insured peril fire (however caused);

2. **We** will not cover **you** under this **cover section** for **money** as defined and covered or which could be covered in the Money Cover Section, provided that this exclusion does not apply to that amount as defined as **contents**.

3. **We will not cover you** under this **cover section** for **business** property while in transit as defined and covered or which could be covered in the Goods in Transit Cover Section, except as provided for under Additional Benefit 4 – “Limited Transit Cover”.
4. **We will not cover you** under this **cover section** for **glass** or signs as defined and covered or which could be covered in the Glass Cover Section other than **damage** caused by:
 - (a) fire, storm, wind, rain, hail, lightning, explosion, implosion, earthquake, impact by vehicles or **animals, aircraft** and other aerial devices and/or articles dropped from them, riots or civil commotion, persons acting maliciously or earthquake; or
 - (b) except where **you** are a tenant of a **building** and **you** are required by the lease to insure **glass**;
5. **We will not cover you** under this **cover section** for theft as defined and covered or which could be covered in the Theft Cover Section except as provided for under Additional Benefit 11 – “Theft of part of the building”
 Provided that this exclusion does not apply to physical **loss** of or **damage** to **property insured** at the **premises** occurring during theft or any attempted theft.
6. **We will not cover you** under this **cover section** for **loss** or **damage** caused by:
 - (a) wear and tear, gradual deterioration, scratching, denting, chipping, marring, developing flaws, normal upkeep of property or existing defects or lack of maintenance or any gradual cause provided that, unless **you** can show **you** did not know and could not reasonably have been expected to know about the flaw, deterioration, defect or lack of maintenance. **You** cannot claim for repairing the deterioration or defect or the maintenance.
 This exclusion shall not apply to subsequent **loss**, destruction of or **damage** to the **property insured** occasioned by a peril (not otherwise excluded) resulting from any **event** or peril referred to in this exclusion;
 - (b) corrosion, rust, oxidation, any form of **fungus**, wet or dry rot, dampness of atmosphere, variation in temperature, evaporation, disease, shrinkage;
 - (c) change in colour, flavour, texture or finish unless caused by a peril covered by this **policy**;
 - (d) inherent vice or latent defect;
 - (e) loss of weight or exposure to light;
 - (f) creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in buildings, pavements, roads and car parks;
 - (g) (i) error or omission in design, plan or specification or failure during testing; or
 (ii) faulty materials or workmanship.
 Provided that this Exclusion 6 (g) shall not apply to subsequent **loss** or **damage** to **your property insured** (not otherwise excluded) resulting from an event referred to in this Exclusion 6 (g);
 - (h) infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by **you** or any **employee**;
 - (i) erosion, subsidence, landslip or mudslide or any other type of earth movement but **we** will cover **loss** or **damage** caused by a landslide or subsidence that occurs within 72 hours of, and directly because of, a storm, earthquake, subterranean fire, volcanic eruption or water escaping from a water main owned by a water supply authority and not because of erosion over time, structural fault or design fault;
 - (j) demolition ordered by any lawful authority as a result of failure by **you** to comply with any lawful requirement;
 - (k) the action of the sea, storm surge or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance;
 - (l) **flood** unless **flood** is shown as covered on the **policy schedule**.
7. **We will not cover you** under this **cover section** for **loss** or **damage** to an electrical device (including wiring) caused by a surge in electrical current. This exclusion does not apply where the surge in electrical current causes a fire.
8. **We will not cover you** under this **cover section** for **loss** or **damage** caused by:
 - (a) 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;
 - (b) the cessation of work (whether total or partial), interruption or retarding of any process or operation as a result of any industrial dispute;
 - (c) **data** processing or **media** failure or **breakdown** or malfunction of a processing system including operator entry or omission;
 - (d) an electrical device (including wiring) caused by a surge in electrical current;

- (e) the actual breaking, seizing, deformation or melting of any part of the **property insured** while it is in use that is caused by mechanical, electrical or electronic defect that results in sudden and total loss of operation that requires repair or replacement before the **property insured** can resume normal operation;
- (f) explosion or implosion of any pressure vessels (including any boilers) (other than a pressure vessel used solely for domestic purposes) that have a value of more than \$250,000:
 - (i) where the load on the safety valve upon the particular pressure equipment was in excess of the manufacturer's specification at the time of any **damage**;
 - (ii) where any safety valve limiting pressure was removed or rendered inoperative;
 - (iii) due to the failure of the supply of water, gas, electricity or fuel.

Provided that **we** will pay for any **damage** to **property insured** that is not otherwise excluded that results from **damage** caused directly by or arising directly from any of these causes described in (i), (ii) and (iii) above.

Provided further that this exclusion does not apply to pressure vessels used solely for domestic purposes.

9. **We** will not cover **you** under this **cover section** for **loss** or **damage** caused:
 - (a) to **property insured** where the **loss** or **damage** results from processing or manufacture of the insured property;
 - (b) to any **building, contents** and **stock** if the building is vacant awaiting or undergoing demolition, unless **we** have agreed otherwise;
 - (c) to plants, or growing crops;
 - (d) by the actions of birds, moths, termites or other insects, vermin or rodents or **damage** caused by their urine or excrement;
 - (e) by **animals** pecking, biting, clawing, scratching, tearing or chewing **your property insured** at the **premises**, provided that this exclusion shall not apply in respect to damage by an **animal** that gives rise to subsequent **loss** or **damage** to **your property insured** occasioned by a fire, explosion or water damage only.
10. **We** will not cover **you** under this **cover section** for **loss** or **damage** caused by or arising from:
 - (a) any legal liability **you** have other than the legal liability that is covered by Extra Cover 12 "Removal of debris including necessary temporary repairs";
 - (b) the incorrect layout or placement of **buildings** as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any lawful authority;
 - (c) any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;
 - (d) **contamination**, pollution, smoke or smut except where caused directly by fire, lightning, explosion, impact by any road vehicle or **animal, aircraft** or other aerial devices or articles dropped by 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 or discharge of tanks, apparatus or pipes containing in water or liquid of any kind, or sprinkler leakage;
11. **We** will not cover **you** under this **cover section** for **loss** or **damage** caused by:
 - (a) a named cyclone named by the Bureau of Meteorology where the **damage** occurs within 72 hours from the commencement of this **policy**; or
 - (b) a bushfire or grass fire occurring within 72 hours from the commencement of this **policy**, unless this **policy** commenced:
 - (i) immediately after another insurance policy, covering the same risk expired (the policy did not expire if it was cancelled) without a break in cover; or
 - (ii) the day **you** entered into a contract of sale to purchase the **property**; or
 - (iii) the day **you** entered into a contract to lease the **property**.
12. **We** will not cover **you** under this **cover section** for loss of profit or income, loss of use, loss of earning capacity, loss caused by delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not covered under this **cover section**.

Limitations on cover which apply if you have cover under this Cover Section

Earthquake

If any **loss** is caused by earthquake, volcanic eruption, subterranean fire or tsunami, **we** will not pay for the first \$20,000 or 1% of the **total insured amount** at the **damaged premises** (whichever is the lower amount) of each claim caused by earthquake, tsunami, volcanic eruption or subterranean fire.

Storm, rainwater, wind, hail or snow

Cover for **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 such **event**.

Cover Section conditions

These conditions apply to all cover and claims under this **Cover** Section in addition to the General Policy Conditions on pages 14 to 17.

If **you** do not comply with these **Cover** Section Conditions, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your** policy.

1. Leased building clause

Without prejudicing **your** position under this **cover section**, **you** may agree to enter into a lease for occupancy of any building or a lease for hiring of property where the terms of the lease include a disclaimer clause in favour of the lessee to the owner.

2. Reinstatement

If **we** pay an amount for a claim for **loss** or **damage** during the **period of insurance** under this Cover Section **we** will automatically reinstate the **insured amount** to the amount shown on the **policy schedule**. **You** will not be required to pay any additional premium.

3. Inflation protection

To protect **you** from the effects of inflation, if **you** have cover under this Property Damage Cover Section, **we** may automatically change the **insured amount** at renewal in line with movements in the Consumer Price Index or another similar index.

If the **insured amount** increases because of index linking, the new premium and relevant government charges will be based on the new **insured amount** shown in the **policy schedule**.

The **insured amounts** **you** nominate under the Property Damage Cover Section must accurately reflect the full Replacement Cost of **your business** property.

4. Release

Without prejudicing **your** position under this **cover section**, **you** may release any railways, other transportation companies, statutory governmental, semi-governmental or municipal authority from any liability if required by any contract to do so.

5. Storage premises

Without prejudicing **your** position under this **cover section**, **you** may enter into a contract which includes a disclaimer clause in relation to the storage of goods or merchandise.

6. Tenant's 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 **cover section** which is in breach of any terms or conditions, **we** will cover **you** for **your** loss or **damage** as per this **cover 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. Underinsurance

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

For each claim settled on a reinstatement or replacement basis, **we** will not be liable for more than that proportion of **damage** which the **limit of indemnity** bears to eighty per cent (80%) of the full insurable value of the **buildings, contents, stock** and **specified items** at the **premises** at the time of commencement of the **period of insurance**.

This is subject to the following:

- (a) this condition does not apply if the amount of any **loss** or **damage** (net of any **input tax credit** that **you** could claim) is less than 10% of the total **limit of indemnity** shown on the **policy schedule** at the **premises**.
- (b) any additional costs incurred to comply with the requirements of any statutory authority, by-laws or regulations shall be omitted from the calculation of **our** proportion.
- (c) **our** liability is limited to the relevant **limit of indemnity** at the **premises** as shown in the **policy schedule**.

See the worked dollar example below for an example of how underinsurance will apply to reduce the amount **we** will pay for claims under this **cover section**.

Worked dollar examples

The following worked dollar examples are designed to assist **you** in understanding some of the important benefits in this **cover section** and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of **your policy** terms and conditions. The following examples should be used for general guidance only. Note that the following examples do not take into account **your input tax credit** entitlement.

Example 1

You have cover for a **building** that is used as both a hairdressing salon and **your residence**. For this reason it is a **home building**. Indemnity is not shown on **your policy schedule**, so **you** have cover on a replacement value basis. The **building insured amount** is \$300,000. The **limit of indemnity** is \$400,000 and the **excess** shown on the **policy schedule** is \$250. The **building** is damaged in a storm and **we** assess the cost of repairs to be \$200,000.

How much we pay		Further information
Cost of repairs	\$200,000	Normally the building is repairable if the cost of repairing the building is less than the insured amount (in this example the insured amount for buildings is \$300,000).
Cost of removal of debris	+\$30,000	In addition to the damage to the building , the storm has created building debris that requires cleaning up and removal. In this case the cost of debris removal is \$30,000. This is covered under Extra Cover 12 - "Removal of debris including necessary temporary repairs".
Less excess	-\$250	We deduct this from the amount we pay. We may ask you to pay this amount directly to the repairer.
Total claim	\$229,750	We normally pay this amount to you or, if we are arranging the repairs through a member of our repair network, directly to the repairer.

Underinsurance

In the above example, if the full insurable value of the **building**, **contents** and **stock** at the time the **policy** was entered into was \$580,000 but the **limit of indemnity** is \$400,000, the amount **we** pay for **damage** will be reduced in accordance with Cover Section Condition 7 - "Underinsurance".

The amount we would pay to repair the building before we deduct the excess will be calculated as follows:

$$\text{Damage } \$200,000 \times \frac{\$400,000 \text{ (limit of indemnity)}}{80\% \times \$580,000 \text{ (full insurable value)}} = \$172,414$$

Removal of debris	+ \$30,000	
Less excess	-\$250	
		<hr/>
Claim payment	= \$202,164	

As the removal of **debris** amount of \$30,000 is paid in addition to **damage**, underinsurance does not apply to this amount.

We pay \$172,414 for the **building** as it does not exceed the **building insured amount** of \$300,000.

Example 2

You have cover for a building that is used as both a cafe and your residence. For this reason it is a home building. Indemnity is not shown on your policy schedule so you have cover on a replacement value basis. The insured amount on the policy schedule for buildings is shown as \$2,500,000 and the excess shown on your policy schedule is \$250. The building is damaged in an earthquake and the cost of repairs is \$1,000,000.

How much we pay		Further information
Cost of repairs	\$1,000,000	Normally the building is repairable if the cost of repairing the building is less than the insured amount (in this example the insured amount is \$2,500,000).
Cost of removal of debris	+\$40,000	In addition to the physical building damage there is also building debris that requires cleaning up and removal. Unless you have nominated a greater amount, the most we will pay under the removal of debris benefit is \$100,000 or 20% of the total insured amount for buildings, stock and contents in addition to any unexhausted amount of the total insured amount . However, as the total insured amount has not been exhausted, we will pay up to any unexhausted amount remaining from the total insured amount .
Less excess	-\$10,000	Since the damage is caused by an earthquake, an excess of 1% of the insured amount of the loss or damage (up to a maximum of \$20,000) applies. In this example 1% of the insured amount of the damage to the buildings is \$10,000. We normally pay this amount directly to you or, if we are arranging the repairs through a member of our repair network, directly to the repairer.
Total claim	\$1,030,000	We normally pay this amount to you or, if we are arranging the repairs through a member of our repair network, directly to the repairer.

Definitions

The following defined words in this **cover section** have the meanings given to them as set out below. These meanings only apply to this **cover section** and the terms and conditions of this **PDS** as they apply to this **cover section** and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Catastrophe

A large scale destructive event, in the area in which the **premises** is located, which either:

- the Insurance Council of Australia has declared to be an “insurance catastrophe event”; or
- as a consequence of the event, the relevant government authority has declared a state of emergency.

Debris

The residue of **damaged property**. **Debris** does not include any material which is itself a **pollutant** or contaminant and which is deposited beyond the boundaries of the **premises**.

Increase in Building Costs

The difference between the cost of reinstatement actually incurred in accordance with the “What we will pay” provisions of this **cover section** and the cost of reinstatement that would have applied had the **catastrophe** not occurred.

Landscaping

Growing plants, trees, shrubs, garden plots and lawns (including rock work, retaining walls, ornamentation and edging pertaining thereto).

Limit of Indemnity

120% of the **total insured amount** for a particular **premises**.

Specified items

Each item of property that is specifically described on the **policy schedule** for this **cover section**.

Business interruption cover section

About this cover section

There are three covers available in this **cover section**:

- ▼ Insurable Gross Profit basis;
- ▼ Annual Revenue basis;
- ▼ Weekly Revenue basis.

Your policy schedule indicates which of the above covers has been selected by **you**.

You can claim for interruption of or interference with **your business** as described under “What we cover” for the basis **you** have selected if:

- ▼ “Business interruption” is specified in the **policy schedule**;
- ▼ the **damage** occurs during the **period of insurance**;
- ▼ the claim is not excluded by any of the exclusions under “What we exclude - applicable to insurable gross profit basis, annual revenue basis and weekly revenue basis”; and
- ▼ the claim is not excluded by any of the General Exclusions.

If **you** do not insure for **your** actual Gross Profit or Revenue values in this **cover section** **you** may not receive full compensation in the event of a claim under this **cover section**.

We do not cover **you**, or **your** cover may be reduced, if, during the **period of insurance** or **indemnity period**, any of the following occur:

- (a) **you** dispose of or permanently discontinue the **business** or a part of it;
- (b) **you** become a bankrupt, or enter into a scheme of arrangement or compromise or composition with creditors;
- (c) **you** are placed in liquidation or provisional liquidation, or under official management or administration, or enter into a scheme of arrangement; or
- (d) a receiver, or a receiver and manager, is appointed to any of **your** assets.

Your insurance under this cover section

Insurable gross profit basis

What we cover

In the event of interruption of or interference with **your business** in consequence of **damage** to any **property insured** or any part thereof used by **you** at the **premises** for the purpose of **your business**, **we** will pay **you** the amount of the loss resulting from such interruption or interference which comes under any of the items 1.-5. shown below and which are selected by **you** and shown in the current **policy schedule**.

Provided that:

- (a) the payment is in accordance with the “What we will pay” provision for each item;
- (b) **we** have paid for or admitted liability in respect of such **damage** to **your property insured** under the relevant **cover section**, or another insurer has paid for or admitted liability in respect of such **damage**;
- (c) **we** would have paid for or admitted liability in respect of such **damage** under the relevant section of this **policy**, or another insurer would have paid for or admitted liability in respect of such **damage** and it would otherwise be covered under the relevant **cover section** but for the application of an **excess**; and
- (d) **our** liability for payment of such loss under each item will in no case exceed the **insured amount** shown in the current **policy schedule** for that item.

Insurance on an **insurable gross profit** basis provides protection with regard to loss under:

Item 1. Gross profit (if selected).

Item 2. Additional increase in cost of working (if selected).

Item 3. Accounts receivable (if selected).

Item 4. Claim preparation and proving expenses (if selected).

Item 5. Rent receivable (if selected).

What we will pay

Item 1. Gross profit

This item is limited to the loss of **gross profit** due to a reduction in **turnover** and the increase in **your** cost of working. The amount payable as indemnity under this item will be:

(a) in respect of reduction in **turnover**:

the sum produced by applying the **rate of gross profit** to the **shortage in turnover** during the **indemnity period**; and

(b) in respect of the increase in cost of working:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** which, but for the additional expenditure, would have taken place during the **indemnity period** in consequence of the **damage**, but not exceeding the sum produced by applying the **rate of gross profit** to the amount of reduction thereby avoided,

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

Underinsurance

Provided that if the **insured amount** for loss of **gross profit** at the commencement of each **period of insurance** is less than the sum produced by applying the **rate of gross profit** to eighty percent (80%) of the **annual turnover** (or its proportionately increased multiple where the **indemnity period** exceeds twelve months), the amount payable for loss of **gross profit** only will be reduced so that **we** will be liable for no greater proportion of the loss under this item than that which the **insured amount** bears to the sum produced by applying the **rate of gross profit** to eighty percent (80%) of the **annual turnover** (or its proportionately increased multiple, if appropriate).

This provision will not apply if **your** claim is for less than 10% of the **insured amount** for the item.

Item 2. Additional increase in cost of working

See common clauses.

Item 3. Accounts receivable

See common clauses.

Item 4. Claim preparation and proving expenses

See common clauses.

Item 5. Loss of rent receivable

The amount payable under this item will be:

(a) in respect of loss of **rent receivable**:

the amount by which the **rent receivable** during the **indemnity period** falls short of the **standard rent receivable**, in consequence of the **damage**; and

(b) in respect of additional expenditure:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **rent receivable** which, but for that expenditure, would have taken place during the **indemnity period** in consequence of the **damage**, but not exceeding the amount of the reduction in **rent receivable** thereby avoided,

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

Annual revenue basis

What we cover

In the event of interruption of or interference with **your business** in consequence of **damage** to any **property insured** or any part thereof used by **you** at the **premises** for the purpose of **your business**, **we** will pay **you** the amount of the loss resulting from such interruption or interference which comes under any of the items 1.-4. shown below and which are elected by **you** and shown in the current **policy schedule**.

Provided that:

(a) the payment is in accordance with the "What we will pay" and "Common clauses" provision for each item;

(b) **we** have paid for or admitted liability in respect of such **damage** under the relevant section of this **policy**, or another insurer has paid for or admitted liability in respect of such **damage**;

(c) **we** would have paid for or admitted liability in respect of such **damage** under the relevant section of this **policy**, or another insurer would have paid for or admitted liability in respect of such **damage** but for the application of an **excess**; and

(d) our liability for payment of such loss under each item will in no case exceed the **insured amount** shown in the current **policy schedule** for that item.

Insurance on an annual **revenue** basis provides protection with regard to loss under:

Item 1. Revenue (if selected).

Item 2. Additional increase in cost of working (if selected).

Item 3. Accounts receivable (if selected).

Item 4. Claim preparation and proving expenses (if selected).

What we will pay

Item 1. Revenue

This item is limited to the loss of **revenue** and increase in the cost of working. The amount payable as indemnity under Item 1 will be:

(a) in respect of the loss of **revenue**:

the amount by which the **revenue** earned during the **indemnity period** falls short of the **standard revenue**, in consequence of the **damage**; and

(b) in respect of the increase in cost of working:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **revenue** which, but for the additional expenditure, would have taken place during the **indemnity period** in consequence of the **damage**, but not exceeding the amount of reduction in **revenue** thereby avoided.

We will reduce the amount **we** will pay by the amount saved during the **indemnity period** for charges and expenses of **your business** which cease or are reduced as a consequence of the **damage**.

Underinsurance

Provided that if the **insured amount** for loss of **revenue** is less than eighty percent (80%) of the **annual revenue**, the amount payable will be reduced so that **we** will be liable for no greater proportion of the loss under this item than that which the **insured amount** bears to eighty percent (80%) of the **annual revenue**.

This provision will not apply if **your** claim is for less than 10% of the **insured amount** for this item.

Item 2. Additional increase in cost of working

See common clauses.

Item 3. Accounts receivable

See common clauses.

Item 4. Claim preparation and proving expenses

See common clauses.

Weekly revenue basis

What we cover

In the event of interruption of or interference with **your business** in consequence of **damage** to any **property insured** or any part thereof used by **you** at the **premises** for the purpose of **your business**, **we** will pay **you** the amount of the loss resulting from such interruption or interference which comes under any of the items 1.-4. shown below and which are selected by **you** and shown in the current **policy schedule**.

Provided that:

(a) the payment is in accordance with the "What we will pay" provision for each item;

(b) **we** have paid for or admitted liability in respect of such **damage** under the relevant section of this **policy**, or another insurer has paid for or admitted liability in respect of such **damage**,

(c) **we** would have paid for or admitted liability in respect of such **damage** under the relevant section of this **policy**, or another insurer would have paid for or admitted liability in respect of such **damage** but for the application of an **excess**; and

(d) **our** liability for payment of such loss under each item will in no case exceed the **insured amount** shown in the current **policy schedule** for that item.

Insurance on a weekly **revenue** basis provides protection with regard to loss under:

Item 1. Weekly Revenue (if selected).

Item 2. Additional increase in cost of working (if selected).

Item 3. Accounts receivable (if selected).

Item 4. Claim preparation and proving expenses (if selected).

What we will pay

Item 1. Weekly revenue

This item is limited to the loss of **weekly revenue** and the amount payable as compensation under this item will be the amount by which the **weekly revenue** during the **indemnity period** falls short of the **standard weekly revenue** in consequence of the **damage**.

Item 2. Additional increase in cost of working

See common clauses.

Item 3. Accounts receivable

See common clauses.

Item 4. Claim preparation and proving expenses

See common clauses.

We will not pay any claim under this **cover section** where the interference or interruption to **your business** is for a period of less than three (3) full continuous days.

Common clauses to insurable gross profit basis, annual revenue basis and weekly revenue basis

The following clauses are applicable:

Accumulated stocks

In adjusting any loss, account will be taken and equitable allowance made if any reduction in **turnover** or loss of **revenue** or **weekly revenue** in consequence of the **damage** is postponed by reason of the **turnover** or **revenue** or **weekly revenue** (as the case may be) being temporarily maintained from accumulated stocks of finished goods.

Alternative trading

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

Departmental

We will apply the cover provided by this **cover section** to each department of **your business** separately, if **your business** is conducted in departments, and each department has independent trading results which are ascertainable. For the purposes of this clause, the **rent receivable** from letting of property at the **premises** will be regarded as the proceeds of one such department.

Insured amount

Our liability for payment of loss resulting from interruption or interference with **your business** covered under this **cover section** will in no case exceed the **insured amount** shown in the current **policy schedule** for that item. Extra Covers and Additional Benefits are within the total **insured amount** of this **cover section** and not additional to the total **insured amount**.

If **you** have chosen **weekly revenue**, **we** will not pay more each week for loss of **weekly revenue** than the **weekly benefit**.

Item 2. Additional increase in cost of working

The insurance under this Item is limited to increase in cost of working (not otherwise recoverable hereunder) necessarily and reasonably incurred during the **indemnity period** in consequence of the **damage** for the purpose of avoiding or diminishing reduction in **turnover**, **revenue** or **weekly revenue** and/or resuming and/or maintaining normal **business** operations and/or services.

We will not pay more than:

(a) \$25,000; or

(b) the **insured amount** for "Additional increase in cost of working" shown in the **policy schedule**,

whichever is the greater, for any one claim which comes under Item 2 – "Additional increase in cost of working" and is covered under this **cover section**.

Item 3. Accounts receivable

Under this item **we** will pay **you** up to the amount shown in the **policy schedule** for all sums due to **you** from debtors that **you** are unable to collect because of **damage** to records of accounts receivable. **We** will also pay collection expenses in excess of normal collection costs made necessary because of the **damage** as well as interest charges at the ruling rate of **your** bank on any loan to offset impaired collections pending repayment of such sums made uncollectible by such **damage**. If **you** cannot accurately establish the total amount of accounts receivable outstanding as at the date of the **damage**, the amount will be computed as follows:

(a) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the **damage** occurs;

(b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the **damage** occurs, as compared with such average for the same months of the year immediately preceding the year in which the **damage** occurs;

- (c) the amount determined under (a), increased or decreased by the percentage calculated under (b) above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said **damage** occurs;
- (d) the amount determined under (c) above will be increased or decreased in conformity with the normal fluctuation in the amount of accounts receivable during the fiscal month involved, consideration being given to the experience of **your business** since the last day of the last fiscal month for which statements have been rendered less:
- (i) the amounts of such accounts evidenced by records not suffering **damage** or otherwise established or collected by **you**;
 - (ii) an amount to allow for probable bad debts that would normally have been uncollectible by **you**;
 - (iii) all unearned interest and service charges; and
 - (iv) settlement or term discounts normally allowed.

We will not pay more than:

- (a) \$7,500; or
- (b) the **insured amount** for "Outstanding Accounts Receivable" shown in the **policy schedule**, whichever is the greater, for any one claim under this Item 3 – "Accounts receivable"

Provided that **we** have admitted liability for the insured **event**.

Item 4. Claim preparation and proving expenses

In addition to the amount payable under General Claims Condition 13(d) "Claims preparation expenses" of this **policy**, **we** will pay **you** up to \$10,000 or the amount shown in the **policy schedule** for the costs of such reasonable professional fees as may be payable by **you** and other such reasonable expenses necessarily incurred by **you** and not otherwise recoverable, for preparation and negotiation of claims under this **cover** section.

Government incentives

We will pay for the reduction in **your gross profit, revenue** or **weekly revenue** in relation to **your business** where such reduction results from the loss of Government approved incentives, subsidies or market development allowances to which **you** would have been entitled.

New business

In the event of **damage** occurring at the **premises** before the completion of the first year's trading of **your business**, the defined terms "Annual Turnover", "Rate of Gross Profit", "Standard Turnover", "Annual Revenue", "Standard Revenue", and "Standard Weekly Revenue" shall instead have the following meanings wherever they appear in this **cover section**:

"Annual Turnover" means the actual **turnover** achieved during **your** first year of operations, from the commencement of **your business** to the date of the **damage**, converted to a twelve (12) -month equivalent figure.

"Rate of Gross Profit" means the proportion that the **gross profit** bears to the **turnover** during the period between the date of commencement of **your business** and the date of the **damage**.

"Standard Turnover" means the **turnover** achieved between the date of commencement of **your business** and the date of the **damage**, converted to the selected **indemnity period**.

"Annual Revenue" means the actual **revenue** achieved during **your** first year of operations, from the commencement of **your business** to the date of the **damage**, converted to a twelve (12)-month equivalent figure.

"Standard Revenue" means the **revenue** achieved between the date of commencement of **your business** and the date of the **damage**, converted to the selected **indemnity period**.

"Standard Weekly Revenue" means the amount calculated by averaging the **weekly revenues** obtained during the period from the date of the commencement of **your business** to the date of the **damage**.

The above definitions may be used as necessary to calculate the trend of **your business** and for variations in or other circumstances affecting **your business** either before or after the **damage** or which would have affected **your business** had the **damage** not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the result which but for the **damage** would have been obtained during the relative period after the **damage**.

Salvage sale

If, following **damage** giving rise to a claim under this **cover section**, **you** hold a salvage sale during the **indemnity period**:

- (a) Clause (a) of Item 1 – "Gross Profit" of this **cover section** shall, for the purpose of such claim, read as follows:

In respect of reduction in **turnover**: the sum produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** (less the **turnover** for the period of the salvage sale) shall, in consequence of the **damage**, fall short of the **standard turnover**, from which shall be deducted the **gross profit** actually earned during the period of the salvage sale.

(b) The definition of **shortage in turnover** shall, for the purpose of such claim, mean: the amount by which the **turnover** during a period (less the **turnover** for the period of the salvage sale) shall, in consequence of the **damage**, fall short of the part of the standard **turnover** which relates to that period, from which shall be deducted the pay-roll paid out of the proceeds of the salvage sale.

Turnover output

Where "Business Interruption" has been selected and in the event of **damage** giving rise to a claim under this **cover section**, at **your** option, the term "**output**" may be substituted for the term "**turnover**".

