

Business Insurance

Product Disclosure Statement
and Policy Wording

Vero Business Insurance Product Disclosure Statement and Policy Wording

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Introduction to business insurance

Welcome to Vero Insurance

Supported by over 180 years of experience, Vero provides market leading insurance products and solutions to businesses of all sizes. From small start-ups right through to some of Australia's largest corporations, **our** focus is to help **you** succeed in business.

Via a strong network of brokers, agents and corporate partners, **we** offer insurance products in property, small business, commercial motor, professional indemnity, construction and engineering, liability, travel, marine and personal insurance.

At Vero, **we** cover the risks today so **you** can focus on your future.

Vero Insurance is a member of the Suncorp Group of companies.

Who is the insurer?

This insurance is issued by AAI Limited ABN 48 005 297 807, AFS Licence No. 230859 trading as Vero Insurance.

How to contact us

You may contact **us** by:

- ▼ Telephone: 13 18 13
- ▼ Email: via the "contact us" page on **our** website **www.vero.com.au**
- ▼ Mail: Vero Insurance
GPO Box 3999
Sydney NSW 2001

About Insurance Advisernet

This insurance policy is distributed by Insurance Advisernet Australia Pty Limited (IAA) ABN 15 003 886 687, AFS Licence Number 240549.

IAA was formed in January 1996 to allow insurance advisers the benefits of maintaining their local presence whilst being able to tap into a national buying group for products and services needed by their customers in today's complex business world.

Insurance Advisernet Australia ("IAA") is a principal member of the National Insurance Brokers Association (NIBA) and the largest member of the publicly listed AUB Group Limited ABN 60 000 000 715, who have \$2.5 billion of gross written premium under management and ranks within the top general insurance broking groups in Australia.

More information regarding IAA can be sourced from our web-site – **www.insuranceadviser.net**

Important information about IAA's advice

Any advice IAA 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 IAA'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 **you** should read this insurance policy.

About this policy

Throughout this document, words are bolded to show that words have a particular defined meaning. **You** should refer to the General Definitions section of this document on page 16, and the relevant **cover sections** to obtain the full meaning of such terms.

'**you**', '**your**' or '**yours**' means the person(s) or parties shown as the **policyholder** in **your policy schedule**, including all subsidiary companies, organisations and entities incorporated in **Australia** in which **you** have a controlling interest (exceeding 50%) engaged in the **business** described in **your policy schedule** and not for any other purpose or activity.

About this Product Disclosure Statement and Policy Wording

We are required to give **you** a **Product Disclosure Statement (PDS)** if the **building you** are insuring under the Fire - Gold, Theft and/or Glass **cover sections** is a **home building** 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 the following:

- ▼ 'Your rights and responsibilities' on pages 3 to 7 – this contains information about **your** rights and responsibilities, **our** Privacy statement and how to contact **us** if **you** have a question or complaint. This applies to all persons who take out this insurance.
- ▼ 'Information for some policyholders' on pages 8 and 9 – this only applies to **you** if **you** are insuring a **home building** under the Fire – Gold, Theft and/or Glass **cover sections** and **you** are an individual or small business as described above.
- ▼ 'Your policy terms and conditions' on pages 10 to 15 – this applies to all persons who take out this insurance.

To understand the full terms and conditions of **your policy**, **you** must read all parts of the **PDS** and Policy Wording together with any **Supplementary PDS** we may give **you**, any **endorsements** and **your policy schedule**.

Your rights and responsibilities

Your duty of disclosure

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

You have this duty until **we** agree to insure **you**.

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

You do not need to tell **us** anything that:

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

If you do not tell us something

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

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

Not meeting your responsibilities

If **you** do not meet with **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 cancel and return the **policy** or a 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 **your policy** within the cooling off period. If **you** cancel it in this time, **we** will return the amount **you** have paid.

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

To cancel at other times, please see "Cancellations" on page 4.

The amount of your premium

The **premium** is the amount **you** pay **us** for this insurance. It includes stamp duty, GST, other government charges and any fire services levy (FSL) that applies. **Your premium** is shown in **your policy schedule**.

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

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

Paying your premium

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

You must pay **your premium** by the due date. For the first **period of insurance**, if **you** do not pay the **premium** owing by the due date, **we** can cancel **your policy** as set out in "Cancellations" on page 4.

When **we** offer to renew **your policy**, if **you** do not pay **your premium** by the due date, then the renewal policy will not commence and **your** cover will end at the expiry of the previous period of insurance.

If **you** change **your policy** **you** may be entitled to a partial refund of **premium** or be required to pay an additional premium. Where a change to **your policy** results in a **premium** increase, **you** will have to pay the amount by which **your premium** has increased as a condition of **us** accepting the change to **your policy**.

Cancellations

(a) How you may cancel this policy

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

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

(b) How we may cancel this policy

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

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

(c) Premium

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

(d) Premium funders

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

Claims made and notified basis of cover

Cover under the Management Liability **cover section** (excluding Optional extension of cover – 1. 'Employee Dishonesty') is issued on a 'claims made and notified' basis. This means that the Management Liability **cover section** (excluding Optional extension of cover – 1. 'Employee Dishonesty') responds to:

- (a) 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 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 him/her; and
- (b) written notification of facts pursuant to section 40(3) of the Insurance Contracts Act 1984. The facts that **you** may decide to notify 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** will 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 claims or facts can be made under the Management Liability **cover section** (excluding Optional extension of cover – 1. 'Employee Dishonesty') of the expired **policy** even though the **event** giving rise to the claim against **you** may have occurred during the **period of insurance**. An exception to this is under Extension of cover – 13. 'Automatic Discovery Period' in the Management Liability **cover section**, if any, under which some cover for new notification of claims or facts is available.

Fraudulent claims

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

- ▼ 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 this product, and is a member of the Suncorp Group (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 Act 1997, Income Tax Assessment Act 1936, Income Tax Regulations 1936, Tax Administration Act 1953, Tax Administration Regulations 1976, 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 Financial Ombudsman Service (FOS) Australia 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, eg **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 contact **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.

Your personal information and our marketing practices

Every now and then, **we** and any related companies that use the Vero brand might let **you** know – including via mail, SMS, email, telephone or online – about news, special offers, products and services that **you** might be interested in. **We** will engage in marketing unless **you** tell **us** otherwise. **You** can contact **us** to update **your** marketing preferences at any time.

In order to carry out **our** direct marketing **we** collect **your** personal information from and disclose it to others that provide **us** with specialised data matching, trending or analytical services, as well as general marketing services (**you** can see the full list of persons and organisations under 'How we handle your personal information'). **We** may also collect **your** personal information for marketing through competitions and by purchasing contact lists.

We, and other people who provide **us** with services, may combine the personal information collected from **you** or others, with the information **we**, or companies in **our** Group, or **our** service providers already hold about **you**. **We** may also use online targeted marketing, data and audience matching and market segmentation to improve advertising relevance to **you**.

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 Suncorp Group Privacy 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, obtaining a list of overseas countries, or giving **us** **your** marketing preferences **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 claims@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.

If **you** have a complaint concerning this product or **our** services, please tell the people who provided **your** initial service or **you** can:

- ▼ Telephone: 1800 689 762
- ▼ Mail: Reply Paid 1453 Customer Relations Unit RE058,
GPO Box 1453 Brisbane QLD 4001 or
- ▼ Email: customer.relations@suncorp.com.au

What we will do to resolve your complaint

When **you** first let **us** know about **your** complaint or concern, **we** will review **your** complaint, consider the facts and attempt to resolve **your** complaint by the end of the next working day.

If **we** cannot resolve **your** complaint to **your** satisfaction within 5 working days **we** will contact **you** to agree reasonable alternative time frames. **We** will endeavour to send **you** **our** final decision within 15 working days from the date **you** first made **your** complaint provided **we** have all necessary information and have completed any investigations required. If **you** are still unsatisfied with the final outcome at **your** request **we** can refer **your** complaint to **our** Internal Dispute Resolution (IDR) team. **Our** IDR team will review **your** dispute, and respond to the dispute within 15 working days of **your** complaint being referred to them provided they receive all necessary information and have completed any investigation required.

What if you are not satisfied with our final IDR decision?

We expect **our** procedures will provide **you** with a fair and prompt resolution to **your** complaint. If however **you** are not satisfied with **our** final decision or if **we** have not been able to resolve the complaint to **your** satisfaction within 45 days **you** may be able to take the complaint to the Financial Ombudsman Service (FOS) Australia.

FOS is an independent external dispute resolution scheme and its service is free to **our** customers.

You can contact FOS by:

- ▼ Telephone: 1800 367 287
- ▼ Mail: Financial Ombudsman Service Limited
GPO Box 3
Melbourne VIC 3001.
- ▼ Email: info@fos.org.au; or
- ▼ Website: www.fos.org.au

FOS will tell **you** if they can help **you**, as their services are not available to all customers.

We agree to accept a FOS decision however **you** have the right to take legal action if **you** do not accept their decision.

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.apra.gov.au

General Insurance Code of Practice

We support and adhere to the General Insurance Code of Practice. A copy of the Code can be obtained from the Insurance Council of Australia by:

▼ Telephone: (02) 9253 5100 or

▼ Website: www.insurancecouncil.com.au

Terrorism Insurance Act 2003

Some sections of this policy exclude cover for loss or damage as a result of terrorism.

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

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

Updating information

The information in this **PDS** and Policy Wording was current at the date of preparation. **We** 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**.

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**.

Information for some policyholders

This information applies to **you** if **you** chose cover for a **home building** under the Fire – Gold, Theft and/or Glass cover sections and **you** are an individual or a small business as explained on page 3.

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

Home building means 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**, and **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 policy.

The amount you pay for the Fire – Gold, Theft and Glass cover sections (for a home building)

The **premium** is the amount **you** pay **us** for this insurance. The **premium** payable by **you** will be shown on **your policy schedule**. It includes applicable Commonwealth and State taxes and charges. The **premium** includes stamp duty, GST, other government charges and any fire services levy (FSL) that applies. The amount of these taxes and charges will be shown on **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.

How various factors may affect your premium

The following table is a guide to the significant factors which impact generally on **your premium** in relation to the Fire – Gold, Theft and Glass **cover sections** (for **home building**).

Factor	Lower premium	Increases premium
Insured amount	Lower insured amount	Higher insured amount
Postcode	Low risk postcode	High risk postcode
Optional extensions of cover	None taken	One or more taken
Claims experience	Low claims experience	High claims experience
Voluntary excess	Higher	Lower
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
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 insurance can change

Your insurance premium can change during **your 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 **cover sections** to **your policy**. Also, each time **you** renew **your insurance** **your premium** is likely to change, even if **your** circumstances or the **property insured** 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 shown on **your policy schedule**.

At renewal, **we** might decide to pass on all, or part of, any premium increase or decrease. **We** may “cap” the amount of any increase on renewal, so that **we** pass only part of the increase on to **you**.

Excesses

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** or in **your policy schedule**.

Fire – Gold, Theft and Glass cover sections: Excesses

The amount of **excess** applying to each of these **cover sections** is shown in **your policy schedule**. **We** take into consideration a number of factors when setting the amount of **your excess**, such as:

- ▼ **your** 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.

Your policy terms and conditions

Important information about your insurance policy

Your **policy** is made up of this **PDS** and Policy Wording, any applicable **SPDS**, any **endorsements** and **your policy schedule** which shows **the insured amounts**, the **premium** and any relevant government charges. **You** should read these together, to tell **you** what **we** cover, what **we** exclude, what **we** pay to settle claims and other important information. Each **cover section** of this policy contains some exclusions, and there are also some General exclusions which are listed on pages 20 to 22, and which apply to the whole policy, including any Extensions of cover or Optional extensions of cover.

In this insurance policy

Unless otherwise expressly defined in a **cover section** of the policy, **you/your** means the **policyholder** named in **your policy schedule**.

We/us/our means AAI Limited ABN 48 005 297 807 trading as Vero Insurance.

Some other words used in this **policy** have special defined meanings. These words are in **bold**. The words **we** have defined are listed in either the "General Definitions" section on pages 16 to 19 or in the Definitions section in the applicable **cover section**.

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

Our contract with you

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.

We will provide cover for the **cover sections** of the policy shown under "What's Covered" on **your policy schedule** for the **period of insurance**.

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

Other information

The Goods and Services Tax (GST) and your insured amount

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

You must inform **us** of the extent to which **you** are entitled to an **input tax credit** (ITC) for **your premium** and claim each time that **you** make a claim. No payment will be made to **you** for any GST liability that **you** may incur on the settlement of a claim if **you** do not inform **us** of **your** entitlement or correct entitlement to an **input tax credit**.

GST has an impact on the way in which claim payments are calculated under **your policy**. **We** will calculate the amount of any payment **we** make to **you** having regard to **your** GST status. The amount **we** pay **you** for any claim will be calculated taking into account any **input tax credit** to which **you** are entitled for any acquisition which is relevant to **your** claim, or to which **you** would have been entitled were **you** to have made a relevant acquisition.

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 schedule** are GST inclusive (unless **your policy** states otherwise).

If **you** are entitled to an **input tax credit** on any part of **your policy** premium, the **insured amounts** and **limits of liability** stated in **your policy schedule** are exclusive of GST to the extent of **your input tax credit** entitlement.

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** have been taken into account) which is to be insured and calculate and advise to **us** the **insured amounts** 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.

General policy conditions

These conditions apply to all **cover sections** of this policy.

1. Change to risk

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

- (a) the nature of or type of **business** carried on by **you** or **your** tenants;
- (b) other circumstances that affect the **premises** or the **property insured** in such a way as to increase the risk of damage or losses;
- (c) **your** interest in the **policy** ceases, including by operation of law;
- (d) the **business** is wound up or carried on by an insolvency practitioner or permanently discontinued;

You must immediately notify **us** of any changes to (a), (b), (c), or (d) or any other changes that may increase the risk insured under **your policy**.

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

For example, if **your building** has three tenants (an accountant's office, a jeans retailer and a sandwich bar) **we** will calculate **your** fire 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 open, then **you** must notify **us** of the change and **we** will calculate **your** fire premium either using the jeans retailer or menswear occupation.

If **we** agree to continue to insure **you** after **you** have told **us** of the changes **you** tell **us** about **we** will confirm this in writing. In some cases, **we** may only agree to continue to insure **you** under this **policy** if **you** agree to pay **us** additional premium.

2. 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 schedule** are GST inclusive (unless **your policy** states otherwise).

If **you** are entitled to an **input tax credit** on any part of **your policy** premium, the **insured amounts** and limits of liability stated in **your policy schedule** are exclusive of any **input tax credit** which **you** are or would be entitled to claim.

3. Reasonable care and reducing risk

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

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

4. Hazardous or dangerous goods

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

5. 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 days or more. To have been occupied, the **premises** must have been used for **business** purposes for at least two consecutive days.

You are not insured while the **building** is unoccupied for a period of 90 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** immediately. If **you** notify **us** that the **premises** will be unoccupied or untenanted for a continuous period of 90 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 tell **you** 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.

6. Notification of other insurance

You must notify **us** of any other insurance that insures any risk insured by this **policy** and provide **us** with the details of the other insurance.

7. Changes in or waivers of the policy

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

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

8. 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 one party 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.

You cannot transfer the **policy** into someone else's name without **our** written consent.

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.

9. Underinsurance

Certain **cover sections** (Fire – Gold and Business Interruption) contain Underinsurance or Average clauses that may limit the amount that **we** pay when **you** have a claim. This will only happen if **you** understate an **insured amount** or declared value.

Example:

You insure property for an **insured amount** of \$1,000,000.

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

The insurable value of such property at the commencement of the **period of insurance** calculated in accordance with the Basis of Settlement provisions of the **policy** was \$1,500,000.

Underinsurance applies because the **insured amount** of the property is less than 80% of the insurable value calculated in accordance with the Basis of Settlement applicable.

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

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

10. Indexation

If shown in **your policy schedule** that indexation applies, **we** will automatically adjust those values, as shown 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 you** pay will be based on the adjusted total value/s as shown in **your policy schedule**.

11. Allocation of subrogation proceedings

Notwithstanding section 67 of the Insurance Contracts Act 1984, monies recovered in subrogation proceedings will be applied, net of the expense of such recovery:

- first to **you** to the extent of **your** uninsured loss in respect of a claim paid under a **cover section** of this **policy**, (disregarding the amount of any **excess** applicable);
- secondly to **us** in reimbursement of the amount paid to **you** in respect of that claim under that **cover section**; and
- 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 11. 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.

General claims conditions

To enable **us** to process a claim under any **cover section** of this policy the following conditions apply. If **you** do not comply with these conditions, **we** may refuse **your** claim or reduce the amount **we** pay **you**.

1. Cooperation

You must co-operate with **us** fully in any investigation, negotiation, defence or settlement of any claim.

This may include attending court to give evidence.

2. Minimise loss

You must:

- ▼ take all reasonable precautions to minimise or prevent further loss, damage, injury or illness; and
- ▼ take all reasonable steps to recover lost or stolen **property insured**.

3. Notify claim

You must:

- ▼ notify the police immediately following a theft or if any property or if the **property insured** is misappropriated, lost or maliciously damaged;
- ▼ notify **us** as soon as possible and give **us** all the known details of the event including the police event number if available;
- ▼ immediately send **us** any legal document or other communication **you** receive about the claim, including any legal proceedings brought against **you**; and
- ▼ provide **us** with all information and documentation that **we** request. 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.

4. Retain all damaged property

You must:

- ▼ retain and preserve all damaged property for **our** inspection prior to authorisation of repairs unless alterations and repairs are immediately necessary, for safety reasons or to minimise or prevent further loss, damage or injury. If repairs are necessarily carried out without **our** prior approval, **you** are still required where reasonably practical, to retain and preserve all damaged property for **our** inspection; 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

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

6. Proof of ownership

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

We will decide what acceptable proof of ownership is and value based on the **property insured** for which **you** are claiming, the age of the item and its value at the time of loss or damage.

Examples of the type of documentation that may be required include, but is not limited to:

- ▼ Tax invoices and/or receipts for **property insured**.
- ▼ Photographs of the **property insured**.
- ▼ Copies of any relevant contracts or agreements.
- ▼ Statutory declaration verifying the details of **your** claim and any other matters connected with it.
- ▼ Quotes for replacement items.
- ▼ Valuations or warranties.

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.

7. Proof of fraud or dishonesty

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

8. Admitting liability

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

9. Repair or replacement

You must not authorise the repair or replacement of anything without **our** agreement unless stated otherwise in a **cover section**.

10. Conduct of claims

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 on **your** behalf;
- ▼ allow **us** to take legal action in **your** name against another person to recover any payment **we** have made on a claim either before or after **we** have paid **your** claim, or whether or not **you** have been compensated or paid in full for **your** actual loss.

11. Paying your Excess

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

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

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

12. Claims settlements

(a) ITC 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 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** 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 Extension of cover or Optional extension of cover that are expressed to be in addition to the **insured amount** or **limit of liability**.

(d) 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.

13. Rights of recovery

If **you** have suffered loss or damage as a result of an **event** or occurrence covered, or partially covered by this **policy**, then **we** have the right and **you** permit **us** to take action or institute legal proceedings against any person, company or entity legally liable to **you** for the recovery of **your** insured, underinsured or uninsured losses, payments made and expenses in relation to the **event** or occurrence (Your Loss). This action or legal proceeding will be commenced in **your** name. **You** must provide **us** with all information and reasonable assistance in the recovery of Your Loss, including providing **us** with any documents that prove Your Loss.

If **you** have commenced action or instituted legal proceedings against any person, company or entity legally liable to **you** for Your Loss, **we** have the right and **you** permit **us** to take over and continue that action or legal proceeding. **You** must provide **us** with all information and reasonable assistance in the recovery of Your Loss, including providing **us** with any documents that prove Your Loss.

Where recovery of Your Loss forms part of any representative proceeding which has not been instituted under **our** instructions, **we** have the right and **you** permit **us** to exclude Your Loss from that representative proceeding for the purpose of including Your Loss in a separate representative proceeding which is or will be instituted under **our** instructions (Our Representative Proceeding). **You** must provide **us** with all information and reasonable assistance in the recovery of Your Loss as part of Our Representative Proceeding, including providing **us** with any documents that prove Your Loss.

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 without first obtaining **our** approval in writing to do so.

14. 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**); or
 - (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 from any liability if required at law, including by contractual agreement, to do so; or
 - (ii) agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause.

15. Allocation of subrogation proceedings

Notwithstanding section 67 of the Insurance Contracts Act 1984, 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 **cover 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 15. 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.

16. Sanctions regulation

Notwithstanding any other terms or conditions under this **policy**, **we** shall not be deemed to provide coverage and will not make any payments nor provide any service or benefit to **you** or any other party to the extent that such cover, payment, service, benefit and/or any **business** or activity **you** undertake, would violate any applicable trade or economic sanctions, law or regulation.

General Definitions

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

Act of terrorism

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

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

Advertising (or identification) signs

Signs made from **glass** or electrical illuminated signs permanently fitted to the **building** or within the boundaries of the **premises**.

Australia

The Commonwealth of Australia and all of its States and Territories including all external Territories.

Breakage or Broken

A fracture extending through the entire thickness of the **glass** or in the case of laminated **glass** or plastic or perspex, the entire thickness of the laminate, plastic or perspex.