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

If **you** select the cover available under this clause and substitute the term "**output**" for the term "**turnover**"; the clause headed "Alternative Trading" shall be altered to read as follows:

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

Underinsurance Not Applying

If the **insured amount** shown in the **policy schedule** for:

- (a) **Insurable gross profit** basis; or
- (b) **Annual revenue** basis

has been calculated using a Business Interruption Calculator, then provided:

- (i) the Business Interruption Calculator is approved by **us**;
- (ii) **your** GST exclusive sales income figures from **your** most recent 12 months' Business Activity Statement' are as stated in the calculation from the approved Business Interruption Calculator; and
- (iii) the calculation of the **insured amount** takes account of the trend of **your business** and for variations in or other circumstances affecting **your business**,

then the Underinsurance provisions in "What we will pay" in this **cover section** will not apply.

Vero Insurance cannot and does not guarantee the accuracy of the Business Interruption calculators in regards to **your business's** circumstances.

Extra covers

This **cover section** is extended to include the following Extra Covers. Extra Covers 1 to 5 inclusive are payable provided that the **insured amount** expressed against the relevant item(s) in the **policy schedule** is not otherwise exhausted.

1. Contractual damages

Following a claim under Insurable Gross Profit, Item 1 – "Gross Profit", **we** will also pay:

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

The amount payable shall not exceed 20% of the total **insured amount** for **gross profit**.

2. Explosion of pressure vessels

We will treat the self-explosion or collapse of pressure vessels, including boilers, compressors or economisers at the **premises** as **damage** for the purposes of this **cover section**.

3. Extension of the indemnity period

When Extra Cover 2 "Catastrophe inflation protection" in the Property Damage Cover Section applies and the **indemnity period** stated in the **policy schedule** is twelve (12) months or more, **we** will increase the **indemnity period** by a further three (3) months providing that **you** undertake the reinstatement of **your business** at the existing or alternative **premises**.

This increase in **your indemnity period** is in recognition of the delays and difficulties experienced in the aftermath of such events and which extend the period in which the results of any **business** are affected in consequence of the **damage**. This Extra Cover does not increase the **insured amount** applicable to the cover selected by **you** and shown in the **policy schedule**.

4. Murder, Suicide and Infectious disease

We will pay for an interruption to **your business** as a result of the closure or evacuation of the whole or part of the **premises** by order of a competent government, public or statutory authority as a result of:

- (a) the occurrence of, or the discovery of any legionella species likely to result in, legionellosis at **your premises**;

- (b) vermin or pests at **your premises**;
- (c) defects in the drains or other sanitary arrangements at **your premises**;
- (d) injury or illness of customers arising from salmonella, campylobacter, staphylococcus aureus, bacillus cereus, clostridium, shigella, escherichia coli, listeria species or toxins present in shellfish only, directly caused by the consumption of food or drink provided on **your premises**;
- (e) murder or suicide occurring at **your premises**; or
- (f) shark or crocodile attack occurring within a twenty (20) kilometre radius of **your premises**.

Interruption to **your business** as described above in this Extra Cover will be deemed to be **damage** for the purposes of **your** cover under this **cover section**.

For the purpose of this Extra Cover only, General Exclusion 2 – “Communicable Disease” does not apply to those substances or agents specified in (a) or (d) above of this Extra Cover.

The most **we** will pay in respect of this Extra Cover is 20% of the **insured amount** shown in **your policy schedule**, whichever is applicable, up to a maximum of \$250,000, for any one (1) **period of insurance**.

We will not cover **you** for a reduction in **your business** income and the **increased cost of working** arising from the interruption or interference with **your business** during the first 48 hours of any closure or evacuation of the whole or part of the **premises** by order of a competent government, public or statutory authority.

We will not pay for:

- (a) cleaning, repairing or checking at **your premises**;
- (b) forensic cleaning of the premises following an act of violence which occurs at **your premises**.

5. Motor vehicles owned or operated by you

We will cover **you** for interruption to **your business** that is caused by or results from **damage** during the **period of insurance** to any **business** registered **vehicles** or trailers owned or operated by **you**, while such **vehicles** are at **your premises** or at other **premises** in Australia but not on a public thoroughfare.

6. Prevention of access

We will cover **you** for interruption to **your business** that is caused by or results from **damage** to property within a fifty (50) kilometre radius of the **premises** which shall prevent or hinder the use of or access to the **premises** provided that:

- (a) such **damage** to property would have been covered under the Property Damage Cover Section if the property had been insured under that **cover section**;
- (b) the **damage** prevents or hinders the use of or access to the **premises**; and,
- (c) the **damage** results in interruption of or interference with **your business**.

7. Prevention of access by a Legal Authority

We will cover you for an interruption to **your business** that is caused by a competent government, public or statutory authority that prevents or hinders the use of or access to your premises or ordering the evacuation of the public as a result of **damage** to or threat of **damage** to property only within a fifty (50) kilometre radius of **your premises** occurring during the **period of insurance**.

8. Deferral of Indemnity Period

Provided **damage** during the **period of insurance** gives rise to coverage under this **cover section**, commencement of the **indemnity period** may be deferred (“the Deferred Indemnity Period”) to a later date at **your** option and with **our** consent (which shall not be unreasonably withheld).

However, the Deferred Indemnity Period must commence within:

- (a) the number of months as specified in the **policy schedule** as the “Indemnity Period” and which period commences from the date the **damage** occurred; or
 - (b) twelve (12) months after the date the **damage** occurred,
- whichever is the earlier.

Notwithstanding the foregoing:

- (a) the request for the deferred **indemnity period** must be made within the period referenced in sub-clause (a) or (b) above whichever is the shorter;
- (b) the deferred **indemnity period** shall not extend the length of the **indemnity period** shown in the **policy schedule** or as varied by any Additional Benefit in this **cover section**; and
- (c) the deferred **indemnity period** shall in no way alter, derogate from or amend the coverage under this **cover section**

Additional benefits

This **cover section** is extended to include the following Additional Benefits. Additional Benefits 1 to 8 inclusive are payable provided that the **insured amount** expressed against the relevant item(s) in the **policy schedule** is not otherwise exhausted.

1. Computer installation

We will treat **damage** to computer installations, including any ancillary equipment and **data** processing media, utilised by **you** in **your business** in the Commonwealth of Australia other than at the **premises** as **damage** for the purpose of this **cover section** provided that:

- (a) the **damage** would have been covered under the Property Damage Cover Section if the computer facilities had been insured under that **cover section**;
- (b) the **damage** results in **you** being unable to utilise a computer installation or any ancillary equipment in **your business**; and
- (c) the **damage** results in interruption of or interference with **your business**.

2. Customers and suppliers

We will treat **damage** to unspecified property at the **premises**:

- (a) of **your** suppliers, manufacturers or processors of component goods, materials or services (and other than those services provided by any utilities) which supply the **business** directly including their direct suppliers; or
- (b) of customers of goods or materials or services provided by **you** including their direct suppliers and customers;

all within the Commonwealth of Australia, as **damage** for the purpose of this **cover section**, provided that our liability in total under this Additional Benefit will not exceed 20% or the percentage of the **insured amount** shown in the **policy schedule** applicable to this **cover section**.

3. Documents temporarily removed

We will treat **damage** to **your** tangible documents and tangible documents held in trust by **you** as part of **your business** that are:

- (a) temporarily removed to other premises anywhere in Australia; or
- (b) while in transit to any place in Australia,

as **damage** for the purpose of this **cover section** if the following apply:

- (i) the **damage** would have been covered under the Property Damage Cover Section if the documents had been insured under that **cover section**; and
- (ii) the **damage** results in interruption of or interference with **your business**.

The most **we** will pay under this Additional Benefit is 20% of the **insured amount** applicable to this **cover section**.

4. Loss of attraction

If **your business** is located within a multi-tenanted commercial complex, **we** will treat **damage** to property of a major tenant as being **damage** for the purposes of this **cover section** provided that:

- (a) the **damage** to the property of the major tenant would have been covered under the Property Damage Cover Section if such **damage** had been to **property insured** under that **cover section**;
- (b) the **damage** results in a reduced pedestrian count in the shopping complex; and
- (c) the **damage** results in interruption of or interference with **your business**.

5. Roads, bridges and railway lines

We will treat physical loss, destruction or damage to roads, bridges and/or railway lines within the Commonwealth of Australia over which raw materials, components and **stock** are conveyed to or from the **premises** as being **damage** for the purposes of this **cover section** if the following apply:

- (a) the physical loss, destruction or damage was caused by an occurrence that would have been covered under the Property Damage Cover Section if such physical loss, destruction or damage had been to **property insured** under that **cover section**;
- (b) the physical loss, destruction or damage results in not being able to convey **stock**, components or materials used in **your business** to and from **your premises**; and
- (c) the physical loss, destruction or damage results in interruption of or interference with **your business**.

6. Storage sites/temporary removal

We will cover **you** for interruption to **your business** that is caused by or results from **damage** to **your** property stored or being processed at any premises, including freight forwarders, in the Commonwealth of Australia not occupied by **you**.

Our total liability under this Additional Benefit will not exceed 20% of the **insured amount**.

7. Transit

We will cover **you** for interruption to **your business** that is caused by or results from **damage** to **your property insured** while in transit by road, rail, sea or air within the Commonwealth of Australia and outside of the **premises** occupied by **you**.

Our total liability under this Additional Benefit will not exceed 20% of the **insured amount** in respect of any one **occurrence**.

8. Utilities

We will treat **damage** to the following utilities:

- (a) any electrical supply system; or
- (b) any gas supply system; or
- (c) water supply or sewerage works; or
- (d) any telecommunications system that is land-based within Australia and supplies **your business**,

as **damage** for the purposes of this **cover section**, if all the following apply:

- (i) the **damage** would have been covered under the Property Damage Cover Section if such **damage** had been to **property insured** under that **cover section**;
- (ii) the **damage** results in hindering or stopping the supply of electricity, gas, water or telecommunications to the **premises** or sewage from the **premises**;
- (iii) the **damage** results in interruption of or interference with **your business**; and
- (iv) the interruption of the supply extends for greater than 48 hours if the utility which was damaged was at or immediately adjacent to **your premises**.

Optional benefits

The following benefit will apply when **you** have requested its inclusion in this **cover section**, and the **policy schedule** has been endorsed by **us** noting the inclusion.

1. Goodwill

Following **damage** to any **building** at the **premises** we will pay, up to the sub-limit of liability shown in the **policy schedule** for "Goodwill"; for the actual cost of goodwill incurred by **you** when purchasing a **business** in order to maintain **your business** activities.

Provided that:

- (a) **we** will only pay these goodwill costs when the **building** that is damaged cannot or will not be repaired or rebuilt due to any refusal by any owner or lessor other than **you** to repair or rebuild and any restrictions imposed by any legal authority; and
- (b) the purchase of the **business** is incurred because **you** were unable to continue **your business** at the **premises** as a result of the **damage** to the **buildings** not being repaired; and
- (c) the cause of the **damage** to the **buildings** would have been covered by the Property Damage Cover Section had that building been insured under that **cover section**; and
- (d) the **business** that is purchased is similar to **your business**.

2. Specified customers and suppliers

We will pay for loss of **gross profit**, **annual revenue** or **weekly revenue** that results from an interruption to **your business** that is caused by **damage** that occurs in Australia to:

- (a) Specified suppliers property at the **premises** of **your** suppliers shown in the **policy schedule** up to an amount calculated by applying the percentage shown in the **policy schedule** to the **insured amount** for **gross profit**, **annual revenue** or **weekly revenue**;
- (b) Specified customers property at the **premises** of **your** customers shown in the **policy schedule** up to an amount calculated by applying the percentage shown in the **policy schedule** to the **insured amount** for **gross profit**, **annual revenue** or **weekly revenue**.

Special conditions applicable to this cover section

These conditions apply to all covers and claims under this **cover section** in addition to the General Policy Conditions.

Indemnity period shorter than twelve months

If **you** select an **indemnity period** that is shorter than twelve (12) months, then the amount that **you** nominate as **your** “Gross Profit” **insured amount** or “Gross Rentals” **insured amount** or nominated “Turnover” amount must be for a twelve (12) month period. If **your insured amount** does not reflect the twelve (12) month period, **you** may be underinsured and the Underinsurance provision in “What we will pay” may apply to **your** claim. **We** will use the **indemnity period** **you** nominate to calculate a reduced premium to account for any **indemnity period** that is shorter than twelve (12) months.

Books of account

Any particulars or details contained in **your** books of account or other **business** books or documents that may be required by us for investigating or verifying any claim made under this **cover section** may be produced and certified by **your** auditors and their certificate will be prima facie evidence of the particulars and details to which the certificate relates.

Reinstatement of insured amount

If **we** pay an amount for a claim under this **cover section** **we** will automatically reinstate the **insured amount** to the amount shown on the **policy schedule**. **You** will not be required to pay any additional premium.

We will not reinstate the **insured amount** if **we** pay the full **insured amount** in respect of a single claim under this **cover section**.

Definitions

The following defined words in this **cover section** have the meanings given to them as set out below. These meanings only apply to this **cover section** and the terms and conditions of this **PDS** as they apply to this **cover section** and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Annual rent receivable

The **rent receivable** during the twelve months immediately before the date of the **damage** to which such adjustments will be made as may be necessary to provide for the trend of **your business** and for variations in or other circumstances affecting **your business** either before or after the **damage** or which would have affected **your business** had the **damage** not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the **damage**, would have been obtained during the relevant period after the **damage**.

Annual revenue

The **revenue** earned during the twelve months immediately before the date of the **damage** to which such adjustments will be made as may be necessary to provide for the trend of **your business** and for variations in or other circumstances affecting **your business** either before or after the **damage** or which would have affected **your business** had the **damage** not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the **damage**, would have been obtained during the relevant period after the **damage**.

Annual turnover

The **turnover** during the twelve months immediately before the date of the **damage** to which such adjustments will be made as may be necessary to provide for the trend of **your business** and for variations in or other circumstances affecting **your business** either before or after the **damage** or which would have affected **your business** had the **damage** not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the **damage**, would have been obtained during the relative period after the **damage**.

Damage

Physical loss, destruction or damage, occurring during the **period of insurance**, caused by an occurrence insured under:

(a) **your policy** under one or more of the following **cover sections**:

- (i) Property Damage Cover Section;
- (ii) Theft Cover Section;
- (iii) Glass Cover Section;
- (iv) Money Cover Section;
- (v) General Property Cover Section; or
- (vi) Goods in Transit Cover Section.

(b) another insurance policy that insures **your property insured** and names **you** as the insured.

Provided that:

- (i) **we** receive written confirmation of the extent of cover from the insurer who issued this other policy; and
- (ii) cover for both the property that is **damaged** and the cause of the **damage** would have been covered under one of the **cover sections** shown in (a) above had that **cover section** formed part of **your policy**.

Where the **damage** is below the **excess** applicable under any insurance mentioned in (a) and (b) above, such **damage** shall be deemed to be insured **damage** and covered for the purposes of this definition.

Increased cost of working

The additional expenditure necessarily and reasonably incurred by **you** for the sole purpose of avoiding or diminishing the reduction in **turnover** which but for that expenditure would have taken place during the **indemnity period** in consequence of the **damage** but not exceeding the amount of the reduction thereby avoided.

Insurable gross profit

The amount by which the sum of the **turnover** and the amount of the closing stock and work in progress exceeds the sum of the opening stock and work in progress and the amount of the **uninsured working expenses**, that are specified in the **policy schedule**.

Insurable gross profit 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**.

For the purposes of this definition the terms "opening stock" and "closing stock" have the meaning **you** usually give them in **your** books and accounts and "opening stock" and "closing stock" is to be calculated in accordance with **your** normal accounting methods, due provision being made for depreciation.

Indemnity period

The period beginning with the occurrence of the **damage** during which the results of **your business** are affected by the **damage** and ending at the expiration of the maximum period specified in the **policy schedule** or, in the case of **weekly revenue**, ending at the earliest of either the expiration of the maximum period specified in the **policy schedule** or when **weekly revenue** during that period equals or exceeds 95% of **standard weekly revenue**.

Output

The sale and/or invoice value of goods manufactured and/or processed by **you** in the course of **your business** at the **premises**.

Rate of gross profit

The **rate of gross profit**, expressed as a percentage, earned on the **turnover** during:

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

Rent receivable

The amount of the rent received or receivable (including base rental, turnover rental and contributions to outgoings) from the letting of property at the **premises**.

Revenue

The revenue earned during the twelve (12) months immediately before the date of **damage** less the cost of any related purchases (after any discounts) and other expenses.

Shortage in turnover

The amount by which the **turnover** during a period will, in consequence of the **damage**, fall short of the part of the **standard turnover** which related to that period.

Standard rent receivable

The **rent receivable** during that period in the twelve (12) months immediately before the date of the **damage** which corresponds with the **indemnity period**.

Standard revenue

The **revenue** earned within that period during the twelve (12) months immediately before the date of the **damage** which corresponds with the **indemnity period** to which such adjustments will be made as may be necessary to provide for the trend of **your business** and for variations in or other circumstances affecting **your business** to either before or after the **damage** or which would have affected **your business** had the **damage** not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the **damage**, would have obtained during the relative period after the **damage**.

Standard turnover

The **turnover** during that period in the twelve (12) months immediately before the date of the **damage** which corresponds with the **indemnity period**.

Standard weekly revenue

The average of the **weekly revenues** in that period during the fifty-two (52) weeks immediately before the date of the **damage** which corresponds with the **indemnity period**, adjusted as may be necessary for trends, variations in or other circumstances affecting **your business**, so that the adjusted figure will represent as far as possible the weekly results which, but for the **damage**, would have been obtained during the relevant period after the **damage**.

Turnover

The amount (less discounts allowed) paid or payable to **you** in the course of **your business** for goods sold and delivered for services rendered and for rent receivable in the course of **your business** at the **premises**.

Uninsured working expenses

The working expenses (for example; purchases, discounts allowed, bad debt, packing and freight) of **your business** which **you** have elected not to insure under this **cover section**, and which are not included in the **insured amount** for cover on an insurable gross profit basis and are specified on the **policy schedule**.

Weekly benefit

The amount shown in the **policy schedule**.

Weekly revenue

The **gross income** received by **you** each week in the course of **your business** for goods sold, services rendered or rental received less the purchase price of **stock**. **Weekly revenue** 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**.

Theft cover section

About this cover section

This Section provides covers the for **loss** of, or **damage** to, **your contents, specified items** and **stock** at **your premises** from theft, armed hold up or an actual or threatened assault. **You** are not covered for theft of **contents** from or in any open space, except as provided for under Additional Benefit 11 - "Theft of Property Insured in the open air".

You can claim for **loss** of or **damage** to **your contents, specified items** and **stock** by theft or attempted theft as described under "What we cover" if:

- ▼ "Theft" is specified in the **policy schedule**;
- ▼ the **loss** or **damage** occurs during the **period of insurance**;
- ▼ the **loss** or **damage** is not excluded by any of the exclusions under "What we exclude"; and
- ▼ the **loss** or **damage** is not excluded by any of the General Exclusions..

Your insurance under this cover section

What we cover

We will cover **you** for **loss** of or **damage** to **your contents, specified items** and **stock** occurring during the **period of insurance** at **your premises** caused by theft or attempted theft by:

- (a) any person who forcibly and violently enters or attempts to enter the **premises**;
- (b) by any person unlawfully concealed at the **premises** during **business** hours and, who after hours, breaks out of the **premises**;
- (c) by any person who threatens or commits physical violence to **you, your employees** or other persons;
- (d) by armed hold-up at the **premises**;
- (e) by any person who **forcibly and violently** breaks into any locked cabinet and/or counter and/or showcase which is located at the **premises**.

What we will pay

We will:

- (a) with respect to **stock**:
 - (i) pay **you** the cost to replace or repair the **stock** with property or materials equal to or of a similar standard and specification as the **stock** before it was **damaged**, unless the **stock** has become obsolete **stock**; or
 - (ii) pay **you** the market value, at the time of the **loss** or **damage**, of obsolete **stock** or its purchase price, whichever is the lesser, but no more than the original cost to **you**;
- (b) with respect to **electronic equipment** or **contents**, pay **you** the cost of repair or replacement of the **electronic equipment** or **contents**;
- (c) with respect to **specified items**, pay **you** the **insured amount** for a **specified item**.

The maximum **we** will pay in respect of **contents** (including **stock** when not shown as a separate item on **your policy schedule**) is the "Contents" **insured amount** specified in **your policy schedule** for this **cover section**, subject to the Extra Covers and Additional Benefits of this **cover section**.

The maximum **we** will pay in respect of **stock** (when shown as a separate item on **your policy schedule**) is the "Stock" **insured amount** specified in **your policy schedule** for this **cover section**, subject to the Extra Covers and Additional Benefits of this cover section.

The maximum **we** will pay in respect of each **specified item** is the **insured amount** specified in **your policy schedule**.

We will settle any claim by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

Excess

The **excess** that applies is shown on the **policy schedule**.

Extra covers

If a claim for **loss** or **damage** caused by theft is covered by this **cover section**, **we** will also pay or provide the Extra Covers set out below.

Unless stated to the contrary, any amounts payable under these Extra Covers are included in the **insured amount** specified in the **policy schedule**. If **we** pay a claim under an Extra Cover, **we** will settle **your** claim in accordance with that Extra Cover. **We** will only settle the claim by paying **you**. This means that **we** will not repair or replace or arrange for a service.

1. Damage to business premises

If **you** are the property owner **we** will cover **you** for the cost to repair, removal of debris and of cleaning up of any **damage** to **your property insured** caused by theft or attempted theft occurring during the **period of insurance**. The most **we** will pay for any one (1) claim under this Extra Cover is \$20,000.

This limit is in addition to the **insured amount**.

2. Damage to rented premises

If **you** are the tenant **we** will cover **you** for **damage** to the rented **premises** that **you** occupy as a tenant if **you** are legally liable for that **damage** under **your** tenancy agreement, provided that the **damage** is due to theft occurring during the **period of insurance**.

The most **we** will pay for any one (1) claim under this Extra Cover is the amount specified in the **policy schedule** or, if no amount is specified in the **policy schedule**, \$20,000.

This limit is in addition to the **insured amount**.

3. Seasonal increase period/s

We will automatically increase the **insured amount** in respect of **stock** by 50% during the **seasonal increase period**.

4. Forensic cleaning expenses

We will pay the cost of removal of debris and of cleaning up any **damage** resulting from forensic investigation by police following theft or attempted theft of **property insured** during the **period of insurance**.

The most **we** will pay for any one (1) claim under this Extra Cover is \$5,000.

This limit is in addition to the **insured amount**.

If the removal of debris and cleaning up costs are covered under this Extra Cover and under Extra Cover 3 – “Forensic cleaning expenses” in the Money Cover Section, then the maximum **we** will pay under both these **cover section** Extra Covers in total for any one (1) claim is \$5,000.

We will not pay for any forensic cleaning costs in respect of:

- (a) methamphetamine laboratory **contamination**;
- (b) storm, **flood** or sewage backup;
- (c) graffiti;
- (d) human decomposition;
- (e) bird or rodent droppings (hantavirus/histoplasmosis dangers)
- (f) toxic mould, spore or fungus remediation;
- (g) illegal dumping, waste **contamination** or contraventions of environmental laws;
- (h) **animal** and pet odours;
- (i) bio hazard spill;
- (j) disease outbreak; or
- (k) medical waste transport, treatment or disposal.

5. Temporary protection and security guards

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

The most **we** will pay under this Extra Cover for any one (1) **event** is \$10,000.

Further, if these costs are covered under this Extra Cover and under Additional Benefit 5 – “Prevention of imminent damage” in the Property Damage Cover Section and/or under Extra Cover 4 – “Temporary protection and security guards” in the Money Cover Section, then the maximum **we** will pay under all these **cover sections** in total in any one (1) **period of insurance** is \$25,000.

This limit is in addition to the **insured amount**.

6. Developing security images

We will cover **you** for the cost of developing images stored on **media** from security cameras following a theft or attempted theft of **property insured** at the **buildings** during the **period of insurance**.

The most **we** will pay under this Extra Cover for any one (1) **event** is \$1,000

7. Metered Water Charges

We will pay the additional costs levied on **you** by a Water Company or Authority for metered water usage arising from the theft of property or water at the **premises**.

The most **we** will pay is limited to \$10,000 in total any one (1) **event**.

Further, if these costs are covered under this Extra Cover and under Extra Cover 15 – “Metered water charges” in the Property Damage Cover Section, then the maximum **we** will pay under both these **cover section** Extra Covers in total any one (1) **event** is the greater of the amounts payable under each of these Extra Covers.

Provided that repairs are completed as soon as reasonably practicable after the **damage** being discovered.

The amount **we** pay will be based on the amount of water charges for the period of the **occurrence** less the charge paid by **you** for the corresponding period in the preceding year.

Additional benefits

We will also provide the following Additional Benefits in this **cover section** subject to the General Exclusions and all the terms, conditions and exclusions and any **endorsement** that apply to this **cover section**.

Unless stated to the contrary, any amounts payable under these Additional Benefits are included in the **insured amount** specified in the **policy schedule**. If **we** pay a claim under an Additional Benefit, **we** will settle **your** claim in accordance with that Additional Benefit.

We will settle these Additional Benefits by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

1. Directors' and employees' tools of trade and personal effects

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

The most **we** will pay under this Additional Benefit is \$10,000 in total for any **period of insurance**.

This limit applies in addition to the **insured amount**.

If the **personal effects** are covered under another insurance policy (other than a policy entered into by **you**), **we** will only pay for **loss** or **damage** not otherwise covered by the other policy.

We will not pay for **loss** or **damage** to musical instruments, curios, works of art, **money** or credit cards.

2. Employee dishonesty

We will cover **you** for **loss** to **stock, contents** including electronic equipment as a direct result of **employee** dishonesty during the **period of insurance** which is discovered within forty-five (45) days of the **employee** dishonesty occurring.

This Additional Benefit does not cover:

- (a) any **loss** arising from the conduct of an **employee** after **you** were aware that the **employee** had previously committed an act of fraud or dishonesty before or after the date of commencement of employment by **you**;
- (b) any **loss** arising from the conduct of an **employee** outside the Commonwealth of Australia;
- (c) any **loss** where **you** are unable to identify which **employee** is responsible;
- (d) any **loss** or part of a **loss** arising from the conduct of an **employee**, where the proof of the **loss**, either as to its occurrence or as to its amount, is solely dependent upon an inventory **stock** take or a profit and **loss** calculation;
- (e) fraud or dishonesty committed by any member of **your family** who is not **your employee**; or
- (f) fraud or dishonesty committed by any of **your employees** with **your** knowledge or consent.

The most **we** will pay for any one (1) **event** under this Additional Benefit is \$5,000. This limit is in addition to the **insured amount**. For the sake of clarity part (a) of Exclusion 1 – ‘Theft by persons’ below, does not apply to this Additional Benefit.

We will not pay any claims under this Additional Benefit if **you** are insured under the Management Liability Cover Section and further provided that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under the Money Cover Section.

3. Death following assault

If any director, officer or **employee** of **your business** sustains an injury from an assault during a theft or attempted theft in the **period of insurance** of **property insured** which is owned by **you** or for which **you** are legally responsible, and dies within twelve (12) months of and as a result of that injury, **we** will pay \$10,000 to the estate of the deceased person.

If payment in respect of a fatality is covered under this Additional Benefit and under Additional Benefit 5 – “Death following assault” in the Money Cover Section, then the maximum **we** will pay under both of these Cover Section Additional Benefits in total for any one (1) fatality is \$10,000.

4. Illegal use of corporate financial transaction card

We will pay for financial loss **sustained by you** arising from the illegal use of financial transaction or credit cards by any unauthorised person if such **loss** is not covered by the issuer of the card.

The most **we** will pay for any one (1) **loss** or **event** under this Additional Benefit is \$10,000.

This is in addition to the **insured amount**.

We do not cover any financial loss arising from the misuse or illegal use of financial transaction or credit cards by **employees** of the **insured** or any other person acting in collusion with an **employee** of the **insured**.

The most **we** will pay for any one (1) **loss** or **event** under this Additional Benefit is \$10,000.

This limit is in addition to the **insured amount**.

5. Illegal electronic funds transfer

If this **cover section** covers **contents**, and following entry into **your premises** arising from one of the events listed under the heading “Your insurance under this Cover Section”, **we** will pay any financial loss sustained by **you** during the **period of insurance** arising from the illegal electronic transfer of funds from **your** bank account to a bank account not controlled by **you**.

The most **we** will pay for any one (1) **event** under this Additional Benefit is \$10,000.

We will not pay for:

- (a) any financial loss arising from the misuse or illegal use of corporate credit cards or financial transaction cards by any of **your employees** or any other person acting in collusion with any of **your employee** or by any member of **your family**;
- (b) transfer of **money** via electronic funds transfer which was enabled by:
 - (i) a key; or
 - (ii) use of details of a combination, code or password,that are left in the building outside **business hours**.