Building or Buildings

A permanently fixed structure that consists of a roof and external walls that completely enclose an area beneath the roof when doors and windows that form part of the structure are closed. Provided that when the word **building** is used in **your policy schedule** it is agreed that the following property is included:

- (a) carports, pergolas and canopies;
- (b) barns, outbuildings and tanks;
- (c) storage sheds, shipping containers or transportable buildings permanently located at the **premises** used for additional accommodation for the storage of **stock** or **contents** or for any other general business use or amenity;
- (d) walls, fences, gates and letterboxes;
- (e) all permanent fittings and fixtures to any **building**;
- (f) external fixed items:
 - (i) swimming pools, saunas and spas;
 - (ii) gangways between **buildings**;
 - (iii) lights and signs; and
 - (iv) air conditioning units and associated piping and wiring;
- (g) flag poles;
- (h) communications masts, aerials, antennae and dishes;
- (i) fixed floor coverings;
- (j) bitumen, concrete or **sealed surface**:
 - (i) driveways;
 - (ii) roadways; and
 - (iii) carparks;
- (k) foundations of any **building**;
- (l) structural improvements to any **building**;
- (m) underground and above ground services, for which **you** are responsible, that are connected to any **building**;
- (n) piers, jetties, wharves and docks; and
- (o) bridges and tunnels.

Building does not include land, including topsoil and fill and dams, landscaping, reservoirs or canals.

Business or Businesses

Your business, occupation, trade or profession shown and described in **your policy schedule**.

Consequential loss

Loss of use, loss of earning capacity and any other consequential financial loss of any kind including an increase in costs and expenses caused directly or indirectly or resulting from:

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

Contents

All contents at the **premises**, including property (other than **building/s** and **stock**) of others including 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 to under any other policy of insurance. **Contents** also include property belonging to **your** welfare, sports and social clubs. When the word **contents** is used in **your policy schedule** it is agreed that **we** accept the designations used in **your** books and records.

Where **you** are a tenant of rented **premises**, **contents** shall also mean:

- (a) 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; and
- (b) property comprising alterations and/or additions to the **premises** by the landlord for **your** use in the **business** where the cost of reinstatement is **your** responsibility in the event of loss or damage.

Cover section

The individual coverage that **we** give **you** that attaches to and forms part of **your policy** when this is shown in **your policy schedule** under 'What's Covered', for example Fire – Gold or Theft.

Electronic data/data

Facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for such equipment.

Employee

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

Employee does not include:

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

Endorsement or Endorsements

An individual endorsement document that **we** give **you** that attaches to and forms part of **your policy** and will be shown in **your policy schedule**. This document varies the terms and conditions of **your policy**.

Event or Events

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

Excess or Excesses

The first amount which is payable by **you** for each **claim** under this **policy**. The amount of the **excess** is shown in **your policy schedule**.

External glass

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

Family

Any person who is:

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

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

Flood

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

Internal glass or external glass.

Home building

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

Input tax credit

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

Insured amount or limit of liability

The amount shown as the Insured Amount or Limit of Liability on **your policy schedule** for a **cover section**, part of a **cover section** or individual item or cover. The **insured amount** and **limit of liability** include GST.

Internal glass

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

Machinery

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

- (a) any vehicle or mobile equipment;
- (b) any watercraft or aircraft;
- (c) any elevator or escalator (excluding any electrical or electronic equipment used with such apparatus); or
- (d) any buried piping, any drainage piping, any sprinkler piping and its accessory equipment.

Money

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.

North America

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

Obsolete stock

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.

Period of insurance

The Period of Insurance shown in **your policy schedule** or any subsequent period for which **we** have agreed to renew or extend the cover.

Policy

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

Policyholder

The person or entity named as such in **your policy schedule**.

Pollutants

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

Premises

The places listed in **your policy schedule** at which and from which **you** operate **your business**.

Premium

The amount(s) shown in **your policy schedule** that **you** have to pay inclusive of all charges for the cover **we** provide.

Product Disclosure Statement (PDS)

PDS is the name of this document and it contains the terms and conditions 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 **your policy schedule**, any **endorsements** and any **Supplementary PDS** that **we** may give **you**.

Property insured

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

Proposal

The proposal document **you** complete for this insurance.

Schedule or your policy schedule

The record of the particulars of **your** insurance which forms part of this **policy**. **Your policy schedule** is issued when **we** have accepted **your** insurance.

At each renewal of **your policy**, the renewal policy schedule becomes **your** current **policy schedule**.

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

Sealed surface

Ground surface areas that are packed or plugged to prevent percolation or the passage of fluids.

Seasonal increase periods

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

Stock

All stock at the **premises**, including work in progress and property of others held on consignment, and when the word **stock** is used in **your policy schedule** it is agreed that **we** accept the designations used in **your** books and records.

Supplementary PDS (SPDS)

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

You, your or yours

The person(s) or parties shown as the Policyholder in **your policy schedule**, including all subsidiary companies, organisations and entities incorporated in **Australia** in which **you** have a controlling interest (exceeding 50%) engaged in the **business** described in **your policy schedule** and not for any other purpose or activity.

We, us or our

AAI Limited ABN 48 005 297 807 trading as Vero Insurance.

Our Agreement

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

1. Approved claim preparation costs

In addition to the amount of cover provided by each **cover section**, **we** will pay up to \$25,000 for costs necessarily and reasonably incurred for the preparation and negotiation of a claim under a **cover section**, for which **we** agree to indemnify **you** under this **policy**.

This benefit does not apply to 'Taxation audit costs' provided under Extensions of cover C in the Fire - Gold **cover section**.

2. Emergency mitigation costs

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

3. Payment of rewards

In addition to the amount of cover provided in each **cover section**, **we** will pay up to \$5,000 for the reimbursement of any public reward expense paid by **you** to recover property or to identify the offenders responsible following loss, destruction or damage to **your property insured** for which a claim has been paid under the Fire – Gold, Theft, Money, and Glass **cover sections**.

Provided that:

- (a) the terms of the reward are agreed by **us** and approved by the relevant law enforcement agency before being offered; and
- (b) **our** payment does not exceed the value of the **property insured** that is lost, destroyed or damaged.

We agree not to unreasonably withhold consent to the terms or the amount of any reward payable under this policy provision nor does **our** offer to pay such reward in any way limit the amount of any reward **you** may wish to offer for **your** own account.

4. Repairs to damage by you

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

Limitations of cover

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

General Exclusions

The following General Exclusions apply to **your policy**:

1. Acquisition of companies

Your policy does not cover:

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

Provided that **we** have been notified in writing within 60 days of any acquisition, and the **business** is a similar occupation to that stated in **your policy schedule**, **we** will agree to provide cover subject to **your** acceptance of **our** terms and undertaking to pay the additional premium **we** may require.

Our liability shall not exceed the **limit of liability**, **insured amount** or any sub-limit of liability applicable under the relevant **cover sections** making up **your policy** for each category of **property insured**.

2. Aggravated, Punitive or Exemplary damages, Fines or Penalties

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

3. Alteration of risk

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

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

4. Electronic data exclusion

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

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

(b) **We** will not cover legal liability for communication, display, distribution or publication of **data**.

This exclusion (b) does not apply to bodily injury, death, sickness, disease, disability, shock, fright, mental injury, mental anguish or loss of consortium resulting from any of above.

(c) Where an **event** listed below (being an insured event covered in Fire - Gold **cover section** but for this exclusion, or accidental loss or damage under Portable and Valuable Items **cover section** of this **policy** but for this exclusion) is caused by any of the matters described in paragraph (a) above, this **policy**, subject to all its provisions, will insure:

- ▼ loss of or damage to **property insured** directly caused by the **event**, or
- ▼ consequential loss insured by this **policy**.

This exclusion does not apply where an **event** listed below caused any of the matters described in paragraph (a) above:

- ▼ accidental damage other than non-physical damage
- ▼ fire
- ▼ lightning or thunderbolt
- ▼ explosion or implosion
- ▼ storm and wind
- ▼ water damage
- ▼ impact
- ▼ earthquake, including tsunami, subterranean fire, volcanic eruption or fire resulting from any of these
- ▼ theft of **data** solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such **data**.

(d) Where damage to property or **property insured** are used in this **policy**, they do not include **data**.

5. Obsolete or Redundant plant and Equipment

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

6. Unoccupied buildings and premises

Excepting for loss or damage to **property insured** by:

- (a) lightning, earthquake and subterranean fire; or
- (b) impact by any 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 buildings or structures or their parts which do not belong to **you**,

your policy does not provide any cover at a **building** or **premises** after the **building** or that **premises** has been unoccupied for more than 90 consecutive days. Unoccupied means left vacant by **you** or any other authorised person whether furniture or other contents remain or not.

Provided that:

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

7. War, act of terrorism, Confiscation, Radioactivity

Your policy does not cover loss, damage, destruction, death, personal injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss resulting from:

- (a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;

- (b) any **act of terrorism**;
- (c) any order of any Government, Public or Local Authority involving the confiscation, nationalisation, requisition, damage or destruction of any property unless such destruction was undertaken to reduce the spread of fire;
- (d) radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion. Provided that this 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.

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

Individual cover sections

Fire – Gold

Introduction

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

Definitions

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

Breakdown

The actual breaking, seizing, deformation or melting of any part of the **property** 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** can resume normal operation.

Category or Categories

The category into which **property** can be designated, from the following:

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

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

Contamination

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

Damage or Damaged

Accidental physical damage, destruction or loss.

Declared value

The individual Declared Value or Insured Amount shown in **your policy schedule** calculated in accordance with the Basis of Settlement that applies to each specific category of **property** at specific **premises**.

Excluded property

The following items unless they are shown in **your policy schedule** as being covered:

1. furs, jewellery, gold, silver, platinum, pearls, diamonds, sapphires, rubies and other precious stones unless these items are **stock** and **stock** is shown in **your policy schedule** as being insured;
2. **money**;
3. **glass**, unless such **glass** is directly **damaged** by:
 - (a) fire, lighting, explosion, impact, hail, storm and tempest or earthquake;
 - (b) riot, civil commotion, persons taking part in industrial disputes; or
 - (c) persons acting maliciously, other than where such **glass** is cracked or **broken** through its entire thickness.

Provided that when reinstating **damage** to **glass** under clause 3, **we** will, when necessary, also reinstate **damage** to frames, signwriting, coatings and alarm tapes;

4. property in transit outside of the **premises** other than **property** that is covered by Extensions of cover C – 'Restricted transit';
5. aircraft, locomotives, rolling stock, watercraft whilst in water;
6. motor vehicles or trailers, caravans or motorcycles all while registered or licensed to travel on a public road, provided that this does not apply to:
 - (a) mobile plant and equipment (excluding cars, sedans, panel vans, and trucks) not otherwise insured;

- (b) motor vehicles or trailers, caravans or motorcycles that are **stock** in trade of **your business**;
- 7. animals, other than animals contained within a **building** and owned as **stock** or **contents** if **damaged** by a peril or event covered by this **cover section**;
- 8. canals, dams, reservoirs other than tanks and their contents;
- 9. standing timber, growing crops, plants, potted plants, land including top soil and fill, landscaping, gardens and pastures, provided that:
 - (a) when reinstating **damage** to a **building**, landscaping, plants and gardens are not **excluded property**; or
 - (b) potted plants are not **excluded property** when insured as **contents**;
 when they are used to restore landscaping, plants, potted plants or gardens to a condition similar to that immediately prior to the **damage**;
- 10. property being constructed, built, erected, altered or dismantled, including all associated materials or supplies, provided that this does not apply to:
 - (a) such property if the total cost of this work is less than \$500,000 or 20% of the **limit of liability** for the **premises** concerned, whichever is the lesser; or
 - (b) that portion of the **building** or part of any **property** that is not directly affected by such work;
- 11. mining property and any equipment located beneath the surface of the ground, provided that this exclusion does not apply to underground services connected to a **building**;
- 12. any pressure vessel (including a boiler) not used solely for domestic purposes, that has a value of more than \$250,000, and where the **damage** is directly caused by the explosion or implosion of such pressure vessel; and
- 13. landlord's fixtures and fittings unless these are included as part of the **declared value** for **buildings**.

Indemnity

To reinstate, replace or repair the insured **property** to a condition substantially the same as but not better or more extensive than its condition at the time of the damage, loss or destruction, taking into consideration age, condition, depreciation and remaining useful life.

Limit of liability

Limit of liability means the lesser of 120% of the **insured amount** for each **category of property**, or 120% of the total of the **insured amounts**, shown in your **policy schedule** for a specific **premises**. Provided the **limit of liability** is the maximum amount that **we** will pay for all **damage** that arises out of any one source or original cause at such **premises** unless it is specifically stated in this **cover section** that payments are made in addition to this amount. (For example, if for a specific **premises** the **building insured amount** is \$1,000,000, the **contents insured amount** is \$100,000 and the **stock insured amount** is \$400,000 [as shown on **your policy schedule**] the sum total is \$1,500,000 and therefore the **limit of liability** for that **premises** is \$1,800,000 [120% of \$1,500,000].

For a claim for **damage** to **stock** only at the specific **premises** in the example above, the **limit of liability** for **stock** at that **premises** is \$480,000 [120% of \$400,000].)

Pre-damage value

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

Property

Any tangible property both real or personal of every kind and description belonging to **you** or that **you** are responsible for, or which **you** have assumed responsibility to insure prior to the occurrence of any damage. Provided that this does not include:

- 1. personal property of directors, partners and **employees**, that is not on the **premises**; and
- 2. items defined as **excluded property**.

Reinstatement

To restore that part of the **property**:

- 1. that is **damaged**; and
- 2. any undamaged **property** which has been dismantled to enable the restoration of the **damaged property**,

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

Replacement

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

Cover

We will pay up to the **limit of liability** in accordance with the Basis of Settlement for **property** that is **damaged** at the **premises** during the **period of insurance**.

Basis of Settlement

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

1. Categories of property

(a) Branded goods

Any salvage of branded goods and/or merchandise owned by **you** or for which **you** are legally liable and/or goods sold but not delivered shall not be disposed of by sale without **your** consent. If such salvage is not disposed of by sale, the goods may be retained by **you** and disposed of as **you** see fit provided a reasonable salvage allowance is agreed with **us** for the value of the goods.

(b) Business records

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

(c) Electronic equipment and software

For **damage** to electronic equipment and software, **we** will pay the costs incurred in the repair, restoration and reinstallation of **data** and software, to replicate the operational capability of the system to a level commensurate with that existing prior to the **damage**.

(d) Heritage buildings

For **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 costs for the additional costs 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 any lawful heritage protection authority.

However, **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 readily available.

(e) Old Plant and Equipment

Unless specifically insured otherwise:

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

(f) Output replacement

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

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

(g) Stock

For **damage to stock** we will at **our** option:

- (i) replace or repair the **damaged stock** with property or materials of equal quality, standard and specification unless the **stock** has become **obsolete**; or
- (ii) where the **stock** is **obsolete stock**, we will pay **you** its value as **obsolete stock** at the time of the **damage** but no more than its original cost to **you**; or
- (iii) if **you** request a cash settlement and **reinstatement** or repair is not carried out, and the **stock** is not **obsolete**, we will pay the original cost to **you** of the **stock** that is **damaged** beyond repair plus an amount commensurate with the cost of repairing **damaged stock**, but not exceeding its **pre-damage value** at the time of the loss.

(h) Works of Art, Antiques and Curios

For all works of art, antiques and curios, none of which form part of the stock in trade or merchandise of the **business**, we will pay **your** claim as follows:

- (i) the cost of restoring and repairing to a condition substantially the same as before the **damage** plus any reduction in market value caused by the **damage**; or
- (ii) if restoration or repair is not possible, the amount of a valuation by the Auctioneers and Valuers Association of Australia or an independent expert for the individual item **damaged**, immediately before the **damage**.

(i) All other property that is damaged

For all other **property** that is **damaged** we will pay for **replacement** or **reinstatement**, unless 'Indemnity' is shown in **your policy schedule** or **you** wish **us** to pay the **indemnity** cost for all or part of that **damaged property** as the Basis of Settlement.

2. Rebuilding at another location

Following **damage** to a **building** that is insured by this **cover section**, **you** have the option of rebuilding at the location where the **damage** happened or at any other location in **Australia**.

Provided that:

- (a) **we** will not pay more than the cost that would have been incurred if **reinstatement** of the **building** that is **damaged** had taken place at the location where the **damage** happened; and
- (b) if the actual cost of rebuilding is less than the cost of **reinstatement** at the location where the **damage** happened, then **our** payment is limited to the actual cost of rebuilding.

3. Undamaged portions of buildings

When a **building** that is **damaged** has to be rebuilt at a location other than the **premises** because the requirements of any lawful authority prevent the **reinstatement** of the **building** at the **premises**, then the abandoned undamaged portion of the **building** including the foundations and services 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 that amount 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 mediation and be bound by the decision of the mediator.

Limitations of cover

1. Cash settlement

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

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

In assessing the application of Limitation of cover 9. – 'Underinsurance', the basis of the calculation will be the value of **property** and not its **replacement**.

2. Categories of property

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

3. Delay in reinstatement or Re-creation of documents

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

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

4. Directors and Employees property

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

5. Earthquake

If **you** are making a claim for **damage** as a result of earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these during any period of 72 consecutive hours, the **excess** for each claim is the lesser of:

- (a) \$10,000.00; or
- (b) 1% of the total **insured amount** specified in **your policy schedule** that relate to the **damaged property** at the **premises**.

You will only be required to pay one (1) **excess** for **damage** that results from earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these during any period of 72 consecutive hours. **Damage** arising from any of these that occurs more than 72 hours after the event will be considered to be a separate event in which case **you** will be required to pay an additional **excess**.

6. Excess

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

7. Limit of liability

We will not pay more than the **limit of liability** that applies to the specific **premises** where the **damage** happens unless **we** have stated otherwise elsewhere in this **cover section**. The **limit of liability** for specific **premises** will be reduced by any payment made or due to be made by **us** following **damage** covered by this **cover section** at that **premises**.

8. 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 **event**.

9. Underinsurance

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

Provided that any additional costs incurred when **you** comply with the requirements of any lawful authority (as described in Extensions of cover – A, 4. 'Extra cost of reinstatement') will be omitted from the calculation of **our** proportion.

An example of how underinsurance is calculated is shown on page 35.

Exclusions

1. **We** will not pay for **property** while it is undergoing any process where **damage** results from it being processed.
2. **We** will not pay for any **damage** to any **building** that is vacant awaiting or undergoing demolition, and this Exclusion shall apply to all **contents**, fittings, plant and machinery associated with such **property** unless **we** have agreed otherwise.
3. **We** will not pay for **damage** caused by or arising from:
 - (a) theft, other than physical **damage to property** at the **premises** during theft or any attempted theft and/or theft of buildings or parts of the **building** or fixed plant in the open air when insured under this **cover section**;
 - (b) any legal liability that **you** have other than the legal liability that is covered within the 'Demolition and Debris removal' clause 1(c)(ii) that forms part of the extensions of cover that are shown under the heading Extensions of cover – A;
 - (c) the incorrect siting of **buildings** as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any lawful authority;
 - (d) demolition ordered by any lawful authority as a result of failure by **you** to comply with any lawful requirement;
 - (e) any unexplained shortage or inventory shortage or disappearance of **property**;

- (f) **contamination of property by pollutants**, except when caused directly by a peril or event covered by this **cover section**;
 - (g) **flood**;
 - (h) the action of the sea or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance; or
 - (i) erosion, landslide, mudslide, rockslide, subsidence, settling, seepage, shrinkage or expansion of earth, vibration or other earth movement, unless caused by or arising from a direct consequence within 72 hours of a storm, of an earthquake, tsunami, subterranean fire, volcanic eruption, **flood** or water escaping from a water main owned by a water supply authority.
4. **We** will not pay for **consequential loss** of any kind.
5. **We** will not pay for **damage** caused directly by or arising directly from:
- (a) **breakdown**;
 - (b) gradually operating causes such as, but not limited to, wear and tear, mildew, mould, corrosion, disease, oxidation, fading, tree roots, evaporation, change in flavour, colour, temperature or texture;
 - (c) vermin, insects, termites;
 - (d) latent defects, inherent defects, faulty workmanship, faulty material, structural defects or faulty design;
 - (e) faults or defects known to **you** or any **employee** whose knowledge at law would be deemed to be **your** knowledge and not disclosed to **us** at the time this insurance was arranged, extended, varied or renewed;
 - (f) the cessation of work whether total or partial or cessation, interruption or retarding of any process or operation as a result of any industrial dispute. Provided that Exclusion 5(f) shall not apply in respect of **damage to property** directly caused by strikers, locked out workers or other persons engaged in supporting such activities;
 - (g) fraud or dishonesty by **you** or **your** directors, partners, **employees**, officers or any other persons who have an interest in the **property**;
 - (h) deliberate and unauthorised corruption, amendment or erasure of **data** by **you** or **your** directors, partners, **employees**, officers or any other person who has an interest in the **property** whether acting alone or in collusion with any other person;
 - (i) the gaining of unauthorised access to **your** computer via any communication system that is used by **your** computer system by any person other than **you** or **your** directors, partners, **employees**, officers or any other person who has an interest in the **property**;
 - (j) the operation or presence of any computer program that alters or erases data or programs in a manner that is undesired by **you**;
 - (k) computer virus, being an executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained, and which destroys or alters the host program or other computer code or data, causing undesired program or computer system operation;
 - (l) explosion or implosion of any pressure vessels (including any boilers):
 - (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**; or
 - (ii) where any safety valve limiting pressure was removed or rendered inoperative; or
 - (m) scratching, denting, chipping or defacing, except when caused directly by fire, lightning, explosion, impact by any road vehicle or animal, aircraft or other aerial devices or articles dropped from them, falling communication masts, towers, antennae or dishes, falling buildings or structures or their parts, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, **flood**, storm, the bursting, overflowing or discharging of tanks, apparatus or pipes containing water or liquid of any kind, or sprinkler leakage.
- Provided that **we** will pay for any **damage to property** that is not otherwise excluded that results from **damage** caused directly by or arising directly from any of these causes.
6. **We** will not pay for **damage** occurring within 72 hours from the commencement of this **policy** caused by or arising from:
- (a) bushfire;
 - (b) **flood**; or
 - (c) a cyclone named by the Bureau of Meteorology,
- 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.