6. Replacement of locks and keys

We will pay the reasonable cost of replacing locks, keys, magnetic keys or cards or similar devices or to change the sequence of numbers or letters used for a **safe** or **strongroom** if:

- (a) as a result of theft which causes **loss** or **damage** covered under this **cover section**, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated;
- (b) keys, magnetic keys or cards or similar devices are accidentally lost;
- (c) the sequence of numbers or letters become known by any unauthorised person or are accidentally lost; or
- (d) circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices.

We will also pay the reasonable cost of:

- (a) opening **safes and strongrooms** because of the theft of keys or combinations during a theft which causes **loss** or **damage** covered under this **cover section**;
- (b) developing images stored on **media** from security camera following a theft or attempted theft which causes **loss** or **damage** covered under this section; and
- (c) restoring the security system to its former functionality following a theft or attempted theft that is covered by this **cover section**.

The most **we** will pay for any one (1) **event** under this Additional Benefit is \$10,000.

This limit is in addition to the **insured amount**.

Provided that any cover given under this Additional Benefit 6 – “Replacement of locks and keys”, shall not accumulate with any similar cover that may be given under Additional Benefit 7 – “Replacement of locks and keys” in the Money Cover Section.

7. Rewriting of documents

We will pay for any reasonable labour costs incurred in reproducing or making good the **business’s** tangible documents that are lost, stolen or **damaged** while located at **your premises** or offsite anywhere in the Commonwealth of Australia.

The most **we** will pay under this Additional Benefit in total for any one (1) **period of insurance** is \$25,000.

This limit is in addition to the **insured amount**.

8. Temporary cover for new premises

We will cover **you** for **loss** of, or **damage** to, **stock** or **contents** as a result of theft at any newly occupied location which **you** first occupy during the **period of insurance**, as if that location was shown in **your policy schedule** as an insured **premises**, provided that:

- (a) the **business** carried on at or from the newly occupied location is the same as the **business** shown on **your policy schedule**;
- (b) the **stock** or **contents** at the newly occupied location would have been covered if located at one of the **premises** shown on **your policy schedule**; and
- (c) the newly occupied location has the same or superior security features as one of the **premises** shown on **your policy schedule**.

In order for **you** to continue this cover beyond ninety (90) days or be insured for the appropriate **insured amount**, **you** must provide **us** with full details of the new **premises**. If **we** agree to cover **stock** or **contents** at the new **premises**, **you** must pay any additional premium **we** ask for.

The most **we** will pay under this Additional Benefit is 50% of the applicable **insured amount** for **stock** or **contents** shown on **your policy schedule** for this **cover section**.

Further, if the **loss** of, or **damage**, to **stock** or **contents** at any newly occupied location is covered under this Additional Benefit and under Additional Benefit 9 - "Temporary removal" in this **cover section**, then the maximum **we** will pay under both these Additional Benefits in total is 50% of the applicable **insured amount**.

This Additional Benefit ends once **you** have contacted **us** to have the newly occupied location added to **your** policy or ninety (90) days after **you** first occupy the newly occupied location.

We will not cover **loss** of, or **damage** to, **stock** which does not belong to **you**, for which **you** are not legally responsible or which consists of tobacco, tobacco products, cigars, cigarettes or alcoholic beverages.

We will not cover **you** for any **loss** of or **damage** to **stock** or **contents** at the newly occupied location that occurs more than ninety (90) days after **you** first occupy the new location.

9. Temporary removal

We will cover **your contents** and **stock** while temporarily removed to any other **premises** within the Commonwealth of Australia.

Provided that:

- (a) **we** will not cover tobacco, tobacco products, cigars, cigarettes or alcoholic beverages;
- (b) **we** will not cover **stock** that is on consignment to other parties unless it is owned by **you** or is property for which **you** are responsible;
- (c) the maximum amount **we** will pay for this Additional Benefit will be 20% of the **insured amount**;
- (d) this Additional Benefit will not apply to any **contents** or **stock** which has been removed for a period greater than ninety (90) days, without **our** prior written consent.

Further, if **loss** of, or **damage**, to **stock** or **contents** while they are temporarily removed from the **premises** or while in transit to or from the **premises**, by road, railway, inland waterway or air is covered under this Additional Benefit and under Additional Benefit 8 - "Temporary cover for new premises" in this **cover section**, then the maximum **we** will pay under both these Additional Benefits in total is 20% of the applicable **insured amount**.

10. Theft of fixed external property

We will cover **you** for **loss** or **damage** as a result of theft or any attempt at theft, occurring during the **period of insurance**, to **contents** that are securely and permanently affixed (by means other than the connection to a power point) to the outside of the building at the **premises**.

The most **we** will pay under this Additional Benefit in total for any one (1) **period of insurance** is:

- (a) \$25,000; or
- (b) the **contents insured amount**,

whichever is the lesser.

If **loss** of, or **damage** to **contents** is covered under this Additional Benefit and under Additional Benefit 11 - "Theft of Property Insured in the open air" in this **cover section**, then the maximum **we** will pay under both these Additional Benefits in total for any one (1) **period of insurance** is \$25,000.

11. Theft of Property Insured in the open air

We will cover **you** for theft of **property insured** in the open air but within the legal boundaries or dividing fences of the **premises**.

The most **we** will pay under this Additional Benefit in total for any one (1) **period of insurance** is \$5,000 or any higher amount specified by **endorsement** and shown in the **policy schedule**.

If **loss** of, or **damage** to **contents** is covered under this Additional Benefit and under Additional Benefit 10 - "Theft of fixed external property" in this **cover section**, then the maximum **we** will pay under both these Additional Benefits in total for any one (1) **period of insurance** is \$25,000.

Provided that **we** will not cover **you**:

- (a) For theft involving shoplifting;
- (b) For theft by **you** or any of **your employees**;
- (c) For any disappearance, unexplained or inventory shortage;
- (d) for theft of **property insured** in the open air outside **business hours**, unless outside **business hours** the **premises** are fully enclosed by a locked fence or wall with padlocks with a security rating under AS4145.4 (or any subsequent amendment) or a keyed electronic entry.

12. Theft without forcible and violent entry (not property in the open air)

We will cover **you** for **loss** or **damage** occurring during the **period of insurance** to **contents** within the **building** as a result of a theft or attempted theft of **contents** where there are no signs of forcible and violent entry to or exit from the building.

The amount **we** will pay is limited to \$20,000 (or the amount shown on the current **policy schedule** whichever is the higher) for any one **occurrence** for theft or attempted theft of **contents** provided that **we** will not cover:

- (a) theft or attempted theft from any open fronted or open-sided structure such as, but not limited to, verandas or yards or other open spaces even if they are partially or fully enclosed; or,
- (b) theft of **stock**.

What we exclude

We will not cover **you** under this **cover section** for:

1. Theft by persons

Loss of, or **damage** to, property committed by:

- (a) **you**, **your** directors, partners, **employees** or any member of **your family** other than following forcible and violent entry by **your employees** or a member of **your family** or other than to the extent covered under Additional Benefit 2 - "Employee Dishonesty"; or
- (b) any person or persons while lawfully on the **premises**, excluding tradesmen, and the like, that are on the **premises** for the purposes of making minor alterations or servicing equipment.

2. Property

Loss or **damage** to:

- (a) **money** in excess of \$500;
- (b) jewellery, precious metals or stones, property made of gold or silver, bullion or furs exceeding \$10,000 any one **loss** and \$2,000 any one item unless these items form part of **your stock**;
- (c) motor vehicles, unless they are:
 - (i) **stock**; or
 - (ii) fork-lift trucks and similar appliances that are used for hauling or conveying goods at **your premises**;
- (d) live **animals** unless they are insured as stock of a restaurant or pet shop or **animals** contained within a **building** and owned as **stock** or **contents**; or
- (e) plants, shrubs (other than plants that are part of landscaping), landscaping materials or growing crops, pastures or standing timber. Provided that:
 - (i) when reinstating **damage** to a building, landscaping, plants and gardens are **property insured**; or
 - (ii) potted plants are **property insured** when insured as **contents**,
when they are used to restore landscaping, plants, potted plants and gardens to a condition similar to that immediately prior to the **damage**.

3. Glass

The breakage of **glass** (including washbasins, sinks, toilet pans or cisterns, or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to broken **glass**) unless it is **stock**.

4. Open air

Loss or **damage** of **property insured** from any open space, whether fenced or unfenced, outside the walls of the building, except as expressly provided in the Additional Benefits cover 10 – "Theft of fixed external property" and 11 - "Theft of property insured in the open air".

We will not pay under this **cover section** for unexplained disappearances or unexplained shortages, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by **you**.

5. Access

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

- (a) by use of a key or security code; or
- (b) through an unlocked door or window,

except as provided for under:

- (i) Additional Benefit 12 – “Theft without forcible and violent entry (not property in the open air)”; and
- (ii) Additional Benefit 2 – “Employee dishonesty”.

6. Extra costs or other losses

Loss of profit or income, loss of use, loss of earning capacity, loss caused by delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not covered under this **cover section**.

Cover section conditions

These conditions apply to all covers and claims under this **cover section** in addition to the General Policy Conditions that apply to this **cover section**.

If **you** do not comply with these Cover Section Conditions, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your policy**.

1. Monitored burglar alarms

If **you** own or have responsibility for operating and maintaining a burglar alarm for the purposes of the **business**, the alarm system must be tested and used in accordance with the manufacturers specifications. The burglar alarm must be activated whilst the **building** is unattended.

Testing and use includes resistance checking the battery, alarm detection coverage and transmission to the monitoring station.

2. Valuables

You must ensure that all **stock** that is precious stones, gold and silver articles, jewellery, watches trinkets, stamps, coins and personal ornaments, which are individually of the value of \$500 or more are contained in a securely locked **safe** or **strongroom** outside **business hours**.

3. Reinstatement

If **we** pay an amount for a claim under this **cover section** **we** will automatically reinstate the **insured amount** to the amount shown on the **policy schedule**. **You** will not have to pay any additional premium.

Definitions

The following defined words in this **cover section** have the meanings given to them as set out below. These meanings only apply to this **cover section** and the terms and conditions of this **PDS** as they apply to this **cover section** and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Specified item(s)

Each item of property that is specifically described as “Other” in the **policy schedule**.

Money cover section

About this cover section

This **cover section** covers the **loss** of or **damage** to **your business's money** from a wide variety of causes such as theft, armed hold up, or fire. The **money** may be **in transit**, at the **premises** or **in custody** at a private residence.

You can claim for **loss** of or **damage** to **money** as described under "What we cover" if:

- ▼ "Money" is specified in the **policy schedule**;
- ▼ the **loss** or **damage** occurs during the **period of insurance**;
- ▼ the **loss** or **damage** is not excluded by any of the exclusions under "What we exclude"; and
- ▼ the **loss** or **damage** is not excluded by any of the General Exclusions.

Your insurance under this cover section

What we cover

We will cover **you** for **loss** of or **damage** occurring during the **period of insurance** to the following categories of your **business's money** described below and when shown on the **policy schedule**:

- (a) **in transit**;
- (b) in the **building** during **business hours**;
- (c) in the **building** outside of **business hours**;
- (d) in the **building** in a securely locked **safe, strongroom** or **ATM**; or
- (e) **in custody**.

What we will pay

If **you** have selected one **insured amount** for **money**, the maximum amount **we** will pay is the **insured amount** shown on the **policy schedule**.

If **you** have selected a different **insured amount** for each of the categories of **money** listed above (a) to (e), the maximum amount **we** will pay, in respect of:

- (a) **money in transit** at the time of the **loss** or **damage** is the "money in transit" **insured amount**;
- (b) **money** in the **building** during **business hours** at the time of the **loss** or **damage** is the "money in the building during business hours" **insured amount**;
- (c) **money** in the **building** outside **business hours** at the time of the **loss** or **damage** is the "money in the building outside business hours" **insured amount**;
- (d) **money** in the **building** in securely locked **safe, strongroom** or **ATM** at the time of the **loss** or **damage** is the "money in the building in securely locked safe, strongroom or ATM" **insured amount**; or
- (e) **money in custody** at the time of the **loss** or **damage** is the "money in custody" **insured amount**.

If **you** select an **insured amount** for (a), **we** will automatically cover **you** up to \$2,000 for categories (b), (d), and (e).

If **you** select an **insured amount** for category of **money** (a), (b), (c) or (d) **we** will automatically cover **you** up to \$2,000 for category of **money** (e).

If **we** agree to pay a claim for **loss** of or **damage** to **money** (other than certificates of **stock**, bonds, coupons and all other types of securities or travellers cheques) **we** will pay the amount of **money** lost or damaged.

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

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

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

Losses sustained in currencies other than Australian dollars will be calculated by converting the amount of **loss** to Australian dollars at the market rate at the time of settlement of the **loss** or such other rates as may have been expressly agreed with **us**.

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

If the **safe, strongroom** or **ATM** is **lost** or **damaged**, we will:

- (a) if the **loss** or **damage** is confined to part of the **safe, strongroom** or **ATM**, pay **you** the cost of repair of that part plus the cost of any necessary dismantling and reassembling; or
- (b) pay **you** the cost of repairing or replacing the **safe, strongroom** or **ATM**.

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

We will settle any claim by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

Excess

The **excess** that applies for any one (1) **event** is shown in **your policy schedule**. Please refer to General Claims Condition 12 - "Paying your excess" for information about the options for paying the **excess**.

Extra covers

If **we** agree to pay a claim under this **cover section** for loss or **damage** to **money**, **we** will also pay or provide the Extra covers set out below.

Unless stated otherwise below, any amounts payable under these Extra covers apply in addition to the **insured amount**.

If **we** pay a claim under an Extra Cover, **we** will settle **your** claim in accordance with that Extra Cover. We will settle these Extra Covers by paying **you**. This means that **we** will not repair or replace or arrange for a service.

1. Seasonal increase of cover

We will automatically increase the **insured amount** in respect of **money** by 50% during the **seasonal increase period**.

2. Removal of Debris

We will pay the cost of removal of debris and of cleaning up any **damage**, (other than **damage** resulting from forensic investigation by police) resulting from theft or attempted theft of **property insured**.

The most **we** will pay for this Extra Cover is \$2,000 for any one (1) claim.

This limit is in addition to the **insured amount**.

If the costs are covered under this Extra Cover and under Extra Cover 1 – "Damage to business premises" in the Theft Cover Section, then the maximum **we** will pay under both these **cover section** Extra Covers in total for any one (1) claim is \$5,000.

3. Forensic cleaning expenses

We will pay the cost of removal of debris and of cleaning up any **damage** resulting from forensic investigation by police following theft or attempted theft of **property insured**.

The most **we** will pay for this Extra Cover is \$2,000 for any one (1) claim.

This limit is in addition to the **insured amount**.

If the removal of debris and of cleaning up costs are covered under this Extra Cover and under Extra Cover 4 – "Forensic cleaning expenses" in the Theft Cover Section, then the maximum **we** will pay under both these **cover section** Extra Covers in total for any one (1) claim is \$5,000.

We will not pay for any forensic cleaning costs in respect of:

- (a) methamphetamine laboratory **contamination**;
- (b) storm, **flood** or sewage backup;
- (c) graffiti;
- (d) human decomposition;
- (e) bird or rodent droppings (hantavirus/histoplasmosis dangers)
- (f) toxic mould, spore or fungus remediation;

- (g) illegal dumping, waste **contamination** or contraventions of environmental laws;
- (h) **animal** and pet odours;
- (i) bio hazard spill;
- (j) disease outbreak; or
- (k) medical waste transport, treatment or disposal.

4. Temporary protection and security guards

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

The most **we** will pay for this Extra Cover is \$10,000 for any one (1) **event**.

Provided that any cover given under this Extra Cover "Temporary protection and security guards" shall not accumulate with any similar cover that may be given under Extra Cover 5 – "Temporary protection and security guards" in the Theft Cover Section.

Additional benefits

We will also provide the following Additional Benefits in this **cover section**, subject to the Policy Conditions, limits, General Exclusions and **cover section** exclusions except as provided otherwise.

Unless stated otherwise below, any amounts payable under these Additional Benefits apply in addition to the **Insured amount**.

If **we** pay a claim under these Additional Benefits, **we** will settle **your** claim in accordance with those Additional Benefits. **We** will settle those Additional Benefits by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

1. Bank and public holidays extension

The **insured amounts** for **money** are automatically increased by 100% or \$75,000, whichever is the lesser, on days that are gazetted bank or public holidays. This increase shall apply up until bank closing time on the next **business** day after such holiday. This Additional Benefit does not apply to **damage** to **safes, strongrooms** or an **ATM** and to **seasonal increase**.

2. Directors' and employees' personal effects

We will cover **you** for loss of or **damage** to the personal effects of **your** directors, officers and **employees** occurring during a theft or attempted theft of **money** covered under this **cover section**.

We will not cover **you** for more than \$10,000 for any one (1) **event**.

Further, if **loss** of or **damage** to these **personal effects** is covered under this Additional Benefit and under Additional Benefit 1 – "Directors' and employees' tools of trade and personal effects" in the Theft Cover Section, then the maximum **we** will pay under both these Cover Section Additional Benefits is total is as set out above.

We will not cover **you** for **loss** or **damage** to musical instruments, curios, works of art, **money** or credit cards.

If the **personal effects** are covered under another insurance policy (other than a policy entered into by **you**), **we** will only pay for loss or **damage** not otherwise covered by the other policy.

3. Counterfeit currency

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

The most **we** will pay for all claims covered under this Additional Benefit in total for any one (1) **period of insurance** is \$750.

4. Employee dishonesty

We will cover **you** for **loss** of **money** as a direct result of **employee** dishonesty during the **period of insurance** if discovered within 45 (forty-five) (45) days of the **employee** dishonesty first occurring.

This Additional Benefit does not cover:

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

We will not pay more than \$5,000 for any one (1) **occurrence** under this Additional Benefit.

We will not pay any claims under this Additional Benefit if **you** are insured under Management Liability Cover Section and further provided that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under the Theft Cover Section.

5. Death following assault

If any director, officer or **employee** of **your business** sustains an injury from an assault during a theft or attempted theft in the **period of insurance** of **money** owned by **you** or for which **you** are legally responsible, and dies within twelve (12) months of and as a result of that injury, **we** will pay \$10,000 to the estate of the deceased person.

If payment in respect of a fatality is covered under this Additional Benefit and under Additional Benefit 3 – “Death following assault” in the Theft Cover Section, then the maximum **we** will pay under both of these **cover section** Additional Benefits in total for any one (1) fatality is \$10,000.

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

If **money** is stolen or there is an attempt at stealing **your money** from **your safe, strongroom or ATM** or cash carrying bag,

We will pay **you**:

- (a) the cost of opening the **safe, strongroom or ATM** and of repairing or replacing any **loss** or **damage** to the **safe, strongroom or ATM** that was caused by the theft or attempted theft;
- (b) for **loss** of or **damage** to **your** cash carrying bag that was caused by the theft or attempted theft.

A limit of \$10,000 any one **event** applies to this Additional Benefit.

7. Replacement of locks and keys

We will pay the reasonable cost of replacing locks, keys, magnetic keys or cards or similar devices or to change the sequence of numbers or letters used in a **safe, strongroom or ATM** if during the **period of insurance**:

- ▼ as a result of theft of **money** covered under this **cover section**, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated;
- ▼ keys, magnetic keys or cards or similar devices are accidentally lost;
- ▼ the sequence of numbers or letters become known by any unauthorised person or are accidentally lost;
- ▼ circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices.

We will also pay the reasonable cost of:

- ▼ opening **safes, strongrooms or ATM** because of the theft of keys or combinations during a theft of **money** covered under this **cover section**;
- ▼ developing images stored on **media** from security camera following a theft or attempted theft of **money** covered under this **cover section**.

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

Provided that any cover given under this Additional Benefit “Replacement of locks and keys”; shall not accumulate with any similar cover that may be given under Additional Benefit 6 – “Replacement of locks and keys” in the Theft Cover Section.

8. Temporary cover for new premises

Cover is extended to include **money** at, or in transit to or from any new **business premises** occupied by **you** after the commencement of the **period of insurance**, within the Commonwealth of Australia, for ninety (90) days from first being used by **you** (unless the **period of insurance** or **your** occupancy of such **premises** ends sooner, whichever shall first occur), but the cover is limited to:

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

Our maximum liability under this Additional Benefit is limited to 20% of the **insured amount** shown in the **policy schedule** in relation to each category of **money** covered under this **cover section**.

Full details of such additional **premises** are to be supplied to us within ninety (90) days of **your** commencement to use the **premises**. If **we** agree to cover **money** at the additional **premises** beyond this ninety (90) -day period, **we** may require payment of an additional premium.

9. Traveller's money

We will pay **you** for loss of **money** in **your** custody, or in the custody of **your employee**, occurring during the **period of insurance**, while **you** or **your employee** are travelling for or on behalf of **your business** anywhere in the world provided that the total amount payable under this extension is limited to \$10,000 in total any one **event**.

Cover section conditions

These conditions apply to all cover and claims under this **cover section** in addition to the General Policy Conditions that apply to this **cover section**.

If **you** do not comply with these Cover Section Conditions **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your** policy.

1. Seasonal increase period(s)

You do not have to tell us the dates of the **seasonal increase period(s)**. If **you** make a claim under this **cover section** then **your** financial records over at least the previous two (2) years must substantiate the period as a **seasonal increase period**.

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

2. Reinstatement

If **we** pay an amount in respect of a claim for **loss** or **damage** to **money** covered under this **cover section** **we** will automatically reinstate the **insured amount** to the amount shown on the **policy schedule**. **You** will not have to pay any additional premium.

What we exclude

We will not cover **you** under this **cover section** for:

1. Missing money

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

- (a) due to shortages resulting from clerical or accounting errors, or loss due to errors in receiving or paying out;
- (b) by any intentional or willful act or omission by **you** or **your employees** with **your** connivance other than as covered by Additional Benefit 4 – “Employee dishonesty”; or
- (c) by any fraudulent or dishonest acts committed by **you**, **your** family members or any of **your employees** acting alone or in collusion with others other than as covered by the Additional Benefit 4 – “Employee dishonesty”.

2. Key or combination in building

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

3. Unattended

Loss or **damage** to **money** in or from an unattended vehicle that is not locked.

4. Professional carrier

Loss or **damage** to **money** while professional **money** carriers, professional carriers or common carriers are carrying it.

5. Loss outside The Commonwealth of Australia

Loss or **damage** to **money** occurring outside The Commonwealth of Australia except as provided under Additional Benefit 9 – “Traveller’s Money”.

6. Consequential loss

Loss of profit or income, loss of use, loss of earning capacity, loss by delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not covered under this **cover section**.

7. ATMs

Loss or **damage** to **money** that does not belong to **you** in or from an **ATM**.

Definitions

The following defined words in this **cover section** have the meanings given to them as set out below. These meanings only apply to this **cover section** and the terms and conditions of this **PDS** as they apply to this **cover section** and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Financial service provider

A financial organization such as a bank, building society or credit union or an agency for any of these, that is in the **business** of providing banking services to the public.

In custody

(a) in **your** custody and control at **your** private residence; or

(b) in the custody and control of persons authorised by **you** at their private residence,

until the next **business** day when the **money** can be deposited with a financial services provider or before the end of that day if an afterhours deposit service is used.

In transit

(a) **money** in **your** personal custody or in the custody of persons authorised by **you** during a journey to or from the **premises** to or from anywhere within Australia until the close of opening hours on the next **business** day when the **money** can be deposited with a financial services provider or before the end of that day if an afterhours deposit service is used.

(b) **money** while deposited in the night safe, night depository chute or **ATM** of any financial services provider where **you** normally transact **business**.

(c) wages and salaries collected from a **financial services provider** but not paid to **employees** until it is physically in the control of **your employees**.

Money

Tangible cash, bank notes, currency notes, negotiable cheques, negotiable securities, travellers' cheques, debit and credit card vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines.

Money does not include collectable items (for example coin or stamp collections), anticipated **revenue** or any form of crypto currency.

Seasonal increase period

Any period of time during the **period of insurance** that has at least 35% increased amount of money compared to other times during the **period of insurance**. The total number of days we will allow for a seasonal increase period is 120 days during any one (1) **period of insurance** unless a different period is specified in **your policy schedule**.

Glass cover section

About this cover section

This **cover section** covers **breakage** of **glass** at the **premises**.

You can claim for **breakage** of **glass** as described under “What we cover” if:

- ▼ “Glass” is specified in the policy schedule;
- ▼ the **breakage** of **glass** occurs during the **period of insurance**;
- ▼ the claim is not excluded by any of the exclusions under “What we exclude”; and
- ▼ the claim is not excluded by any of the General Exclusions.

Your insurance under this cover section

What we cover

We will insure **you** for **breakage** of **glass** which **you** own or for which **you** are legally responsible, occurring during the **period of insurance** at the **premises**.

What we will pay

We will pay for the cost of replacement of broken **glass** with **glass** of similar manufacture and quality including the reasonable costs for after-hours service by repairers, express delivery and overtime charges to repair or replace broken glass. **We** will also pay the extra cost necessarily incurred to comply with any statutory authority in relation to glass when replacing the **glass**.

We will not pay any additional costs to comply with any requirements that **you** were required to comply with before the **loss** of, or **damage** to, **glass** occurred. If it is not practical or possible for **us** to arrange for the replacement of **lost** or **damaged glass** by a member of **our** repair network, **we** will settle any claim by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

Excess

The **excess** that applies is shown on the **policy schedule**

Extra covers

When **we** agree to pay a claim under this **cover section** for **loss** or **damage** to **glass**, **we** will also pay or provide the Extra Covers set out below.

If **we** pay a claim under these Extra Covers, **we** will settle **your** claim in accordance with the Extra Cover. **We** will only settle the claim by paying **you** or the repairer. This means that **we** will not repair or replace or arrange for a service.

1. Costs

We will pay for the following costs provided they are reasonably incurred by **you** and are directly related to breakage of the glass covered under this **cover section**:

- (a) the cost of temporary shuttering necessary to secure otherwise exposed **stock** or **contents** pending replacement of the broken **glass**;
- (b) the costs incurred in replacing sign-writing, ornamentation, reflective materials and burglar alarm tapes and connections attached to the broken **glass**;
- (c) the cost incurred in repairing or replacing **damage** to window, door or showcase frames and their fittings;
- (d) the cost incurred in repairing or replacing tiles on shop and office fronts and around the broken **glass**.

We will not cover **you** for the cost of repairing or replacing bars, grilles or shutters.

The most **we** will pay under this Extra Cover during any one (1) **period of insurance** is \$10,000.

2. Destruction of stock or contents

We will pay for destruction of, or **damage** to **your stock** or **contents**, caused by broken glass following the breakage of **glass** under this **cover section**. Our liability under this Extra Cover during any one (1) **period of insurance** is limited to:

- (a) the cost value (excluding profit of any kind) of **your stock** or **contents** destroyed or damaged, less any amount realised from the sale or salvage; or
- (b) the sum of \$10,000,

whichever is the lesser.

Additional benefits

We will also provide the following Additional Benefits in this **cover section**, subject to the policy conditions, limits and exclusions, except as provided otherwise.

If we pay a claim under these Additional Benefits, we will settle **your** claim in accordance with the Additional Benefit.

We will settle these Additional Benefits by paying **you** or the repairer. This means that we will not repair or replace or arrange for a service. We will pay **you** by cheque or direct deposit into **your** bank account.

1. Malicious damage

If **you** are a tenant and responsible under the terms of a rental agreement for insuring **glass** at the **premises**, we will pay for the cost of replacement of **external glass** which has suffered malicious **damage** at such **premises**, during the **period of insurance**. This Additional Benefit is payable even where there is no **breakage** of **external glass**.

2. Signs

We will cover **you** for **loss** or **damage** to **signs** at the **premises** if they break during the **period of insurance**.

The most we will pay for one (1) claim under this Additional Benefit is \$10,000 or any higher amount shown in the **policy schedule** for **signs**. The admissibility of claims for **damage** to **signs** shall not be contingent upon other **damage** to **glass**.

What we exclude

We will not cover **you** under this **cover section** for:

1. Damage covered under the Property Damage section

Loss of, or **damage** to, **glass** caused by or arising out of fire, the application of heat or **flood**.

2. Some types of glass

Damage to glass:

- (a) when in transit or whilst being fitted into position or removed from its fitting;
- (b) forming part of **stock**;
- (c) in light fittings;
- (d) that is cracked or imperfect prior to **breakage**;
- (e) that is not "fit for the purpose" intended in accordance with glass strength requirements AS 1288-2006 or other relevant legislation; or
- (f) that is in a television, computer screen or any domestic item such as a vase, china ware or glass in a photo frame.

3. Glasshouse

Glass that is in a glasshouse or conservatory.

4. Tiles

The cost of repairing or replacing tiles on shop fronts and office fronts other than immediately around the broken glass.

5. Extra costs or other losses

Loss of profit or income, loss of use, loss of earning capacity, loss by delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not covered under this **cover section**.