Extensions of cover – A

When **damage** to **property** at specific **premises** is covered by this **cover section**, then provided that **we** do not pay more in the aggregate than the **limit of liability** shown for that **premises**, in addition to any allowance for any increase provided under Extensions of cover – B, 2. 'Catastrophe cover', **we** will pay for the following costs that are incurred as a result of that **damage**:

1. Demolition and Debris removal

The reasonable costs incurred by **you** for:

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

2. Expediting Expenses

The costs and expenses incurred by **you** for express carriage rates and extra payments for overtime or out of hours work incurred in connection with the repair or **reinstatement** of the **property** that is **damaged**.

Provided that the total additional cost for any one loss does not exceed 50% of the cost of repairing the item or \$25,000, whichever is the lesser.

3. Exploratory costs

The reasonable cost incurred by **you** 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**. **We** will not cover the repair or replacement of such apparatus, appliances, tanks, pipes or other systems, unless **damaged** by a peril or **event** insured under this **cover section**.

4. Extra cost of reinstatement

The additional costs incurred by **you** to reinstate **your** insured **property** in complying with the requirements of any lawful authority that are imposed after the **damage**, including orders in relation to undamaged portions of the **building** or **premises**.

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

5. Fees and Costs

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

6. Floating stock

Where this **policy** covers **stock** located at more than one **premises** and the transfer of **stock** between **premises** is a usual business practice, in the event of **damage** covered by this **cover section** at an insured **premises** where an inwards transfer of **stock** from another insured **premises** has occurred, the **declared values** and specified **limit of liability** at the **premises** where the **damage** occurred will be increased to take into account the temporary transfer of **stock** between the **premises**. Provided that:

- (a) the increase in the **declared value** of **stock** at the **premises** receiving the inwards transfer will be:
 - (i) the value of **stock** transferred which remains immediately prior to the **damage** occurring; or
 - (ii) if the **declared value** of **stock** at the other **premises** at the commencement date of the **period of insurance** was less than 80% of its value on that date calculated in accordance with the Basis of Settlement, the amount of increase in (i) above will be proportionately reduced to reflect the degree of underinsurance below 80% of the value;
- (b) the **limit of liability** at the **premises** subject to the inwards transfer will be increased by an amount representing 120% of the amount calculated under (a) above;
- (c) the period in which the **limit of liability** for the specified **premises** is being exceeded in consequence of the transfer does not extend beyond 90 days, unless **we** have agreed in writing to an extended period, during the **period of insurance**.

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

7. Floor space ratio or Index

When the cost of rebuilding a **building** that is **damaged** costs more than 50% of the **replacement cost** of the entire **building**, and rebuilding is only permissible subject to a reduced floor space to land area ratio or index, then **we** will also pay:

- (a) the cost of rebuilding that would have been incurred had a reduced floor space ratio or index not been applicable; less
- (b) the actual incurred cost of rebuilding in accordance with the reduced floor space ratio or index.

The above amounts shall include the additional costs incurred to meet the requirements of any lawful authority as described in Extension of cover – A, 4. 'Extra cost of reinstatement'.

8. Loss of land value

Up to \$100,000 for the reduction in land value, which results from the requirements of any legal authority that does not allow rebuilding or only allows partial rebuilding at the **premises**.

Provided that:

- (a) this shall be calculated by subtracting the land value after rebuilding or after **we** have agreed that rebuilding is not possible from the land value before the **damage**; and
- (b) **we** will not pay more than 20% of the **limit of liability** for the **premises** where the **damage** happened.

9. Make safe and Temporary Repair Expenses

The cost incurred to make the **property** or surrounding areas of the **premises** safe following **damage**, including temporary repairs, shoring up, propping and/or underpinning property.

Such costs shall include professional fees necessarily incurred and amounts payable to any lawful authority for submissions, permit fees and charges in connection with the work entailed.

10. Playing surfaces

We will pay, up to the greater of \$50,000 or the Insured Amount shown in **your** 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** 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**.

11. Removal of Trees and Branches

We will pay the reasonable costs incurred by **you** to remove and dispose of any branch or tree that has fallen causing impact **damage** to **property insured**. **We** will also pay the cost of stump removal when required.

12. Unpacking expenses

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

13. Water Authority Charges

The costs levied on **you** by a Water Company or Authority for 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.

Provided that the total costs levied for any one loss does not exceed 7 days or \$15,000, whichever is the lesser. If **you** are also insured under the Theft **cover section**, the benefits payable under Extension of cover 16. 'Water authority charges' shall not be cumulative.

Extensions of cover – B

Following **damage** covered by this **cover section** to **property** at specific **premises**, **we** will pay in addition to the **limit of liability** for that **premises**, the following costs that result from the cause of that **damage**:

1. Capital additions

Reasonable costs incurred by **you** in the aggregate, up to \$500,000 or 20% of the **limit of liability**, whichever is the lesser, for that **premises** during the **period of insurance** for the **reinstatement** of:

- (a) alterations to **buildings**; and
- (b) other capital additions,

that have been made at specific **premises** during the **period of insurance**.

Provided that this Extension of cover does not apply to:

- (i) **property** that cannot be correctly designated to a **category** that has a **declared value** shown in **your policy schedule** for that **premises**; or
- (ii) **property** that can be categorised as **stock**.

2. Catastrophe cover

If **your building** suffers **damage** from an **event** covered by this **cover section** and **we** classify the **damage** as a **major loss** and the event giving rise to the **damage** has led to the declaration by the relevant authority of a state of emergency affecting the area in which **your building** is situated, **we** will:

- (a) increase the **limit of liability** under this **cover section** by up to 20% of the **declared value** for the **building** if **your building** is rebuilt; and
- (b) increase the limits on the amounts **we** will pay under Extension of cover B for, 1. 'Capital additions' and 5. 'Prevention of imminent damage' by 20%,

to cover **increased building costs** for labour and material supplies and other increased costs applying after the **event**.

We will not pay more than the increased **building** costs actually incurred by **you**.

We will not pay any amount under this Extension of cover until **you** have incurred costs exceeding the **limit of liability** under this **cover section**.

In all other aspects the normal terms and conditions of this **policy** shall apply.

For the purposes of this Extension of cover only the following additional definitions apply:

Major loss

A major loss will be deemed to have occurred when the cost of reinstating **your building** in accordance with the Basis of Settlement provisions of this **cover section** exceeds 70% of the **replacement of your building** immediately prior to the event.

Increased building costs

The difference between the cost of **reinstatement** actually incurred in accordance with the Basis of Settlement provisions of this **cover section** and the cost of **reinstatement** that would have applied had the catastrophe event not occurred.

3. Discharge of mortgage cost

We will pay the legal costs associated with the discharge of a mortgage or mortgages on **buildings** following settlement of a claim on a total loss basis.

Provided that this Extension of cover is limited to \$50,000 any one **event**.

4. Fire fighting and Authority costs

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

Provided that the wages of any full-time members of a works fire brigade are not covered by this Extension of cover and this Extension of cover is limited to \$100,000 in total, any one **event**.

5. Prevention of imminent damage

The necessary costs reasonably incurred by **you** to protect the **property** during the **period of insurance**:

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

Provided that this Extension of cover is limited to \$100,000 any one **event** and for all claims during any one **period of insurance**.

6. Stock seasonal or Festive increase

The policy **limit of liability** is increased by 50% of the **declared value** of **stock** for losses occurring during the days specified in **your policy schedule** under the heading 'Seasonal or Festive Increase', up to a maximum of 126 days or, if no days are specified, this increased cover for **stock** the **seasonal increase periods** will apply.

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

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

7. Temporary removal to other premises

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

Provided that:

- (a) this Extension of cover is not provided to **property** in transit;
- (b) this Extension of cover is only available to **property** that can be correctly designated to a **category** that has a **declared value** shown for the **premises** at which this **property** is normally located;
- (c) if **property** comprising parts of the **building** or the landlords premises is temporarily removed for service or repair, Exclusion 3(a) of this **cover section** does not apply for that item or items whilst at the other premises for this purpose;
- (d) the most we will pay under this Extension of cover is 20% of the **declared value** that applies to this **property** at the **premises** at which the **property** is normally located.

Extensions of cover – C

1. Automatic reinstatement

At each **premises**, when the **limit of liability** is reduced following **damage** covered by this **cover section**, we will automatically increase this reduced limit to its value immediately before the **damage**.

You will not have to pay any additional premium.

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

2. Costs related to glass in vacant buildings

We will extend the cover provided by this **cover section** if **you** own but do not occupy any **buildings** at the **premises**, 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) the cost incurred in repairing or replacing **damage** to window, door or showcase frames and their fittings, but not to bars, grilles or shutters; or
- (d) the cost incurred in repairing or replacing tiles on shop and office fronts and around the **glass**, but not otherwise.

This Extension of cover for costs does not apply:

- (i) where **you** have selected the Glass **cover section** for insurance;
- (ii) where the **breakage** of **glass** is caused by a peril covered under this **cover section**;
- (iii) to **glass** in light fittings;
- (iv) to **glass** that is cracked or imperfect prior to **breakage**;
- (v) to **glass** that is in a fibreglass houses and glass houses;
- (vi) to **advertising (or identification) signs**;
- (vii) where a tenant is liable for these costs under a current lease agreement; or
- (viii) if the **building** has remained unoccupied or untenanted for a continuous period longer than 90 days and **we** have not agreed to an extended period in writing.

Provided that **we** will not pay more than \$5,000 during any one **period of insurance** for all claims under this Extension of cover and an **excess** being the greater of the **excess** shown in **your policy schedule** or \$500 shall apply to each and every claim.

3. Disposal of salvage

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

4. Indexation protection at renewal

We will automatically increase the **insured amount** at each renewal according to the most appropriate price indices, as determined by **us**. The **premium** and relevant government charges **you** pay will be based on the adjusted **insured amount** shown in **your policy schedule**.

5. Minimisation of damage

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

6. New Premises – Temporary cover

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

Provided that:

- (a) this temporary cover is limited to a period of 90 consecutive days from the day that **you** first use the new premises;
- (b) this temporary cover is not available to **property** that cannot be correctly designated to one of the **categories** of **property** that has a **declared value** shown in **your policy schedule**;
- (c) this temporary cover is only available to **property** that is of a similar type to that insured by this **cover section**;

- (d) for each specific **category** of **property** shown in **your policy schedule** this temporary cover is limited to 50% of the **declared value** for that **category**, or if more than one **premises** is shown in **your policy schedule**, then this 50% limitation will apply to the lowest **declared value** that applies to a specific **category** of **property**;
- (e) the new premises have **building**, fire protection and security features that are similar to those at one of the **premises** shown in **your policy schedule**;
- (f) **you** provide **us** with full details of the new premises within 60 days of **you** first using the new premises; and
- (g) Limitations of cover – 9. ‘Underinsurance’ does not apply to this Extension of cover.

7. Restricted transit

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

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

Provided that the most **we** will pay under this Extension of cover is the lesser of \$50,000 or 20% of the **declared value** for that **category** of **property**.

We will not cover **you** for any claims under this Extension of cover if **you** have selected the Goods in Transit cover section.

8. Taxation audit costs

We will cover the reasonable and necessary costs **you** incur following notification received during the **period of insurance** of an audit or investigation by a federal or state Commissioner of Taxation relating to **your** liability to pay income tax, fringe benefits tax, capital gains tax, wholesale and sales tax, payroll tax, goods and services tax or superannuation contributions tax in respect of **your business** up to \$10,000 for this additional benefit.

In this extension only ‘**costs**’ means professional fees paid to accountants or registered tax agents who are not **your employees**, for work undertaken in connection with the audit or investigation.

Taxation audit costs – Exclusions

We shall not be liable under this Extension of cover:

- (a) for the imposition of any tax, fines, penalties, court costs, penalty tax or interest;
- (b) for **costs** incurred after completion of the audit or investigation;
- (c) where any proceedings were initiated, threatened or started prior to the commencement of the **period of insurance**;
- (d) for **costs** arising from **your** improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a state or federal Commissioner of Taxation for the production of documents or the supply of information. Refusal or failure to comply will not be deemed improper, unwarranted or unjustified if **you** refuse or fail to comply upon the advice of **your** accountant or tax agent;
- (e) for **costs** from audits or investigations under customs legislation;
- (f) for **costs** from audits or investigations of income received or earned, or where the source of income is outside **Australia** or where the services giving rise to the claim are performed by persons or entities who ordinarily reside outside **Australia**;
- (g) arising out of any fraud or fraudulent act or omission committed by **you** or on **your** behalf; or
- (h) arising from audits or investigations which result in **you**, or any person acting on **your** behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a state or federal Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay.

Taxation audit costs – Special conditions

You must lodge taxation and other returns within the time limits applicable to those returns as prescribed by statute or through extension of time granted by a Commissioner of Taxation.

You must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation.

In the event of a claim arising:

- (a) **you** must at all times keep **us** fully and continually informed of all material developments in relation to the claim and in relation to any audit;
- (b) **you** must take all necessary and reasonable steps to minimise any delays and the amount of any costs incurred or likely to be incurred in connection with any audit; and
- (c) **we** or **our** duly appointed agent may make **our** own investigation into any matter which is or may be the subject of a claim.

You must ensure that **your** accountants, registered tax agent and/or solicitor must cooperate with **us** and where necessary, assist **us** in relation to any claim and assist **us** with any matter **we** wish to pursue with the Commissioner of Taxation which is or may be the subject of a claim.

We will not cover **you** for any claims under this Extension of cover if **you** are insured under the Tax Probe cover section.

Optional extension of cover

The following Extension of cover is optional and is available if **you** choose it and pay an additional premium.

If shown in **your policy schedule** the following Optional extension of cover shall apply:

1. Transit – Fire and Specified Perils, Theft, Collision and Overturning

When 'Transit' is shown in **your policy schedule**, **we** will provide cover for **damage** to **property** specified in **your policy schedule** under this **cover section**, whilst in transit within **Australia** that is caused by:

- (a) fire, lightning, explosion, **flood** and malicious damage, but not theft;
- (b) theft from a locked vehicle or **building** following visible, forcible and violent entry to the vehicle or **building**;
- (c) theft of **property** which **we** agree was appropriately secured to a vehicle by chains, padlocks or other devices that have been broken or **damaged** to enable the theft; or
- (d) collision or overturning of the carrying vehicle or conveyance.

Provided that this Optional extension of cover is limited to the **insured amount** shown in **your policy schedule** for Transit.

2. Flood

When **flood** is shown in **your policy schedule** **we** will cover **you** up to the **insured amount** shown in **your policy schedule** as the **insured amount** for **flood**.

Specific exclusion 3(g) flood; applicable to this cover section is deleted from the Policy.

Worked dollar examples

The following worked dollar claim examples are designed to assist **you** in understanding some of the 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.

<p>You have cover for a building that is used as both an accountant's office 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 total of all insured amount values in your policy schedule is shown as \$400,000 (the total of the insured amount shown on your policy schedule for the building of \$380,000 and contents of \$20,000) and the excess shown on your policy schedule is \$250.</p> <p>When setting the 'Buildings' insured amount you must consider the costs to remove debris and payment of any architect fees.</p> <p>The building is damaged in a storm and we assess the cost of repairs to be \$50,000.</p>		
How much we pay		Further information
Cost of repairing the storm damage to your building	\$50,000	We normally decide the building is repairable if the cost of repairing the building is less than the insured amount (in this example the insured amount is \$380,000).
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. The most we will pay under Extension of cover A – '1 Demolition and Debris removal' of this cover section for removal of debris is \$50,000.
Less excess	- \$250	We deduct this from the amount we pay. We may require you to pay this amount directly to the repairer.
Total claim	\$79,750	We normally pay this amount directly to the repairer.

Underinsurance on a partial loss

In the above example, if the actual replacement value of the **building** at the time the **policy** was entered into was \$580,000 but **you** had only insured the **building**, **contents** and **stock** for \$400,000 the amount **we** pay will be reduced in accordance with Limitation of cover 9. – 'Underinsurance' in this **cover section**.

The amount **we** would pay before **we** deduct the **excess** will be calculated as follows:

$$\text{Total claim of } \$80,000 \times \frac{\$400,000}{(80\% \times \$580,000)} = \$68,966$$

You have cover for a **building** that is used as both an architect's office 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 **your policy schedule** is shown as \$2,500,000 and the **excess** shown on **your policy schedule** is \$250. The **building** is **damaged** in an earthquake and **we** assess the cost of repairs to be \$1,000,000.

How much we pay		Further information
Cost of repairing the earthquake damage to your building	\$1,000,000	We normally decide 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).
Less excess	- \$20,000	We deduct this from the amount we pay. We may require you to pay this amount directly to the repairer.
Total claim	\$980,000	We normally pay this amount directly to the repairer.

Business Interruption – Income

Introduction

This **cover section** only forms part of **your policy** when Business Interruption – Income is shown in **your policy schedule** and is limited to the **period of insurance** indicated in **your policy schedule**.

Definitions

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

Additional uninsured working expenses

Those expenses that are shown as Additional Uninsured Working Expenses in **your policy schedule** for this Business Interruption - Income **cover section**.

Damage or Damaged

Accidental physical damage, destruction or loss. **Damaged** has a corresponding meaning to **damage**.

Income

1. income received from the renting or leasing of any part of the **premises** including monies paid by the lessee as outgoings under the terms of the rental or leasing agreement; and
2. income from **your business** at the **premises** for goods sold, work done, electrical power generated and sold, services rendered or any Government approved incentives, subsidies or market development allowances **you** are entitled to in relation to **your business**, less:
 - (a) working expenses for freight, packing, bad debts, the purchase of goods, materials, components, or **stock**;
 - (b) any other **additional uninsured working expenses** shown in **your policy schedule**; and
 - (c) **payroll** if this is shown in **your policy schedule**.

Indemnity period

The period that starts on the date of the **damage** and ends not later than the number of weeks or months stated in **your policy schedule** after the date of the **damage** during which results of **your business** are affected as a consequence of the **damage**.

Insured damage

1. In relation to **your property insured**, **insured damage** means **damage** to **your property** when both the property that is **damaged** and the cause of the **damage** is covered by:
 - (a) **your policy** under one or more of the following **cover sections**:
 - (i) Fire – Gold;
 - (ii) Theft;
 - (iii) Money;
 - (iv) Glass; or
 - (v) Portable & valuable items.
 - (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 1(a) above had that **cover section** formed part of **your policy**.

Where the **damage** is below the **excess** applicable under any insurance mentioned in 1(a) and 1(b), such **damage** shall be deemed to be **insured damage** and covered for the purposes of this definition.

2.
 - (a) In relation to property referred to in this **cover section** under the heading 'Extensions of cover', **insured damage** means **damage** to such property located in **Australia**; and
 - (b) in relation to property referred to in this **cover section** under the 'Optional extensions of cover', **insured damage** means **damage** to property located in **Australia** at the premises of the specified customers and specified suppliers who are shown in **your policy schedule** for this **cover section**.

Provided that this **damage** would have been covered under one of the **cover sections** shown in 1(a) above had such property been insured under that **cover section** as part of **your policy** when the **damage** happened.

Interruption

Interruption or interference.

Loss of income

Loss or reduction of **your income** that occurs during the **indemnity period**.

Payroll

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

Rate of payroll

The rate of **payroll** to **income** during the financial year immediately before the date of the **damage**.

Severance pay

The expenditure **you** are obligated or have agreed to pay under industrial awards, determinations or agreements for severance pay and/or pay in lieu of notice to **employees** whose services are terminated during the **indemnity period** in consequence of the **damage**.

Cover

We will pay in accordance with the Basis of Settlement, for **loss of income** that results from an **interruption** of **your business** caused by any **insured damage** that happens at the **premises**.

Provided that this **insured damage** happens during the **period of insurance** shown for this Business Interruption **cover section**.

Basis of Settlement

1. Accumulated stock clause

In calculating any claim, **we** will take into account and make an equitable allowance if any shortage in **income** due to the **damage** is postponed by reason of the **income** being temporarily maintained from accumulated **stock** of finished goods.

2. Additional expenditure

We will also pay for additional expenditure necessarily incurred for the sole purpose of reducing **loss of income** that is covered by this **cover section** and/or resuming and/or maintaining **your** normal **business** operations or services.

Provided that this expenditure is limited to the amount of **income** that would otherwise be lost had the additional expenditure not been incurred.

3. Auditors and Accountants

We will accept as proof of the **loss of income** a certified statement from **your** accountants or auditors that shows the financial details requested by **us**.

4. Departmental clause

If **your business** is conducted in departments or business units, and the independent trading results can be determined, the provisions of the Basis of Settlement will apply separately to each department or **business** unit affected by the **damage**.