Definitions

The following defined words in this **cover section** have the meanings given to them as set out below. These meanings only apply to this **cover section** and the terms and conditions of this **PDS** as they apply to this **cover section** and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Breakage

- (a) for plate or sheet **glass** or porcelain, a fracture extending through the entire thickness of the **glass** or porcelain;
- (b) for laminated **glass**, a fracture extending through the entire thickness of a lamination but not any other **damage** or disfiguration.

External glass

Glass or plastic material used as glass fixed in external windows, doors, showcases or skylights and any ceramic tiled shop fronts forming part of the **building**.

Glass

Glass which **you** own or are legally responsible for which is **external glass, internal glass, sanitary fittings** and specified **glass**.

Internal glass

- (a) Glass, or plastic material used as glass in internal partitions, windows and doors, glass in counters, glass shelves and/or stock restraints, and interior display cabinets or showcases, fixed mirrors and other fixed internal glass contained in the **building**.
- (b) frames of showcases, display cabinets and counters containing the broken glass.

Sanitary fittings

Baths, sinks, lavatory bowls and vitreous china cisterns, washbasins and pedestals forming permanent fixtures.

Sign

Glass or plastic that forms part of a sign.

General property cover section

About this cover section

This **cover section** covers portable or valuable items that **you** usually carry around with **you** in the course of **your business** anywhere in the world.

You can claim for **accidental loss** or **damage** as described under “What we cover” if:

- ▼ “General property” is specified in the **policy schedule**;
- ▼ the **accidental loss** or **damage** occurs during the **period of insurance**;
- ▼ the **accidental loss** or **damage** is not excluded by any of the exclusions under “What we exclude”; and
- ▼ the **accidental loss** or **damage** is not excluded by any of the General Exclusions.

Your insurance under this cover section

We will insure **you** for **accidental loss** or **damage** to **your property insured** occurring anywhere in the world during the **period of insurance**.

What we will pay

We will:

- (a) pay **you** the amount shown on **your proof of purchase** for **specified items**; or
- (b) pay the reasonable cost of repairing or replacing the **specified items** or **unspecified items** to a condition substantially the same as, but not better or more extensive than, its condition when new.

We will settle any claim by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into your **bank** account.

If **we** pay the cost of replacing any **specified item**, **you** will need to contact **us** to update the details of the replacement item to continue the cover.

When the **loss** or **damage** is confined to a part or component of the **property insured**, **we** will only pay for that part or component plus the cost of any necessary dismantling and reassembling up to the **insured amount** for a **specified item** shown on the **policy schedule** or up to a value of \$3,000 per item for an **unspecified item**.

The most we will pay

The most **we** will pay under paragraphs (a) or (b) above in respect of each **specified item** is the **insured amount** for that item.

The most **we** will pay under paragraphs (a) or (b) above in respect of any one (1) **unspecified item** is \$ 3,000. For a **specified item** that is part of a pair or set, the limit applies to the pair or set.

Excess

The **excess** that applies is shown on the **policy schedule**. The **excess** applies to each **event** which causes the **loss** or **damage** to **your** property insured, unless otherwise noted on the **policy schedule**.

Please refer to General Claims Condition 12 – “Paying your excess” for information about the options for paying the **excess**.

Additional benefits

We will also provide the following Additional Benefit in this **cover section**, subject to the conditions, limits, General Exclusions and **cover section** exclusions except as otherwise provided. All **loss** or **damage** that is covered by this Additional Benefit must occur during the **period of insurance**.

If **we** pay a claim under the Additional Benefit, **we** will settle the Additional Benefit by paying **you** by cheque or direct deposit into **your** bank account. This means that **we** will not repair or replace or arrange for a service.

Any amounts payable under this Additional Benefit apply in addition to the **insured amount**.

1. Theft of other equipment

We will cover **you** for theft of any **property insured** not belonging to **you** but in **your** physical or legal control for the purposes of **your business** occurring during the **period of insurance** anywhere in the world.

The most **we** will pay for all claims covered under this Additional Benefit in total is \$2,000 for any one (1) **period of insurance**.

This Additional Benefit does not cover theft committed by any member of **your family** or by any **employee** of **yours**.

What we exclude

We will not cover **you** under this **cover section** for:

- (a) **loss or damage** to any **unspecified item** of property unless the **policy schedule** shows that **you** have cover for **unspecified property**;
- (b) **loss or damage** caused by or arising out of:
 - (i) wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause;
 - (ii) moths, termites or other insects or vermin;
 - (iii) scratching, biting or chewing by any **animal**;
 - (iv) chipping, scratching, denting or marring that does not materially affect the use or operation of the **property insured**;
 - (v) change in colour, loss of weight, change in flavour, texture or finish;
 - (vi) the action of light, atmospheric conditions, any form of fungus or variations or extremes of temperature, rust or oxidation, wet or dry rot, corrosion, inherent vice or latent defect;
 - (vii) mechanical, hydraulic, electrical or electronic breakdown, burn-out, failure, malfunction or derangement of any equipment or device;
 - (viii) smut or smoke from industrial operations (other than sudden and unforeseen resultant **damage**);
 - (ix) any faults or defects in any item of **insured property** that **you** or any of **your employees** knew or should reasonably have known about before taking out this **cover section**; or
 - (x) faulty materials or faulty workmanship;
- (c) **loss or damage** to **money** or documents of any kind;
- (d) fraud or dishonesty by **you** or any other person;
- (e) **loss of, or damage to**, tools of trade, sporting equipment, any remote controlled devices, guns or musical instruments while they are in use;
- (f) loss of profit or income, loss of use, loss of earning capacity, loss by delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not covered under this **cover section**;
- (g) **loss or damage** caused by or arising out of theft or attempted theft committed by any member of **your family** or by any **employee of yours** or committed by any person whilst lawfully at your premises; or
- (h) theft of any **vehicles** registered for road use, caravans, trailers, **watercraft, aircraft, hovercraft**, rolling stock and locomotives or their accessories.

Cover section conditions

Reinstatement

If **we** pay an amount for a claim for **loss or damage** to **your property insured** covered under this **cover section** **we** will automatically reinstate the **insured amount** to the amount shown on the **policy schedule**. **You** will not have to pay any additional premium.

However, this does not apply if **we** replace or pay to replace any **specified item** or **unspecified item**.

Definitions

The following defined words in this **cover section** have the meanings given to them as set out below. These meanings only apply to this **cover section** and the terms and conditions of this **PDS** as they apply to this **cover section** and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Accidental

Unexpected and unintended from **your** standpoint.

Specified items

Each item of property that is specifically described on the **policy schedule**.

Unspecified items

Each item of property which is not a **specified item** but which is part of a group or class of property described generally on the **policy schedule**. The group or class described may include hand tools and hand-held power tools.

Machinery breakdown and electronic equipment cover section

About this cover section

This section covers the **breakdown** of either **machinery** or **electronic equipment**, or both, at **your premises**.

There are two covers available in this **cover section**.

▼ Machinery Breakdown.

▼ Electronic Equipment Breakdown.

Your **policy schedule** indicates which cover/s has/have been selected by **you**.

Your insurance under this cover section

Machinery breakdown basis - What we cover

If Machinery is specified in the **policy schedule** we will cover **you** for:

- (a) **breakdown** of **machinery** which occurs at the **premises**; and
- (b) direct **loss** or **damage** to other **property insured** as a result of that **breakdown**, provided that:

- (i) the **breakdown** of **machinery** occurs during the **period of insurance**;
- (ii) the **breakdown, loss** or **damage** is not excluded under "What we exclude"; and
- (iii) the **breakdown, loss** or **damage** is not excluded by any of the General Exclusions.

We do not cover **breakdown** of **air conditioners** unless **your policy schedule** shows that **you** are covered for **air conditioners** under this **cover section**.

Electronic equipment basis – What we cover

If "Electronic Equipment" is specified in the **policy schedule**, we will cover you for:

- (a) **breakdown** of **electronic equipment** which occurs at the **premises**; and
- (b) direct **loss** or **damage** to other **property insured** as a result of that **breakdown**, provided that:

- (i) the **breakdown** of **electronic equipment** occurs during the **period of insurance**;
- (ii) the **breakdown, loss** or **damage** is not excluded under "What we exclude"; and
- (iii) the **breakdown, loss** or **damage** is not excluded by any of the General Exclusions.

What we will pay

Machinery breakdown basis

If we pay a claim for **breakdown** of **machinery**, we will pay for the cost of repairing, rebuilding or replacing any **damaged** item.

We will settle any claim by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

If we pay to replace the **damaged** item, we will pay to replace the **damaged insured property** with similar property of a like kind, capacity, size, quality and function.

If **you** carry out the repairs at the **premises** or at a workshop **you** own, **we** will pay the actual costs of materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

If it is necessary to replace parts that are unavailable, **we** will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, **we** will not pay more than the manufacturer's, or supplier's, latest list price. **We** will not pay any cost of repairing or replacing any part or parts of a piece of **machinery**, which is greater than the cost of repairing or replacing the entire piece of such **machinery**.

If **you** undertake, or arrange for the undertaking of the work of repairing, rebuilding or replacing the item the work must be commenced and carried out within a reasonable time period after the **breakdown**. **We** may reduce **our** liability to the extent **we** are prejudiced by any unnecessary delay within **your** control.

Where the **breakdown** is confined to a part of a machine or structure, **we** will not pay more than the cost of repairing or replacing that part, plus the cost of dismantling and erecting the structure.

The maximum **we** will pay for **breakdown** of **machinery** is the **insured amount** as shown in the **policy schedule**.

1. In the event of **breakdown**, **we** will pay to **you**, up to the **insured amount** less the applicable **excess**, the reasonable cost of repair or replacement necessary to return the **machinery** to their former state of operation including:
 - (a) cost of dismantling, re-erection, cleaning up and removal of debris;
 - (b) replacement of refrigerant or lubricating or insulating oil lost from **machinery** as a direct result of **breakdown**;
 - (c) charges for overtime work on public holidays where necessarily and reasonably incurred;
 - (d) freight within the Commonwealth of Australia by any recognised scheduled service;
 - (e) overseas air freight by any recognised scheduled service and/or overseas labour;
 - (f) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair **damage** to any **property insured**;
 - (g) any customs duties and dues.

Provided that the total of all of these extra costs in clauses 1(c), 1(d), 1(e) and 1(f) is limited to 50% of the normal cost of repair payable under this part.

2. Where **you** incur extra expense, in complying with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority, in the course of effecting repair or replacement of the **machinery**, **we** will indemnify **you** for such extra expense.

Provided that the amount so recoverable hereunder shall not include the additional cost in complying with any such Act, Regulation, By-law or requirement with which **you** had been required to comply with prior to the **breakdown**.

3. All **machinery** which can be repaired must be repaired. However, should the item be uneconomical to repair due solely to the nature of the **breakdown**, **we** will pay **you**:
 - (a) the cost of replacement of the **machinery** by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the **machinery** when new; or
 - (b) the **insured amount** for the **machinery**.

Where component's 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.

Electronic equipment breakdown basis

If **we** pay a claim for **breakdown** of **electronic equipment** **we** will pay for the cost of repairing, rebuilding or replacing any **damaged** item.

We will settle any claim by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

If **we** pay to replace the **damaged** item, **we** will replace the **damaged insured property** with similar property of a like kind, capacity, size, quality and function.

If **you** can carry out the repairs at the **premises** or at a workshop **you** own, **we** will pay the actual costs of materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

If it is necessary to replace parts that are unavailable, **we** will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, **we** will not pay more than the manufacturers, or suppliers, latest list price. **We** will not pay any cost of repairing or replacing any part or parts of a piece of **computer equipment** or **electronic equipment** which is greater than the cost of repairing or replacing the entire piece of such **computer equipment** or **electronic equipment**.

If **you** undertake, or arrange for the undertaking of the work of repairing, rebuilding or replacing the item the work must be commenced and carried out within a reasonable time period after the **breakdown**. **We** may reduce **our** liability to the extent **we** are prejudiced by any unnecessary delay within **your** control.

Where the **breakdown** is confined to a component or part of **electronic equipment**, **we** will not pay more than the cost of repairing or replacing that component or part, plus the cost of dismantling and erecting the **electronic equipment**.

The maximum **we** will pay is the **insured amount** specified in the **policy schedule**.

1. In the event of **breakdown**, **we** will pay **you**, up to the **insured amount** less the applicable **excess**, the reasonable cost of repair or replacement necessary to return the **electronic equipment** to their former state of operation including:
 - (a) cost of dismantling, re-erection, cleaning up and removal of debris;
 - (b) replacement of refrigerant or lubricating or insulating oil lost from **electronic equipment** as a direct result of **breakdown**;
 - (c) charges for overtime work on public holidays where necessarily and reasonably incurred;
 - (d) freight within the Commonwealth of Australia by any recognised scheduled service;
 - (e) overseas air freight by any recognised scheduled service and/or overseas labour;

- (f) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair **damage** to any **property insured**;
- (g) any customs duties and dues.

Provided that the total of all of these extra costs in clauses 1(c), 1(d), 1(e) and 1(f) are limited to 50% of the normal cost of repair payable under this part and shall be payable in addition to the **insured amount**.

2. Where **you** incur extra expense, in complying with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority, in the course of effecting repair or replacement of the **electronic equipment**, **we** will indemnify **you** for such extra expense.

Provided that the amount so recoverable hereunder shall not include the additional cost in complying with any such Act, Regulation, By-law or requirement with which **you** had been required to comply with prior to the **breakdown**.

3. All **electronic equipment** which can be repaired must be repaired. However, should the item be uneconomical to repair due solely to the nature of the **breakdown**, **we** will pay **you**:
 - (a) the cost of replacement of the **electronic equipment** by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the **electronic equipment** when new; or
 - (b) the **insured amount** for the **electronic equipment**.
4. Where component's 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.

Depreciation applied for replacement of computers

If **we** pay **you** the cost to replace a laptop computer, notebook or desktop computer, **we** will apply depreciation based on the age of the computer, but not as a result of improvements in technology or functionality.

We will apply depreciation at the rate of 10% per annum for each year from the date of manufacture, subject to a maximum reduction of 80% of the installed current replacement cost.

Excess

You must pay the amount of any **excess** shown in the **policy schedule** for each claim **you** make.

Please refer to General Claims Condition 12 – "Paying your excess" for information about the options for paying the **excess**.

Extra covers

If **we** pay a claim under this **cover section** for either **breakdown** of **machinery** or **electronic equipment**, or both, **we** will also pay **you**:

- (a) for the costs specified in Extra Cover 1. "Hazardous substances" and Extra Cover 3. "Repair costs" that are incurred as a result of that **breakdown**; and
- (b) the increased **insured amount** provided for under Extra Cover 2. "Catastrophe inflation protection"

If **we** pay a claim under an Extra Cover, **we** will settle **your** claim in accordance with that Extra Cover.

We will settle **your** claim for these Extra Covers by paying **you** by cheque or direct deposit into **your** bank account. This means that **we** will not repair or replace or arrange for a service.

Any amounts payable under these Extra Covers apply in addition to the **insured amount**.

1. Hazardous substances

If a **hazardous substance** is involved in or released by a **breakdown** of the **machinery** or **electronic equipment** **we** cover **you** for the increase in cost to repair, replace, clean up or dispose of, **property insured** damaged by the **hazardous substance**.

The most **we** will pay for one (1) claim under this Extra Cover is \$25,000.

2. Inflation protection

The **insured amount** on items of machinery or electronic equipment shall at the time of loss be increased according to the consumer price index by the proportion which the number of days since the commencement of the **period of insurance** shall bear to the whole of such period.

3. Repair costs

The cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with **our** written consent, in the reinstatement of the **machinery** or **electronic equipment**.

Additional benefits

We will also provide the following Additional Benefits in this **cover section**, subject to the policy limits, conditions and exclusions except as provided otherwise.

If we pay a claim under an Additional Benefit, we will settle your claim in accordance with the Additional Benefit.

We will settle these Additional Benefits by paying you. This means that we will not repair or replace or arrange for a service. We will pay you by cheque or direct deposit into your bank account.

Any amount payable under the following Additional Benefits applies in addition to the **insured amount**.

1. Additional Items

If you hire or purchase and commission at your premises any items similar to items already insured under this **Cover section**, we will consider these items to be added to the insurance by this **cover section**, giving the same cover as for similar items already insured.

Provided that:

- (a) cover for additional items shall not exceed the **total insured amount** for the items already insured under this **cover section**;
- (b) you give us notice within 90 (ninety) days of the hire or purchase and commissioning of the item(s) and pay the appropriate extra premium on a pro rata basis together with any applicable statutory charges;
- (c) the items are as far as you are aware, suitable for service, free from material defect and in sound working condition;
- (d) the items shall not be insured until successfully commissioned and all relevant statutory provisions for inspections and certification have been fulfilled;
- (e) the limits and **excess** as shown on the **policy schedule** shall be the same as for similar items already insured.

2. Electronic equipment away from the premises

If you have cover on the Electronic Equipment basis, that cover is extended to:

- (a) include **breakdown** occurring during the **period of insurance** to laptop computers, notebooks, or mobile **electronic equipment** that are away from the **premises**;
- (b) **breakdown** of your laptop computer equipment or mobile **electronic equipment** that is away from your **premises** anywhere in Australia and the laptop computer equipment or mobile electronic equipment are also specified in the **policy schedule** under General Property Cover Section.

3. Property Damage

We will indemnify you for **breakdown** of property not insured under this **cover section** which is owned by you or if you are responsible for **breakdown** to it provided:

- (a) that the **loss** or **damage** occurred at your **premises** during the **period of insurance** as a direct result of impact from any part of an insured item of **machinery**; and
- (b) the **loss** or **damage** is directly caused by **breakdown** and occurs in circumstances where cover under this **cover section** is provided and not excluded under this **cover section**.

We will not pay more than the **insured amount** specified on your **policy schedule** for that insured item of **machinery** for **breakdown** of the uninsured item.

4. Restoration of computer data

We will pay you for the costs of restoring electronic **data** stored on **media** if:

- (a) we pay a claim under this **cover section** for repair or replacement of the **computer equipment**;
- (b) the electronic **data** is lost or distorted during the **period of insurance** as a direct result of the **breakdown** covered under this **cover section**; and
- (c) the **media** which contains the electronic **data** is at the **premises**, is at a location away from the **premises** where copies of **media** are stored, is temporarily at an alternative location for processing purposes or is in transit between any of these locations.

We will not cover you for:

- (a) loss or distortion of electronic **data** due to defects in the **media**;
- (b) loss of profit or income, loss of use, loss of earning capacity, loss by delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not covered under this **cover section**;
- (c) restoration of electronic **data** other than that which is lost or distorted after the most recent functional back-up;
- (d) expenses or costs incurred in connection with the loss or distortion of electronic **data** if they are not incurred within twelve (12) months of the **breakdown**;
- (e) loss or damage of, or distortion to, electronic **data** caused by a **computer virus**;

- (f) loss or damage of, or distortion to, electronic **data** caused by or resulting from the partial or total failure, malfunction or loss of use of any **electronic equipment**, computer system, information repository, microchip, integrated circuit or other similar device due to:
- (i) the erasure, destruction, corruption, misappropriation or misinterpretation of electronic **data**;
 - (ii) any error or omission in creating, amending, entering, deleting or using electronic **data**;
 - (iii) the inability to receive, transmit or use electronic **data**; or
 - (iv) the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility.

Except to the extent that such loss, damage or distortion results solely from the **breakdown** of **computer equipment** covered by this **cover section**.

If **we** pay a claim, **we** will pay **you** the costs incurred in restoring the lost or distorted electronic **data** in a condition equivalent to that existing prior to the **breakdown**. Electronic **data** may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in its original form.

The most **we** will pay under this Additional Benefit for any one (1) claim is \$15,000, unless an amount for 'Restoration of computer data' is specified in the **policy schedule** in which case it is that amount.

5. Computers – increased costs

We will pay **you** the increased costs which **you** incur, such as the hiring of alternative computers, following the **breakdown** of computers which **we** pay a claim for under this **cover section**.

We will pay **you** the increased costs of operating **your business**, including hiring computers, transport costs, additional personnel and working at an off-site back up facility if:

- (a) **we** pay a claim under this **cover section** for repair or replacement of **computer equipment**;
- (b) the increased costs of working occur during the **period of insurance** and are a direct result of the **breakdown** covered under this **cover section**; and
- (c) **we** pay the increased costs of working.

We will not cover **you** for:

- (a) costs incurred in respect of the first two (2) working days following the **breakdown** of **your** computer equipment;
- (b) fines or liability incurred for breach of contract or for late or incomplete orders or for any loss of bonus or any kind of penalties;
- (c) any increased costs that are not necessary and reasonable to minimise any interruption to the **business**;
- (d) loss of profit or income, loss of use, loss of earning capacity, loss by delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not covered under this **cover section**;
- (e) costs incurred after ninety (90) days from the date of **breakdown**;
- (f) expenses that are incurred in the replacement of the **media**;
- (g) the cost of reinstating the electronic **data** contained on the **media**.

If **we** pay a claim under this Additional Benefit, **we** will pay **you** the actual amount of the increased costs of working, less the charges and expenses of the **business** that cease or are reduced as a consequence of the **loss** or **damage**.

The most **we** will pay under this Additional Benefit for any one (1) claim is \$15,000 unless an amount for 'Computers – increased costs' is specified in the **policy schedule** in which case it is that amount.

What we exclude

We will not cover **you** under **this cover section** for:

1. The cost of repair or replacement of **expendable items** other than **expendable items** which are necessary for the repair.
2. The costs incurred in repairing wear and tear or gradual deterioration including:
 - ▼ wear and tear due to normal operation;
 - ▼ wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation;
 - ▼ **damage** to a safety or protective device caused by its own operation;
 - ▼ the chipping or scratching of painted or polished surfaces; or
 - ▼ slowly developing deformation or distortion.
3. The cost of:
 - ▼ carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
 - ▼ alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or at a separate operation;

- ▼ modification or alteration of insured plant to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
 - ▼ replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting;
 - ▼ repair of scratches chipping or discolouration to painted or polished surfaces, unless resulting from Insured **damage**;
 - ▼ repair of a slowly developing deformation, distortion or fatigue of any part;
 - ▼ repair of blisters, laminations, flaws or grooving even when accompanied by leakage;
 - ▼ repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking;
 - ▼ repairs to shaft keys requiring tightening, fitting or renewal;
 - ▼ **damage** caused by the movement of foundations, masonry or brick work unless this results from **breakdown** of any **machinery** or **electronic equipment** or any part of **machinery** or **electronic equipment**; or
 - ▼ removal or installation of underground pumps and well casings. Unless specifically noted on the **policy schedule**, this exclusion does not apply to submersible pumps.
4. **Breakdown** of **machinery** or **electronic equipment** which **you** knew or reasonably should have known to be defective before the **breakdown** occurred.
 5. loss of profit or income, loss of use, loss of earning capacity, loss by delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not covered under this **cover section**.
 6. **loss** or **damage** caused by or arising out of:
 - ▼ earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption;
 - ▼ cyclone, storm, hail, lightning, thunder, wind, rainwater;
 - ▼ **flood**;
 - ▼ the sea, including tidal wave, tsunami, storm surge or high-water;
 - ▼ fire, smoke or soot;
 - ▼ water seeping or percolating the **building** from outside;
 - ▼ water, liquids or substances discharged or other means used to extinguish a fire; or
 - ▼ vandalism or malicious **damage**.
 7. **Breakdown, loss** or **damage** caused by explosion, other than:
 - (a) the sudden and violent rending of any **boilers and pressure plant or pressure pipe systems** by force of internal fluid pressure of ignited flue gases, but excluding other chemical action; or
 - (b) the bursting or disruption of turbines, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformers, switches or oil immersed switch gear.
 8. **Breakdown, loss** or **damage** caused during the course of maintenance, inspection, repair, alteration, modification or overhaul.
 9. **Breakdown, loss** or **damage** caused during installation, erection or relocation.
 10. **Damage** to foundations, brickwork, and refractory materials other than as a result of **breakdown**.
 11. **Breakdown, loss** or **damage** arising out of plant being subjected to tests involving abnormal stresses or arising out of plant being deliberately overloaded. The checking of the correct working of any insured item or of its safety installations is not considered to be testing or overloading within the context of this exclusion.
 12. **Breakdown, loss** or **damage** caused by a deliberate act, neglect or omission on **your** part.
 13. **Breakdown, loss** or **damage** for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement provided that **we** shall be liable for **breakdown** insured by this section and not recoverable under such maintenance agreement or warranty by reason of a specific exclusion contained therein or by reason of any dispute concerning the interpretation of that agreement or warranty (as the case may be).
 14. The cost of alterations, improvements or overhauls unless it is required for the repair or replacement.
 15. The costs associated with modifying the **machinery** so that it operates with a more ozone friendly refrigerant gas as required by the United Nations Environment Programme ("UNEP").
 16. **Breakdown, loss** or **damage** as a result of dual lifting.
 17. **Air conditioners** unless **your policy schedule** shows they are covered.
 18. **Breakdown**, of **machinery, computer equipment** or **electronic equipment** which is useless or obsolete to **your business**.
 19. **Loss** or **damage** caused by or arising out of pollution, contamination or a **hazardous substance**, however caused, except as provided for in Extra Cover 1.

Cover section conditions

These conditions apply to all covers and claims under this **cover section** in addition to the General Policy Conditions that apply to this **cover section**.

If **you** do not comply with these Cover Section Conditions, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your** policy.

1. Adherence to statutory requirements

If any **machinery** or **electronic equipment** must be licensed under statutory obligations, by-laws, regulations, public authority requirements or safety requirements, **you** must obtain any licenses as required and use the **machinery** or **electronic equipment** as specified in the license.

2. Inspection

We or **our** authorised representatives have the right to make inspections of **machinery** or **electronic equipment** at any reasonable time. Neither this right to make inspections nor making them is an undertaking to **you** or others that the insured equipment is safe and not hazardous or injurious to health.

3. Obligation to prevent loss

If **we** or **our** authorised representative discover **machinery** or **electronic equipment** in or exposed to a dangerous condition, **you** must comply with any reasonable direction provided by us or our representatives to prevent **loss**.

If **you** do not comply within thirty (30) days of receiving the direction, **we** may refuse to pay a claim and cancel **your** policy.

4. One breakdown

If either:

- (a) a **breakdown** of **machinery** or **electronic equipment** causes the **breakdown** of other **insured property**; or
- (b) a series of **breakdowns** occur at the same time as a result of the same cause,

they will all be considered as one **breakdown** for the purpose of applying the **excess**, the relevant **insured amount** and any other limit or sub-limit in this **cover section**.

5. Due care

Nothing contained in this **cover section** or in any other provision of this **PDS** will relieve **you** of any obligation to take such steps as are necessary to ensure that the operation of the Insured Items is at all times carried out so as to minimize the risk of any claim being made under this **cover section**.

Optional cover

We will provide the following optional cover when requested by **you**, when **you** pay any additional premium required and when shown on the **policy schedule** as applying. This Optional Cover is subject to the policy limits, conditions, General Exclusions and exclusions, except as otherwise provided.

If **we** pay a claim under this Optional Cover, **we** will settle **your** claim in accordance with this Optional Cover.

We will settle any claim under this Optional Cover by paying **you** by cheque or direct deposit into **your** bank account. This means that **we** will not repair or replace or arrange for a service.

Deterioration of stock

Provided "Deterioration of stock" is shown in the **policy schedule**, **we** will pay for **loss** of perishable **stock** that spoils during the **period of insurance** due to a change in temperature of the refrigeration or freezer unit as a result of:

- (a) a **breakdown** of the refrigeration or freezer unit in which the **refrigerated stock** is kept;
- (b) malfunctioning or failure of the thermostats, controls, fuses, circuit breakers or limiting, protection or overload devices which are owned by **you** or for which **you** are responsible and are protecting a refrigeration chamber, but shall not include loss or **damage** due to the manual operation or setting of switches;
- (c) contamination of the **refrigerated stock** by leakage of refrigerant;
- (d) sudden and unforeseen failure of the public power supply;
- (e) accidental failure of supply services which directly affects the refrigeration or freezer unit;
- (f) a supply authority intentionally interfering with a public service but only to the extent that this is necessary to safeguard life or any part of the public supply and the supply authority's interference is not caused directly or indirectly by fire, **flood**, storm or any other natural cause; or
- (g) sudden leakage of refrigerant from the **machinery** or **pressure pipe systems**.

Loss minimisation

If deterioration occurs or is likely to occur to such **stock** by any of the above causes, **we** will pay **you** any reasonable expenses incurred by **you** to prevent or minimise the loss of **refrigerated stock**.

What we will pay under this option

If **we** pay for a claim for deterioration of **refrigerated stock**, **we** will pay **you** the cost of replacing the **refrigerated stock**.