For the purposes of this clause any **income** received from the renting or leasing of any part of the **premises** will be regarded as the proceeds of a department.

5. Loss of income

Loss of income will be calculated by subtracting the **income** earned during the **indemnity period** from the **income you** would have earned during the **indemnity period** had the **damage** not occurred. The settlement paid to **you** may be subject to applicable withholding taxes.

Provided that the **income you** would have earned during the **indemnity period** had the **damage** not occurred:

(a) will be calculated by reference to the **income** for:

- (i) a period of the same duration as the **indemnity period** that starts a year prior to the date of the **damage**; or
- (ii) a period of **your** normal **business** operations that corresponds most closely to the **indemnity period** if **your business** has operated for less than a year at the start of the **indemnity period**; and

(b) will be adjusted to take into account any:

- (i) trends of the **business** and other influences that would vary the **income**;
- (ii) variation of normal trading whereby **income** is maintained during the **indemnity period** from increased sales of low margin goods;

- (iii) changes to how **stock**, materials, finished goods or partially finished goods are used, purchased or sold including salvage sales of **stock** following **insured damage**; and
- (iv) savings made during the **indemnity period** that reduce the cost of running **your business**.

6. Payroll

When **payroll** is specifically covered and an **insured amount** is shown in **your policy schedule**, we will pay the sum produced by applying the **rate of payroll** to the shortage of **income** during the **indemnity period** less any savings occurring during the **indemnity period** in consequence of the **damage** in the amount of **payroll** paid.

We will also pay any amount paid by you as **severance pay**.

However, we will not pay more than the **insured amount** shown in **your policy schedule** representing the percentage of **payroll** costs insured by you to apply during the **indemnity period**.

Limitations of cover

1. Closure of your business

If during the **indemnity period** you permanently close **your business** for any reason (including involuntary closure), then the **indemnity period** will end on the day you permanently close **your business** unless we agree in writing to continue this period.

Nothing in this clause shall affect your right to an equitable adjustment where the decision to close the **business** is taken with our approval and arises directly as a result of the **interruption of your business** from a circumstance covered by this **cover section**.

2. Excess

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

3. Insured amount

During the **period of insurance** for this **cover section**, we will not pay more than the **insured amount** shown in **your policy schedule**.

Any limits stated under the Extensions of cover are within the **insured amount** for **income**, they are not additional to the **insured amount** for **income**.

The total **insured amount** will be reduced by any payment under or due to be made by us following **insured damage**.

4. Underinsurance

(a) Income

If the annual **insured amount** for **income** is less than 80% of the **income** for the year immediately prior to the date of the **damage**, then we will pay a proportion of the **loss of income**.

The proportion that we will pay will be the same as the proportion that the annual **insured amount** for **income** bears to 80% of the **income** for the year immediately prior to the date of the **damage**.

(b) Payroll

If the annual **insured amount** for **payroll** is less than 80% of the **payroll** paid during the year immediately prior to the date of the **damage**, then we will only pay a proportion of the **payroll** costs incurred during the **indemnity period**.

The proportion that we will pay will be the same as the proportion that the annual **insured amount** for **payroll** bears to 80% of the **payroll** paid during the year immediately prior to the date of the **damage**.

Provided that 4(a) and (b) will not apply, if you:

- (i) projected **income** which the **business** would have earned in the **indemnity period** stated in **your policy schedule** if the **damage** had not occurred, is less than the **insured amount**;
- (ii) claim is less than 10% of the **insured amount**; or
- (iii) **insured amount** shown in **your policy schedule** has been calculated using a Business Interruption Calculator approved by us and your 'GST exclusive sales income' figures from your Business Activity Statement are as stated in the calculation from the approved calculator.

Extensions of cover

Provided that the total **insured amount** shown in **your policy schedule** for this **cover section** is not exceeded:

1. Automatic reinstatement

When the total **insured amount** is reduced following **insured damage**, we will automatically reinstate the **insured amount** to its value immediately before the **insured damage**.

You will not have to pay any additional premium.

This Extension of cover does not apply if we pay the full **insured amount** for **insured damage** in respect of a single claim under this **cover section**.

2. Catastrophe cover

When Extension of cover – B '2. Catastrophe cover' under the Fire – Gold **cover section** only applies, and the **indemnity period** stated on **your policy schedule** is 12 months or more, **we** will increase the **indemnity period** by a further 3 months, providing that **you** undertake the reinstatement of **your business** at the existing or an alternative **premises**.

This increase in **your indemnity period** is in recognition of the delays and difficulties experienced in the aftermath of such an event and which extend the normal period in which the results of any **business** are affected in consequence of the **damage**. This Extension does not increase the **insured amount** for **income** shown in **your policy schedule**.

3. Explosion of Boilers and Pressure vessels

We will pay for **loss of income** that results from an **interruption** of **your business** caused by an explosion or implosion of a boiler or pressure vessel.

4. Fines, Damages and Penalties

When **we** have agreed to indemnify **you** under this **cover section** for **loss of income** that results from an **interruption** of **your business**, **we** will also pay up to 20% of the **insured amount** for:

- (a) fines or damages for breach of contract resulting from non-completion or late completion of orders; or
- (b) the discharge of contract purchases, cancellation notices, fines or damages for breach of contracts for the purchase of goods or services **you** cannot use during the **indemnity period**, less the value of these goods to **you** or the amount received for their sale.

Provided that **we** will not cover any liability **you** may incur for exemplary, punitive or aggravated damages.

5. Landlord's property and Other non-owned property used by you at the premises

We will pay for **loss of income** that results from an **interruption** of **your business** that is caused by **insured damage** to **your** landlord's and/or other non-owned property used by **you** at the **premises**.

6. Murder, Suicide and Infectious disease

We will pay for **loss of income** that results from an **interruption** of **your business** that is caused by:

- (a) any legal authority closing or evacuating all or part of the **premises** as a result of:
 - (i) the outbreak of an infectious or contagious human disease occurring within a 20-kilometre radius of **your premises**, however there is no cover for highly pathogenic Avian Influenza or any disease declared to be a quarantinable disease under the Quarantine Act 1908 (as amended) irrespective of whether discovered at the location of **your premises**, or out-breaking elsewhere;
 - (ii) vermin or other animal pests at the **premises**; or
 - (iii) hygiene problems associated with drains or other sanitary arrangements at the **premises**; or
 - (iv) bomb threat at or to the **premises**.
- (b) poisoning directly caused by the consumption of food or drink provided on the **premises**; and
- (c) murder or suicide occurring at or near the **premises**.

The definition **insured damage** does not apply to this Extension of cover no. 6.

7. Other premises and Property

We will pay up to 20% of the **insured amount** for **income**, for each **loss of income** that results from an **interruption** of **your business** that is caused by **insured damage** that occurs in **Australia** to the following property:

- (a) Unspecified suppliers
Property at the premises of any of:
 - (i) **your** suppliers of goods, produce, materials or services, including their direct suppliers, other than those services supplied by Public Utilities; or
 - (ii) manufacturers of products utilised or sold by the **business**; or
 - (iii) repairers or processors of materials, components or goods.
- (b) Unspecified customers
Property at the premises of any of **your** customers and clients, or property at the premises of their direct suppliers or customers, or at work sites when **your business** entails work away from **your premises**.
- (c) Documents
Documents and **electronic data** files belonging to or held in trust by **you** while in transit or while at premises not occupied by **you**.
- (d) Storage sites
Your property stored at any premises not occupied by **you**, including freight forwarders.

- (e) Transit

Your property while in transit outside of the **premises** occupied by **you**.

- (f) Roads, Bridges and Railway lines

Roads, bridges and railway lines over which **stock**, components and materials are conveyed to and from the **premises**.

- (g) Computers and electronic data

Computer installations including ancillary equipment and **electronic data** processing media utilised by **you**.

8. Prevention of access

We will pay for **loss of income** that results from an **interruption** of **your business** that is caused by **insured damage**:

- (a) to any property within a retail complex when **your business** is located within a multi-tenanted retail complex; or
- (b) to property in the vicinity of the **premises** which shall prevent or hinder the use or access to the **premises**.

9. Prevention of access by a public authority

We will pay for **loss of income** that results from an **interruption** of **your business** that is caused by any legal authority preventing or restricting access to **your premises** or ordering the evacuation of the public as a result of **damage** to or threat of **damage** to property or persons within a 50-kilometre radius of **your premises**.

Provided that **we** will not pay for any **loss of income** that results from:

- (a) an **act of terrorism**; or
- (b) any Quarantinable Disease (as the term is defined in the Quarantine Act 1908 (Cth) and any subsequent amendments) or Highly Pathogenic Avian influenza.

10. Public utilities

We will pay for **loss of income** that results from an **interruption** of **your business** that is caused by **insured damage** to land based property located in **Australia** that belongs to or is under the control of any company or authority producing, supplying or delivering the electricity, gas, water, sewerage or communication services, used by the **business**.

Provided that where the property of the supplier is not at or immediately adjacent to **your premises**, the **interruption** of the supply must extend for greater than 48 hours.

11. Registered motor vehicles

We will pay for **loss of income** that results from an **interruption** of **your business** that is caused by **damage** to registered motor vehicles including, but not limited to motorcycles, caravans and trailers that are owned and/or operated by **you** but only while at **your premises**.

Optional extensions of cover

The following Extensions of cover are optional and available if **you** choose them and pay any additional premium.

1. Accounts receivable (book debts)

If 'Accounts Receivable' is shown in **your policy schedule** then following **insured damage** to **your** accounts receivable records **we** will pay up to the **insured amount** shown in **your policy schedule** for:

- (a) all amounts due to **you** that cannot be collected as a direct result of **damage** to **your** accounts receivable records; and
- (b) debt collection costs that would not have been incurred had **your** accounts receivable records not been **damaged**, provided that these debt collection costs are necessarily incurred to collect amounts that otherwise would not have been collected.

Provided that **we** will not pay for:

- (i) losses due to book-keeping or accounting errors or omissions;
- (ii) loss due to **your** dishonesty or dishonesty of **your** directors, partners, **employees** and officers or any other person who has an interest in the accounts receivable records;
- (iii) bad debts that would normally not be collected by **you**; and
- (iv) collection costs that would normally have been incurred.

2. Additional claims preparation costs

If 'Additional Claims Preparation Costs' is shown in **your policy schedule** then **we** will pay for costs incurred that are not otherwise recoverable for processing and certifying details of claims under **cover sections** Fire – Gold and Business Interruption – Income up to an amount equal to the **insured amount** for Additional Claims Preparation Costs.

3. Additional increase in cost of working

We will pay up to the **insured amount** shown in **your policy schedule** for 'Additional Increased Cost of Working' for all costs not otherwise recoverable that are necessarily incurred by **you** in an attempt to reduce a **loss of income** that is covered by this **cover section** and/or resuming and/or maintaining **your normal business** operations or services.

This amount is additional to the Additional Expenditure costs payable under Basis of Settlement.

4. Cost of goodwill

If 'Cost of Goodwill' is shown in **your policy schedule**, following **damage** to any **buildings** at **your premises** we will pay up to the **insured amount** shown in **your policy schedule** against this item for the actual cost of goodwill incurred by **you** when purchasing a business in order to maintain **your business** activities.

Provided that **we** will only pay these costs of goodwill when:

- (a) the **building** that is **damaged** cannot or will not be repaired or rebuilt, including:
 - (i) any refusal by any owner or lessor other than **you** to repair or rebuild; and
 - (ii) 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 Fire – Gold Section of **your policy** had that **building** been insured under that **cover section**; and
- (d) the business that is purchased is similar to **your business**.

5. Other premises

If 'Extension to Other Premises' is shown in **your policy schedule** then **we** will pay for **loss of income** that results from an **interruption** of **your business** that is caused by insured **damage** that occurs in **Australia** to:

- (a) Specified suppliers

property at the premises of **your** specified suppliers, as shown in **your policy schedule** including their direct suppliers up to an amount calculated by applying the percentage shown in **your policy schedule** to the **insured amount** for **income**.

- (b) Specified customers

property at the premises of **your** specified customers that are shown in **your policy schedule** or **property** at the premises of their direct suppliers or customers up to an amount calculated by applying the percentage shown in **your policy schedule** to the **insured amount** for **income**.

Business Interruption – Weekly Income

Introduction

This **cover section** only forms part of **your policy** when Business Interruption – Weekly Income is shown in **your policy schedule** and is limited to the **period of insurance** indicated.

Definitions

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

Damage or Damaged

Accidental physical damage, destruction or loss. **Damaged** has a corresponding meaning to **damage**.

Income

Income from **your business** at the **premises** for goods sold, work done, electrical power generated and sold, services rendered, any Government approved incentives, subsidies or market development allowances **you** are entitled to in relation to **your business** and **income** received from the renting or leasing of any part of the **premises** including monies paid by the lessee as outgoings under the terms of the rental or leasing agreement.

Indemnity period

The period that:

1. starts with the occurrence of the **damage**; and
2. ends not later than the number of weeks shown in **your policy schedule** or when the weekly **income** becomes greater than 95% of the average weekly **income** for:
 - (i) the year immediately prior to the date of the **damage**; or
 - (ii) the total period of **your business** operations prior to the date of the **damage** if **your business** was in operation for less than a year on the day of the **damage**.

Insured damage

1. In relation to **your property**, **insured damage** means **damage** to **your property insured** when both the property that is **damaged** and the cause of the **damage** is covered by:
 - (a) **your policy** under one or more of the following **cover sections**:
 - (i) Fire – Gold;
 - (ii) Theft;
 - (iii) Money;
 - (iv) Glass;
 - (v) Portable & valuable items; or
 - (b) another insurance policy that insures **your property** 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 1(a) above had that **cover section** formed part of **your policy**.

Where the **damage** is below the **excess** applicable under any insurance mentioned in 1(a) and 1(b), such **damage** shall be deemed to be **insured damage** and covered for the purposes of this definition.

2. In relation to property referred to in this **cover section** under the heading 'Extensions of cover', **insured damage** means **damage** to such property located in **Australia**.

Provided that this **damage** would have been covered under one of the **cover sections** shown in 1(a) above had such property been insured under that **cover section** as part of **your policy** when the **damage** happened.

Interruption

Interruption or interference.

Loss of income

A loss or reduction of **your income** that occurs during the **indemnity period**.

Cover

We will pay in accordance with the Basis of Settlement, for **loss of income** that result from an **interruption of your business** that is caused by **insured damage** that happens at the **premises**.

Provided that this **insured damage** happens during the **period of insurance** shown for this Business Interruption cover section.

Basis of Settlement

1. Additional expenditure

We will also pay for additional expenditure necessarily incurred for the sole purpose of reducing **loss of income** that is covered by this **cover section** and/or resuming and/or maintaining **your** normal **business** operations or services.

Provided that this expenditure is limited to the amount of **income** that would otherwise be lost had the additional expenditure not been incurred.

2. Auditors and Accountants

We will accept as proof of the **loss of income** a certified statement from **your** accountants or auditors that shows the financial details requested by **us**.

3. Loss of income

For each specific week of the **indemnity period** the **loss of income** will be calculated by subtracting the **income** earned that week from the **income you** would have earned during that week had the **damage** not occurred. The settlement paid to **you** may be subject to applicable withholding taxes.

Provided that the **income you** would have earned during that week had the **damage** not occurred:

- (a) will be calculated by reference to the **income** for:
 - (i) a week that starts exactly a year prior to the first day of the specific week; or
 - (ii) a week of **your** normal **business** operation that corresponds most closely to the specific week if **your business** has operated for less than a year at the start of the **indemnity period**; and
- (b) will be adjusted to take into account any:
 - (i) trends of **business** and other influences that would vary the **income**;
 - (ii) variation of normal trading whereby **income** is maintained during the **indemnity period** from increased sales of low margin goods;
 - (iii) changes to how **stock**, materials, finished goods or partially finished goods are used, purchased or sold; and
 - (iv) savings made during the **indemnity period** that reduce the cost of running **your business**.

Limitations of cover

1. Closure of your business

If during the **indemnity period you** permanently close **your business** for any reason (including involuntary closure), then the **indemnity period** will end on the day **you** permanently close **your business** unless **we** agree in writing to continue this period.

Nothing in this clause shall affect **your** right to an equitable adjustment where the decision to close the **business** is taken with **our** approval and arises directly as a result of the **interruption of your business** from a circumstance covered by this **cover section**.

2. Total payment

Our total aggregate payment during the **period of insurance** for **loss of income** in the **indemnity period** is limited to the number of weeks and the **insured amount** for each item shown in **your policy schedule**.

Extensions of cover

The following extensions of cover apply, provided that the **insured amount** shown in **your policy schedule** for weekly **income** is not exceeded:

1. Automatic reinstatement

When the total **insured amount** is reduced following **insured damage**, **we** will automatically reinstate the total **insured amount** to its value immediately before the **insured damage**.

You will not have to pay any additional premium.

This Extension of cover does not apply if **we** pay the full **insured amount** for **insured damage** in respect of a single claim under this **cover section**.

2. Explosion of Boilers and Pressure vessels

We will pay for **loss of income** that result from an **interruption** of **your business** caused by an explosion or implosion of a boiler or pressure vessel.

3. Landlord's property and Other non-owned Property used by you at the premises

We will pay for **loss of income** that result from an **interruption** of **your business** that is caused by **insured damage** to **your** landlord's and/or other non-owned property used by **you** at the **premises**.

4. Murder, Suicide and Infectious disease

We will pay for **loss of income** that result from an **interruption** of **your business** that is caused by:

- (a) any legal authority closing or evacuating all or part of the **premises** as a result of:
 - (i) the outbreak of an infectious or contagious human disease occurring within a 20-kilometre radius of **your premises**, however there is no cover for highly pathogenic Avian Influenza or any disease declared to be a quarantinable disease under the Quarantine Act 1908 (as amended) irrespective of whether discovered at the location of **your premises**, or out-breaking elsewhere;
 - (ii) vermin or other animal pests at the **premises**; or
 - (iii) hygiene problems associated with drains or other sanitary arrangements at the **premises**;
- (b) poisoning directly caused by the consumption of food or drink provided on the **premises**; and
- (c) murder or suicide occurring at or near the **premises**.

The definition **insured damage** does not apply to this Extension of cover no. 4.

5. Other premises and Property

We will pay up to 20% of the **insured amount** shown in **your policy schedule** for weekly **income** for each **loss of income** that results from an **interruption** of **your business** that is caused by **insured damage** that occurs in **Australia** to the following property:

- (a) Unspecified suppliers
Property at the premises of any of:
 - (i) **your** suppliers of goods, produce, materials or services including their direct suppliers, other than those services supplied by Public Utilities; or
 - (ii) manufacturers of products utilised or sold by the **business**; or
 - (iii) repairers or processors of materials, components or goods.
- (b) Unspecified customers
Property at the premises of any of **your** customers and clients, or property at the premises of their direct suppliers or customers, or at work sites when **your business** entails work away from **your premises**.
- (c) Documents
Documents and **electronic data** files belonging to or held in trust by **you** while in transit or while at premises not occupied by **you**.
- (d) Storage sites
Your property stored at any premises not occupied by **you**, including freight forwarders.
- (e) Transit
Your property while in transit outside of the **premises** occupied by **you**.
- (f) Roads, Bridges and Railway lines
Roads, bridges and railway lines over which **stock**, components and materials are conveyed to and from the **premises**.
- (g) Computer and electronic data
Computer installations including ancillary equipment and **electronic data** processing media utilised by **you**.

6. Prevention of access

We will pay for **loss of income** that results from an **interruption** of **your business** that is caused by **insured damage**:

- (a) to any property within a retail complex when **your business** is located within a multi-tenanted retail complex; or
- (b) to property in the vicinity of the **premises** which shall prevent or hinder the use or access to the **premises**.

7. Prevention of access by a public authority

We will pay for **loss of income** that results from an **interruption** of **your business** that is caused by any legal authority preventing or restricting access to **your premises** or ordering the evacuation of the public as a result of **damage** to or threat of **damage** to property or persons within a 50-kilometre radius of **your premises**.

Provided that **we** will not pay for any **loss of income** that results from:

- (a) an **act of terrorism**; or
- (b) any Quarantinable Disease (as the term is defined in the Quarantine Act 1908 (Cth) and any subsequent amendments) or Highly Pathogenic Avian influenza.

8. Public utilities

We will pay for **loss of income** that results from an **interruption** of **your business** that is caused by **insured damage** to land based property located in **Australia** that belongs to or is under the control of any company or supply authority producing, supplying, or delivering the gas, water, sewerage, or communication services, used by the **business**.

Provided that where the property of the supplier is not at or immediately adjacent to **your premises**, the **interruption** of the supply must extend for greater than 48 hours.

9. Registered motor vehicles

We will pay for **loss of income** that results from an **interruption** of **your business** that is caused by **damage** to registered motor vehicles including, but not limited to motorcycles, caravans and trailers that are owned and/or operated by **you** but only while at **your premises**.

Optional extension of cover

The following Extension of cover is optional and is available if **you** choose it and pay any additional premium.

If shown in **your policy schedule** the following Optional extension of cover shall apply:

1. Increase in cost of working

We will pay up to the **insured amount** shown in **your policy schedule** for 'Increased Cost of Working' for the additional costs necessarily incurred by **you** for the sole purpose of reducing a **loss of income** that is covered by this **cover section**.

Legal Liability

Introduction

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

Definitions

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

Advertising liability

- (a) any breach of the misleading or deceptive conduct provisions of the Competition and Consumer Act 2010 (Cth) 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
- (b) infringement of copyright of or passing off of a title or slogan;
- (c) unfair competition, piracy or idea misappropriation contrary to an implied contract; or
- (d) invasion of privacy,

committed or alleged to have been committed during the **period of insurance** in any advertisement, publicity article, broadcast or telecast arising out of any advertising activities conducted by or on behalf of **you**, in the course of advertising **your products**.

Aircraft

Any vessel, craft or thing made or intended to fly or move through the atmosphere or space.

Business

For the purpose of this **cover section** only, **your business** shown in **your policy schedule** and all other activities incidental to the conduct of **your** occupation including:

- (a) ownership or occupation of **premises** by **you**;
- (b) participation in exhibitions;
- (c) construction, erection, demolition, alteration or addition, not exceeding in cost the sum of \$500,000, of or to **buildings** owned by **you**;
- (d) the provision and management of canteens, social, sports and welfare organisations primarily for the benefit of **your employees**, first aid, fire or ambulance services;
- (e) private work undertaken by any **employee** of **yours**, for any of **your** directors or senior executives;
- (f) hire or loan of plant, equipment or goods to other parties;
- (g) conducted tours of **your premises** for no reward; and
- (h) the erection, use and/or maintenance by **you** or on **your** behalf of advertising or directional signs, their frames, supports and appurtenances.

Computer virus

An executable program or computer code segment that is self-replicating, requires a host program or executable segment in which it can be contained, and which destroys or alters the host, program or other computer code or **electronic data**, causing undesired program or computer system operation.

Excess

For the purpose of this **cover section** only, means the amount **you** first bear in relation to each **occurrence**. The **excess** applies to all amounts payable under this **cover section** including the indemnity provided under additional payments.

General liability

Your legal liability covered by this **policy** but not arising out of **your products**.

Hovercraft

Any vessel, craft or thing made or intended to float on water and travel over water or land supported on a cushion of air.

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 or 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; or
- (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.

Insured person/Policyholder

You and the parties described under the heading 'Cover for others'.

Internet operations

- (a) transfer of **electronic data** or programmes by use of electronic mail systems by **you** or **your employees**, including for the purpose of this definition only, part-time and temporary staff, contractors and others within **your** organisation whether or not such **electronic data** or programmes contain any malicious or damaging code, including but not limited to **computer virus**, worm, logic bomb, or trojan horse;
- (b) access through **your** network to the world wide web or a public internet site by **you** or **your employees**, including for the purposes of this definition only, part-time and temporary staff, contractors and others within **your** organisation;
- (c) access to **your** intranet (meaning internal company information and computing resources) which is made available through the world wide web for **your** customers or others outside **your** organisation; or
- (d) the operation and maintenance of **your** web site.

Medical persons

Qualified medical practitioners, registered nurses, dentists and first aid attendants.

Occurrence

An event or series of events including continuous or repeated exposure to substantially the same general conditions which results, unexpectedly and unintentionally from **your** standpoint, in **personal injury** or **property damage** or **advertising liability** during the **period of insurance**. All **personal injury** or **property damage** happening during the **period of insurance** attributable to one source or to a common cause or to the same general conditions, shall be deemed to be one **occurrence**.

With respect to **advertising liability**, all damages involving the same injurious material or act, regardless of its frequency or repetition, the number and kind of media used and the number of claimants, shall be deemed to arise out of one **occurrence**.

Personal injury

- (a) bodily injury, death, sickness, disease, shock, fright, mental anguish, mental injury or loss of consortium;
- (b) false arrest, false detention, wrongful imprisonment, malicious prosecution or malicious humiliation;
- (c) discrimination as a result of race, religion, sex, marital status, age, intellectual impairment, disability or otherwise (unless insurance of such is prohibited by law) not committed by **you** or at **your** direction;
- (d) wrongful entry or wrongful eviction or other invasion of privacy;
- (e) defamation, libel and slander; and
- (f) assault and/or battery.

Products

Anything (after it has ceased to be in **your** possession or under **your** control) which is or is deemed to have been manufactured, grown, extracted, produced, processed, imported, exported, constructed, assembled, erected, installed, repaired, serviced, renovated, treated, sold, supplied or distributed by **you** or on **your** behalf (including **your** predecessors in **your business**) including labels, packaging, any container, the design, specification or formula of the **products** and directions, instructions or advice 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 food and beverages:

- (a) supplied by **you** or on **your** behalf primarily to **your employees** as a staff benefit;
- (b) served in any dining room or at any function to **employees** or guests for consumption at **your premises**; or
- (c) supplied from any vending machine or any other **property** rented to or located for use of others but not sold by **you**,

and any claims for compensation against **you** arising out of any **occurrence** shall be deemed to be a **general liability** claim to which the **limit of liability** or **insured amount** specified in **your policy schedule** shall apply.

Property damage

- (a) physical injury to or loss of or destruction of tangible property including loss of use of that property at any time resulting therefrom; and
- (b) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by physical damage to or destruction of other tangible property.

Territorial limits

Anywhere in the world (subject to the limitations set out in Exclusion 1., 12. and 17. of this **cover section**).

Tool of trade

The use or operation of a **vehicle** and/or equipment, tool or apparatus which forms part of the **vehicle**, but only whilst engaged in and undertaking its designed purpose of digging, scraping, shovelling, grading, boring, drilling, compacting, harvesting, ploughing, shredding, lifting, clearing, levelling, hosing, pumping, spraying, vacuuming or suction activities.

Vehicle

Any type of machine on wheels or self laid tracks or on skis, made or intended to be propelled by other than manual or animal power and any trailers or other attachment made or intended to be drawn by any such machine.

Watercraft

Any vessel, craft or thing made to or intended to float on or in or travel on or through or under water.

You or Your

You or **your** means for the purpose of this **cover section** only, the policy's General Definition of **you** or **your** is extended to include any of **your** subsidiary companies now or hereinafter formed or constituted.

Provided that:

- (a) any such incorporation is notified to **us** within 90 days of the incorporation date;
- (b) the newly incorporated company conducts the same type of business as **your business**; and
- (c) the newly incorporated company is incorporated in **Australia**.

Cover

Subject to the **limits of liability** or **insured amounts** stated in **your policy schedule** and the terms and conditions of this **cover section**, **we** will pay all sums that the **insured person** shall become legally liable to pay for compensation in respect of:

- ▼ **personal injury** to another person (other than **employees**); or
- ▼ **property damage** in respect of property owned or controlled by someone else; or
- ▼ **advertising liability**,

happening during the **period of insurance** within the **territorial limits** as a result of an **occurrence** in connection with **your business** or **products**.

Extension of cover

1. Cover for others

This **cover section** is extended to the following:

- (a) any of **your** directors, executive officers, **employees** or voluntary unpaid workers, but only whilst acting within the scope of their duties in such capacity;
- (b) any office bearer or member of the canteen, social, or sports organisations for **your employees** and internal first aid given by **your medical persons**, fire or ambulance services formed with **your** consent, but only whilst acting within the scope of their activities in such capacity;
- (c) any of **your** directors or senior executives in respect of private work undertaken by **your employees** for such director or senior executive, but only after they have obtained **your** prior consent to this private work to be undertaken;
- (d) any employee superannuation fund or pension scheme managed by **you** or on **your** behalf 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;
- (e) 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 **policy**, but only in respect of liability incurred by such persons as described in clauses (a) to (d) above;
- (f) any principal, but only for their liability for **personal injury** or **property damage** that is directly caused by **your** performance of the work for that principal and only to the extent that **we** would cover **you** under this **cover section** for **your** liability to that principal had the principal made a claim against **you** in respect of the circumstances giving rise to the principal's liability.

Provided that:

- (i) the work was carried out by **you** in an attempt to comply with a contract to perform work that was made between **you** and the principal; and
- (ii) **our** liability shall not exceed the lesser of the minimum amount of liability insurance cover required by the contract to perform the work or the **limit of liability** or **insured amount** shown in **your policy schedule**; and
- (iii) for avoidance of doubt, it is further provided that where a principal makes a claim under this clause, Exclusion 7. 'Employer's liability' shall apply so that **we** will not pay for that principal's liability for **personal injury** to any person in the service of either **you** or that principal.

Limit of Liability

Our liability to pay compensation as a result of an **occurrence** shall not exceed the **general liability limit of liability** or **insured amount** stated in **your policy schedule**.

Our total aggregate liability to pay compensation in respect of or in any way related to **your products** during any one **period of insurance** shall not exceed the **limit of liability** or **insured amount** stated in **your policy schedule**.

Additional payments

In addition to the **limit of liability** or **insured amount** stated in **your policy schedule**, **we** will pay as additional payments all:

- (a) reasonable legal costs and expenses (including the costs of representation at any coronial hearing or other official investigation into the circumstances) incurred by the **insured person** with **our** written consent in the defence of any claim;
- (b) premiums payable for:
 - (i) bonds to release attachments for amounts not exceeding the applicable **limit of liability** or **insured amount**, but **we** shall have no obligation to apply for or furnish any such bond;
 - (ii) appeal bonds and/or security for costs required in any suit, but **we** shall have no obligation to apply for or furnish such bonds and/or security for costs;
- (c) expenses incurred by the **insured person** for first aid to others (other than medical expenses prohibited by Section 126 of the Health Insurance Act 1973);
- (d) reasonable expenses incurred by the **insured person** for the temporary repair or shoring up or preservation of property which has been damaged; and
- (e) interest accruing after entry of judgment against the **insured person** until **we** have paid, tendered or deposited in court such part of the judgment as does not exceed the Limit of Liability,

resulting from an **occurrence** which is covered by this **cover section**, provided that:

- (i) if a payment exceeding the Limit of Liability has to be made to dispose of a claim, **our** liability to pay any additional payments shall be limited to that proportion of those amounts as the Limit of Liability bears to the amount paid to dispose of the claim;
- (ii) in the event of a claim covered by this **cover section** being made against an **insured person** in any Court or before any other legally instituted body in **North America**, the Limit of Liability shall apply to such claim inclusive of all additional payments; and
- (iii) **we** shall not be obligated to pay any compensation or additional payments, or judgment or to defend any suit after **our** Limit of Liability has been exhausted by payment of claims, judgments and/or settlements.

Exclusions

We will not pay anything in respect of:

1. Advertising liability

advertising liability for:

- (a) statements made at the direction of an **insured person** with the knowledge of their illegality or falsity;
- (b) breach of contract, other than misappropriation of advertising ideas contrary to an implied contract;
- (c) infringement or passing off of a trade mark, service mark or trade name on any **products**, goods or services sold, offered for sale or advertised. This does not apply to infringement of titles or slogans;
- (d) matters arising from the export of the **products** to, or **business** visits by directors, executives and **employees** to **North America**, notwithstanding the terms of sub paragraphs (i) and (ii) of Exclusion 17;
- (e) any **insured person** whose **business** is advertising, broadcasting, publishing or telecasting;
- (f) incorrect description of the price of **products**, goods or services;

- (g) failure of **products**, goods or services to conform with advertised performance, quality, fitness or durability; or
- (h) acts, errors or omissions committed prior to the inception date of this **cover section**.

2. Asbestos

any liability of whatsoever nature in connection with, directly or indirectly caused by, or contributed to by, or arising from, asbestos or asbestos products or asbestos contained in any product.

Exclusion 2. 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.

3. Assault and Battery

personal injury or **property damage** arising directly or indirectly out of assault and battery committed by an **insured person**.

Exclusion 3. shall not apply when such assault and battery is committed for the purpose of preventing or eliminating danger to persons or property.

4. Contractual liability

any liability or obligation assumed by an **insured person** under any agreement or contract except to the extent that:

- (a) the liability or obligation would otherwise have been implied by law;
- (b) the liability or obligation arises from **incidental contracts**;
- (c) the liability or obligation is assumed by an **insured person** under any warranty under the requirement of Federal or State legislation in respect to product safety;
- (d) the liability or obligations is assumed under those agreements specified in **your policy schedule**.

5. Damage to products

property damage to **products** if the damage is attributed to any defect in them or to their harmful nature or unsuitability.

Exclusion 5. is restricted to the defective or harmful or unsuitable part of a damaged **product** and does not apply to any resultant damage caused to the remainder of the product.

6. Defamation, Libel, Slander

the publication or utterance of a defamation, libel or slander:

- (a) made prior to the commencement of the **period of insurance**;
- (b) made by an **insured person** at **your** direction or with **your** authority with knowledge of its falsity; or
- (c) related to advertising, broadcasting, publishing or telecasting activities conducted by **you** or on **your** behalf, excepting where cover is provided by **us** as **advertising liability**.

7. Employer's liability

- (a) **personal injury** to any person arising out of, or sustained in the course of, the employment of such person in the service of any **insured person** or through the breach of any duty owed to that person, where any **insured person**:
 - (i) is indemnified or entitled to be indemnified (either in whole or in part) in respect of claims for compensation under a policy of insurance (which expression includes arrangements made by any **insured person** to provide accident insurance for any **insured person's** workers under a licence to self-insure) arranged (whether by law or not) in accordance with any workers compensation legislation or accident compensation legislation; or
 - (ii) would have been indemnified or entitled to be indemnified (either in whole or in part) had any **insured person** arranged a policy of insurance as required by such legislation.
- (b) **personal injury** to any person arising out of, or sustained in the course of the employment of such person in any **insured person's** service in Western Australia, other than a person of whom any **insured person** is deemed to be an employer by reason only of Section 175 of the Workers' Compensation and Injury Management Act 1981 (WA).
- (c) mental anguish, shock or fright suffered by any person arising out of, or in the course of, that person's employment by, or service to, any **insured person**.
- (d) **personal injury** arising out of the wrongful or unfair dismissal, denial of natural justice, harassment, libel, slander, defamation, misleading representation, misleading advertising or humiliation of, or discrimination against, any person while in any **insured person's** service, prospective employment or while employed by any **insured person**.
- (e) an indemnity which previously was provided in whole or in part under a policy of insurance arranged in accordance with any workers compensation legislation or accident compensation legislation, but in respect of which indemnity has been withdrawn or reduced as a consequence of a change to the scope, terms, provisions, or requirements of such legislation made after the commencement of the current **period of insurance** of this **cover section**.

- (f) the imposition of any liability by the provisions of any workers compensation legislation or accident compensation legislation or any industrial award, agreement or determination.

8. Faulty workmanship

the cost of performing, correcting or improving any work undertaken by an **insured person**.

9. Information technology hazards

- (a) any liability arising out of **your internet operations**; or
- (b) **property damage to electronic data** or computer programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:
- (i) the use of any computer hardware or software;
 - (ii) the provision of computer or telecommunication services by **you** or on **your** behalf;
 - (iii) the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any **computer virus**.

Exclusion 9. does not apply to:

- (i) **personal injury, property damage or advertising liability** arising out of any material which is already in print by the manufacturer in support of any of its **products**, including by not limited to **product** use and safety instructions or warnings, and which is also reproduced on **your website**; or
- (ii) liability which arises irrespective of the involvement of **your internet operations**.

10. Intentional conduct

any alleged or actual fraudulent, dishonest, malicious, intentional or criminal act or omission of an **insured person**.

11. Loss of use

loss of use of tangible property which has not been physically damaged, or lost or destroyed resulting from:

- (a) a delay in or lack of performance by or on behalf of an **insured person** in relation to any contract or agreement; or
- (b) the failure of the **products** to meet the level of performance, quality, fitness or durability expressly or implied, warranted or represented by an **insured person**.

Exclusion 11(b) does not apply to loss of use of other tangible property resulting from the sudden and accidental physical damage to or destruction of the **products** after such **products** have been put to use by any person or organisation other than **you**.

12. Pollution

any liability for:

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

Exclusion 12. (a) and (c) shall not apply where the claim arises from a sudden identifiable, unintended and unexpected event which takes place in its entirety at a specific time and place and occurs outside of **North America**, however, the total aggregate Limit of Liability during any one **period of insurance** shall not exceed the **limit of liability** or **insured amount** stated in **your policy schedule**.

13. Products guarantee

any **products** warranty or guarantee given by **you** or on **your** behalf.

Exclusion 13. shall not apply to the requirements of any Federal or State legislation as to product safety.

14. Professional liability

the rendering of or failure to render professional advice or service provided by an **insured person** or any error or omission connected therewith.

Exclusion 14. shall not apply in respect to:

- (a) **personal injury** or **property damage** arising therefrom when such professional advice or service is not given for a fee;
- (b) the rendering of or the failure to render professional medical advice by **medical persons** employed by **you** to provide first aid or medical services on **your premises**;
- (c) free advice provided by **you** in the course of the **business**; or

(d) advice given in respect of the use or storage of **your products**.

15. Property in physical or Legal control

property damage to property owned by or in the physical or legal control of an **insured person**.

Exclusion 15. does not apply to **property damage** to:

- (a) **premises** leased or rented to **you**, but no cover is provided by this **policy** if **you** have assumed the responsibility to insure such **premises**;
- (b) personal effects of **your** directors, **employees** and visitors;
- (c) other premises (and their contents) where those premises are temporarily occupied by an **insured person** to carry out work;
- (d) any **vehicle** (including its contents, spare parts and accessories while they are in or on such **vehicle**) in a carpark unless:
 - (i) the **vehicle** is used by or on behalf of an **insured person**; or
 - (ii) the carpark is occupied or operated by an **insured person** for reward;
- (e) other property, not owned by **you**, but in **your** physical or legal control subject to a maximum of \$250,000 for any one **occurrence** and in the aggregate during any one **period of insurance**.

16. Recall of products

any claims arising out of or resulting from any loss, cost or expense incurred by **you** for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of **your products** or of any property of which they form a part, if such **products** or property are withdrawn from the market or from use because of any known or suspected defect, deficiency, inadequacy or dangerous condition in them.

17. Territorial limits

any liability:

- (a) occurring or arising in **North America**; or
- (b) caused by or arising out of **products** exported by an **insured person** or **your** agents to **North America**.

Exclusion 17. shall not apply to:

- (i) **products** exported to **North America** without the knowledge of an **insured person** or **your** agents; or
- (ii) **business** visits by directors, executives and **employees** normally resident in **Australia** that do not involve the performance of manual work or supervision of work by any such person.

18. Vehicles

personal injury or **property damage** arising out of the ownership, possession or use by any **insured person** of any **vehicle**:

- (a) which is registered or which is required under any legislation to be registered; or
- (b) in respect of which compulsory liability insurance or statutory indemnity is required by virtue of any legislation (whether or not that insurance is effected).

Exclusion 18. does not apply to claims:

- (i) for **personal injury** where that compulsory liability insurance or statutory indemnity does not provide indemnity and/or the reason or reasons why that compulsory liability insurance or statutory indemnity does not provide indemnity do not involve a breach by **you** of legislation relating to **vehicles**;
- (ii) arising out of and during the loading or unloading of goods to or from any **vehicle**;
- (iii) caused by or arising from the operation or use of any **vehicle** which is designed primarily for lifting, lowering, loading, unloading, while being operated or used by **you** or on **your** behalf within the confines of **your premises**;
- (iv) arising from the use of any **tool of trade** other than whilst in transit or whilst being used for transport or haulage;
- (v) for **property damage** arising out of the movement by **you** or by any **employee** of **yours** of any **vehicle** or trailer not belonging to **you** which is interfering with access to or from **your premises** or any site where **you** are carrying out work; or
- (vi) for **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.

19. Watercraft, Aircraft, Hovercraft

personal injury or **property damage** caused by or arising directly or indirectly out of or in connection with:

- (a) the operation, ownership, possession or use by **you** of any **watercraft** or **hovercraft** exceeding 10 metres in length, while such **watercraft** or **hovercraft** is on, in or under water.

Provided that 19(a) shall not apply to claims arising out of:

- (i) **watercraft** used in operations carried out by any independent contractors for whose conduct **you** may be held liable;
- (ii) **watercraft** or **hovercraft** owned and operated by others and used by **you** for **business** entertainment;
- (b) the ownership, maintenance, operation, possession, or use by **you** of any **aircraft**, including any **property** used for the purpose of an airport or any **aircraft** landing strip.
 Provided that 19(b) shall not apply to claims arising out of any model aircraft or tethered inflatable balloons used for advertising or promotional purposes;
- (c) **your products** that an **insured person** knew or had reasonable cause to believe would be, or are, installed as a critical part or become a component part of the hull, machinery or instruments used for navigation or maintaining an **aircraft** or **hovercraft** or any other aerial device in flight or in movement upon the ground or water.

Special Conditions

1. Additions and/or Alterations to buildings and plant

Where additions and/or alterations to **buildings** or plant are being performed at the **premises** by any contractor employed by **you**, notwithstanding the Definition of **business** clause (c) in this **cover section**, this **policy** extends to indemnify **you** against any claim for **your** legal liability to pay compensation for **personal injury** or **property damage** arising from an **occurrence** happening in connection with the conduct of the **business** or ownership of the **premises** during the period of the contract works, that is independent of the contractor's performance.

Provided also that nothing in this clause will result in an increase in **our** Limits of Liability in respect of any **occurrence** or **period of insurance**.

2. Cross liability

When an **insured person** consists of more than one party, the **insured person** shall be considered as a separate **insured person** as though a separate policy had been issued to each of the said parties.

Provided that **our** Limits of Liability and Additional Payments will apply as though there were not separate policies issued to each party.