We are not liable to pay more than the purchase price **you** paid for the **stock**, together with any handling costs **you** incurred. If deterioration occurs or is likely to occur to **refrigerated stock** by any of the Defined events specified in (a) to (g) above, **we** will also pay **you** the reasonable costs incurred by **you** to prevent or minimise the **loss** of or **damage** to **refrigerated stock**.

We will not pay more than the **insured amount** shown on the current **policy schedule** for this Optional Cover, except to the extent stated during **seasonal increase periods**.

During the seasonal increase periods, **we** will increase the **insured amount** shown in the **policy schedule** by 50%.

What you are not covered for under this option

In addition to the exclusions for this **cover section**, **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 or delay or detention or **consequential loss** or damage or liability of any nature whatsoever, or
- (d) **loss** or **damage** following loss of public power supply due to:
 - (i) the deliberate act of any public power supply authority unless performed for the sole purpose of safeguarding life or protecting a part of the supply system;
 - (ii) the decision by any public power supply authority to restrict or withhold supply excepting a scheme of rationing necessitated by **damage** to any part of the supply system;
 - (iii) shortage of power generation fuel or water.

Cover Section conditions under this option

In respect of **stock** that is kept in cold storage under controlled atmospheric conditions, **you** must keep adequate records, for each chamber, of the temperature, humidity and gas concentrations, as well as the time(s) and date(s) when each chamber is opened. **You** must provide **us** with those records upon request. If **you** do not keep adequate records or provide **us** with those records as soon as reasonably practicable after **we** ask for them, **we** may refuse to pay **your** claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** disclosure).

Definitions

The following defined words in this **cover section** have the meanings given to them as set out below. These meanings only apply to this **cover section** and the terms and conditions of this **PDS** as they apply to this **cover section** and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Air conditioner

An appliance, system, or mechanism designed to extract heat from an area via a refrigeration cycle. Its purpose in a building is to provide comfort during either hot or cold weather.

Boilers and pressure plant and pressure pipe systems

The permanent structure of **machinery** 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.

Breakdown

A sudden and accidental failure of **machinery** or **electronic equipment** or part thereof resulting in physical **damage** to the item of insured equipment which requires the repair or replacement of all or part of the insured equipment or a part of the insured equipment before normal operation of it can be resumed and may include, but is not limited to the actual breaking, seizing, deformation or burning out sufficient to prevent the item undertaking its normal operation and necessitating repair or replacement.

Breakdown does not mean:

- (a) depletion, deterioration, corrosion or erosion of material or the need to clean any component;
- (b) wear and tear;
- (c) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (d) vibration or misalignment;

- (e) the functioning of any safety device or protective device;
- (f) the failure of any structure, foundation or setting supporting the insured equipment or a part of the equipment;
or
- (g) The cracking of any part of a gas turbine exposed to the products of combustion.

Computer equipment

General purpose machine, commonly consisting of digital circuitry, that accepts (inputs), stores, manipulates, and generates (outputs) **data** as numbers, text, graphics, voice, video files, or electrical signals, in accordance with instructions called a program including but not limited to electronic **data** processing equipment comprising a central processing unit, video display units, printers, hard disks, floppy disk drives, micro diskettes including read and write heads, electro or mechanical motors and passive components but does not include software.

Electronic equipment (as referred to under electronic equipment cover)

Electronic equipment and **computer equipment** owned, leased, operated or controlled by **you** and used in **your business** for:

- (a) the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio or telephone signals;
- (b) research, diagnostic, treatment, experimental or other medical or scientific purposes;
- (c) computing, data processing, duplicating, inventory control, monitoring, surveillance, audio visual amplification, lighting, scanning, point of sale or office services; or
- (d) starting, stopping, controlling or monitoring one or more items of insured equipment.

Expendable items

- (a) Electrical and electronic glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements;
- (b) Tracks, rails, wear plates, cutting edges, tools, dies, engraved cylinders, moulds, patterns, shear pins, filters, chains, belts, tyres, tracks or conveyor belts and any other part or parts which require periodic replacement.

Hazardous substance

- (a) any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
- (b) any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergic, pathogenic or toxigenic.

Machinery

Any of the following equipment provided it is owned, leased, operated or controlled by **you** and used in **your business**:

- (a) any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure (other than static pressure of **contents**) any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, but not including:
 - (i) any boiler foundation, any refractory or insulating material;
 - (ii) any part of a boiler or fired pressure vessel that does not contain steam or water; nor
 - (iii) any buried piping, any drainage piping, any sprinkler piping and its accessory equipment;
- (b) any mechanical or electrical equipment that generates, transmits or utilises mechanical or electrical power, but not including:
 - (i) any **vehicle**, or mobile equipment;
 - (ii) any **watercraft** or **aircraft**;
 - (iii) any elevator, escalator, crane, hoist or conveyor.

Obsolescence

Obsolescence occurs when equipment is no longer wanted even though it may still be in good working order.

Obsolescence frequently occurs because a replacement has become available that has, in total, more advantages than the inconvenience related to repurchasing the replacement.

Obsolescence will be taken into account on damaged or destroyed property.

Refrigerated stock

Refrigerated goods owned by **you** or for which **you** are legally responsible while contained within any storage which is cooled by insured equipment. It includes items such as food stuffs and their packaging that are subject to decay, rot, ruin or spoilage.

Public and products liability cover section

About this cover section

This **cover section** provides cover for **your legal liability** to pay **compensation** for **personal injury, property damage, or advertising injury**.

You can claim for **your legal liability** as described under “What we cover” if:

- ▼ “Public and products liability” is specified in the **policy schedule**;
- ▼ the claim is not excluded under “What we exclude”; and
- ▼ the claim is not excluded under the General Exclusions.

Your insurance under this cover section

What we cover

We agree to pay to **you** or on **your** behalf all amounts which **you** shall become legally liable to pay as **compensation** in respect of:

1. **personal injury**; and/or
2. **property damage**; and/or
3. **advertising injury**,

happening during the **period of insurance** within the **geographical limits** and caused by or arising out of an **occurrence** in connection with **your business**.

Defence costs and supplementary payments

If a claim for **compensation** in respect of **your legal liability** is covered under this **cover section** we will also:

1. Defend, in **your** name and on **your** behalf, any claim or suit against **you** alleging such **personal injury, property damage or advertising injury** and seeking **compensation** on account thereof, even if any of the allegations of such claim or suit is groundless, false or fraudulent.
2. Pay all charges, expenses and legal costs incurred by **us** and/or by **you** with our written consent:
 - (a) in the settlement or defence of the claim for **compensation** made against **you**;
 - (b) in the investigation, defence or settlement of such claim or suit, including loss of salaries or wages because of **your** attendance at hearings or trials at **our** request; and
 - (c) in bringing or defending appeals in connection with such claim or suit.
3. Pay:
 - (a) all charges, expenses and legal costs recoverable from or awarded against **you** in any such claim or suit;
 - (b) pre-judgment interest awarded against **you** on that part of the judgment payable by **us**; and
 - (c) all interest accruing on **our** portion of any judgment until **we** have paid, tendered or deposited in court that part of such judgment which does not exceed the limit of **our** liability thereon.
4. Pay premiums on:
 - (a) bonds to release attachments for amounts not exceeding the applicable **limit of liability** of this **policy** but **we** shall have no obligation to apply for or furnish any such bond; and
 - (b) appeal bonds and/or security for costs required in any suit but **we** shall have no obligation to apply for or furnish any such bonds and/or security for costs.
5. Pay expenses incurred by **you** for:
 - (a) rendering first aid and/or surgical and/or medical and/or therapeutic relief to others at the time of any **personal injury** (other than any medical expenses, which **we** are prevented from paying by any law);
 - (b) temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up and/or unpinning thereof; and
 - (c) purchasing and/or hiring and/or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including such protection which **you** must provide in compliance with the requirements of any Government, Local Government or other Statutory Authority.
6. Pay all legal costs incurred by **you** with **our** consent to represent **you** at:
 - (a) any coronial inquest or inquiry or other official investigation into the circumstances of the claim;

- (b) any proceedings in any court or tribunal in connection with **legal liability** insured against by this **cover section**;
- (c) any Royal Commission or Government Enquiry arising out of any alleged breach of statute, or other similar judicial enquiry into circumstances relating to any **occurrence**, claim or potential claim against **you** which would be the subject of indemnity under this **cover section**;
- (d) any enquiry, prosecution or hearing of a disciplinary nature held before a legally constituted enquiry board, committee, licensing authority or the like.

Provided that **our** liability under clauses 6(c) and (d) shall not exceed \$250,000 in respect of any one claim or series of claims by **you** in respect to **your legal liability** covered under this **cover section** arising out of any one **occurrence**.

The amounts of such defence costs and supplementary payments incurred, except payments in settlement of claims and suits are payable by **us** in addition to the applicable **limit of liability** of this **policy**, subject to Cover Section Condition 1 – “Our rights regarding claims”.

However, in respect of any claims or suits originating in any court in **North America** or arising from a recognition or enforcement action brought or instituted within Australia or New Zealand relating to a judgement obtained against **you** within **North America** arising from **business** visits (but not manual labour or supervision of manual labour and not in respect of **advertising injury** arising from **business** visits to **North America**) by travelling directors and **employees** of the **named insured** normally resident in Australia or New Zealand, the applicable **limit of liability** shown in the **policy schedule** shall be inclusive of all defence costs and supplementary payments.

Where **we** are prevented by law or otherwise from making payments on **your** behalf, **we** will indemnify **you** for **legal liability** incurred to the extent that such liability is covered by this **cover section**.

In jurisdictions where **we** may not legally be permitted to, or cannot for any other reason, defend any claim or suit against **you**, **we** will reimburse **you** for the expense of such defence incurred with **our** written consent.

Limits of liability and excess

Subject to:

- (i) clause (d) “Claims preparation expenses” of General Claims Condition 13 - “Claims settlement”;
 - (ii) the “Defence costs and supplementary payments” clause above;
 - (iii) paragraph (e) of Additional Benefit “Property in your physical or legal control” below;
- (a) for **general liability** the **limit of liability** for “Public Liability” in the **policy schedule**, represents the maximum amount which **we** shall be liable to pay in respect of any one claim or series of claims covered under this **cover section** arising out of any one **occurrence**;
 - (b) for **products liability** the **limit of liability** specified in the **policy schedule** represents the maximum amount which **we** shall be liable to pay in respect of any one claim or series of claims covered under this **cover section**, and in the aggregate during any one **period of insurance**.

The applicable **limit of liability** will not be reduced by the amount of any **excess** payable by **you**.

What we exclude

This **cover section** (including the Additional benefits) does not insure **you** for any liability:

1. Advertising injury

In respect of **advertising injury**:

- (a) resulting from statements made at **your** direction with knowledge that such statements are false;
- (b) resulting from failure of performance of contract but this exclusion shall not apply to claims for unauthorised appropriation of advertising ideas contrary to an implied contract;
- (c) resulting from any incorrect description of **products** or services;
- (d) resulting from any mistake in advertised price of **products** or services;
- (e) resulting from failure of the **insured’s products** or services to conform with advertised performance, quality, fitness or durability; or
- (f) incurred by any **insured** whose principal occupation or **business** is advertising, broadcasting, publishing or telecasting.

2. Aircraft, hovercraft or watercraft

For **personal injury** and/or **property damage** arising from:

- (a) the ownership, maintenance, operation, or use by **you** of any **aircraft** or **hovercraft**; or
- (b) the ownership, operation or use by **you** of any **watercraft** exceeding ten (10) metres in length, whilst such **watercraft** is on, in or under water;

Provided that this exclusion shall not apply with regard to claims arising out of:

- (a) **watercraft** used in operations carried out by any independent contractors for whose conduct **you** are or would be liable.
- (b) **watercraft** owned and operated by others and used by **you** for **business** entertainment.

3. Aircraft products

Arising out of **your products** that are **aircraft** or **aircraft** component parts used for maintaining an **aircraft** in flight or moving upon the ground or used in the construction of an **aircraft** hull or machinery which to **your** knowledge are incorporated in an **aircraft**.

4. Asbestos

Arising out of:

- (a) the inhalation of (including the fear of inhalation of, or exposure to) asbestos, asbestos fibres or derivatives of asbestos;
- (b) **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; or
- (c) the cost of cleaning up, removing, treating, controlling, storing or disposing of asbestos, asbestos fibres or derivatives of asbestos or any other associated expenses.

This shall not apply to actual or alleged loss, cost, expenses or liability where such loss, cost, expense or liability is not related to asbestos content of goods, materials or **products** or completed operations.

5. Breach of professional duty

Arising out of the rendering or failure to render professional advice or service, or any act, error or omission connected to such professional advice or service, by **you** or on **your** behalf, but this exclusion shall not apply to claims:

- (a) arising out of the rendering of or failure to render first aid by persons employed by **you** to provide first aid on **your premises**, provided **your** principal occupation or **business** is not a medical or health service;
- (b) arising out of advice which is given by **you** for no fee; or
- (c) arising out of advice given in respect of the use or storage of **your products**.

6. Contractual liability

Which has been assumed by **you** under any contract or agreement that requires **you** to:

- (a) effect insurance over property, either real or personal;
- (b) assume liability for **personal injury** and/or **property damage** regardless of fault; provided that this exclusion 6 (b) shall not apply with regard to:
 - (i) liabilities which would have been implied by law in the absence of such contract or agreement;
 - (ii) liabilities arising from any claim in respect of any subcontractor or agent for whose acts you are liable under the terms of any contract. **We** will not indemnify the subcontractor or agent; or
 - (iii) liabilities assumed under **incidental contracts**; or
 - (iv) terms regarding merchantability, quality, fitness or care of **your product** which are implied by law or statute; or
 - (v) liabilities assumed under the contracts specifically designated in the **policy schedule** or in any **endorsement(s)** to this Policy.

7. Damage to products

For **property damage** to any **products** where such **damage** is directly caused by a fault or defect in such **products**; but this exclusion shall be interpreted to apply with respect to **damage** to that part and only that part of such **product** to which such **damage** is directly attributable.

8. Data, cyber, privacy breach, confidential or personal information breach and computer systems

Directly or indirectly arising out of or in connection with:

- (a) any access to or disclosure of any **private and confidential information** or **personal information**;
- (b) (i) total or partial destruction, distortion, erasure, corruption, theft, misappropriation, misuse or alteration of **data**;
- (ii) total or partial inability or failure to receive, send, access, manipulate or use **data** for any time or at all; or
- (iii) any **loss of use**, reduction in functionality, restriction of access or inability to manipulate, repair, replacement, restoration or reproduction of any **data**; or
- (c) any corruption, **loss of use** or misuse of or inability to access, process, use or operate any **computer system**.

This exclusion does not apply to:

- (i) **property damage, bodily injury or advertising injury** arising out of the circumstances described in sub-paragraphs (a), (b) or (c) above; or
- (ii) mental anguish, mental injury, shock, fright or loss of consortium arising out of the circumstances described in sub-paragraph (c) above. For avoidance of doubt, the exclusion continues to apply to mental anguish, mental injury, shock, fright or loss of consortium arising out of the circumstances described in sub-paragraphs (a) and (b) above.

For the purposes of this exclusion only, **property damage** means loss of, physical damage to or destruction of tangible property including the loss of use thereof resulting therefrom. Tangible property does not include **data**.

9. Defamation

For defamation:

- (a) resulting from statements made prior to the commencement of the **period of insurance**;
- (b) resulting from statements made at **your** direction with knowledge that such statements are false; or
- (c) if **your business** is advertising, broadcasting, publishing or telecasting.

10. Employers liability

- (a) For bodily injury to any Worker in respect of which **you** are or would be entitled to indemnity under any policy of insurance, fund, scheme or self- insurance pursuant to or required by any legislation relating to Workers Compensation or Accident Compensation whether or not such policy, fund, scheme or self-insurance has been effected.

Provided that this **cover section** will respond to the extent that **your** liability would not be covered under any such policy, fund, scheme or self-insurance arrangement had **you** complied with **your** obligations pursuant to such law.

- (b) Imposed by:

- (i) the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination or contract of employment or workplace agreement; or
- (ii) any law relating to **employment practices**.

For the purpose of exclusions 10(a) and 10(b):

- ▼ the term "Worker" means any person deemed to be employed by **you** pursuant to any Workers Compensation Law. Voluntary workers, secondees and work experience students (if any) shall not be deemed to be **your employees**.
- ▼ the term "Bodily Injury" means bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom.

11. Faulty workmanship

For the cost of performing, completing, correcting or improving any work undertaken by **you**.

12. Fines, penalties, punitive, exemplary or aggravated damages

For any fines, penalties, punitive exemplary or aggravated damages.

13. Liquidated damages

Arising out of liquidated damages clauses, penalty clauses or performance warranties except to the extent that such liability would have attached in the absence of such clauses or warranties.

14. Loss of use

For loss of use of tangible property, which has not been physically lost, destroyed or damaged, directly arising out of:

- (a) a delay in or lack of performance by **you** or on **your** behalf of any contract or agreement; or
- (b) failure of any **products** or work performed by **you** or on **your** behalf to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by **you**; but this Exclusion 14(b) shall not apply to **your** liability for loss of use of other tangible property resulting from sudden and accidental physical loss, destruction of or damage to any **products** or work performed by **you** or on **your** behalf after such **products** or work have been put to use by any person or organisation other than **you**.

15. Pollution

- (a) For **personal injury** and/or **property damage** directly or indirectly arising out of the dispersal, release, seepage, migration or escape of **pollutants** into or upon land, the atmosphere or any watercourse or body of water;
- (b) For any costs and expenses incurred in preventing the discharge, dispersal, release, seepage, migration or escape of, or, testing and monitoring for, containing, removing, nullifying, or cleaning up of, **pollutants**.

Provided that, with respect to any such liability which may be incurred anywhere other than **North America**, Exclusions 15(a) and 15(b) shall not apply where such discharge, dispersal, release, seepage, migration, or escape is caused by a sudden, identifiable, unintended and unexpected event from **your** standpoint which takes place in its entirety at a specific time and place.

16. Property in your physical or legal control

For **property damage** to:

- (a) property leased or rented to **you**;
- (b) property not belonging to **you** but in **your** physical or legal control other than the property described in Additional Benefit – “Property in your physical or legal control”

17. Property owned by You

For **property damage** to property owned by **you**.

18. Product guarantee

For any products warranty or guarantee given by **you** or on **your** behalf, but this exclusion shall not apply to the requirements of any Federal or State legislation as to product safety and information.

19. Product recall

For any damages, costs or expenses arising out of the withdrawal, recall, inspection, repair, reconditioning, modification, reinstallation, replacement or loss of use of any **products** where such **products** are withdrawn or recalled from the market or from use by any person or organisation because of any known, alleged or suspected defect or deficiency in such **products**.

20. Vehicles

For **personal injury** or **property damage** arising out of the ownership, possession or use by **you** of any **vehicle**:

- (a) which is registered or which is required under any legislation to be registered;
- (b) in respect of which compulsory liability insurance or statutory indemnity is required by virtue of legislation (whether or not that insurance is effected); or
- (c) which was being driven by, or is in the charge of, someone:
 - (i) who was under the influence of any alcohol, drug or medication;
 - (ii) in whose blood the level of alcohol or drugs, as shown by analysis of the person’s breath or blood, is equal to or in excess of that level at which it is an offence to drive or be in charge of a motor vehicle under the relevant law in which the analysis is conducted;
 - (iii) who fails or refuses to provide a specimen or sample of their breath, blood or urine for the purpose of analysis when required by police or any other authorised person; or
 - (iv) who was not licenced, not correctly licenced or not complying with the conditions of their licence.

However, sub-paragraphs (c) ‘(i)’, ‘(ii)’ and ‘(iii)’ of this exclusion will not apply if and to the extent it can be demonstrated that the alcohol, drug or medication intake did not contribute to the **occurrence**. **We** will also not refuse **your** claim if the **named insured** can satisfy us that they did not know, and could not have reasonably known that the driver or person in charge of the **vehicle** was affected by alcohol, drugs or medication.

but exclusions 20. (a) and (b) do not apply to:

- (i) **personal injury** where:
 - ▼ that compulsory liability insurance or statutory indemnity does not provide indemnity; and
 - ▼ the reason or reasons why that compulsory liability or statutory indemnity does not provide indemnity do not involve a breach by **you** of legislation relating to **vehicles**;
- (ii) any **vehicle** (including any tool or plant forming part of or attached to or used in connection with such **vehicle**) whilst being operated or used by **you** or on **your** behalf as a **tool of trade** at **your business premises** or on any **work site**;
- (iii) the delivery or collection of goods to or from any **vehicle**;
- (iv) the loading or unloading of any **vehicle**;
- (v) any **vehicle** temporarily in **your** custody or control for the purpose of parking;
- (vi) **property damage** caused by or arising out of the movement of any **vehicle** (which is required to be Conditionally Registered in accordance with the law of any State or Territory in Australia) in the event of **your** inadvertent and unintentional failure to effect Conditional Registration; or
- (vii) for **property damage** arising out of the movement by **you** or by any **employee(s)** of **yours** of any **vehicle** or trailer not belonging to **you** which is interfering with access to or from any **premises** or any site where **you** are carrying out work provided that the **vehicle** is under the control of a driver with a licence that is valid in Australia in relation to the class of **vehicle**.

Excess

In relation to paragraphs 20. (v) to (vii) above, **we** will not be liable for the first:

- (a) \$1,000 when the **vehicle** is being driven by a person under 25 years of age; or
- (b) \$250 when the **vehicle** is being driven by a person who has not held a driving licence in relation to the class of **vehicle** for two or more consecutive years.

These **excesses** are cumulative to the extent that one or more of the above circumstances apply and they are also in addition to the amount of any other applicable **excess** specified in this **cover section** or in **your policy schedule**.

21. Silicosis

The actual, alleged, threatened or suspected presence, ingestion, inhalation or absorption of silicon dioxide (occurring in crystalline, amorphous/non-crystalline and impure forms), silica particles, silica dust or silica compounds or any mixture or combination of silica and other dust or particles.

Additional benefit

Property in your physical or legal control

Under this Additional Benefit, **we** will pay a claim for **your legal liability** covered by this **cover section**:

- (a) **property damage** to the personal property, tools and effects of any of **your** directors, partners, proprietors, officers, executives or **employees**, or the clothing and personal effects of any of **your** visitors;
- (b) **property damage** to **premises** or part(s) of **premises** (including their **contents**) leased or rented, or temporarily occupied by, **you** for the purpose of the **business**, but no cover is provided by this **policy** if **you** have assumed the responsibility to insure such **premises**;
- (c) (i) **property damage** to premises (and/or) their **contents** temporarily occupied by **you** for the purpose of carrying out work in connection with **your business**; or
(ii) **property damage** to any other property temporarily in **your** possession for the purpose of being worked upon (including Products previously sold, supplied, delivered, installed or erected by **you**);

but no indemnity is granted for **damage** to that part of any property upon which **you** are or have been working if the **damage** arises solely out of such work.

- (d) **property damage** to any **vehicle** (including its **contents**, spare parts and accessories while they are in or on such **vehicle**) not belonging to or used by **you**, whilst any such **vehicle** is in a car park owned or operated by **you** provided that **you** do not operate the car park for reward as a principal part of **your business**;
- (e) notwithstanding exclusion 6 "Contractual liability"; **property damage** to property (except property that **you** own) not mentioned in paragraphs (a) to (d) above whilst in **your** physical or legal care, custody or control whether or not **you** have accepted or assumed **legal liability** for such property, provided that **our** liability under this Additional Benefit shall not exceed \$500,000 or the amount specified in the **policy schedule**, if higher in respect of any one (1) claim or series of claims arising out of any one **occurrence** and covered under this **cover section** or any other greater amount set out in the **policy schedule**.

This Additional Benefit applies as if the words "owned or controlled by someone else" were deleted from the definition of **legal liability**. Cover Section Exclusion 16 – "Property in your physical or legal control" does not apply to this Additional Benefit.

Excess

The **excess** shown on the **policy schedule** applies to any claim under part (a)(iii) of this Additional Benefit.

Optional cover

Products exported to North America with your knowledge (Applicable only where this optional cover is confirmed in the Policy schedule)

The cover provided by this **cover section** is extended to include any judgment, award or settlement made within **North America** or any other order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part, subject to the following additional terms and exclusions in respect of any such judgment, award or settlement:

- (a) cover only applies to **your legal liability** covered under this **cover section** in respect of **personal injury** and/or **property damage** that arises out of any **products** exported to **North America** with **your** knowledge;
- (b) cover is not provided for:
 - (i) **personal injury** and/or **property damage** directly or indirectly caused by or arising out of discharge, dispersal, emission, release or escape of **pollutants**;
 - (ii) the cost of removing, nullifying or cleaning up of **pollutants**;
 - (iii) the cost of preventing the escape of **pollutants**;
 - (iv) any claim for **compensation** if in **North America** you have:
 - ▼ any assets other than **products**;
 - ▼ a related or **subsidiary company**;
 - ▼ any resident person, party or registered local entity in **North America** holding **your** power of attorney; and/or
 - ▼ any franchisor or franchisee.

Cover section conditions

These conditions apply to all covers and claims under this **cover section** in addition to the General Policy Conditions and the General Claims Conditions.

If **you** do not comply with these Cover Section Conditions, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your policy**.

1. Our rights regarding claims

- (a) **We** may at any time pay to **you**, in respect of all claims against **you** arising directly or indirectly from one source or original cause:
 - (i) the amount of the **limit of liability** or such other amount specified in respect thereof (after deduction of any sum(s) already paid by **us**, which sum(s) would reduce the amount of our unfulfilled liability in respect thereof); or
 - (ii) any lesser sum for which the claim(s) can be settled.
- (b) Upon making such payment, **we** shall relinquish conduct and control of, and be under no further liability under this **policy** in connection with, such claim(s) except for defence costs and supplementary payments:
 - (i) recoverable from **you** in respect of the period prior to the date of such payment (whether or not pursuant to an order made subsequently); or
 - (ii) incurred by **us**, or by **you** with **our** written consent, prior to the date of such payment.
- (c) If a payment exceeding the **limit of liability** has to be made to dispose of a claim, or legal action against **you**, **our** liability to pay charges, expenses and legal costs under clause 2 of "Defence costs and supplementary payments" will be limited to that percentage of those charges, expenses and legal costs as the **limit of liability** bears to the amount paid to dispose of the claim or legal action.

Example:

Limit of liability = \$10,000,000

Payment to dispose of the claim = \$20,000,000

Legal defence costs covered under clause 2 of "Defence costs and supplementary payments" incurred = \$100,000

Limit of liability is 50% of amount paid to dispose of the claim

Our liability for the legal defence costs is limited to 50% of \$100,000 = \$50,000 (less any applicable **excess**).

2. Cross liabilities

This insurance extends to indemnify:

1. each of the parties comprising the **named insured**; and
2. each of the insureds hereunder,

separately in the same manner and to a like extent as though policies had been issued in their separate names.

In particular, but without limiting the foregoing, this insurance shall indemnify each of the parties described in clauses 1 and 2 of "Cross liabilities" in respect of claims made by any other of such parties.

Provided always that:

- (a) each of such parties shall be separately subject to the terms, General Claims Conditions, General Policy Conditions, General Exclusions and General Definitions of this **policy** in the same manner and to a like extent as though separate policies had been issued; and
- (b) in no case shall the amount payable by **us** in respect of any one claim or series of claims arising out of any one **occurrence** or in the aggregate, as the case may be, exceed the applicable **limit of liability** as specified in the **policy schedule**.

3. Inspection and audit

We shall be permitted, but not obligated, to inspect **your business premises** and operations at any reasonable time. Neither our right to make inspections, nor our failure to make inspections, nor the making of any inspections, nor any report of an inspection shall constitute an undertaking, on behalf of or for the benefit of **you** or others, to determine or warrant that such **premises** or operations are safe or healthful or are in compliance with any law, rule or regulation.

We may examine and audit **your** books and records at any time during the currency of this **policy** and within three (3) years after the final termination of this **policy** but only with regard to matters which in **our** opinion are relevant to this **policy**.

4. Release

Where **you** are required by contractual agreement to release any government or public or local authority or other statutory authority or any landlord or any other persons or parties from liability for loss, destruction or **damage** or **legal liability** insured against under this **policy**, such release is allowed without prejudice to this insurance.

Notwithstanding general condition "Subrogation rights" of this **policy**, **we** agree to waive all our rights of subrogation against any such authority or persons or parties in the event of any **occurrence** for which a claim for indemnity may be made under this **policy**.

Definitions

The following defined words in this **cover section** have the meanings given to them as set out below. These meanings only apply to this **cover section** and the terms and conditions of this **PDS** as they apply to this **cover section** and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Advertising injury

Injury arising out of:

- (a) defamation; or
- (b) any breach of the misleading or deceptive conduct provisions of the Competition and Consumer Act 2010 (Commonwealth) or Schedule 2 to the Competition and Consumer Act 2010 (The Australian Consumer Law) or any Fair Trading or similar legislation of any country, state or territory; or
- (c) any infringement of copyright or passing off of title or slogan; or
- (d) unfair competition, piracy, misappropriation of advertising ideas style of doing **business**; or
- (e) an invasion of privacy,

committed or alleged to have been committed during the **period of insurance** in any advertisement, publicity article, broadcast or telecast and caused by or arising out of **your** advertising activities.

Bodily injury

Death, bodily injury, sickness or disease sustained by a person. **Bodily injury** does not include mental impairment, mental injury, mental anguish, shock, fright, mental illness, humiliation, discrimination or any injury arising out of invasion of privacy, breach of confidentiality, defamation and/or loss of consortium.

Business (for the purposes of this Cover section only)

The **business** as described in the **policy schedule** (or as further described in any more specific underwriting information provided to **us** at the time when this insurance was proposed to **us** or at the time of any renewal of this **Policy**) and shall also include:

- (a) the ownership of **premises** and/or the tenancy thereof by **you**;
- (b) participation in any exhibition by **you** or on **your** behalf;
- (c) the hire or loan of plant and/or equipment or goods to other parties;
- (d) conducted tours of **your premises**;
- (e) the provision of any sponsorships, charities, galas, first aid, medical, ambulance or firefighting service by **you** or on **your** behalf;
- (f) private work undertaken by **your employees** for any of **your** directors, partners, proprietors, officers or executives;
- (g) the provision of any canteen, social and/or sporting clubs or welfare and/or child care facilities by **you** or on **your** behalf, which are primarily for the benefit of **your employees**.

Compensation

Monies paid or agreed to be paid by judgment, award or settlement in respect of **personal injury** and/or **property damage** and/or **advertising injury** provided that such compensation is only payable in respect of an **occurrence** to which this insurance applies.

Employment practices

Any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination in respect of **your** employees.

Excess

The first amount of each claim or series of claims, arising out of any one **occurrence**, for which **you** are responsible. The excess applicable to this **cover section** appears in the **policy schedule**. The **excess** applies to all amounts for which **we** will be liable, including the indemnity provided for defence costs and supplementary payments.

General liability

Your legal liability for **personal injury**, **property damage** or **advertising injury** caused by or arising out of an **occurrence** happening in connection with **your business** other than **products liability**.

Geographical limit

(a) anywhere in the World except **North America**;

(b) **North America** but only with respect to:

- (i) overseas **business** visits by any of **your** directors, partners, officers, executives or **employees**, who are non-resident in **North America** but not where they perform manual work in **North America**;
- (ii) **your** products exported to **North America** without **your** knowledge.

Incidental contracts

- (a) any written rental agreement and/or lease of real and/or personal property other than with respect to any term or condition contained in such rental, lease and/or hiring agreement that requires **you** to insure such property;
- (b) any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work performed by **you** or on **your** behalf for such authorities or entities;
- (c) any written contract with any railway authority for the loading, unloading and/or transport of **products**, including contracts relating to the operation of railway sidings;
- (d) any written licence agreement of real property, other than with respect to any term or condition contained in such licence agreement that requires **you** to insure such property; or (e) those contracts designated in the **policy schedule**.

Legal liability

You are legally liable to pay compensation in respect of:

- (a) **property damage**; or
- (b) **personal injury**; or
- (c) **advertising injury**,

happening during the **period of insurance** within the **geographical limits** and caused by or arising out of an **occurrence** in connection with **your business**.

Loss of use

The inability to obtain the intended benefit which is not resulting from damage to tangible property.

Named insured

- (a) The person(s), corporations and/or other organisations specified in the **policy schedule**;
- (b) All existing Subsidiary and/or controlled corporations (including subsidiaries thereof) of the specified **insured** incorporated in the Commonwealth of Australia and/or any other organisations under the control of the **named insured**;
- (c) All Subsidiary and/or controlled corporations (including subsidiaries thereof) of the **named insured** and/ or any other organisations under the control of the **named insured** incorporated in the Commonwealth of Australia and which are constituted or acquired by the **named insured** after the commencement of the **period of insurance** and notified to us in writing within thirty (30) days of the acquisition;
- (d) Every subsidiary and/or controlled corporation and/or other organisation of the **named insured** which is divested during the **period of insurance**, but only in respect of claims made against such divested subsidiary, related or controlled corporation or organisation caused by or arising out of **occurrences** insured against by this policy, which occurred prior to the divestment.

North America

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

Occurrence

An event, including continuous or repeated exposure to substantially the same general conditions, which results in **personal injury** and/or **property damage** and/or **advertising injury** that is neither expected nor intended (except for the matters set out in item (e) of the definition of "**personal injury**") from **your** standpoint.

With respect to **personal injury** or **property damage**, all events of a series consequent upon or attributable to one source or original cause shall be deemed to be one **occurrence**.

All **advertising injury** arising out of the same injurious material or act (regardless of the frequency or repetition thereof, the number and kind of **media** used, or the number of claimants) shall be deemed to be one **occurrence**.

Personal injury

- (a) bodily injury, death, sickness, disease, disability, shock, fright, mental anguish, mental injury or **loss** of consortium;
- (b) false arrest, false imprisonment, wrongful eviction, wrongful detention or malicious prosecution;
- (c) defamation or invasion of right of privacy; or
- (d) assault and battery not committed by **you** or at **your** direction unless committed for the purpose of preventing or eliminating danger to persons or property.

Products

Anything manufactured, constructed, erected, assembled, installed, grown, extracted, produced or processed, treated, altered, modified, repaired, serviced, bottled, labelled, handled, sold, supplied, re-supplied or distributed, imported or exported, by **you** or on **your** behalf (including **your** predecessors) in the course of **your business**, including any packaging or containers thereof, including the design, formula or specification, directions, markings, instructions, advice or warnings given or omitted to be given in connection with such products and anything which, by law or otherwise, **you** are deemed to have manufactured in the course of **your business** including discontinued **products**.

Provided always that for the purpose of this insurance the term “**products**” does not include:

- (a) food and beverages supplied by **you** or on **your** behalf primarily to **your employees** as a staff benefit;
 - (b) any vending machine or any other property rented to or located for use of others but not sold by **you**;
- and any claims made against **you** in respect of **personal injury** and/or **property damage** arising out of any **occurrence** in connection therewith shall be regarded as **general liability** claims hereunder.

Products liability

Your legal liability for **personal injury** and/or **property damage** caused by or arising out of any **products** or the reliance upon a representation or warranty made at any time with respect to such **products**; but only where such **personal injury** and/ or **property damage** occurs away from **premises** owned or leased by or rented to **you** and after physical possession of such **products** has been relinquished to others.

Property damage

- (a) physical loss, destruction of or damage to tangible property, including the loss of use thereof at any time resulting therefrom; and/or
 - (b) loss of use of tangible property which has not been physically lost, destroyed or damaged;
- provided such loss of use is caused by physical damage of other tangible property.

Tool of trade

A **vehicle** that has tools, implements, machinery or plant attached to or towed by the **vehicle** and is being used by **you** at **your premises** or on any **work site**. **Tool of trade** does not include any **vehicle** whilst travelling to or from a **work site** or **vehicles** that are used to carry goods to or from any **premises**.

Work site

Any **premises** or site where any work is performed for and/or in connection with **your business** together with all areas surrounding such **premises** or site and/or all areas in between such premises or site that **you** shall use in connection with such work.

You/Your/Insured (where used in this Cover Section)

Each of the following is an insured to the extent specified below:

- (a) the **named insured**;
- (b) every past, present or future director, stockholder or shareholder, partner, proprietor, officer, executive or **employee** of the **named insured** (including the spouse or any **family** member of any such person while accompanying such person on any commercial trip or function in connection with the **business**), while such persons are acting for or on behalf of the **named insured** in the conduct of the **business** and/or within the scope of their duties in such capacities;
- (c) any **employee** superannuation fund or pension scheme managed by or on behalf of the **named insured**, and the trustees and the directors of the trustee of any such **employee** superannuation fund or pension scheme which is not administered by corporate fund managers;
- (d) every principal in respect of the principal’s liability arising out of:
 - (i) the performance by or on behalf of the **named insured** of any contract or agreement for the performance of work for such principal, but only to the extent required by such contract or agreement and in any **event** only for such coverage and limits of liability as are provided by this **policy**;
 - (ii) any **products** sold or supplied by the **named insured**, but only in respect of the **named insured’s** own acts or omissions in connection with such **products** and in any **event** only for such coverage and limits of liability as are provided by this **cover section**;
- (e) every person, corporation, organisation, trustee or estate to whom or to which the **named insured** is obligated by reason of law, (whether written or implied) to provide insurance such as is afforded by this **policy**, but only to

the extent required by such law, and in any **event** only for such coverage and **limits of liability** as are provided by this **cover section**;

- (f) every officer, member, **employee** or voluntary helper of the **named insured's** canteen, social and/or sporting clubs, first aid, medical, ambulance or firefighting services, charities, welfare and/or child care facilities, while acting in their respective capacities as such;
- (g) any director, partner, proprietor, officer or executive of the **named insured** in respect of private work undertaken by the **named insured's employees** for such person and any **employee** whilst actually undertaking such work;
- (h) the estates, legal representatives, heirs or assigns of:
 - (i) any deceased or insolvent persons; or
 - (ii) persons who are unable to manage their own affairs by reason of mental disorder or incapacity; who would otherwise be indemnified by this **cover section**, but only in respect of liability incurred by such persons as described in clauses (h) (i) and (h) (ii) above.
- (i) every party including joint venture companies and partnerships to whom the **named insured** is obligated by virtue of any contract or agreement to provide insurance such as is afforded by this **policy**; but only to the extent required by such contract or agreement and in any **event** only for such coverage and **limits of liability** as are provided by this **cover section**.

Management liability cover section

About this cover section

This section covers the management liability of **you, your directors, officers and employees**. The cover in this **cover section** (apart from Optional Cover 1 – “Employee Dishonesty”) is issued on a “claims made and notified basis”, which is discussed further on page 1.

You can also choose to purchase Optional Cover 1 – “Employee dishonesty” which will cover **you** for theft of **your** property or **money** by any of **your employees** which occurs during the **period of insurance**.

You can claim for **financial loss** as described under “What we cover” if:

- ▼ “Management liability” is specified in the **policy schedule**;
- ▼ the claim is not excluded under “What we exclude”; and
- ▼ the claim is not excluded under the General Exclusions.

Your insurance under this cover section

What we cover

We will insure **you** for **financial loss** above the **excess** resulting from **claims** first made against **you** and notified to **us** during the **period of insurance** (or **discovery period**, if applicable).

What we exclude

We will not cover **you** under this **cover section** for:

Exclusion 1 – Bodily injury and property damage

Financial loss resulting from **claims**:

- (a) for bodily injury, any form of psychiatric, psychological or mental injury, illness, disease or death of any person;
or
- (b) **damage** to or destruction of any tangible property including any resulting consequent loss of use.

This Exclusion will not apply in respect of any actual or alleged psychiatric, psychological or mental injury alleged in any **claim** by any **insured person** resulting from any **employment wrongful act**.

This Exclusion does not apply to Additional Benefit 14 – “Statutory liability”.

Exclusion 2 – Dishonest or criminal intent or improper conduct

Financial loss resulting from **claims** against **you** arising directly or indirectly from or in respect of:

- (a) any **wrongful act** committed by **you** with willful, reckless, dishonest, fraudulent, malicious or criminal intent; or
- (b) an **insured person** or **trustee** improperly using their position to gain an advantage for themselves or someone else or to cause a detriment to the **company** or the **superannuation fund**; or
- (c) an **insured person** or **trustee** improperly using information obtained as a result of their position to gain an advantage for themselves or someone else or to cause a detriment to the **company** or the **superannuation fund**;

in each case only if established by formal written admission by **you** or final adjudication of a judicial or arbitral tribunal.

For the purpose of this Exclusion, the fact that one of **you** has committed or is alleged to have committed the conduct described in (a), (b) or (c) above will not be imputed to any other of **you**.

This Exclusion does not apply to Optional Cover – “Employee Dishonesty”.

Exclusion 3 – Known claims and circumstances

Financial loss resulting from **claims** arising directly or indirectly from or in respect of any fact, **event**, circumstance or **wrongful act**:

- (a) known to **you** at the inception of this policy and which a reasonable person in the circumstances might reasonably expect to give rise to a **claim**;
- (b) which has been or should reasonably have been the subject of any written notice given under any policy of which this **policy** is a direct or indirect renewal or replacement; or
- (c) alleged in, **discovered** in, relating to or underlying any **claim** made against **you** prior to the inception of the commencement of the **period of insurance**.

Exclusion 4 – Company v insured

Financial loss, other than **defence costs**, resulting from any **claim** brought by or on behalf of the **company** except for any **claim**:

- (a) brought as a statutory derivative action, under section 236 of the Corporations Act 2001, but not voluntarily solicited or assisted by the **company**;
- (b) by or at the direction of any liquidator, administrator, or receiver or equivalent in any jurisdiction; or
- (c) by the **company** pursuant to Section 50 of the Australian Securities and Investments Commission Act 2001.

This Exclusion does not apply to Optional Cover – “Employee Dishonesty”.

Exclusion 5 – Contractual liability

Financial loss resulting from **claims** against the **company** arising directly or indirectly from or in respect of the **company’s** liability under any contract or agreement, other than liability that would have attached in the absence of such contract or agreement, except that this exclusion will not apply in respect of a **claim** for an **employment wrongful act** or liability that would have attached in the absence of such contract or agreement.

Exclusion 6 – Pollution

Financial loss resulting from **claims** arising directly or indirectly from or in respect of **pollution** other than as provided for by Additional Benefit 6 – “Pollution expenses”.

Exclusion 7 – Intellectual property rights

Financial loss resulting from **claims** against the **company** arising directly or indirectly from or in respect of any alleged or actual breach of any other party’s intellectual property rights, or infringement or violation of any trade secret.

Exclusion 8 – Restrictive trade practices

Financial loss resulting from **claims** against the **company** arising directly or indirectly from or in respect of any alleged or actual restrictive trade practices including but not limited to, Part IV of the Competition and Consumer Act 2010 (Commonwealth) or similar legislation in other jurisdictions, or tortious interference with any other party’s **business** or contractual relationships.

Exclusion 9 – Professional services

Financial loss resulting from **claims** arising directly or indirectly from or in respect of:

- (a) any breach of duty in respect of any professional services or professional advice by **you**; or
- (b) any breach of any contract for the provision of professional services or professional advice by **you**.

except that this Exclusion will not apply in respect of any actual or alleged professional services or professional advice which is provided by an **insured person** when acting solely in their capacity as an **insured person**, and in circumstances where such professional services or professional advice is provided to **you** and not to third parties in the course of the **company’s** professional **business**.

Exclusion 10 – Public capital raisings

Financial loss resulting from **claims** arising directly or indirectly from or in respect of any public offer for the raising of capital by debt or equity, including but not limited to any prospectus.

Exclusion 11 – Jurisdiction limits

- (a) **Financial loss** resulting from any action brought or instituted against **you** or any judgment obtained against **you** (whether or not such judgment is enforced by the courts of The Commonwealth of Australia or New Zealand) in any country other than The Commonwealth of Australia or New Zealand, regardless of whether **you** are represented by a branch or by an **employee** domiciled in that country or by a company, firm or individual holding **your** power of attorney.

However, this exclusion (a) does not apply to actions and judgments arising from **business** visits (but not manual labour or supervision of manual labour) by travelling **directors** and **employees** of the company normally resident in the Commonwealth of Australia or New Zealand, to any country other than the United States or Canada; or

- (b) **Financial loss** resulting from any actions brought or instituted against **you** or any judgment obtained against **you** (whether or not such judgement is enforced by the courts of The Commonwealth of Australia or New Zealand) within the United States or Canada.

However, this exclusion (b) does not apply to any recognition or enforcement action brought or instituted within the Commonwealth of Australia or New Zealand relating to a judgement obtained against **you** within the United States or Canada arising from **business** visits (but not manual labour or supervision of manual labour) by travelling **directors** and **employees** of the **company** normally resident in the Commonwealth of Australia or New Zealand.

Exclusion 12 – Retroactive date

Financial loss resulting from any **wrongful act** occurring or committed prior to the **retroactive date** and to execute such documents, including signed statements and affidavits.

Exclusion 13 – Subrogation Waiver

Any liability incurred solely by reason of the **insured** entering into a deed or agreement excluding, limiting or delaying their legal rights of recovery against another.

Exclusion 14 – Workplace health and safety law

Financial loss resulting from **claims** arising directly or indirectly from or in respect of any breach of workplace health and safety law other than as provided for by Additional Benefit 5 – “Workplace Health and Safety Expenses”.

Exclusion 15 – Subsidiaries

Financial loss resulting from any **wrongful act** committed or alleged to have been committed by a **subsidiary** or its **directors, officers** or **employees** prior to its **acquisition** or creation by **you**.

Exclusion 16 – Cyber act or malware or similar mechanism

Financial loss resulting from **claims** against the **company** arising out of, in connection with or in respect of any **cyber act** or **malware** or **similar mechanism**.

Exclusion 17 – Privacy or confidential information breach

Financial loss resulting from **claims** against the **company** arising out of, in connection with or in respect of any alleged or actual **privacy** or **confidential information breach**.

Additional benefits

We will also provide the following Additional Benefits in this section, subject to the General Exclusions and all of the exclusions in this **cover section**, unless provided otherwise.

Any amounts payable under these Additional Benefits are included within, and do not apply in addition to, the **insured amount**.

1. Advancement of defence costs and representation expenses

We will advance **defence costs** and, under Additional Benefit 5 – “Workplace Health and Safety Expenses”, Additional Benefit 6 – “Pollution expenses” and Additional Benefit 7 – “Emergency Costs”.

However, if and to the extent that **you** are not entitled to cover for **financial loss** under the terms of this **cover section**, then **we** will cease to advance **defence costs** and **representation expenses** and any amounts previously advanced shall be repaid to **us** by **you**.

If a **claim** alleges a **wrongful act** or illegal or improper conduct as described in Exclusion 2 – “Dishonest or Criminal Intent or Improper Conduct”, then **we** will advance **defence costs** and **representation expenses** in respect of such **claim**.

Provided that if it is found by way of a formal written admission by **you** or final decision of a court or tribunal, judgment or adjudication that **you** did commit such **wrongful act** or engage in such illegal or improper conduct, then any amounts previously advanced shall be repaid to **us** by **you**.

2. Continuity

In the absence of fraudulent non-disclosure or fraudulent misrepresentation, where a **claim** that would otherwise be covered by this section is excluded by Exclusion 3 – “Known Claims and Circumstances”, then cover is provided under this section, provided that:

- (a) **you** were insured against the **wrongful act** by **us** at the time when **you** first became aware of such fact, **event**, circumstance or **wrongful act** and have since been insured continuously by **us**, under a policy of which this **cover section** is a replacement; and
- (b) no related **claim** has been made against **you** prior to the **period of insurance**.

The cover provided under this Additional Benefit will be in accordance with this section, except that:

- (a) if the **excess** applicable to the section in force at the time when **you** first became aware of such fact, **event**, circumstance or **wrongful act** is higher than the **excess** specified in the **policy schedule**, then that higher amount will be deemed to be the **excess** specified in the **policy schedule** in respect of such **claim**; and
- (b) if the **insured amount** applicable to the section in force at the time when **you** became aware of such fact, **event**, circumstance or **wrongful act** is lower than the **insured amount** specified in the **policy schedule**, then that lower amount will be deemed to be the **insured amount** in respect of such **claim**.

3. Acquisition or creation of new subsidiaries

If, during the **period of insurance**, **you** acquire or create a new **subsidiary** that has total assets (by reference to the new **subsidiary's** most recent financial statements as at the time of **acquisition** or creation) that are no greater than the total assets of **you** (by reference to **your** most recent financial statements as at the time of **acquisition** or creation), then the definition of **company** will be extended to include the new **subsidiary**.

Cover only applies in respect of **wrongful acts** or any dishonest or fraudulent act occurring or committed or alleged to have been committed after the **acquisition** or creation of such **subsidiary** by **you**.

The definition of **company** will not be extended to include any new **subsidiary** acquired or created by **you**, if:

- (a) it has any of its securities listed on any exchange in the United States; or
- (b) is domiciled or incorporated in the United States.

4. Outside directorships

This **cover section** is extended to include as an **insured person** a person who, at the written request of the **company** was prior to the **period of insurance**, or is during or after the **period of insurance** a **director** or **officer** of, or occupies a position of equivalent status in, any **non-profit outside entity** or **outside entity**.

Any cover afforded under this Additional Benefit will be specifically excess of:

- (a) any indemnity; or
- (b) to the extent permitted by law any insurance contract specified by **endorsement**, available from or through the **non-profit outside entity** or **outside entity**.

5. Workplace Health and Safety expenses

Subject to the provisions of Additional Benefit 1 – “Advancement of Defence Costs and Representation Expenses” and notwithstanding Exclusion 1 – “Bodily Injury and Property Damage”, Exclusion 14 – “Workplace Health and Safety law” and General Exclusion 4 – “Non-compliance”, **we** will:

- (a) pay on behalf of **you**:
 - (i) **defence costs** incurred in defending **claims** (other than a civil claim for compensation or damages) first made against **you** and notified to us during the **period of insurance**, based upon workplace health and safety law which results from a **wrongful act**; and
 - (ii) **representation expenses**, where the subject matter of the **official investigation**, examination, inquiry or other proceedings is workplace health and safety law; and
- (b) insure **you** for fines or penalties to the extent permitted by law imposed upon **you** resulting from **claims** first made against **you** and notified to us during the **period of insurance**, based upon workplace health and safety law.

For the purposes of this Additional benefit 5, **representation expenses** also includes necessary and reasonable costs, charges and expenses (other than regular or overtime wages, salaries, fees or **benefits** of an **insured person**), **we** have first agreed to pay, in representing and assisting **you** at a visit from an inspector of a workplace health and safety authority in connection with and following a workplace safety incident, provided that notice of the visit is given to **you** and is notified to us during the **period of insurance**.

The cover provided under this Additional Benefit will only apply to **claims** made in the jurisdictions of Australia and New Zealand and pursuant to the laws of Australia or New Zealand.

If there is an entitlement to payment under Additional Benefit 6 – “Pollution expenses” then there is no entitlement to payment under this Additional Benefit.

6. Pollution expenses

Subject to the provisions of Additional Benefit 1 – “Advancement of Defence Costs and Representation Expenses” and notwithstanding Exclusion 1 – “Bodily Injury and Property Damage” or Exclusion 6 – “Pollution” and General Exclusion 4 – “Non-compliance”, **we** will:

- (a) pay on behalf of **you**:
 - (i) **defence costs** incurred in defending **claims** (other than a civil claim for compensation or damages) first made against **you** and notified to us during the **period of insurance**, based on **pollution** which results from a **wrongful act**; and
 - (ii) **representation expenses**, where the subject matter of the **official investigation** is **pollution**; and
- (b) insure **you** for fines or penalties to the extent permitted by law imposed upon **you** resulting from **claims** first made against **you** and notified to us during the **period of insurance** based on **pollution** which results from a **wrongful act**, except where **pollution** arises directly or indirectly from or in respect of **your** liability as owner or operator of any **aircraft**, **watercraft** or **vehicle** of any kind.

The cover provided under this Additional Benefit 6 will only apply to **claims** made in the jurisdictions of Australia and New Zealand and pursuant to the laws of Australia or New Zealand.

7. Emergency costs

If, due to an emergency, **you** are unable to request **our** agreement to the incurring of **defence costs** or **representation expenses** in respect of claims covered under the terms of this section, then **you** may incur reasonable **defence costs** and **representation expenses** without first obtaining **our** agreement until such time as **you** contact or reasonably could have contacted **us**.

8. Personal tax liability

The definition of **financial loss** is extended to include any personal liability an **insured person** incurs if the **company** becomes insolvent.

The most **we** will pay for all claims covered under this Additional Benefit in total is \$25,000 for any one (1) **period of insurance**

9. Public relations expenses

The definition of **financial loss** is extended to include the reasonable costs, charges, fees and expenses **we** have first agreed to pay, of a public relations firm or consultant incurred which **you** engage to prevent or limit the adverse effects or negative publicity that results from or is anticipated to result from a **claim**.

The most **we** will pay under this Additional Benefit in total is \$25,000 for any one (1) **period of insurance**.

10. Business crisis consultant fees

We will pay on behalf of the **company**, **business crisis consultant fees** incurred by the **company** in responding to a **business crisis event** that first occurs during the **period of insurance**.

The most **we** will pay under this Additional Benefit for any one (1) **business crisis event** is \$25,000.

11. Spouses and legal representatives

If an **insured person** dies or becomes legally incapable, insolvent or bankrupt, then this **cover section** will cover **financial loss** resulting from **claims** first made against the **insured person's** estate, heirs, executors or other legal representatives during the **period of insurance**.

Provided that the estate, heirs, executors or other legal representatives must comply with the terms of this **cover section**.

If a **claim** against an **insured person** includes a **claim** against that **insured person's spouse** solely by reason of:

- (a) the **spouse's** legal status as a **spouse** of the **insured person**; or
- (b) the **spouse's** ownership interest in property which the claimant seeks as recovery for **claims** made against the **insured person**,

then all **financial loss** for which the **spouse** becomes legally liable will be treated for the purposes of this **cover section** as **financial loss**, except to the extent the **claim** alleges any act, error or omission by the **insured person's spouse**.

12. Retired directors and officers

In the event that this **cover section** is neither renewed nor replaced with or by **us** or another insurer for any reason, other than for non-payment of premium, then any **director** or **officer** who retires from all paid employment and office with the **company** during the **period of insurance**, but prior to any **merger or acquisition**, shall be entitled to an automatic **discovery period** of eighty four (84) months following expiry of the **period of insurance**.

13. Automatic discovery period

In the event that this **cover section** is neither renewed nor replaced for any reason other than for non-payment of premium, and provided that no **merger or acquisition** has occurred, **you** will be entitled to a **discovery period** of ninety (90) days at no additional premium.

Discovery periods are non-cancellable, and any **claim** made during a **discovery period** will be deemed to have been first made during the immediately preceding **period of insurance**.

The entitlement to a **discovery period** will not increase or reinstate the **limit of liability**.

14. Statutory liability

To the extent permitted by law, **we** will cover any fines and penalties imposed upon **you** resulting from **claims** first made against **you** and notified to **us** during the **period of insurance** (or **discovery period**, if applicable).

The cover provided under this Additional Benefit will only apply to fines and penalties imposed in the jurisdictions of Australia and New Zealand and pursuant to the laws of Australia or New Zealand, respectively.

Fines and penalties do not mean exemplary, punitive, liquidated or aggravated damages or compensatory damages. This Additional Benefit does not cover any fines or penalties:

- (a) imposed under any law regulating air, marine or vehicular traffic, or
- (b) directly or indirectly as a result of or in connection with a requirement to pay:
 - (i) taxes, duties, levies, charges, fees, or
 - (ii) any other fines or penalties,

by the Australian Taxation Office or a revenue office of an Australian State.

In the event of any conflict between this Additional Benefit and the Pollution Exclusion, this Additional Benefit shall apply, except where Pollution arises directly or indirect.

Optional cover

The following cover is optional and is available if **you** choose it and pay an additional premium. The optional cover **you** have chosen will be set out in the **policy schedule**, and is subject to the limits, conditions and exclusions of this policy, except as otherwise provided.

Any amounts payable under this Optional Cover are in addition to the "Management Liability" **insured amount**.

1. Employee dishonesty

What we cover

Provided "Employee Dishonesty" is specified in the **policy schedule** we will pay **you** for **fidelity loss** that occurs during the **period of insurance** and is **discovered** within twelve (12) months of the expiry of the **period of insurance** in which it occurred.

A series of related, continuous or repeated acts of fraud or dishonesty (whether by any one (1) **employee** or any number of **employees** in collusion) will be treated as a single act of fraud or dishonesty even if committed during more than one (1) **period of insurance** insured with us.

However, if the act of fraud or dishonesty is committed during more than one **period of insurance insured with us, you shall be entitled to elect in which of these periods of insurance** the act of fraud or dishonesty shall be deemed to have occurred. The maximum amount of insurance will be determined by the **insured amount** that applied in the elected **period of insurance**.

What we exclude

We will not cover **you** for any **fidelity loss** arising from any act of dishonesty committed more than twelve (12) months before the inception of this **cover section**.

We will not cover **you** for more than the lesser of:

- (a) the **insured amount** shown in the **policy schedule**; or
- (b) the amount that would have been recoverable under any previous policy had it continued in force until the **discovery** of the **fidelity loss**.