3. Liability not to be admitted

The **insured persons** shall not admit liability for or offer to or agree to settle any claim without **our** written consent. **We** shall be entitled to take over and defend any claim with full discretion in the conduct of that claim.

4. Reasonable care and Precautions

Notwithstanding Condition 3 – 'Reasonable care and reducing risk' noted in the General policy conditions on page 11, the following is applicable for this **cover section**.

- (a) **You** must exercise reasonable care that only competent **employees** are employed and take reasonable measures to maintain all **premises**, fittings and plant in sound condition.
- (b) The **insured persons** shall:
 - (i) take all reasonable care and precautions to prevent **personal injury**, **property damage** or **advertising liability** losses;
 - (ii) take all reasonable care and precautions to prevent the manufacture, sale or supply of defective **products**; and
 - (iii) comply with all statutory obligations, by-laws or regulations imposed by any public authority for the safety of persons or property.
- (c) **You** shall, at **your** own expense, withdraw, inspect, repair, replace, trace, recall or modify any of the **products** containing any defect or deficiency of which **you** have knowledge or have reason to suspect.

Theft

Introduction

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

Definitions

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

Category and Categories

The category into which **property** can be designated from the following:

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

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

Property

The Property shown in **your policy schedule** as **property insured**.

Safe

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

Strongroom

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

Theft

Theft or attempted theft.

Cover

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

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

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

We will also pay the cost of opening any **safes** and **strongrooms** damaged as a result of **theft** under Cover 1. to 5. above.

Basis of Settlement

At **our** option, **we** will:

- (a) with respect to **stock**:
 - (i) pay **you** the market value of the **stock** at the time of the loss or damage;
 - (ii) pay **you** the market value of **obsolete stock** at the time of the loss or damage or its purchase price, whichever is the lesser, but no more than the original cost to **you**;
 - (iii) 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; or
 - (iv) pay the cost of repair or replacement of the **stock**.

- (b) with respect to **contents** and other **property insured**:
 - (i) repair or replace the **contents** or other **property**; or
 - (ii) pay **you** the cost of repair or replacement of the **contents** or other **property**.
- (c) pay the **insured amount** for a Specified Item.

Limitations of cover

1. Categories of property

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

2. Excess

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

3. Insured amount and reinstatement of insured amount

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

Provided that the maximum amount we will pay in any one **period of insurance** is limited to twice the **insured amount**.

Exclusions

We will not pay for:

- 1. **theft** from any open-sided structure such as, but not limited to, verandas, yards or other open spaces whether they are partially or fully enclosed by a **building** or not;
- 2. **theft** when entry has been made using keys or security codes;
- 3. **theft** of **money** or tickets of any kind exceeding \$500 in total;
- 4. **theft** of motorised vehicles (other than forklifts or similar mobile lifting plant, not otherwise insured) and/or watercraft, unless motorised vehicles and/or watercraft are specifically shown as insured in **your policy schedule** for this **cover section**;
- 5. unexplained disappearances or unexplained shortages whether resulting from clerical or accounting errors or shortages in the supply of materials to or by **you**;
- 6. **consequential loss** of any kind; or
- 7. the dishonest manipulation of any database or computer system.

Extensions of cover

1. Business records

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

Provided the maximum amount that we will pay during the **period of insurance** is limited to \$25,000 or as noted in **your policy schedule**.

2. Clothing and Personal effects

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

Provided that the total amount payable under this Extension is limited to \$10,000 in total, any one **event**. If **you** are also insured under the Money **cover section**, the benefits payable under its Extension of cover 1 (b) 'Clothing and Personal effects' shall not be cumulative.

3. Damage to premises

We will pay in addition to the **insured amount** the cost of repairing **buildings** that are physically damaged during a **theft** at that **premises**. Provided that the maximum amount we will pay is limited to \$10,000 in total any one **event**.

4. Death following assault

If any person is injured while protecting or attempting to protect the **property** from **theft** and death results from this injury within 12 months, **we** will pay \$10,000 in addition to the **insured amount**, to the estate of that person. If **you** are also insured under the Money **cover section**, the benefits payable under its Extension of cover 1 (e) 'Death following assault' shall not be cumulative.

5. Disposal of damaged property

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

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

6. Employee dishonesty

We will pay **you** for loss of **property** by **theft** or dishonesty by any of **your employees** occurring during the **period of insurance**, which is discovered within 45 days of its occurrence. Exclusion 7 (the dishonest manipulation of any database or computer system) and Extension 15 – 'Theft without forcible entry', proviso (b), **theft** by **you** or any of **your employees**, does not apply to this Extension.

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

We will not cover any claims under this Extension of cover if **you** are insured under Optional cover – 'Employee Dishonesty' in the Management Liability **cover section**.

7. Illegal use of corporate financial transaction card

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

Provided that **we** will not pay:

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

8. Locks and Keys

If during the **period of insurance** any locks, keys, magnetic keys or cards or similar devices and combinations used at the **premises** are accidentally lost, stolen or there are reasonable grounds to believe these have been duplicated, **we** will pay in addition to the **insured amount**:

- (a) the cost incurred to replace the locks, keys, magnetic keys or cards or similar devices;
- (b) the cost incurred to replace the sequence of numbers of letters become known by any unauthorised person;
- (c) the cost incurred to replace the unauthorised duplication of keys, magnetic keys or cards or similar devices;
- (d) other costs that are necessarily incurred to restore the security of the **premises** to the same level of security that existed prior to the loss of these keys.

Provided that the maximum amount that **we** will pay is limited to \$10,000 in total, any one **event**. If **you** are also insured under the Money **cover section**, the benefits payable under its Extension of cover 1 (c) 'Keys, locks and combinations' shall not be cumulative.

9. New premises – Temporary cover

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

Provided that:

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

You must provide **us** with full details of the new **premises**.

If **we** agree to cover the **property** at the new **premises** beyond the 60 consecutive day period, **you** must pay any additional premium **we** ask for.

10. Property temporarily removed

We will also cover **your property** while temporarily removed to any other premises within **Australia** subject to the same policy conditions and exclusions.

Provided that:

- (a) **we** will not cover tobacco, tobacco products, cigars, cigarettes or alcoholic beverages;
- (b) **we** will not cover **property** 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**; and
- (d) this Extension of cover will not apply to any **property**, which has been removed for a period greater than 90 days without **our** prior written consent.

11. Seasonal or Festive increase

The **insured amount** for **stock** excluding any Cigarettes or Tobacco Goods, is increased by 50% for losses occurring during the days specified in **your policy schedule** under the heading 'Seasonal or Festive Increase', up to a maximum number of 126 days. If no days are specified, the 50% increase for **stock** excluding any Cigarettes or Tobacco Goods, the **seasonal increase periods** will apply.

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

12. Security

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

Provided that the maximum amount **we** will pay is limited to \$10,000 in total, any one **event**. If **you** are also insured under the Money **cover section**, the benefits payable under Extension of cover 1 (g) 'Security' shall not be cumulative.

13. Temporary protection and Watchmen

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

Provided that the maximum amount that **we** will pay is limited to \$10,000 in total, any one **event**. If **you** are also insured under the Money **cover section**, the benefits payable under its Extension of cover 1 (f) 'Temporary protection and Watchmen' shall not be cumulative.

14. Tenanted premises

We will also pay in addition to the **insured amount** for **property insured**, the cost of repairing or replacing damage to **your** landlords premises or property (other than **glass**) for which **you** are liable under the terms of **your** lease or rental agreement arising from **theft** or attempted **theft** at the **premises**.

Provided that the maximum amount **we** will pay is limited to \$10,000 in total any one **event**.

15. Theft without forcible entry

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

Provided that **we** will not pay for:

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

Exclusion 1, **theft** from any open-site structure, does not apply to this Extension.

The maximum amounts that **we** will pay in total for any one **event** are limited to:

- (i) \$20,000 for **theft** of electronic equipment, other than **stock**, from within any **building**; or
- (ii) \$10,000 for all other **property**,

unless noted otherwise in **your policy schedule**.

16. Water Authority Charges

The costs levied on **you** by a Water Company or Authority for water usage arising from the **theft** of **property** or water at the **premises**.

Provided that the maximum amount **we** will pay is limited to \$10,000 in total any one **event**. If **you** are also insured under the Fire – Gold **cover section**, the benefits payable under its Extension of cover A – 13. 'Water authority charges' shall not be cumulative.

Optional extensions of cover

The following Extensions of cover are optional and available if **you** choose them and pay any additional premium.

1. Additional Damage to premises cover

If 'Additional Damage to Premises' is shown in **your policy schedule** then in addition to the cover provided under Extension of cover 3 – 'Damage to premises', **we** will pay up to the amount shown in **your policy schedule** for the cost of repairing **buildings** at the **premises** that are physically damaged during a **theft**.

2. Additional Theft without forcible entry cover

If 'Theft without forcible entry' is shown in **your policy schedule** then in addition to the cover provided under Extension of cover 15 – 'Theft without forcible entry', and subject to the same policy conditions and exclusions, **we** will pay an increased amount up to the amount shown in **your policy schedule** for damage to **property** caused by **theft** from the **premises** where there is no visible, forcible and violent entry.

Money

Introduction

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

Definitions

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

Business hours

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

Financial service provider

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.

Locked

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

Loss and Lost

Accidental loss, damage or destruction.

Money

For the purpose of this **cover section** only, the General Definition of **money** is extended to include funds held in electronic form in a bank account, **money** held in trust or for which **you** are responsible and which is not otherwise insured and shall also include any cash carrying bag used with the **transit**.

Safe

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

Strongroom

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

Transit

Money in **your** personal custody or in the custody of persons authorised by **you** whilst in transit within **Australia**. The **transit** shall be deemed to have commenced immediately after the **safe** or **strongroom** is unlocked for the purpose of removing and immediately transporting the **money** from the **premises**. **Money in transit** includes **money** while contained in the night safe, night depository chute or automatic teller machine of any **financial service provider**. **Our** liability ceases at the time **your financial service provider** has recorded the **money** into **your** account or ceases trading on the next business day following the deposit therein.

Wages and salaries collected from the bank but not paid to **employees** is in '**transit**' until it is physically in the control of **employees**.

You or Your

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

Cover

1. Blanket cover

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

2. Specified cover

When one or more Specified Covers are shown in **your policy schedule**, we will pay up to the applicable **insured amount** shown in **your policy schedule** for **loss of money** during the **period of insurance** for the following categories of **money**:

- ▼ Money in **transit**
- ▼ Money on the **premises**
- ▼ Money in a locked **safe** or locked **strongroom**
- ▼ Money in **your** custody.

Basis of Settlement

The maximum amount **we** will pay is the **insured amount** shown in **your policy schedule** as per the cover selection taken. If **you** have selected a different **insured amount** for each of the Specified Covers listed above, the maximum amount **we** will pay, in respect of:

- (a) **money in transit** at the time of the **loss** is the **money in transit insured amount**;
- (b) **money** on the **premises** during **business hours** at the time of the **loss** is the **money** on the **premises** during **business hours insured amount**. The maximum **we** will pay for **money** at the **premises** outside **business hours** is \$2,000, unless the **money** is contained in accordance with (c) below;
- (c) **money** on the **premises** in a securely locked **safe** or **strongroom** at the time of the **loss** is the **money** at the **premises** in securely locked **safe** or **strongroom insured amount**; or
- (d) **money** in **your** personal custody or the personal custody of an authorised person while in a private residence at the time of the **loss** is the **money in your custody insured amount**.

If **we** agree to pay a claim for **loss** of **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**.

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

1. if the securities can with **our** approval be replaced, the cost of replacement paid or payable by **you**; or
2. 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** 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**.

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 buy rate at the time of settlement of the **loss** or such other rates as may have been expressly agreed with **us**. If there is no market price or value on the relevant day, then the value shall be agreed between **you** and **us**, or in default, **we** and **you** shall submit to mediation and be bound by the decision of the mediator.

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

When Extension of cover 1 (a) 'Damage to safes or strongrooms' applies, **we** will, at **our** option:

- (e) repair the **safe** or **strongroom**;
- (f) replace the **safe** or **strongroom** with an item of a specification equal to but not better or more extensive than it was when new;
- (g) if the **loss** is confined to part of the **safe** or **strongroom**, repair or pay **you** the cost of repair of that part plus the cost of any necessary dismantling and reassembling; or
- (h) pay **you** the cost of repairing or replacing the **safe** or **strongroom**.

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

Limitation of Cover

1. Excess

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

Exclusions

We will not pay for:

1. theft from an unattended vehicle that is not locked;
2. theft from a **safe** or **strongroom** when the locking device is opened by:
 - (a) a key, a magnetic key or card, or similar device;
 - (b) a sequence of numbers or letters, or numbers and letters; or
 - (c) any combination of the security devices described in 2(a) and 2(b) above,when these security devices are left unsecured on the **premises**;

3. theft from a **safe** or **strongroom** that is not locked during non **business hours**;
4. shortage of any **money** due to error or omission;
5. **loss** due to fraudulent or dishonest acts by **you**.
Provided that this does not apply to theft by **your employees** following visible, forcible and violent entry;
6. **loss** due to the dishonest manipulation of any database or computer system;
7. **loss** of **money** while professional money carriers, professional carriers or common carriers are carrying it;
or
8. **consequential loss** of any kind.

Extensions of cover

1. Additional covers

In addition to the **insured amount**:

(a) Damage to safes or strongrooms

If Blanket Cover or Money in Safes or Strongrooms is shown in **your policy schedule**, then **we** will pay up to \$10,000 for damage to **safes** and **strongrooms** following theft or an attempted theft of **money**.

(b) Clothing and Personal Effects

If during a theft or attempted theft of **money**, clothing and personal effects are **lost**, then **we** will pay to repair or replace those items.

Provided that the total amount payable under this Extension is limited to \$10,000 in total, any one **event**. If **you** are also insured under the Theft **cover section**, the benefits payable under that Extension of cover 2. 'Clothing and Personal Effects' shall not be cumulative.

(c) Keys, locks and combinations

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

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

- ▼ as a result of theft covered under this **cover section**, keys or combinations are stolen or 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, or numbers and letters becomes known by any unauthorised person or are accidentally **lost**;
- ▼ circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices; and

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

Provided that the total amount payable under this Extension is limited to \$10,000 in total, any one **event**. If **you** are also insured under the Theft **cover section**, the benefits payable under its Extension of cover 8. 'Locks and Keys' shall not be cumulative.

(d) Travellers money

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

Provided that the total amount payable under this Extension is limited to \$10,000 (Australian dollars) in total, any one **event**.

(e) Death following assault

If any person is injured while protecting or attempting to protect **money** from theft or attempted theft and death results from this injury within 12 months, **we** will pay \$10,000 to the estate of that person. If **you** are also insured under the Theft **cover section**, the benefits payable under its Extension of cover 4. 'Death following assault' shall not be cumulative.

(f) Temporary protection and Watchmen

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

Provided that the total amount payable under this Extension is limited to \$10,000 in total, any one **event**. If **you** are also insured under the Theft **cover section**, the benefits payable under its Extension of cover 13. 'Temporary protection and Watchmen' shall not be cumulative.

(g) Security

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

Provided that the maximum amount **we** will pay is limited to \$10,000 in total, any one **event**. If **you** are also insured under the Theft **cover section**, the benefits payable under its Extension of cover 12. 'Security' shall not be cumulative.

2. Bank or Public holiday increase

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

Provided that this Extension of cover does not apply to:

- (a) damage to **safes** and **strongrooms**;
- (b) **money** on **premises** outside **business hours**; and
- (c) is not cumulative with Extension of cover 7. – 'Seasonal or Festive increase'.

3. Counterfeit currency

We will pay for **loss** of **money** due to **your** acceptance of counterfeit Australian currency for goods or services supplied by **you** in connection with **your business**.

Provided that the total amount payable under this extension is limited to \$500 in total any one **period of insurance**.

4. Employee dishonesty

We will pay **you** for **loss** of **money** caused by theft or dishonesty by any of **your employees** occurring during the **period of insurance**, which is discovered within 45 days of its occurrence. Exclusions 5 and 6 of this **cover section**, so far as they relate to **loss** due to fraudulent or dishonest acts by **you** and **loss** due to the dishonest manipulation of any database or computer system, does not apply to this Extension.

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

We will not pay any claims under this Extension of cover if **you** are insured under Optional cover – 'Employee Dishonesty' in the Management Liability **cover section**.

5. New Premises – Temporary cover

We will cover **you** for **loss** of **money** as insured by this **cover section** for a period of 60 days from the date **you** first occupy new premises.

Provided that:

- (a) the **money** is the property of the **business** shown in **your policy schedule**;
- (b) cover applies only to the categories of **money** specified in **your policy schedule** insured by this **cover section** and **our** liability is limited to 50% of the **insured amount** for each of the categories of **money** specified in **your policy schedule**;
- (c) the **loss** of **money** occurs within the **period of insurance**;
- (d) the new **premises** have building and security features that are similar to those at one of the **premises** shown in **your policy schedule**.

You must provide **us** with full details of the new **premises**.

If **we** agree to cover the **money** at the new **premises** beyond the 60 consecutive day period, **you** must pay any additional premium **we** ask for.

6. Reinstatement of insured amount

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

You will not have to pay any additional premium, provided that the maximum amount **we** will pay during the **period of insurance** is limited to twice the **insured amount**.

7. Seasonal or Festive increase

The **insured amount** for **money** is increased by 50% for **losses** occurring during the days specified in **your policy schedule** under the heading 'Seasonal or Festive Increase', up to a maximum of 126 days. If no days are specified, the **seasonal increase periods** (see General Definitions) will apply to this Extension of cover.

Provided that this Extension of cover:

- (a) will not extend the insurance beyond the **period of insurance** noted in **your policy schedule**;
- (b) does not apply to **money** on **premises** outside **business hours**; and
- (c) will not apply to the individual days mentioned under Extension of cover 2 – ‘Bank or Public holiday increase’.

Optional extension of cover

The following Extension of cover is optional and is available if **you** choose it and pay any additional premium.

If shown in **your policy schedule** the following Optional extension of cover shall apply:

1. Additional damage to safes and strongrooms

When ‘Additional damage to safes and strongrooms’ is shown in **your policy schedule** then the \$10,000 limit for Extension of cover 1 (a) – ‘Damage to safes and strongrooms’ is increased to the limit shown in **your policy schedule**.

Glass

Introduction

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

Cover

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

We will pay additional costs incurred by **you**:

- (a) in arranging after-hours services, express delivery and labour at overtime rates in relation to the repair and replacement of **broken glass**; and
- (b) to comply with current building regulations that relate to the **glass** that is **broken**, when applicable.

Limitations of cover

1. Excess

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

2. Types of glass

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

Exclusions

We will not pay for damage to:

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

Extensions of cover

1. Additional benefits

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

- (a) effect temporary repairs, install shuttering and employ watchmen or guards;
- (b) repair or replace:
 - (i) frames, sign-writing, alarm tapes, coatings; or
 - (ii) fittings and tiled shop fronts,that are damaged as a result of **glass breakage**; and
- (c) remove and refit fixtures and tiles to allow the repair or replacement of **broken glass**.

Provided that the total of all payments under this Extension of cover is limited to \$10,000 during the **period of insurance**.

2. Advertising (or identification) signs

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

Provided that the total of all payments under this Extension of cover is limited to \$10,000 during the **period of insurance**.

3. Damaged stock

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

Provided this Extension of cover is limited to \$10,000 during the **period of insurance**.

4. Malicious damage

If 'Glass' is shown in **your policy schedule** and where **you** are a tenant of leased **premises**, and **you** are required by the terms of **your** lease to insure **external glass**, **we** will also cover **you** for the cost of replacing **external glass** which **you** are required to replace where the damage has arisen from the acts of malicious persons and not resulted in the **external glass** being **broken** through the entire thickness.

Provided that this Extension of cover is limited to \$10,000 during the **period of insurance**.

5. Reinstatement of Additional benefits

Following a claim under Extensions of cover 1 – 'Additional benefits', if **you** pay or agree to pay an additional premium, **we** will return the limit to the full \$10,000 for the remaining **period of insurance**.

Optional extensions of cover

The following Extensions of cover are optional and available if **you** choose them and pay any additional premium.

1. Increased Additional benefits

If 'Increased Additional benefits' is shown in **your policy schedule** then the total for all payments provided under Extensions of cover 1 – 'Additional benefits' is increased to the limit shown in **your policy schedule**.

2. Increased cover on Advertising (or identification) signs

If 'Increased cover on Advertising (or identification) signs' is shown in **your policy schedule** then the total for all payments provided under Extensions of cover 2 – 'Advertising (or identification) signs' is increased to the limit shown in **your policy schedule**.

3. Increased cover on Damaged stock

If 'Increased cover on Damaged stock' is shown in **your policy schedule** then the total for all payments provided under Extensions of cover 3 – 'Damaged stock' is increased to the limit shown in **your policy schedule**.

Worked dollar example

The following worked dollar claim example is designed to assist **you** in understanding some of the important benefits in this **cover section** and how claims are calculated. The example does not cover all scenarios or all benefits and does not form part of **your policy** terms and conditions. The following example should be used for general guidance only.

How much we pay		Further information
Cost of replacing the glass	\$1,500	We pay the cost of replacing the glass .
Cost of re-applying the sign writing	\$500	The damaged window has signage painted on it. We assess the cost of re-painting the signage to be \$500.
Cost of replacing the damaged perspex sign	\$1,000	The cost to replace the damaged sign is covered under Extension of cover – '2. Advertising (or identification) signs' and costs \$1,000.
Less excess	- \$250	We deduct this from the amount we pay. We may require you to pay this amount directly to the glass repairer.
Total claim	\$2,750	We normally pay this amount directly to the repairer.