We will not cover **you** for:

- (a) any **fidelity loss** arising from the conduct of an **employee, discovered** later than:
 - (i) twelve (12) months after the expiry of the **period of insurance**; or
 - (ii) twelve (12) months after the termination of employment of the relevant **employee(s)**,
whichever occurs first;
- (b) any **fidelity loss** arising from the conduct of an **employee** after **you** were aware that the **employee** had previously committed an act of fraud or dishonesty before or after the date of commencement of employment by **you**;
- (c) **fidelity loss** arising from the conduct of an **employee** outside of Australia or New Zealand;
- (d) **fidelity loss** or part of a **fidelity loss** where the proof of the **fidelity loss** is solely dependent upon an inventory **stock** take or a profit and loss calculation;
- (e) fraud or dishonesty by any of **your employees** committed with **your knowledge or consent**;
- (f) loss of profit or income, loss of use, loss of earning capacity, loss caused by delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not insured **fidelity loss**;
- (g) **fidelity loss** arising directly or indirectly from or in respect of the actual or alleged theft of confidential information or intellectual property;
- (h) **fidelity loss** arising directly or indirectly from or in respect of access to or disclosure of any confidential information, including but not limited to trade secret information, computer programs, confidential processing methods or other confidential information of any kind except where such access to or disclosure enables the commission of any act otherwise covered under "Employee dishonesty - What we cover" in this Optional Cover; or
- (i) loss of or damage to records, manuscripts, accounts, microfilms, tapes or other records or the cost of reproducing any information contained in such lost or damaged records.

Optional cover extra covers

If a **claim** is covered under Optional Cover – Employee Dishonesty, **we** will also pay or provide the Extra Covers set out below.

1. Claims preparation costs

We will pay for the reasonable cost of auditors' fees and other reasonable expenses **we** have first agreed to pay, for the preparation of **claims** under this Optional Cover.

The most **we** will pay for all claims preparation costs covered under this Extra Cover in total is \$25,000 for any one (1) **period of insurance**.

Any amounts payable for claims preparation costs do not apply in addition to the **insured amount** applicable to this Optional Cover.

2. Retroactive cover

If Optional Cover – Employee Dishonesty replaces any previous fraud and dishonesty insurance policy held by **you** that is terminated, cancelled or allowed to expire at the time of the replacement, **we** will cover any **fidelity loss** that is within the period of cover of the consecutive previous insurance policy provided that:

- (a) the **fidelity loss** would have been recoverable by **you** under the consecutive previous insurance policy except for the fact that the time within which to discover any **fidelity loss** had expired; and
- (b) the **fidelity loss** would have been covered under this Optional Cover if it had been in force when the acts or defaults causing the **fidelity loss** were committed.

3. Welfare, social or sporting club cover

The definition of **you** is extended to include any welfare, social or sporting club formed with **your** knowledge and consent which is exclusively for the benefit of **employees** and their families.

Unless stated otherwise, any amounts payable in respect of this extension of the definition of **you** does not apply in addition to the **insured amount** applicable to this Optional Cover.

Cover section conditions

These conditions apply to all covers and claims under this **cover section** in addition to the General Policy and Claims Conditions that apply to this **cover section**.

If **you** do not comply with these Cover Section Conditions **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your policy**.

1. Acquisition, merger or winding up of policyholder

If, during the **period of insurance**, any of the following events occur:

- (a) a **merger** or **acquisition**; or
- (b) the appointment of a receiver, controller, administrator or liquidator to **you** or the commencement of a scheme of arrangement or compromise or a winding up process in respect of **you**;

then this **cover section** will remain in force until the expiry of the **period of insurance**, but only in respect of **financial loss** resulting from **claims** based on **wrongful acts** committed or alleged to have been committed prior to the events described in (a) or (b) above.

2. Severability and imputation

For the purposes of this **cover section**, any knowledge or information possessed by any past, present or future chief executive officer, chief operating officer, chief financial officer, chief legal officer (or similar positions) or chairman of the board of **directors** shall be imputed to the **company**.

The **proposal** made to **us** prior to entering into this **policy** shall be construed as separate applications for cover by each of **you** and, except as provided for above, no information provided by or representation made by one, shall be imputed to another.

No breach of this **policy** or knowledge or information possessed by one of **you** shall be imputed to another except as provided for above.

3. Related claims

For the purpose of the calculation of the **limit of liability**, any **sub-limit** or **excess**, all **related claims** will be deemed to be one **claim** and cover for all **related claims** will be provided as follows:

- (a) if the first **related claim** is first made during the **period of insurance** and notified to **us** during the **period of insurance** or any applicable **discovery period**, then cover for all subsequent **related claims** will only be provided under this **policy**; and
- (b) if the first **related claim** was first made and notified to **us** during a period prior to the **period of insurance**, during which **you** had cover with **us**, then cover for all **related claims** will only be provided under that earlier policy with **us**, subject to the terms, **excess** and **limit of liability** of that earlier policy; and
- (c) if the first **related claim** was first made during a period prior to the **period of insurance**, during which **you** did not have cover with **us**, then no cover for any related **claim** will be provided under this **cover section**.

This Cover Section Condition does not apply to Optional Cover 1 – “Employee Dishonesty”.

4. Notification

You must give to **us** notification of any **claim** made against **you**, or any **financial loss**, as soon as reasonably practicable within the **period of insurance** at the Claims Notification address or facsimile number specified in the **policy schedule**.

Each notification of a **claim** must include so far as practicable:

- (a) the identity of the claimant or potential claimant; and
- (b) the nature of the **claim**; and
- (c) the likely quantum of the **claim**.

You must provide **us** notification of any **business crisis event** as soon as reasonably practicable and during the **period of insurance**. Each notification of a **business crisis event** must include a full description of the **event**.

You must provide **us** with such further information and documentation as **we** may reasonably require.

If the policyholder does not notify **claims, financial loss or business crisis events** as soon as reasonably practicable within the **period of insurance**, **our** liability may be reduced by an amount that fairly represents the extent to which **our** interests were prejudiced as a result of **your** delay in notifying **us** of the **claim, financial loss or business crisis event**.

5. Claims conduct

In relation to **claims** against **you**, **we** have the right and full discretion to conduct **claims**. **We** may engage legal or other representatives to assist in the conduct of a **claim**. At all times **we** reserve the right to negotiate and settle a **claim** on terms **we** consider appropriate. **You** must allow **us** to make admissions, settle or defend **claims** made against **you** on **your** behalf.

We reserve entirely **our** rights under this **policy**, including **our** right to agree or deny cover while **we** assess a **claim** or conduct a defence. **Our** rights under this **policy** are not affected if **we** do not conduct the defence.

Neither **you** nor **we** will be required to contest or litigate any **claim** if, in the opinion of Senior Counsel, reasonable attempts should be made to settle the **claim**. The Senior Counsel shall be mutually agreed upon, or in the absence of such agreement, as nominated by the President of the NSW Bar Association. The cost to obtain the opinion will be advanced by **us** and treated as **defence costs**.

Senior Counsel shall provide the opinion in writing. In formulating the opinion Senior Counsel shall consider commercial matters including the amount of the **claim**, the actual and potential **financial loss** (including **defence costs**) that may reasonably be incurred in contesting the **claim**, the liability prospects and the prospect of recovering costs against the claimant in the event that the defence is successful. Senior Counsel shall also provide a settlement range within which reasonable attempts should be made to settle the **claim**.

If it is the opinion of Senior Counsel that reasonable attempts should be made to settle the **claim**, **you** shall not object to **our** attempt to do so.

6. Settlement

You must not settle or offer to settle any **claim**, incur any **defence costs**, or **representation expenses** or otherwise assume any contractual obligation or admit any liability in respect of any **claim** without **our** prior written consent.

If **you** object to a proposal by **us** to settle or compromise any **claim** payable under this **cover section** and wish to contest or litigate the matter, then **you** may so elect, but **our** liability in respect of any such **claim** so contested or litigated will not exceed the amount for which, but for such election, it could have been settled or compromised by **us**, together with **defence costs** payable in accordance with the terms of this **cover section** and incurred up to the time of such election.

7. Allocation of loss

When allocation of loss applies

In the event that:

- (a) a claim against **you** results in:
 - (i) **financial loss** which is partly covered and partly not covered by this Cover Section; or
 - (ii) **financial loss** for which some of **you** are covered and some of **you** are not covered by this Cover Section (whether the claim is made against **you** jointly or severally); or
- (b) a claim is made against **you** and also against other persons not covered by this Cover Section which results in **financial loss**, some of which is covered and some of which is not covered by this Cover Section (whether the claim is made against **you** jointly or severally),

(together "Loss to be Allocated"), then **we** must decide a fair and reasonable allocation between the covered and uncovered financial loss and/or the covered and uncovered persons.

This fair and reasonable allocation of the covered part of the Loss to be Allocated among the relevant **insureds** and **us** will have regard to the extent of each **insured's** comparative responsibility for the Loss to be Allocated.

What we must take into account of when deciding allocation

Our consideration of what is fair and reasonable will include without limitation, the following factors:

- (a) the nature of the **claim** against each **insured**;
- (b) the issues of fact and law in relation to each **insured**;
- (c) the content and the manner of the conduct of any defence of the **claim**;
- (d) the relative degree of personal responsibility for the **financial loss**;
- (e) the extent to which the insured's responsibility for the **financial loss** is joint, several or shared;

- (f) the extent to which any person or entity, other than that insured, would obtain a benefit from the payment by **us**;
- (g) the extent to which the **financial loss** is solely of that **insured**;
- (h) the extent to which the issues in the **claim** against that insured are in common with the issues in the **claim** against any other person or entity;
- (i) the extent to which the **financial loss** is partly covered and partly not covered under this **cover section**; and
- (j) in the event of a settlement, the likely comparative responsibility had the settlement not occurred.

If you do not agree with our allocation decision

If **you** wish to dispute **our** decision in respect of the allocation, each party agrees that the dispute must be referred for expert determination in accordance with the Australian Disputes Centre (“ADC”) current Rules for Expert Determination (the Rules), available from www.disputescentre.com.au, to an expert agreed by the parties, or if the parties do not agree on an expert, an expert nominated by ADC in accordance with the Rules.

Each party agrees to sign an agreement with the expert that confirms the following matters, unless contrary to the Rules or the requirements of the ADC:

- (a) the payment of fees for the appointed expert (Note: refer to “Cost of the Expert Determination” below for more information); and
- (b) the expert may:
 - (i) consider relevant industry practice;
 - (ii) consider all information presented to the expert by either party;
 - (iii) request more information from either party;
 - (iv) request a meeting with the parties to which they may bring their legal representatives or other persons with information or knowledge relevant to the determination of the allocation (in accordance with the Rules, the meeting is not a hearing); and
- (c) the expert must provide a determination, subject to receiving all information required, within thirty (30) days after the agreement is signed, unless:
 - (i) another time is agreed between the parties, in which case the agreement will provide for this timeframe; or
 - (ii) the expert must comply with a timeframe as set by the ADC, in which case the agreement will provide for this timeframe; and
- (d) the expert must provide written reasons for the determination; and
- (e) the expert’s decision will be binding on the parties and final; and
- (f) all liability of the expert to either party will be excluded (including liability for negligence) to the full extent permitted by law.

This allocation applies for all purposes under this **cover section** including Additional Benefit 1 – “Advancement of defence costs and representation expenses” and Cover Section Condition 8 – “Subrogation and recoveries” and General Claims Condition 16 – “Rights of recovery”.

Any allocation of **financial loss** will not apply to or create a presumption with respect to the allocation of other **financial loss** on account of such **claim**.

Cost of the Expert Determination

We will pay for the cost of the Expert Determination above, including **your** share of the costs.

The ADC may require each party to bear the cost of the Expert Determination in equal proportions and require each party to individually pay their share of any cost required directly (including any fee, deposit or other amount charged). Where this is required, **you** must pay the costs accordingly and **we** will separately reimburse **you** for the cost of the Expert Determination.

Example of allocation:

A **claim** is made against both the **directors** and the **company** for breach of a third party’s intellectual property rights. The **claim** against the **company** is excluded by Exclusion 7 – “Intellectual property rights” but this exclusion does not apply to the **claim** against the **directors**. The **claim** is settled for \$1,000,000 and legal costs of \$200,000 are incurred on behalf of both the **company** (not covered) and the **directors** (covered). **We** decide in settling the **claim** that 40% of the legal costs and 40% of the compensation component relates to the insured **directors’** liability for the loss.

We pay \$80,000 of legal costs and \$400,000 of compensation and claimant’s costs.

8. Subrogation and recoveries

Provision of information and assistance

Please see General Claims Condition 16 – “Rights of recovery” on page 20 for details of **our** rights and **your** obligations when **we** wish to exercise our rights of recovery.

All Recoveries

All money recovered from other parties will be allocated in accordance with section 67 of the Insurance Contracts Act 1984 (Cth) as at the date this **PDS** and Policy Wording was prepared.

All **money** recovered from other parties before settlement of any **claim** under this Cover Section will be held for the benefit of us and applied as stated immediately above after settlement, if any is made.

Recoveries do not include any amount recovered from insurance, surety, reinsurance, security or indemnity taken for the benefit of us.

9. Authorisation

You are the agent for each of **you** and each of **you** is bound by any statement, act or omission of **you** for all purposes under this **cover section**, subject to the Claims Conduct Claims Condition and the Disclosure and the Severability and Imputation General Terms.

If **you** are more than one entity, then the first entity listed in the **policy schedule** will be deemed to be **you**.

10. Confidentiality

You must not disclose the existence or terms of this **cover section**, including without limitation the limit of liability, the nature of the insurance or the premium payable to any person who is not insured except where:

- (a) **you** are required by law or **stock** exchange rules to do so; or
- (b) **we** provide our prior written consent to such disclosure.

If **you** disclose the existence or terms of this **cover section** without obtaining our prior written consent, unless **you** are required by law or **stock** exchange rules to do so, **we** may refuse to pay **your** claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** disclosure).

What we will pay

Our liability to **you** under this section in respect of **financial loss** covered under this **cover section** resulting from **claims** first made against **you** and notified to us during the **period of insurance** (or **discovery period**, if applicable) will not exceed the “Management liability” **insured amount** in the aggregate during the **period of insurance**.

Except as provided by Optional Cover 1 – Employee Dishonesty, **we** have no liability for any amount above the “Management liability” **insured amount**.

Any **discovery period** will not increase or reinstate the “Management liability” **insured amount** or any Sub-limit of Liability, which will be our maximum liability for the **period of insurance** and discovery period, combined.

In respect of Optional Cover 1 – Employee Dishonesty, **we** will:

- (a) pay **you** the amount of lost **money**; or
- (b) replace lost **covered property** or pay the market value of the **covered property** if the item is unable to be replaced.

Notwithstanding that the act of fraud or dishonesty may have been committed during more than one **period of insurance**, the maximum amount **we** will pay for all **claims** under Optional Cover 1 – Employee Dishonesty in the **period of insurance** is the “Employee dishonesty” **insured amount**.

Excess

The **excess** that applies to Management liability only is shown on the **policy schedule** and applies to each **claim** under this **cover section**.

Please refer to General Claims Condition 12 – “Paying your excess” for information about the options for paying the **excess**.

If a **claim** is covered under Additional Benefit 2 – “Continuity” then a higher **excess** will apply if the excess applicable to the Management Liability Cover Section in force at the time when **you** first became aware of such fact, **event**, circumstance or **wrongful act** is higher than the **excess** specified in **your policy schedule**.

If **you** also select Optional Cover 1 – Employee Dishonesty the **excess** that applies to “Employee Dishonesty” will apply in addition to any **excess** applicable to Management liability.

You are liable for the amount of **financial loss** or **fidelity loss** up to the **excess** for each **claim** under this **cover section**.

The **excess** is deducted from **financial loss** payable before the application of the “Management liability” **insured amount** or, in respect of Optional Cover 1 – Employee Dishonesty, from **fidelity loss** payable before the application of the “Employee dishonesty” **insured amount**.

Definitions

The following defined words in this **cover section** have the meanings given to them as set out below. These meanings only apply to this **cover section** and the terms and conditions of this **PDS** as they apply to this **cover section** and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Benefits

- (a) a fringe benefit(s) and perquisites; or
- (b) amounts due or payments made in connection with superannuation or an **employee** benefit plan or pension scheme; or
- (c) share or **stock** options or any other right to purchase, acquire or sell shares or **stock**; or
- (d) bonuses, or **employee** or management incentive schemes or similar.

Business crisis consultant fees

The reasonable costs, charges, fees and expenses of an independent management consultant engaged to minimise the effect of the **business crisis event**, but only during the first 30 (thirty) days immediately following the **business crisis event**.

Business crisis event

Any one of the following unforeseen **events** which, in the reasonable opinion of the Managing Director (or equivalent) of the company, if left unmanaged has the potential to lead to an imminent decrease of 30% or more of the **company's** consolidated revenues:

- (a) the loss of a major customer or contract of the **company**; or
- (b) the sudden and unexpected death or injury of any **insured person**; or
- (c) the unexpected imposition of a tax bill; or
- (d) the unexpected recall of any product manufactured, distributed or sold by **company**; or
- (e) the illegal tampering with or contamination of any product manufactured, distributed or sold by the **company**.

Claim

- (a) a written communication, including electronic communications, to **you**, containing:
 - (i) a demand for compensation or damages; and
 - (ii) allegations of an act, error, omission, conduct, facts or circumstances that may constitute a **wrongful act**;
- (b) a civil proceeding commenced against **you** by the service of a written complaint, summons, statement of claim, writ or similar pleading or an arbitral process, cross-claim, or counter claim against **you** alleging an act, error, omission, conduct, facts or circumstances that may constitute a **wrongful act**; or
- (c) any criminal proceeding commenced against **you** by a summons or charge arising from a **wrongful act**; or
- (d) any **official investigation**.

Company

- (a) **You**; and
- (b) **your** subsidiaries prior to or as at the commencement of the **period of insurance**, but cover only applies in respect of **wrongful acts** committed or alleged to have been committed subsequent to the **acquisition** or creation of such **subsidiary**.

Covered property

Tangible property other than **money**.

Covered property does not include **data**.

Defence costs

Reasonable costs, fees and expenses incurred by **you** in defending, investigating or settling **claims**.

Director

Any natural person who was prior to the **period of insurance**, or is during or after the **period of insurance** a validly appointed director (as defined in the Corporations Act 2001 or any equivalent provision in the jurisdiction in which the **company** is incorporated) of the **company**.

Discover/discovered/discovery

When **you** first become aware of facts which would cause a reasonable person in the circumstances to believe that **fidelity loss** has occurred, or is likely to occur, regardless of when the act or acts causing or contributing to such **fidelity loss** occurred and even though the exact amount or details of the **fidelity loss** may not then be known.

When **you** are a **company**, "**you**" means any past, present or future chief executive officer, chief operating officer, chief financial officer, chief legal officer (or similar positions) or chairman of the board of directors of the **company**.

Discovery period

A period of time immediately following the expiry of the **period of insurance** during which written notice may be given to **us** of a **claim** first made after the expiry of the **period of insurance**, and based on **wrongful acts** occurring prior to the expiry of the **period of insurance**.

Employee

Any natural person who was prior to, or is during or after the **period of insurance** an employee of the **company**, (which will include trainees, casual, part-time, seasonal, temporary, voluntary and work experience personnel) acting in such capacity, but excludes **directors** and independent contractors.

Employment wrongful acts

Any employment related act, error, omission, conduct constituting actual, constructive or alleged:

- (a) wrongful dismissal, discharge or termination of employment;
- (b) wrongful failure to employ or promote;
- (c) wrongful deprivation of career opportunity;
- (d) misleading representation or advertising in respect of employment;
- (e) wrongful disciplinary action;
- (f) negligent **employee** evaluation;
- (g) wrongful demotion;
- (h) breach of employment contract;
- (i) sexual or workplace harassment (including the creation of a workplace environment conducive to such harassment);
- (j) wrongful discrimination;
- (k) failure to grant tenure;
- (l) invasion of privacy or defamation,

committed by **you** in respect of **employees** or prospective **employees** of the **company**.

Fidelity loss

Direct financial or physical loss of **money** or **covered property** belonging to **you**, or leased by **you** or in **your** care, custody or control, and caused by any dishonest or fraudulent act committed by an **employee** (whether acting alone or in collusion with any other person) while working for **you** in connection with the **business**.

Fidelity loss does not mean:

- (a) injury to, loss or destruction of or loss of use of **data**;
- (b) regular or overtime wages, salaries, fees or **benefits** earned in the normal course of employment;
- (c) damages of any type, including but not limited to punitive, exemplary or aggravated damages;
- (d) securities; or
- (e) shares, stocks, bearer instruments, derivatives, bonds, warrants, debentures, units in shares, units in trusts (including any evidence of indebtedness or other equity or debt security), rights under a depositary receipt or other securities (or interests therein) of whatever nature.

Financial loss

- (a) any amount, whether determined by judgment, verdict or award for which **you** are legally liable to pay including compensation orders, pre- and post-judgment interest, awards of costs or settlements including claimant's costs;
- (b) **defence costs**;
- (c) **representation expenses**;
- (d) reasonable expenses **we** have first agreed to pay, incurred by **you** solely to investigate, prove and substantiate the amount of the **claim**;
- (e) fines or penalties, to the extent allowed by law; and
- (f) with respect to any **claim** for an **employment wrongful act** in the event of an order to reinstate or re-employ an **employee**, the cost to **you** of complying with any order to pay salary or wages, or damages calculated by reference to salary or wages, to an **employee** for the period from the date of the purported dismissal or termination to the date on which the court, tribunal or similar body delivered its judgment to the parties but does not mean **employee** entitlements or **benefits**.

Financial loss does not mean:

- (a) any amount that **we** are prohibited from paying under the laws applicable to this **policy**;

- (b) any amount representing a profit or advantage to which **you** are not legally entitled; or
- (c) with respect to any **claim** for an **employment wrongful act**;
 - (i) any amounts payable in respect of a specified contractual obligation;
 - (ii) compensation payable in respect of contractual or statutory notice periods;
 - (iii) future salary or wages if the **company** was ordered to reinstate an **employee** but does not;
 - (iv) salary or wages earned prior to the date of termination; or
 - (v) **benefits**.

Insured person

Any natural person who was prior to, or is during or after the **period of insurance** is:

- (a) a **director** or **officer** but only in his or her capacity as such; or
- (b) a member of a committee established by or approved by the **company** whether by statute or otherwise but only in his or her capacity as such; or
- (c) an **employee** (whether salaried or not) of the **company**:
 - (i) to the extent that such **employee** is acting in a managerial or supervisory capacity; or
 - (ii) with respect to any **claim** alleging an **employment wrongful act**; or
 - (iii) in connection with an **official investigation**; or
 - (iv) to the extent that such **employee** is implicated in a **claim** along with a **director** or **officer**; or
- (d) acting on behalf of the **company** at the direction of an **officer** or board or committee of management of the **company** but only in his or her capacity as such.

Management wrongful acts

Any act, error, omission, conduct, misstatement, misleading statement, neglect or breach of duty, trust, contract, warranty of authority, statute or confidentiality, actually or allegedly committed by:

- (a) the **company**; or
- (b) a **director** or **officer** of the **company**, or as the holder of a position of equivalent status in, any **non-profit outside entity** or **outside entity**, in that capacity; or
- (c) a **trustee of a superannuation fund** in that capacity; but does not include an **employment wrongful act**.

Merger or acquisition

- (a) **You** or the **company** consolidating with, merging into or selling all or substantially all of its assets such that **you** or the **company** is not the surviving entity; or
- (b) any entity obtaining control of **you** or the **company**.

Money

- (a) Cash, bank notes, currency notes, negotiable cheques, negotiable securities, travellers' cheques, debit and credit card vouchers, discount house vouchers, **money** orders, postal orders, unused postage stamps, **revenue** stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of **stock**, bonds, coupons and all other types of securities) and the **contents** of franking machines; or
- (b) Any **superannuation fund** or pension fund formed by **you** exclusively for the benefit of **employees** but does not include any scheme that is administered by a professional funds manager.

Money does not mean any form of crypto-currency.

Non-Profit outside entity

Any non-profit organisation of any kind that is exempt from the payment of income tax, other than a **subsidiary**.

Officer

Any natural person who was prior to the **period of insurance**, or is during or after the **period of insurance**:

- (a) a company secretary of the **company**; or
- (b) a person:
 - (i) who makes, or participates in making, decisions that affect the whole, or a substantial part, of the **business** of the company; or
 - (ii) who has the capacity to affect significantly the company's financial standing; or
 - (iii) in accordance with whose instructions or wishes the **directors** of the **company** are accustomed to act (excluding advice given by the person in the proper performance of functions attaching to the person's professional capacity or their **business** relationship with the **directors** or the **company**); other than:
 - ▼ a receiver, or receiver and manager; or
 - ▼ deed of company arrangement; or

- ▼ a liquidator; or
- ▼ a trustee or other person administering a compromise or arrangement made between the company and someone else.

Official investigation

Any formal investigation, examination, inquiry, or other formal proceeding into the affairs of the **company** or the conduct of **directors, officers, employees** and **trustees** in that capacity, as ordered or commissioned by any authoritative or governmental body that has legal authority to conduct such a proceeding, and in which the **company** and **directors, officers** and **employees** in that capacity, are required or requested to attend or produce documents.

An **official investigation** is deemed to have started when **you** are first required or requested to attend a proceeding or produce documents.

Outside entity

Any **company**, other than a **subsidiary**, that:

- (a) is not domiciled or incorporated in the United States;
- (b) is not a bank, building society, credit union, stockbroker, venture capital company, private equity company, insurance or reinsurance company, investment manager, fund manager or similar entity; and
- (c) does not have any of its securities listed on an exchange.

Policy committee

A prescribed **policy committee** for the purposes of Part 9 of the Superannuation Industry (Supervision) Act 1993.

Pollution

- (a) the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of **pollutants** into or on real or personal property, water or the atmosphere; or
- (b) any direction or request to test for, monitor, clean up, treat, detoxify or neutralise **pollutants**.

Privacy or confidential information breach

An incident involving the unauthorised interference with or disclosure, loss, modification, misuse or access of:

- (a) **private and confidential information**; or
- (b) **personal information**.

Proposal

The signed proposal form and declaration completed in respect of this policy, including any renewal declaration and any information supplied by the **company** about any matter or risk the subject of or relevant to this insurance or policy.

Related claims

All **claims** arising directly or indirectly from or in respect of the same or causally related or continuous or repeated **wrongful acts** whether committed by one or more of **you** and whether directed to or affecting one or more than one person or legal entity.

Representation expenses

Reasonable costs, fees and expenses of preparing for, attending, cooperating with, or being represented at an **official investigation**.

Retroactive date

The date specified as such in the **policy schedule**.

Spouse

A lawful spouse, domestic partner (including same sex partner) or any person deriving similar status by reason of the common law or statute.

Statutory liability

Covers the **company**, senior management and **employees** for allegations of wrongful breaches of key legislation in the course of the Insured's **business**.

Subsidiary

- (a) a subsidiary of **you** as defined in the Corporations Act 2001; or
- (b) any body corporate in which **you**:
 - (i) control the composition of the board of the body corporate; or
 - (ii) are in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the body corporate; or holds more than one-half of the issued share capital of the first body (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
- (c) any body corporate which is a subsidiary of a body corporate described in (a) or (b) above; or

(d) any other body corporate whose accounts are consolidated into those of **yours** in accordance with the relevant Australian Accounting Standard.

Superannuation fund

A corporate superannuation fund established for the benefit of **employees** of the **company**, but excludes any industry, master or self-managed superannuation fund.

Trustee

Any **insured person** who:

(a) was prior to the **period of insurance**, or is during or after the **period of insurance**:

- (i) duly appointed trustee of the **superannuation fund**; or
- (ii) member of the **policy committee** of the **superannuation fund**, to the extent that such person's activities concern the administration of that **superannuation fund** as is contemplated under the Superannuation Industry (Supervision) Act 1993; or

(b) was prior to or at the commencement of the **period of insurance** a **trustee** of the **superannuation fund** duly appointed by a court or regulatory body or pursuant to statute.

Wrongful act

Management wrongful act or **employment wrongful act**.

You /or your/ insured

- (a) the **company**;
- (b) an **insured person**; and/or
- (c) a **trustee**.

Goods in transit cover section

About this cover section

This section covers **you** for **loss** of or **damage** to **goods** you sell, buy or use in **your business** when they are in **transit**. **You** have a choice of two types of cover in this **cover section**. **You** may insure under either:

- ▼ Specified Perils; or
- ▼ Accidental Damage.

The option **you** choose will be specified in the **policy schedule**. **You** can claim for **loss** or **damage** as described under "What **we** cover" if:

- ▼ "Goods in Transit" is specified in the **policy schedule**;
- ▼ the **loss** or **damage** to **goods** occurs during the **period of insurance**;
- ▼ the **loss** or **damage** is not excluded by any of the exclusions under "What we exclude"; and
- ▼ the **loss** or **damage** is not excluded by any of the General Exclusions.

Your insurance under this cover section

What we cover

We cover **you** for **loss** of, or **damage** to, **goods** during the **period of insurance** when they are in **transit** and **you** have insured under either:

- ▼ Option A – Specified Perils as set out below; or
- ▼ Option B – Accidental Damage as set out below.