Portable and valuable items

Introduction

This **cover section** only forms part of **your policy** when Portable and Valuable Items is shown in **your policy schedule** and is limited to the **period of insurance** indicated.

Definitions

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

Damage or Damaged

Accidental physical damage, destruction or loss.

Item or Items

An item or items which is part of a group or class of property that are shown in **your policy schedule**. The group or class described may include hand tools and hand held power tools.

Stock

For the purpose of this **cover section** only, the General Definition of **stock** is extended to include any materials owned by **you** and stored on **your premises**, at contract sites, or during **transit**.

Cover

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

Limitations of cover

1. Excess

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

2. Geographical limits

Cover applies to **damage** that occurs anywhere in the world, unless cover is limited by **endorsement** to the **premises** shown in **your policy schedule**.

3. Obsolete items or improvements

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

4. Reduced insured amount

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

5. Stock

We will not pay for **damage** once **stock** has been used or incorporated into any contract.

6. Unspecified items

When cover is shown in **your policy schedule** for Unspecified Items, cover is limited to a maximum amount of \$2,500 for any one **item**.

Provided that **we** will not pay for Excluded Items (see below).

Exclusions

1. Consequential loss

We will not pay for **consequential loss** of any kind.

2. Excluded causes

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

- (a) the breaking, seizing, deformation or melting of any part of any **item** while that **item** is in use that is caused by mechanical, electrical or electronic defect within the **item** that causes sudden failure or malfunction that requires repair or replacement before the **item** can resume normal operation;
- (b) corruption or loss of **data**;
- (c) vermin or insects;
- (d) scratching, denting, chipping or other aesthetic defects that do not affect the operation or function of the **item**;

- (e) gradually operating causes such as, but not limited to, wear and tear, atmospheric conditions, mildew, corrosion, disease, fading, rusting or other forms of oxidation; or
- (f) faulty materials, faulty workmanship or latent defects.

Exclusions 2 (a), (c), (e) and (f) shall apply only to the part of the **item** immediately affected and **we** will pay for any **damage** to any **item** that is not otherwise excluded that results from **damage** caused by or arising directly from any of these causes.

3. Excluded items

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

- (a) mobile plant, motorised vehicles, watercraft, aerial devices, sporting equipment, firearms;
- (b) **stock** including consumable items;
- (c) **money**.

Extensions of cover

1. Automatic reinstatement

If **we** pay an amount for a claim under this cover section **we** will automatically reinstate the **insured amount** to the amount shown in **your policy schedule**, provided that **you** pay or agree to pay the additional premium that **we** require.

2. Theft of property of others

We will cover **you** for theft of any **item** 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.

We will not cover **you** under this additional extension unless the **item** or **items** were:

- (a) in a securely locked vehicle and the theft was consequent upon forcible and violent entry to the vehicle;
- (b) securely and permanently affixed to a **building** or vehicle and theft is consequent upon forcible and violent removal of the **item** or **items**;
- (c) in a vehicle and was securely chained to that vehicle by a steel chain having a link diameter of 10mm or greater and a padlock with a security rating under AS 4145.4 'Locksets – Part 4 Padlocks' (or any subsequent amendment) of 6 (or its equivalent) or above;
- (d) in **your** private residence or the private residence of **your employee** who has been authorised by **you** to have the custody and control of the item. However **we** will not cover any theft by a tenant;
- (e) securely locked in a **building** or any part of the **building** and the theft is consequent upon forcible and violent entry to the **building** or that part of the **building**.

We will not cover any theft:

- (i) committed by **you** or any of **your employees**;
- (ii) committed by any person while lawfully at **your premises** who has with **your** consent entered **your premises** or the **building**;
- (iii) of any **item** which is in an unattended area of the **building**; or
- (iv) stolen as a consequence of armed hold-up or the threat of physical violence.

We will not cover **you** for more than \$2,500 in any one **period of insurance** under this Extension of cover.

Optional Limitations

1. Fire excluded

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

2. Restricted cover

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

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

Breakdown of machinery, computer equipment and electronic equipment

Introduction

This **cover section** only forms part of **your policy** when Machinery Breakdown, Computer Breakdown or Electronic Equipment Breakdown is shown in **your policy schedule** and is limited to the **period of insurance** indicated.

Definitions

The following definitions shall apply to the words used in this **cover section** and override any other definitions of them elsewhere in this **policy**.

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

Those parts of the permanent structure of the **machinery** owned by **you** or for which **you** are legally responsible which are subject to internal steam gas or fluid pressure (other than atmospheric pressure) including:

- (a) fittings and direct attachments which are connected to the permanent structure without intervening valve or cock;
- (b) supporting structures of the **machinery** described above (other than foundations, masonry or brickwork) such as furnace doors, access doors, external combustion chambers smoke boxes and casings; and
- (c) metal parts of pressure and water gauges and their connections to the permanent structure.

Breakdown

A sudden, accidental and unforeseen failure of **machinery, computer equipment or electronic equipment** resulting in physical damage to such of **machinery, computer equipment or electronic equipment** which requires the repair or replacement of all or part of the of **machinery, computer equipment or electronic equipment** before normal operation of it can be resumed and may include, but is not limited to the actual breaking, seizing, deformation or burning out sufficient to prevent the item undertaking its normal operation and necessitating repair or replacement.

Breakdown does not mean:

- (a) depletion, deterioration, corrosion or erosion of material;
- (b) wear and tear;
- (c) vibration or misalignment;
- (d) the functioning of any safety device or protective device; or
- (e) the failure of a structure or foundation supporting the equipment or a part of the equipment.

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.

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".

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**.

Domestic type hot water systems

Any heating or hot water system of any kind used for domestic purposes not exceeding 500 litres and normally operating at a temperature not exceeding ninety nine degrees Celsius (99°C).

Electronic equipment

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

Electronic equipment does not include electronic equipment that is **stock**.

Expendable items

- (a) electrical and electronic glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements; or
- (b) tracks, rails, wear plates, cutting edges, tools, dies, engraved cylinders, moulds, patterns, shear pins, filters, chains, belts, tyres, tracks or conveyor belts and any other part or parts which require periodic replacement.

Hazardous substance

Any:

- (a) **pollutant**, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
- (b) form of fungus including any spores or toxins created or produced by or emanating from such fungus, whether or not allergic, pathogenic or toxigenic.

Machinery

Any item or component of an item that is owned by **you** or for which **you** are legally responsible including electronic and other integral parts which generates, contains, controls, transmits, receives, transforms, or utilises mechanical or electrical power, any electronic machine, device or instrument.

Machinery includes **boilers and pressure plant**. **Machinery** includes **air conditioners** only when **your policy schedule** shows that they are covered.

Machinery does not include:

- (a) any **computer equipment**, or **electronic equipment**, coin/card operated machines;
- (b) any watercraft or aircraft;
- (c) any elevator or escalator but not excluding any electrical or **electronic equipment** used with such apparatus;
- (d) any storage tanks and vats, stationary and mobile pressure vessels containing explosive gases, **domestic type hot water systems**;
- (e) any vehicle or mobile equipment;
- (f) any ducting, reticulating electrical wiring, water and gas piping and any other **machinery** not installed or used;
- (g) any buried piping, any drainage piping, any sprinkler piping and its accessory equipment.

Media

Material on which **data** is recorded or stored, such as magnetic tapes, hard drives, cartridges, dongles, CDs, DVDs, USBs, flash drives, memory cards or floppy disks, or other storage types. **Media** does not include paper records.

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.

Pressure pipe systems

In respect of **boilers and pressure plant** any pressure pipe systems with valves, fittings, traps and separators which contain steam condensate, gas or fluids under pressure (other than atmospheric pressure) and which is generated in whole or in part within the **machinery** specified in **your policy schedule**, including any feed water piping between such boiler and its feed pump or injector, but not including any such pipe systems which form part of any other vessel or apparatus. In respect of refrigeration and air-conditioning **machinery** specified in **your policy schedule** the interconnecting coils and pipework containing transfer **media**.

Cover

We will cover you for loss or damage as a result of a **breakdown** at **your premises** to an item of:

- (a) **machinery**, if "Machinery Breakdown" is shown in **your policy schedule**; or
- (b) **computer equipment**, if "Computer Breakdown" is shown in **your policy schedule**; or
- (c) **electronic equipment**, if "Electronic Equipment Breakdown" is shown in **your policy schedule**,

which requires repair or replacement before it can continue operating normally and provided the loss or damage occurs during the **period of insurance**.

Special conditions

1. Adherence to statutory requirements

If **machinery, computer equipment** 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 such **machinery, computer equipment** and **electronic equipment** as specified in the licence.

2. Inspection

We or our authorised representatives have the right to make inspections of **machinery, computer equipment** 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 **machinery, computer equipment** or **electronic equipment** is safe and not hazardous or injurious to health.

3. Obligation to prevent loss

If **we** or **our** authorised representative discovers **machinery, computer equipment** or **electronic equipment** in or exposed to a dangerous condition, **you** must comply with any direction provided by **us** or **our** representatives to prevent loss. If **you** do not comply within 30 days of receiving the direction, **we** may refuse to pay a claim or cancel **your policy**.

4. One breakdown

If either:

- (a) a **breakdown** of **machinery, computer equipment** or **electronic equipment** causes the **breakdown** of other **machinery, computer equipment** or **electronic equipment**; or
- (b) a series of **breakdowns** occur at the same time as a result of the same cause,

they will all be considered as one **breakdown** for the purpose of applying the **excess**, the **insured amounts** and any other limit or sub-limit in this **cover section**.

Basis of Settlement

If **we** agree to pay a claim for **breakdown** of **machinery, computer equipment** or **electronic equipment** **we** will at **our** option repair, rebuild or replace any damaged item or pay for the cost of repairing, rebuilding or replacing. If **we** decide to replace the damaged item, **we** will replace the damaged **property insured** with similar property of a like kind, capacity, size, quality and function.

If **we** agree that **you** can carry out the repairs at the **premises** or at a workshop owned by **you**, **we** will pay the actual costs of materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

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 **machinery, computer equipment** or **electronic equipment** which is greater than the cost of repairing or replacing the entire piece of such **machinery, computer equipment** or **electronic equipment**.

If the work of repairing, rebuilding or replacing the item is not commenced and carried out within a reasonable time period after the **breakdown**, **we** will not be liable to pay more than the cost necessary to repair, rebuild or replace the item at the time the **breakdown** occurred.

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.

Depreciation applied for replacement of computers

If **we** decide to pay **you** the cost to replace a laptop computer, notebook or desktop computer rather than repair it, **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.

Limitations of cover

1. Insured amount

The most **we** will pay for **breakdown** of:

- (a) **machinery** is the 'Machinery Breakdown' **insured amount**;
- (b) **computer equipment** is the 'Computer Breakdown' **insured amount**; and
- (c) **electronic equipment** is the 'Electronic Equipment Breakdown' **insured amount**.

2. Excess

Without limiting Special condition – 4. 'One breakdown' above, **you** must pay the amount of any **excess** shown in **your policy schedule** for each claim **you** make.

Exclusions

We will not cover you for:

1. The cost of repair or replacement of **expendable items**.
2. **Breakdown** or any loss or damage caused by any crack, fracture, blister, lamination, flaw or grooving which has not penetrated completely through the entire thickness of the material of the **machinery**.
3. The costs incurred in repairing wear and tear or gradual deterioration including:
 - (a) wear and tear due to normal operation;
 - (b) wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation;
 - (c) damage to a safety or protective device caused by its own operation;
 - (d) the chipping or scratching of painted or polished surfaces; or
 - (e) slowly developing deformation or distortion.
4. The cost of carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments.
5. **Breakdown** of **machinery, computer equipment** or **electronic equipment** which you knew or reasonably should have known to be defective before the **breakdown** occurred.
6. Any **consequential loss**.
7. Any loss or damage caused by or arising out of the following events or to any loss or damage covered by the exclusions referred to in the following events:
 - (a) fire;
 - (b) escape of molten material from its intended confines at the **premises**;
 - (c) lightning or thunderbolt;
 - (d) earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these, during any period of 72 consecutive hours;
 - (e) impact;
 - (f) riot, civil commotion or labour disturbances;
 - (g) storm, wind and rain (including snow, sleet or hail) including **flood**;
 - (h) water damage other than as a result of a **breakdown** covered by this **cover section**; or
 - (i) malicious acts (including by vandals and thieves).
8. **Breakdown**, loss or damage caused by explosion or implosion, 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.
9. **Breakdown**, loss or damage caused during the course of maintenance, inspection, repair, alteration, modification or overhaul.
10. **Breakdown**, loss or damage caused during installation, erection or relocation.
11. Damage to foundations, brickwork, and refractory materials other than as a result of **breakdown**.
12. **Breakdown**, loss or damage arising out of plant being subjected to tests involving abnormal stresses or arising out of plant being deliberately overloaded.
13. **Breakdown**, loss or damage caused by a deliberate act, neglect or omission on **your** part.
14. **Breakdown**, loss or damage for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement.
15. The cost of alterations, improvements or overhauls unless it is required for the repair or replacement.
16. The costs associated with modifying the **machinery** so that it operates with a more ozone friendly refrigerant gas as required by the United Nations Environmental Programme Montreal Protocol with respect to substances which deplete the ozone layer ("**UNEP**").
17. **Breakdown**, loss or damage as a result of dual lifting.
18. Loss or damage to **air conditioners** unless **your policy schedule** shows they are covered.

19. **Breakdown of machinery, computer equipment or electronic equipment** which is useless or obsolete to your business.
20. Loss or damage caused by or arising out of pollution, contamination or a **hazardous substance**, however caused, except as provided for in Extension of cover – A 4. 'Hazardous substances'.

Extensions of cover – A

If **we** agree to pay a claim for loss or damage as a result of a **breakdown** covered by this **cover section** we will pay for the following costs that are incurred as a result of that **breakdown**.

Extension of cover 1, 2 and 4 are included in, and shall not be in addition to, the **insured amount** for the **breakdown of machinery, computer equipment or electronic equipment**.

1. Loss of or damage to property caused by flying fragments

Loss of or damage to other property that results from flying fragments from the broken **machinery, computer equipment or electronic equipment**.

2. Costs of joints, gaskets, drive belts

The reasonable costs of replacing joints, gaskets, seams, drive belts, filters, chains, brickwork, foundation or refractories, seals, shaft seals, flexible drives or flexible pipes, soft rollers, refrigerant, brine or other transfer media which are necessary for the repair.

3. Additional costs

The reasonable costs of:

- (a) hiring temporary replacement **machinery, computer equipment or electronic equipment** but no other associated costs such as, but not limited to, installation and storage costs;
- (b) effecting temporary repairs;
- (c) overtime work required for carrying out the repairs;
- (d) express freight services; and
- (e) consultants fees.

We will not pay more than \$25,000 in total for these additional costs for each **event**. This Extension of cover 3 is in addition to the **insured amount** for **breakdown of machinery, computer equipment or electronic equipment**.

4. Hazardous substances

If a **hazardous substance** is involved in or released by a **breakdown** of **machinery, computer equipment or electronic equipment** which is covered by this **cover section**, **we** shall pay the increase in cost to repair, replace, clean up or dispose of, the damaged **machinery, computer equipment or electronic equipment**.

The maximum we will pay under this Extension of cover is \$25,000 for each claim.

Extensions of cover – B

The cover provided for **breakdown of machinery, computer equipment and electronic equipment** is extended to cover the following loss or damage occurring during the **period of insurance**:

1. Laptop computers, notebooks, or mobile electronic equipment away from premises

Breakdown of your laptop **computer equipment** or mobile **electronic equipment** anywhere in **Australia** if either 'Computer Breakdown' or 'Electronic Equipment', as applicable, is shown in **your policy schedule** and the laptop **computer equipment** or mobile **electronic equipment** is also specified in **your policy schedule** under Portable and Valuable Items **cover section**.

Optional extensions of cover

The following Extensions of cover are optional and available if **you** choose them and pay any additional premium.

1. Restoration of computer data

If 'Restoration of Computer Data' is shown under 'Computer Breakdown' in **your policy schedule**, then **we** will cover **you** for the costs of restoring **data** stored on **media** if:

- (a) **we** have agreed to pay a claim under this **cover section** for repair or replacement of the **computer equipment** as a result of a **breakdown**;
- (b) the **data** is lost or distorted during the **period of insurance** as a direct result of the **breakdown**; and
- (c) the **media** which contains the **data** is at the **premises**, is at a location away from the **premises** where copies of **media** are stored, is temporarily at an alternative location for processing purposes or is in **transit** between any of these locations.

Basis of Settlement

If **we** agree to pay a claim under this Optional extension of cover, **we** will pay the costs incurred in restoring the lost or distorted **data** to a condition equivalent to that existing prior to the **breakdown**. **Data** may be reproduced

in an updated form if the cost of doing so is no greater than that of reinstatement in its original form.

Provided that this Optional extension of cover 1 is limited to the **insured amount** shown in **your policy schedule** for 'Restoration of Data'.

Exclusions

This Optional extension of cover 1 does not cover:

- (a) loss or distortion of **data** due to defects in the **media**.
- (b) any **consequential loss**.
- (c) restoration of **data** other than that which:
 - (i) is lost or distorted after the most recent functional back-up; or
 - (ii) was created more than 5 working days before the loss or damage took place,whichever is the shorter period.
- (d) expenses or costs incurred in connection with the loss or distortion of **data** if they are not incurred within 12 months of the **breakdown**.
- (e) loss or damage of, or distortion to, **data** caused by a **computer virus**.
- (f) loss or damage of, or distortion to, **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 **data**;
 - (ii) any error in creating, amending, entering, deleting or using **data**;
 - (iii) the inability to receive, transmit or use **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**.

2. Computers – Increased costs of working

If 'Increased costs of working' is shown under 'Computer Breakdown' in **your policy schedule**, then **we** will cover the increased costs which **you** incur, such as the hiring of alternative **computers**, following the **breakdown** of **computers** which **we** have agreed to pay a claim for under this **cover section**.

We will cover **you** for the increased costs of operating **your business**, including hiring **computers**, transport costs, additional personnel and working at an off-site back up facility if:

- (a) **we** have agreed to pay a claim 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**; and
- (c) **we** agree in advance to pay the increased costs of working.

Basis of Settlement

If **we** agree to pay a claim under this Optional extension of cover, **we** will pay 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.

Provided that this Optional extension of cover 2 is limited to the **insured amount** for 'Increased costs of working' shown in **your policy schedule**.

Exclusions

This Optional extension of cover 2 does not cover:

- (a) costs incurred in respect of the first 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) any **consequential loss**.
- (e) costs incurred after 90 days from the date of loss or damage.
- (f) expenses that are incurred in the replacement of the **media**.
- (g) the cost of reinstating the contained on the **media**.

3. Deterioration of stock

If 'Deterioration of Stock' is shown under 'Machinery Breakdown' in **your policy schedule** then **we** will cover the deterioration of chilled, refrigerated or frozen **stock** occurring during the **period of insurance** at **your premises**.

Provided that the loss of or damage to **stock** is caused by one or more of the following events:

1. A change in temperature of the refrigeration or freezer unit in which the chilled, refrigerated or frozen **stock** is kept as a result of:
 - (a) **breakdown** of such **machinery** for which **we** have agreed to pay a claim under this **cover section**;
 - (b) breakdown of temporary plant which has been at the **premises** for more than 60 days;
 - (c) malfunctioning or failed thermostats, pressure controls, or limiting, controlling or protection devices of the refrigeration or freezer unit;
 - (d) accidental failure of supply services which directly affects the refrigeration or freezer unit;
 - (e) 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
 - (f) sudden leakage of refrigerant from the **machinery** or **pressure pipe systems**.
2. Contamination of the chilled, refrigerated or frozen **stock** by leakage of refrigerant.

If deterioration occurs or is likely to occur to **stock** by any of the above **events**, **we** will also pay the reasonable costs incurred by **you** to prevent or minimise the loss of or damage to **stock**.

Definitions

The following definitions shall apply to the words used Optional extension of cover 3:

Controlled atmospheric conditions

An atmosphere in which oxygen, carbon dioxide and nitrogen concentrations are regulated.

Stock

The General Definition of **stock** is extended to include **stock in trade** and **cigarettes and liquor**.

Stock also includes items of property at **your premises** under a 'sales or return' consignment agreement.

Stock does not include consigned items of property under an agency arrangement where **you** make a commission on a sale.

Stock in trade

Merchandise and customers' goods for which **you** are legally responsible including the value of the work done and containers or packaging materials used in connection with **your business**.

Special conditions

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.

Basis of Settlement

If **we** agree to pay for a claim for deterioration of chilled, refrigerated or frozen **stock**, **we** will at **our** option, pay the cost of replacing the chilled, refrigerated or frozen **stock** or replace that **stock**.

We are not liable to pay more than the purchase price **you** paid for the **stock**, or for any handling costs **you** incurred.

If deterioration occurs or is likely to occur to **stock** by any of the events covered in this Optional extension of cover 3, **we** will also pay the reasonable costs incurred by **you** to prevent or minimise the loss of or damage to **stock**.

Limitations of cover

1. Insured amount

The most **we** will pay under this Optional extension of cover 3 is limited to the **insured amount** for 'Deterioration of Stock' shown in **your policy schedule**.