Option A – Specified Perils

Where Option A – Specified Perils is recorded in the **policy schedule**, **we** will cover **you** for **loss** of, or **damage** to, **goods** during **transit**, directly caused by any of the following **insured events** occurring during the **period of insurance**:

1. fire;
2. explosion;
3. lightning;
4. **flood**;
5. collision of the conveying **vehicle** with any external object other than the road, gutter, or similar surrounding surfaces;
6. overturning, jack-knifing or derailment of the land conveyance;
7. impact to the **goods** with something that is not on or part of the land conveyance provided the **loss** of, or **damage** to, the **goods** is caused by **insured events** (1) to (6) listed above;
8. theft or attempted theft from a locked and unattended transporting vehicle following forcible and violent entry which causes visible damage to the transporting **vehicle**;
9. collision, crashing or forced landing of the conveying **aircraft**;
10. jettison, washing overboard and **loss** or **damage** incurred in time of peril.

Option B – Accidental damage

Where Option B – Accidental Damage is specified in **your policy schedule**, **we** will cover **loss** of, or **damage** to, **goods** in **transit**, including during **loading** and **unloading**, directly caused by any of the following **insured events** occurring during the **period of insurance**:

1. **accidental loss** of, or **damage** to, the **goods** during the **transit**;
2. acts of strikers, locked-out workers or persons taking part in labour disturbances, riots or civil commotions;
3. malicious acts of persons, unless caused or directed by **you**;
4. insufficiency or unsuitability of packing or preparation of the **goods**, unless such was caused, directed or agreed by **you**; or
5. unexpected deterioration of **temperature-controlled goods**.

If the **transit** is interrupted or terminated due to the insolvency or financial default of the carrier, whether or not **loss** or **damage** is caused to the **goods**, **we** will pay the extra costs of freight or storage to forward the **goods** to their intended destination, or to return the **goods** to the place from which they were dispatched, up to a maximum of 10% of the **insured amount** of the **goods**.

What we exclude

Whether **you** choose Option A – Specified Perils or Option B – Accidental Damage, **we** will not cover **you** under this **cover section** for:

- (a) **loss** or **damage** that existed or occurred prior to the commencement of the **transit**;
- (b) **loss** or **damage** caused by dismantling, erection, commissioning, testing or storage other than in the ordinary course of **transit**;
- (c) **loss** of, or **damage** to, **goods** directly or indirectly as a result of mechanical, electrical or electronic breakdown or malfunction where there is no external evidence of **damage** in transit from an **insured event** specified under Option A – Specified Perils cover or Option B – Accidental Damage cover;
- (d) loss of profit or income, loss of use, loss of earning capacity, delay of any kind or the results of delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not insured **loss** or **damage**, unless and to the extent specifically covered under this **cover section**;
- (e) **loss** of, or **damage** to, livestock;
- (f) **loss** or **damage** caused directly or indirectly by the un-roadworthy condition of the conveying vehicle if it is owned by **you**;
- (g) **loss** or **damage** caused directly or indirectly because **you** do not comply with the Australian Code for the Transport of Dangerous Goods by Road and Rail or the Australian Code for the Transport of Explosives by Road or Rail current at the time of the **loss** or **damage**;
- (h) confiscation or disappearances by Customs or any lawful authority;
- (i) unexplained inventory shortage, disappearance resulting from clerical errors, or shortage in the supply or delivery of materials; or
- (j) **loss** or **damage** caused directly or indirectly by:
 - (i) rust, oxidisation, discolouration, mildew, moths, mould, vermin or insects;
 - (ii) heating, sweating or any variation in temperature;
 - (iii) the inherent nature of the **goods**;
 - (iv) ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear; or
 - (v) scratching, denting, chipping, cracking or breakage of **glass** or any fragile items.

Extra covers

If a claim for **loss** of, or **damage** to, **goods** in **transit** is covered under this **cover section** **we** will also provide the following Extra Covers.

Any amounts payable under these Extra Covers are in addition to the **insured amount**.

If **we** pay a claim under an Extra Cover **we** will settle **your** claim in accordance with that Extra Cover.

We will settle the Extra Cover by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

1. Air freight of replacement parts

We will cover **you** for the cost of sending replacement parts for the parts that were **lost** or **damaged** in **transit** from suppliers to the original destination by air freight, even if the original **transit** was not by air freight.

The most **we** will cover **you** for under this Extra Cover for each **event** is \$10,000.

2. Clean up costs

We will cover **you** for the clean-up and disposal costs at any accident site, where **you** are legally or contractually obliged to pay those costs.

The most **we** will cover **you** for under this Extra Cover for each **event** is \$25,000.

3. Transport and disposal costs

We will cover **you** for the reasonable costs and expenses incurred in cleaning up or decontaminating **your** premises following the delivery or return of salvaged goods, plus the transport and disposal costs to remove those **goods**.

The most **we** will cover **you** for under this Extra Cover for each **event** is \$25,000.

4. Freight and salvage charges

We will cover **you** for any additional freight or salvage charges that **you** are required to pay to remove **your** **goods** from any accident site, including the cost of transport to forward the **goods** to their intended destination or to return the **goods** to the place from which they were dispatched.

The most **we** will cover **you** for under this Extra Cover for each event is \$10,000.

5. Minimisation costs

We will cover you for the reasonable costs incurred to avoid or minimise any further loss of, or damage to, the goods.

The most we will cover you for under this Extra Cover for each event is \$10,000.

6. General average and salvage contribution

We will cover you for general average and or salvage contribution that you are required to pay under any Bill of Lading or similar document if the transit is by sea only.

Additional Benefit

We will also provide the following Additional Benefit in this cover section subject to any conditions applicable to the cover section, the General Exclusions and the exclusions in the "What we exclude" section.

Any amount payable under this Additional Benefit is included within, and does not apply in addition to, the insured amount specified in your policy schedule for this cover section.

If we pay a claim under the Additional Benefit, we will settle your claim in accordance with the Additional Benefit.

We will settle the Additional Benefit by paying you. This means that we will not repair or replace or arrange for a service. We will pay you by cheque or direct deposit into your bank account.

1. Buyer and seller protection

We cover you for the loss of, or damage to, goods in transit if, as a buyer or seller of the goods, you retain a contingent financial interest in the goods while in transit, and provided that:

- ▼ the goods are lost or damaged during the period of insurance;
- ▼ the loss or damage to the goods is caused by one or more insured events covered under this cover section;
- ▼ the other party under the terms of sale is legally liable to pay you for the goods or for the loss or damage, but fails to do so;
- ▼ you have taken all reasonable steps to safeguard the goods and to recover payment from the other party; and
- ▼ you have not disclosed to any party interested in the goods the existence of this cover.

What we will pay

What we will pay for loss of, or damage to, goods covered under this cover section is as follows:

Plant, machinery and computers up to five years old

For loss of, or damage to, plant, machinery, and computers up to five (5) years old, we will pay you:

- (a) the cost of repairing or reinstating the goods to a condition equal to but no better or more extensive than when new (including the reasonable costs of any necessary overtime);
- (b) in the case of a purchase or sale, the purchase or sale price plus the cost of packing and transport; or
- (c) in the case of loss or damage to movement of return goods (inwards or outwards), stock transfers, and movement of goods other than for the reason of purchase or sale, the new replacement cost or, if not available, as near as possible to the same make, model and specifications as is available, whichever is less.

Plant, machinery and computers more than five years old

For loss of, or damage to, plant, machinery, and computers more than five (5) years old, we will pay you:

- (a) the cost of repairing or reinstating the goods to a condition equal to but no better or more extensive than its condition immediately prior to the loss or damage (including the reasonable cost of any necessary overtime);
- (b) in the case of a purchase or sale, the purchase or sale price plus the cost of packing and transport; or
- (c) in the case of movement of return goods (inwards or outwards), stock transfers, and movements of goods other than for the reason of purchase or sale, we will pay the written down book value in your books of account or the current market value, whichever is less.

Goods other than plant, machinery and computers

For loss of, or damage to, goods other than plant, machinery, and computer, we will pay you the lesser of:

- (a) the cost of repairing or reinstating the goods to a condition equal to but no better or more extensive than its condition immediately prior to the loss or damage (including the reasonable cost of any necessary overtime); or
- (b) the invoice value covering the goods while in transit (including freight if separately invoiced to the receiver of the goods), or if there is no invoice value, the cost of replacing the goods with goods of the same age and condition, or as near as possible to that age and condition.

Temperature controlled goods

For **loss** of, or **damage** to, **temperature-controlled goods** other than plant, machinery, and computer, **we** will pay **you** the lesser of:

- (a) the cost to re-condition the **goods** (including the reasonable costs of any necessary overtime); or
- (b) the invoice value covering the **goods** while in **transit** (including freight if separately invoiced to the receiver of the **goods**), or if there is no invoice value, the cost of replacing the **goods** with similar goods of the same quality or as near as possible to that quality, whichever is less.

Brands and labels

For any **damaged goods** bearing identifying brands or label or other permanent marking, the **goods** may be retained by **you** to dispose of as **you** see fit, provided a reasonable allowance is agreed for the value of the **goods** and this allowance is deducted from the claim settlement. Where only the labels or packaging are affected, **we** will pay **you** only the costs to recondition or replace those labels or packaging.

Limits to what we will pay

The most **we** will pay under this **cover section** for:

- (a) all **goods** in any one (1) **conveyance** is the **insured amount** shown on the **policy schedule** for this **cover section**;
- (b) trade samples in **transit** in **your** or **your employee's** care, custody and control, is \$10,000 for any one (1) claim or series of claims arising from any one (1) **event**; and
- (c) shipping containers in **your** care, custody or control to the extent that **you** are legally liable to pay for any **loss** or **damage** to them, is \$20,000.

The limits shown on the **policy schedule** and the Extra Cover limits referred to in this **cover section** apply to any one (1) claim or series of claims arising from any one (1) **event**.

We will settle any claim by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

Excess

The **excess** that applies for each claim **you** make under this **cover section** is specified in **your policy schedule**.

Please refer to General Claims Condition 12 – Paying **your excess** for information about the options for paying the **excess**.

Definitions

The following defined words in this **cover section** have the meanings given to them as set out below. These meanings only apply to this **cover section** and the terms and conditions of this **PDS** as they apply to this **cover section** and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Conveyance

Any ship, vessel, **aircraft**, postal service (except in the case of **temperature-controlled goods**), rail and road **vehicle** used to transport the **goods**.

Goods

Your goods that **you** sell, buy or use in **your business** being the following:

- ▼ merchandise;
- ▼ **temperature-controlled goods** if specified in the **policy schedule**;
- ▼ trade samples;
- ▼ returned goods;
- ▼ **stock** transfers;
- ▼ retail and sales packaging;
- ▼ **customer goods your business** intends to or has repaired, serviced or maintained; and
- ▼ shipping containers in **your** care, custody or control.

Goods do not include:

- ▼ **money**, deeds, securities, bonds, bills of exchange;
- ▼ livestock;
- ▼ antiques;
- ▼ explosives, or any oxidising or radio-active substances or liquid fuel, liquid gas, toxic chemicals, corrosive acids, compressed gases, organic peroxides;

- ▼ jewellery, precious metals or stones, bullion or furs unless these items form part of **your normal stock**;
- ▼ **aircraft**, aerial devices, **watercraft**, **hovercraft** or **vehicles** registered for road use;
- ▼ **your directors' or employees** tools of trade or personal effects; or
- ▼ cigarettes, tobacco, wines, spirits or other alcoholic beverages.

Insured events

The events listed on page 114 for Option A – Specified Perils and Option B – Accidental Damage, whichever is specified in the **policy schedule**.

Loading

The period commencing from the time the **goods** are lifted from the ground or loading dock immediately adjacent to the **conveyance** and ending when the **goods** are placed on the **conveyance**.

Temperature controlled goods

Goods belonging to **you** that require a controlled temperature environment for **transit**.

Transit

The **transportation** of **goods** by a **conveyance** within Australia.

Transit does not include any period of storage other than in the ordinary course of transit.

Each transit commences at **loading**.

Each transit terminates when:

- ▼ each item of **goods** are delivered to the buyers **premises** or other final warehouse or place of storage; or
- ▼ forty-eight (48) hours after **unloading** from the final **conveyance**,

whichever occurs first.

If the **goods** are being delivered to **you** for the purpose of servicing, maintenance or repair as part of **your business**, then the transit will terminate when each item of **goods** is delivered to **your premises**.

If the **goods** are being delivered to any exhibition or display (other than at **premises you** control or own), then the transit will terminate when each item of **goods** is **unloaded** at the exhibition or display. Where the **goods** are being returned to **you** from any exhibition or display, the transit will terminate when each item of **goods** is **unloaded** at **your premises**.

For **temperature-controlled goods**, the transit terminates when each item of **goods** is delivered to the intended destination either in the receiver's **premises** or such other place as the receiver may instruct, whichever occurs first.

Transportation

Any ship, vessel, **aircraft**, postal service (except in the case of **temperature-controlled goods**), rail or road **vehicle** used to transport the **goods**.

Unloaded/Unloading

The period commencing from the time the **goods** are lifted from the **conveyance** and ending when the **goods** are placed on the ground or loading dock immediately adjacent to the **conveyance**.

Tax audit cover section

About this cover section

This **cover section** covers **professional fees** (such as accountant's fees) incurred by **you** in connection with a **tax audit** of a **return** by the Australian Taxation Office or by a Commonwealth, State or Territory department, body or agency.

You can claim for **professional fees** as described under "What we cover" if:

- ▼ "Tax Audit" is specified in the **policy schedule**;
- ▼ the **tax audit** was commenced and is notified to **us** during the **period of insurance**;
- ▼ the claim is not excluded under "What we exclude"; and
- ▼ the claim is not excluded under the General Exclusions.

Your insurance under this cover section

What we cover

We cover **professional fees** reasonably and necessarily incurred by **you** in connection with a **tax audit** by an **authority**, which is commenced and notified to **us** during the **period of insurance**.

The type and extent of cover under this **cover section** will depend on whether **you** select:

- (a) Business Audit Only – with Investigation Cover which provides cover for the **business** (but excludes Extra Cover 2 – Directors' Personal Tax Returns); or
- (b) Business AND Directors Audit – with Investigation Cover which provides cover for the **business** or any company or partnership in which the **Insured** holds 50% or more ownership, interest or shareholding, and each director named in the **policy schedule** and includes Extra Cover 2 – Directors' Personal Tax Returns); or
- (c) Individual Cover (which provides cover for the **individual** named in the **policy schedule** but excludes Extra Cover 2 – Directors' Personal Tax Returns).

What we exclude

We will not cover **you** under this **cover section** for:

1. Returns not prepared by a tax agent

Any **professional fees** relating to, arising from or in connection with any income return that has not been prepared or reviewed prior to dispatch by **your tax agent**. However, this exclusion does not apply to any **return** for:

- (a) prescribed sales tax;
- (b) income derived from:
 - (i) any payment under a contract of employment of service between **you** and any other person, company or entity, other than when that payment is paid by a company for which **you** are a director or have a controlling interest;
 - (ii) any payment from superannuation, pension or other retirement benefit; or
 - (iii) personal investments that **you** are not wholly or mainly dependent on.

2. Representations, errors in information and improper conduct

Any **professional fees** relating to, arising from or in connection with:

- (a) **you** or **your tax agent** making a statement to the **authority** that is false or misleading except that this exclusion will not apply where a false or misleading statement results from **you** being misled by the **authority** or where **you** did not and could not be expected to know that a statement was false or misleading;
- (b) any fraudulent act or fraudulent omission or statement made to an **authority** arising from any act committed deliberately or with **your** wilful intent;
- (c) an **authority**, or its authorised representative, having assessed **your** behaviour as being a case of **intentional disregard** or **recklessness**;
- (d) any **return** lodged or submitted dishonestly or fraudulently where the supporting documents have been falsely created or collected; or
- (e) any error or deficiency with information already provided to the relevant **authority** which **you** do not notify to the relevant **authority** within ninety (90) days of **you** discovering the error or deficiency with the information.

3. Delay

Any **professional fees** relating to, arising from or in connection with:

- (a) a **tax audit** which is commenced due to **you** failure to lodge a taxation or any other **return** within the time limit prescribed by law or within the extended time granted by an **authority**;
- (b) a **tax audit** which is commenced due to **you** failure to pay all taxes by the due date or within any extension of time granted by the **authority**; or
- (c) **you** failure to respond to the **authority** within the time it has specified for **you** to give **you** response.

4. Imposition of penalties

The imposition of or the seeking to impose on **you** any tax, penalty tax, costs, interest, fine or penalty by any **authority**, court or tribunal.

5. Shortfall tax audits

Any **professional fees** relating to, arising from or in connection with a **tax audit** where an **authority** imposes or seeks to impose a penalty due to any shortfall amount, or part of that amount, resulting from:

- (a) **intentional disregard** of a **designated tax** by **you** or **your tax agent**; or
- (b) **recklessness** by **you** or **your tax agent** as to the operation of a **designated tax**.

6. Subrogation agreements

Any amount that **you** are unable to recover because of a contract or agreement that **you** have entered into that excludes or limits **you** rights to recover that amount.

7. Territorial limitations

(a) Any tax **return**:

- (i) prepared by a person who ordinarily resides outside Australia and its external territories; or
- (ii) for a company, firm or entity which operates outside Australia and its external territories;

(b) Any **professional fees** that are:

- (i) associated with any **return** lodged outside Australia and its external territories; or
- (ii) in respect of any person or organisation ordinarily resident outside Australia and its external territories;

8. Prior tax audits

Any claim arising from or in connection with any **tax audit** for which verbal or written notice or information was received by **you** or **your tax agent** before the inception of this **cover section**.

9. Unjustified refusal or failure to comply

Any claim or claims caused by or arising from any improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by the **authority**.

10. Professional fees after completion of tax audit

Any **professional fees** incurred after the **tax audit** has been completed.

11. Other Matters

(a) Any **professional fees** relating to, arising from or in connection with:

- (i) any criminal prosecution;
- (ii) any **tax audit** relating to customs legislation;
- (iii) any **tax audit** conducted by the Australian Prudential Regulation Authority; or
- (iv) any **tax audit** that includes a refund or claim for tax or duty relief arising out of an arrangement, facility, financial structure or the like adopted for the principal purpose of obtaining that refund or relief, unless the arrangement has received prior written approval from the relevant government or government authority or agency before being offered to **you** or the general public.

(b) Any claim or claims caused by, arising from or in connection with:

- (i) amounts sought by any amended notice of assessment, additional tax, duty government impost or the like;
- (ii) costs to pursue or defend any legal actions against **you** or initiated by **you** (unless it is agreed to by **us**);
- (iii) any inquiry from an **authority** which is not related to either an identified intention to conduct a **tax audit** or is not directed at obtaining information or **data** for a possible future **tax audit**;
- (iv) any routine enquiries, or enquiries from a **tax agent** which are not identified as being either preliminary to, or relating to a **tax audit** of a **return**; or
- (v) any form of activity involving a periodic review, routine inquiry or compliance review relevant to **you** maintaining industry status, licence, compliance, membership, any form of workplace health and safety compliance or similar requirements.

Extra covers

If a claim for **professional fees** is covered by this **cover section**, **we** will also pay or provide for the following Extra Covers.

1. Reinstatement of insured amount

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

2. Directors' personal tax returns

If **your policy schedule** shows that **you** have selected "Business and Directors Audit – with Investigation Cover" and **you** are a company and the director(s) work full-time in the **business**, **we** will also pay for **professional fees** reasonably and necessarily incurred by each director in connection with an audit by an **authority** of the director's personal income tax returns that are lodged with that **authority** respectively which is commenced and notified to **us** during the **period of insurance**.

This Extra Cover only covers an **audit** of each a director's personal income tax return that was prepared by the same **tax agent** that who prepared the income tax return for the **business** in that same year.

The amounts payable under this Extra Cover 2 are included in, and do not apply in addition to, the "Business and Directors Audit – with Investigation Cover" **insured amount**.

This Extra Cover 2 will not apply if the **policy schedule** shows that **you** have selected Business Audit Only – With Investigation Cover or Individual Cover.

3. Travel and accommodation expenses

We will reimburse **you** for travel and accommodation expenses incurred by **you** or **your employees** if they are reasonably and necessarily incurred to substantiate the claim.

The amounts payable under this Extra cover 3 are included in, and do not apply in addition to, the **insured amount**.

Cover section conditions

These conditions apply to all covers and claims under this Cover Section in addition to the General Policy Conditions that apply to this Cover Section.

If **you** do not comply with these Cover Section Conditions **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your policy**.

1. Your obligations

You must:

- (a) Make a genuine attempt to comply with obligations enforced under taxation law;
- (b) Lodge **your** tax return or statement on time;
- (c) Engage a registered **tax agent** or BAS agent to lodge **your return** or statement;
- (d) Not make any false or misleading statement;
- (e) Provide **your tax** agent or BAS agent with details of all **your** assessable income; and
- (f) Have the necessary records to prove expense claims.

2. Commencement and completion of a tax audit

A **tax audit** commences at the time **you** or **your tax agent** first receives notice (verbal or written) of an audit, inquiry, investigation, examination or review.

A **tax audit** is complete when, the earliest of the following occurs:

- (a) the officer authorised by the **authority** has given written notice to that effect;
- (b) the officer authorised by the **authority** notifies **us** in writing of its decision in connection with **your returns** including any written statement which is intended by such officer to be its findings in connection with a **return** or the basis upon which it proposes to act in connection with a **return**;
- (c) when the officer authorised by the **authority** has issued an assessment or amended assessment of **your returns**;
or
- (d) in the absence of subparagraphs (a), (b) or (c) where **your tax agent** declares in writing that such a **tax audit** has been concluded.

3. Authority matters

You must:

- (a) submit all taxation and other **returns** within the time limits prescribed by all relevant legislation or regulations or as requested by or on behalf of the relevant **authority** or within the extensions of time granted by the relevant **authority**;
- (b) make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation or regulation, and **you** must take care to not omit from any such disclosure any matter or thing without which the disclosure is misleading or likely to mislead any person or **authority** who relies on that disclosure;
- (c) be registered for GST purposes, if required by legislation or regulations; and
- (d) ensure all correspondence, requests or inquiries from an **authority** are dealt with within the required time and where there is no required time, a reasonable time.

4. Claims

For any claim:

- (a) **you** must notify **us** within thirty (30) days of **you** first becoming aware of the first notice of a **tax audit**;
- (b) you must keep **us** informed of all developments as they occur;
- (c) **you** must take all reasonable steps to minimise any delays and costs incurred or likely to be incurred; and
- (d) **you** must submit to **us** all accounts for **professional fees** that relate to **your** claim upon completion of the **tax audit**.

What we will pay

Subject to Extra Cover 1 – “Reinstatement of Insured Amount”, if the **policy schedule** shows the cover **you** have selected is:

- (a) Business Audit Only – with Investigation Cover, then the most **we** will pay for a **tax audit** of the **business** commenced during the **period of insurance** is the **insured amount** specified in the **policy schedule** for this **cover section**; or
- (b) Business AND Directors Audit – with Investigation Cover, the most **we** will pay for a **tax audit** commenced during the **period of insurance** relating to:
 - (i) the **business** named in the **policy schedule** or any company or partnership in which the **Insured** holds 50% or more ownership, interest or shareholding; and
 - (ii) each director named in the **policy schedule**, in total is the **insured amount** specified in the **policy schedule** for this **cover section**; or
- (c) Individual Cover, the most **we** will pay for a **tax audit** commenced during the **period of insurance** relating to the **individual** named in the **policy schedule** is the **insured amount** specified in the **policy schedule** for this **cover section**.

When we pay

We will pay the **professional fees** reasonably and necessarily incurred by **you** in connection with assisting **you** to respond to an official **tax audit** by an **authority** where:

- (a) **your** claim is covered under “What we cover” of this **cover section**;
- (b) **your** claim is not excluded under “What we exclude” of this **cover section**;
- (c) **your** claim is not excluded under the General Exclusions; and
- (d) the **tax audit** has been completed (as defined in Cover Section Condition 2 – “Commencement and completion of a tax audit “ above).

Excess

The **excess** that applies for each claim **you** make is specified in the **policy schedule**.

Please refer to General Claims Condition 12 – “Paying your excess” for information about the options for paying the **excess**.

Definitions

The following defined words in this **cover section** have the meanings given to them as set out below. These meanings only apply to this **cover section** and the terms and conditions of this **PDS** as they apply to this **cover section** and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Authority

The Australian Taxation Office, a revenue office of an Australian State or Territory; a Commonwealth, State or Territory government department, body or agency which is duly authorised to conduct a **tax audit**

Business

A company or partnership which has an ABN and is named in the **policy schedule** as the insured, and does not include an **individual**.

Designated tax

Any tax assessable in accordance with the provisions, as those laws are amended, and includes any associated regulations, of the following legislation:

- (a) Income Tax Assessment Act 1936 (Cth);
- (b) Income Tax Assessment Act 1997 (Cth);
- (c) Taxation Administration Act 1953 (Cth);
- (d) Fringe Benefits Tax Assessment Act 1986 (Cth);
- (e) A New Tax System (Goods and Services Tax) Act 1999 (Cth);
- (f) Superannuation Guarantee (Administration) Act 1992 (Cth); or
- (g) any law of an Australian State or Territory relating to payroll tax.

Individual

- ▼ Sole trader; or
- ▼ a partner in a partnership

Note: Each "partner" will need to have a separate **policy**.

However, an individual does not include:

- ▼ an **employee**; or
- ▼ any beneficiary; or

any Director who is not covered under the "Business AND Directors Audit – with Investigation Cover"

Intentional disregard

You intentionally disregard the law if **you** are fully aware of a clear tax obligation and **you** disregard the obligation with the intention of bringing about certain results.

Policyholder

The sole trader, a partner or a business entity named as such in **your policy schedule**.

Professional fees

Fees, costs and disbursements payable to a **tax agent** or professional person (other than **you** or **your employee**) in connection with a **tax audit** by an **authority**.

Professional fees does not mean any fees, costs or disbursements:

- (a) charged by a **tax agent** for administrative services;
- (b) that relate to any subsequent objection lodged with an **authority** in respect of a **tax audit**;
- (c) that relate to, or are associated with the preparation of any accounts, financial statements or documents which would or should have been ordinarily or prudently prepared prior to or at the time that the lodgement of any **return** or documents was required to be lodged;
- (d) incurred after the **tax audit** has been completed; or
- (e) incurred twelve (12) months after the commencement date of a **tax audit** other than when **you** can reasonably demonstrate to our satisfaction that the delay in completing the **tax audit** was caused primarily by the **authority**.

Recklessness

The ATO defines that **you** are reckless if a reasonable person in **your** circumstances would have been aware that there was a real risk of a shortfall amount arising and **you** disregarded, or showed indifference to, that risk.

Return

Any return legally required to be, and that is actually, lodged with, an Australian Commonwealth, State or Territory government department, body or agency by **you** or on **your** behalf.

Shortfall amount

A shortfall amount arises in the following situations:

- (a) **your** tax related liability, worked out on the basis of **your** disclosure or statement, is less than it would be if the disclosure or statement:
 - (i) was not false or misleading; or
 - (ii) did not treat a **designated tax** as applying in a way that was not reasonably arguable;
- (b) an amount the **authority** must pay or credit to **you** under a **designated tax**, worked out on the basis of **your** disclosure or statement, is more than it would be if the disclosure or statement:
 - (i) was not false or misleading; or
 - (ii) did not treat a **designated tax** as applying in a way that was not reasonably arguable.

Tax agent

Any person who is recognised by the **authority** as a registered tax agent, as appropriate to the type of **designated tax**, who prepares **returns** or statements required by that **authority** in respect of **your** liability to pay a **designated tax**, including supervision of the preparation of, and review prior to dispatch of, those **returns** or statements.

Tax agent does not mean **you** or a person working for **you** under a contract of employment.

Tax audit

- (a) The audit by an **authority** of a **return** in respect of **your** liability to pay any **designated tax** (including the amount of tax payable or refundable) following lodgement of a **return** for that **designated tax**;
- (b) any official inquiry, investigation, examination or review undertaken by an **authority** in respect of **your** liability to pay any **designated tax** (including the amount of tax payable) following lodgement of a **return** for that **designated tax**,
- (c) a workers' compensation wage audit or investigation by an **authority** in respect of **your** liability to pay a workers' compensation premium; or
- (d) the audit by an **authority** of a director's personal income tax return only to the extent that Extra Cover 2 "Directors' personal tax returns" applies.

If an official inquiry, investigation, examination or review referred to in paragraph (b) above escalates or results in an audit as referred to in paragraph (a) above, then this would be viewed as one **tax audit** for the purposes of this **cover section**.

You/Your/Yours

- (a) The **business** entity named as the **policyholder**;
- (b) any partnership, or company in which the **insured** hold a 50% or more ownership, interest or shareholding; and
- (c) any director but only to the extent that Extra Cover 2 "Directors' personal tax returns" applies.