2. Excess

If **we** agree to pay for a claim for loss of or damage to **stock** under this Optional extension of cover 3 caused by:

- (a) a **breakdown** of the refrigeration or freezer unit in which the chilled, refrigerated or frozen **stock** is kept where **we** have agreed to pay a claim for the **breakdown** of such **machinery**; or
- (b) a supply authority intentionally interfering with a public service in order to safeguard life or any part of the public supply,

then **you** must pay the 'Machinery Breakdown' **excess** shown in **your policy schedule** for each claim **you** make and not the 'Deterioration of Stock' **excess**.

In all other instances, **you** must pay the amount of the 'Deterioration of Stock' **excess** shown in the **schedule** for each claim **you** make.

Exclusions

This Optional extension of cover 3 does not cover:

1. Any **consequential loss**.
2. Damage resulting from a supply authority intentionally interfering with the public supply service, unless this is done 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.
3. Damage resulting from any scheme of rationing which is not necessitated solely by damage to the generating or supply equipment of a supply authority.
4. Damage caused by disease, improper or inappropriate storage, damaged packaging material or inadequate ventilation or air circulation.
5. Damage to chilled, refrigerated or frozen **stock** that is alive or of a bacterial nature.
6. Loss of or damage to chilled, refrigerated or frozen **stock** stored in mobile **machinery** or **pressure pipe systems**.
7. Loss of or damage to chilled, refrigerated or frozen **stock** which has exceeded its use by date, nor will **we** pay for the disposal costs of such **stock**.
8. Loss or damage due to the manual operation or setting of switches.

Goods in transit

Introduction

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

The cover **you** have depends on whether **you** select 'Accidental Damage' or 'Limited Conditions', and whether **you** select **temperature controlled goods** when **you** take out this insurance.

Definitions

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

Accidental

Unexpected and unintended from **your** standpoint.

Conveyance

Any ship, vessel, aircraft, postal service (except in the case of **temperature controlled goods**), rail and road **vehicle** used to transport the **goods**.

Damage or Damaged

Sudden and unforeseen physical damage or destruction.

Goods

Your goods that **you** sell, buy or use in **your business** being the following:

- (a) **non-temperature controlled goods** if shown in **your policy schedule**,
- (b) **temperature controlled goods** if shown in **your policy schedule**,
- (c) trade samples,
- (d) return insured **goods**,
- (e) **stock** transfers,
- (f) retail and sales packaging; or
- (g) shipping containers in **your** care, custody or control.

Loss/losses/lost

Sudden or unforeseen physical loss.

Non-temperature controlled goods

Goods belonging to **you** which are not **temperature controlled goods**.

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 includes:

- (a) any period where the **goods** are "shut out" from the **conveyance** or intended destination;
- (b) for **non-temperature controlled goods** while in any packer's or unpacker's premises for a period of up to three months for the purpose of packing or unpacking.

Transit does not include any period of storage other than in the ordinary course of **transit**.

Each insured **transit** commences in respect of each item of **goods** when the item is first moved for the purpose of loading on to the conveying vehicle for **transit** to a destination outside the **premises**.

For **non-temperature controlled goods**, the **transit** terminates:

- (a) when each item of **goods** are delivered to the intended destination either in the receiver's premises or such other place as the receiver may instruct, or
- (b) seventy two (72) hours after unloading from the final conveying vehicle whichever occurs first.

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.

Cover

We will insure **you** for **loss** of or **damage** of or to **goods**. The nature and extent of cover will depend on whether **you** select Accidental Damage or Limited Conditions. The cover type **you** select will be shown in **your policy schedule** including whether **you** selected **temperature controlled goods**.

Cover type – Accidental Damage

We will cover **loss** of or **damage** to the **goods** in **transit**, including 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**;
5. unexpected deterioration of **temperature controlled goods**.

We will also cover **loss** or **damage** caused by any of the above insured events while at any exhibition or display (other than in **your** owned or controlled **premises**), limited to a maximum of fourteen days. **We** will not pay more than \$20,000 for **goods** at any one exhibition or display.

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**.

Cover type – Limited Conditions

We will cover **you** for **loss** of or **damage** to the **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 of the **goods** with something that is not on or part of the conveying vehicle (but not impact of the **goods** with the road or surrounding areas caused by the **goods** dropping or falling from the conveying vehicle, unless specified below), provided the **loss** of or **damage** to the **goods** is caused by the insured events listed above;
8. collision, crashing or forced landing of the conveying aircraft;
9. jettison, washing overboard and **loss** or **damage** incurred in time of peril;
10. war or warlike activities, which means invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or civil strife following any of these.

Basis of Settlement

For loss of or damage to plant, machinery, computers and the like up to five years old

At **our** option **we** will pay:

- (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 movement of return **goods** (inwards or outwards), **stock** transfers, or 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 the lesser.

For loss of or damage to plant, machinery, computers and the like more than five years old

At **our** option **we** will pay:

- (a) the cost of repairing or reinstating the **goods** to a condition equal to but no better or more extensive than their 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, or movement of **goods** other than for the reason of purchase or sale, **we** will pay the greater of the written down book value in **your** books of account or the current market value whichever is the lesser.

For loss of or damage to non-temperature controlled goods other than plant, machinery, computers and the like

At **our** option **we** will pay the lesser of:

- (a) the cost of repairing or reinstating the **goods** to a condition equal to but no better or more extensive than their 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 similar **goods** of the same age and condition or as near as possible to that age and condition.

For loss of or damage to temperature controlled goods other than plant, machinery, computers and the like

At **our** option **we** will pay 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 the lesser.

Brands and labels

For any **damaged goods** bearing identifying brands or labels or other permanent markings, 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 cost to recondition or replace those labels or packaging.

Limitations of cover

The most **we** will pay for:

- (a) all **goods** in any one **conveyance** is the **insured amount** shown in **your policy schedule**;
- (b) trade samples in **transit** in **your** or **your employee's** care, custody and control, is \$10,000;
- (c) shipping containers in **your** care, custody or control, to the extent that **you** are legally liable to pay for any **loss** of or **damage** to them is \$20,000.

The limits shown in **your policy schedule** and the limits referred to in this **cover section** apply to any one claim or series of claims arising from any one **event**.

Excess

You must pay the amount of any **excess** shown in **your policy schedule** for each claim **you** make.

Exclusions

We will not pay for:

1. **loss** or **damage** that existed or occurred prior to the commencement of the **transit**;
2. **loss** or **damage** caused by dismantling, erection, commissioning, testing or storage other than in the ordinary course of **transit**;
3. **loss** of or **damage** to **non-temperature controlled 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 the applicable of Accidental Damage cover or Limited Conditions cover;
4. **consequential loss** or **damage** including loss of profits and loss of market; or
5. **loss** of or **damage** to livestock.

Extensions of cover - A

If **we** agree to pay a claim for **loss** or **damage** for **goods** in **transit** under this **cover section** **we** will also pay for the following. Unless stated otherwise below, these extensions of cover will not be in addition to the **insured amount**.

1. Air freight of replacement parts

We will pay the cost of air freighting replacement parts from suppliers to the original destination, even if the original **transit** was not by air freight.

Any amount **we** pay under this **cover section** will be in addition to the **insured amount**.

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

2. General average and salvage contribution

We will pay the general average and or salvage contribution that **you** are required to pay under any Bill of Lading or similar document if the insured **transit** is by sea.

3. Clean up costs

We will pay the clean up and disposal costs necessarily incurred as a result of an **accident** at any site, where the **accident** results from an insured event covered by this **cover section** and where **you** are legally or contractually obliged to pay those costs. Any amount **we** pay under this **cover section** will be in addition to the **insured amount**.

We will not pay more than \$25,000 for each **event**.

4. Transport and disposal costs

We will pay the reasonable costs and expenses incurred in cleaning up or decontaminating **your premises** following the delivery or return of salvaged **goods**, plus the cost of transport and disposal costs to remove those **goods**. Any amount **we** pay under this **cover section** will be in addition to the **insured amount**.

We will not pay more than \$25,000 for each **event**.

5. Freight and salvage charges

We will pay 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.

6. Minimisation costs

We will pay the reasonable costs incurred to avoid or minimise any further **loss** of or **damage** to the **goods**.

7. Buyer and seller protection

If, as a buyer or seller, **you** retain a contingent financial interest in the **goods** in **transit**, to the extent that:

- (a) the **goods** are **lost** or **damaged**, and the **loss** or **damage** would be covered under this **transit** cover;
- (b) 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;
- (c) **you** have taken all reasonable steps to safeguard the **goods** and to recover payment from the other party; and
- (d) **you** have not disclosed to any party interested in the **goods** the existence of this cover,

then provided that this **cover section** is limited to the **insured amount** shown in **your policy schedule** for **transit** **we** will insure the **goods** for **loss** or **damage** covered by the insured events detailed in this **cover section**.

Management Liability

Introduction

This **cover section** only forms part of **your policy** when Management Liability is shown in **your policy schedule**.

This **cover section** covers the management liability of **you, your directors, officers and employees**. The cover in this **cover section** (apart from the Optional extension of cover - 1. 'Employee dishonesty') is issued on a **claims made and notified** basis, which is discussed on page 4.

You can also choose to purchase Optional extension of cover - 1. 'Employee dishonesty' which will cover **you** for theft of **your covered property or money** by any of **your employees** which occurs during the **period of insurance**.

Definitions

The following definitions shall apply to the words used in this **cover section** and override any other definitions of them elsewhere in this **policy**.

Benefits

- (a) fringe benefits 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 or expenses of an independent management consultant engaged to minimise the effect of the **business crisis event**, but only during the first thirty (30) 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 the **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 a demand for compensation or damages, alleging an act, error, omission, conduct, facts or circumstances that may constitute a **wrongful act**; or
- (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) the **policyholder**; and
- (b) a **subsidiary** of the **policyholder** prior to or as at the commencement of the **period of insurance**.

Covered property

Tangible property other than **money**.

Defence costs

Reasonable costs, fees and expenses incurred by **you** in defending, investigating or settling **claims**.

Director

Any natural person who prior to, during or after the **period of insurance**, is 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**.

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.

Discovery period

A period of time immediately following the expiration 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 the **period of insurance**, or is during or after the **period of insurance** an employee of the **company** (which includes 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 or 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; or
- (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) regular or overtime wages, salaries, fees or benefits earned in the normal course of employment;
- (b) damages of any type, including but not limited to punitive, exemplary or aggravated damages;
- (c) securities; or
- (d) 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.

Insured person

Any natural person who was prior to, during or after the **period of insurance**, is a **director**, **officer** or **employee** of the **company**.

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 incurred by **you** with **our** prior written consent, solely to investigate, prove and substantiate the amount of the **claim**;
- (e) fines or penalties, to the extent allowed by law; or
- (f) with respect to any claim for an **employment wrongful act**; or

- (g) 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.

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.

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 **employee wrongful act**.

Merger or acquisition

- (a) the **policyholder** or the **company** consolidating with, merging into or selling all or substantially all of its assets such that the **policyholder** or the **company** is not the surviving entity; or
- (b) any entity obtaining control of the **policyholder** or the **company**.

Money

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.

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.

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
- ▼ an administrator or an administrator of a 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** or **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** or its **directors** or **officers** or **employees** in that capacity, are required or requested to attend or produce documents.

An **official investigation** is deemed to have started when **you** or any of the above named persons or entities are first required or requested to attend or produce documents.

Outside entity

Any company, other than a **subsidiary**, that:

- (a) is not domiciled or incorporated in **North America**;
- (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.

Policyholder

The person or entity named as such in **your policy schedule**.

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**.

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 **your 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.

Subsidiary

- (a) a subsidiary of the **policyholder** as defined in the Corporations Act 2001; or
- (b) any body corporate in which the **policyholder**:
 - (i) control the composition of the board of the body corporate; or
 - (ii) is 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
 - (iii) 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 the **policyholder** own 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 acts or **employment wrongful acts**.

You or your

- (a) the **company**;
- (b) an **insured person**; and
- (c) a **trustee**.

Cover

We will insure **you** for **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).

The titles and headings to the various parts of this **cover section** are included solely for ease of reference and do not in any way limit or expand or otherwise affect the terms of such parts.

Basis of Settlement

Our liability to **you** under this **cover section** in respect of **loss** 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 for all **loss** covered under the **cover section** during the **period of insurance**.

Except as provided by the Optional extension of 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, which will be **our** maximum liability for the **period of insurance** and **discovery period**, combined.

In respect of the Optional extension of cover – 1. 'Employee dishonesty', **we** will:

- (a) pay **you** the amount of lost **money**; or
- (b) at **our** option, replace lost **covered property** or pay the market value of the **covered property**.

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 extension of cover – 1. 'Employee dishonesty', in the **period of insurance**, is the 'Employee dishonesty' **insured amount**.

Limitations of cover

These conditions apply to all cover, Extensions of cover, Optional extensions of cover and claims under this Management liability **cover section** unless otherwise stated.

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** of the **policyholder**; or
- (b) the appointment of a receiver, controller, administrator or liquidator to the **policyholder** or the commencement of a scheme of arrangement or compromise or a winding up process in respect of the **policyholder**,

then this **cover section** will remain in force until the expiry of the **period of insurance**, but only in respect of **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, will be imputed to another.

A breach of this **cover section** or knowledge or information possessed by one of **you** will not be imputed to another except as provided for above.

3. Related claims

For the purpose of the calculation of the **insured amount**, 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 current **period of insurance** and notified to **us** during the current **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 current **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 **insured amount** of that earlier policy; and
- (c) if the first **related claim** was first made during a period prior to the current **period of insurance**, during which **you** did not have cover with **us**, then no cover for any **related claim** will be provided under this **policy**.

4. Notification

The **policyholder** must give to **us** notification of any **claim** made against **you**, or any **loss**, as soon as reasonably practicable within the **period of insurance**.

Each notification of a **claim** must include so far as is 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**.

The **policyholder** 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.

The **policyholder** must provide **us** with such further information and documentation as **we** may reasonably require.

5. Claims conduct

We are entitled to take over and conduct in **your** name the defence or settlement of any **claim** and will have full discretion in the conduct of any proceedings and in the settlement of any **claim**.

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 (or equivalent), reasonable attempts should be made to settle the **claim**. The Senior Counsel (or equivalent) shall be mutually agreed upon, or in the absence of such agreement, as nominated by the President of the Bar Association of the relevant State or Territory jurisdiction. The cost to obtain the opinion will be advanced by **us** and treated as **defence costs**.

Senior Counsel (or equivalent) shall provide the opinion in writing. In formulating the opinion Senior Counsel (or equivalent) shall consider commercial matters including the amount of the **claim**, the actual and potential **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 (or equivalent) will also provide a settlement range within which reasonable attempts should be made to settle the **claim**.

If it is the opinion of Senior Counsel (or equivalent) that reasonable attempts should be made to settle the **claim**, **you** will 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

This claims condition applies to any part of any **loss** resulting from a **claim** which is in respect:

- (a) of one of **you** only; or
- (b) of more than one of **you**, whether jointly or severally; or
- (c) of one or more of **you** and one or more persons or entities who is or are not covered under this **cover section**, whether jointly or severally,

and which is partly covered and partly not covered under this **cover section** (together 'Loss to be Allocated').

We must determine a fair and reasonable allocation of the covered part of the Loss to be Allocated among the relevant insureds and **us** having regard to the extent of each **insured's** comparative responsibility for the Loss to be Allocated.

Our consideration of what is fair and reasonable will include without limitation, the following factors:

- (a) the nature of the **claim** against each **insured person**;
- (b) the issues of fact and law in relation to each **insured person**;
- (c) the content and the manner of the conduct of any defence of the **claim**;
- (d) the relative degree of personal responsibility for the **loss**;
- (e) the extent to which the **insured person's** responsibility for the **loss** is joint, several or shared;
- (f) the extent to which any person or entity, other than that **insured person**, would obtain a benefit from the payment by **us**;
- (g) the extent to which the **loss** is solely of that **insured person**;
- (h) the extent to which the issues in the **claim** against that **insured person** are in common with the issues in the **claim** against any other person or entity;
- (i) the extent to which the **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** wish to dispute **our** determination of the allocation, each party agrees that the dispute must be referred for expert determination in accordance with the Australian Commercial Disputes Centre ("ACDC") Mediation Guidelines, to an expert agreed by the parties, or if the parties do not agree on an expert, an expert nominated by the then current CEO of ACDC or the CEO's nominee.

Each party agrees to sign an agreement with the expert that confirms the following:

- (a) each party will pay an equal share of the fees for the appointed expert (to be charged at the expert's usual rate); 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 lawyers); and
- (c) the expert must decide within thirty (30) days after the agreement is signed, however reasons need not be given; and
- (d) the expert's decision will be binding on the parties and final; and
- (e) 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 Extension of cover – 1. 'Advancement of defence costs and representation expenses' and Limitation of cover 8. – 'Subrogation and recoveries'.

Any allocation of **loss** will not apply to or create a presumption with respect to the allocation of other **loss** on account of such **claim**.

This provision overrides the Complaints Resolution provision contained on page 7 of this **PDS** and policy wording with respect to **our** determination of the allocation, to the extent of any inconsistency and the extent permitted by law.

8. Subrogation and recoveries

Provision of information and assistance

You agree to provide **us** with all information, evidence, documentation, assistance and co-operation and to execute such documents, including signed statements and affidavits, which **we** reasonably request in the exercise of **our** rights of recovery.

You will at all times and at **your** own cost use reasonable endeavours to do and concur in doing everything reasonably practicable to assist in the exercise of **your** rights of recovery.

All Recoveries

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

9. Authorisation

The **policyholder** is the agent for each of **you** and each of **you** is bound by any statement, act or omission of the **policyholder** for all purposes under this **cover section**, subject to the Limitation of cover – 2. ‘Severability and imputation’ and Limitation of cover – 5. ‘Claims conduct’.

If the **policyholder** is more than one entity, then the first entity listed in **your policy schedule** will be deemed to be the **policyholder**.

10. Confidentiality

You must not disclose the existence or terms of this **cover section**, including without limitation the **insured amount**, 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.

11. Governing law

The construction, interpretation and meaning of the terms of this **cover section** will be determined in accordance with the laws of the Commonwealth 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**.

12. Interpretation the singular includes the plural and vice versa.

A reference to any legislation or legislative provision includes any statutory modification 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).

Excess

The **excess** that applies to Management liability only is specifically shown on **your policy schedule** and applies to each **claim** under this **cover section**.

If **you** also select Optional extension of 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 **loss** or **fidelity loss** up to the **excess** for each **claim** under this **cover section**.

The **excess** is deducted from **loss** payable before the application of the ‘Management liability’ **insured amount** or, in respect of Optional extension of cover – 1. ‘Employee dishonesty’, from **fidelity loss** payable before the application of the ‘Employee dishonesty’ **insured amount**.

Exclusions

This **cover section** does not cover:

1. Bodily injury and property damage

Loss resulting from **claims**:

- (a) for bodily injury, any form of psychiatric, psychological or mental injury, illness, disease or death of any person;
- (b) for damage to or destruction of any tangible property including any resulting consequent loss of use.

This exclusion will not apply to any actual or alleged psychiatric, psychological or mental injury alleged in any **claim** by any **insured person** resulting from any **employment wrongful act**.

2. Dishonest or criminal intent or improper conduct

Loss resulting from **claims** against **you** arising directly or indirectly from or in respect of:

- (a) any **wrongful act** committed by **you** with wilful, 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 extension of cover – 1. ‘Employee dishonesty’.

3. Known claims and circumstances

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**.

4. Certain company losses

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, 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 extension of cover – 1. ‘Employee dishonesty’.

5. Contractual liability

Loss resulting from **claims** against the **company** arising directly or indirectly from or in respect of any actual or alleged breach of contract, except that this exclusion will not apply in respect of a **claim** for an **employment wrongful act**.

6. Pollution

Loss resulting from **claims** arising directly or indirectly from or in respect of **pollution**.

7. Intellectual property rights

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.

8. Restrictive trade practices

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.

9. Professional services

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**, or 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 business**.

10. Public capital raisings

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.

11. Jurisdiction limits

- (a) any action brought or instituted against **you** or any judgment obtained against **you** (whether or not such judgment is enforced by the courts of **Australia** or New Zealand) in any country other than **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 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 **Australia** or New Zealand, to any country other than **North America**; or

- (b) any actions brought or instituted against **you** or any judgment obtained against **you** (whether or not such judgment is enforced by the courts of **Australia** or New Zealand) within **North America**.

However, this exclusion does not apply to any recognition or enforcement action brought or instituted within **Australia** or New Zealand relating to a judgment obtained against **you** within **North America** arising from business visits (but not **manual labour** or supervision of **manual labour**) by travelling **directors** and **employees** of the **company** normally resident in **Australia** or New Zealand.

12. Retroactive date

Loss resulting from any **wrongful act** occurring or committed prior to the **retroactive date**.

13. Subrogation waiver

Any liability incurred solely by reason of **you** entering into a deed or agreement excluding, limiting or delaying their legal rights of recovery against another.

14. Occupational health and safety law

Loss resulting from **claims** arising directly or indirectly from or in respect of any breach of occupational health and safety **law**.

15. Subsidiaries

Any **wrongful act** committed or alleged to have been committed by a **subsidiary** prior to its acquisition or creation by **you**.

Extensions of cover

We will also extend this **cover section** to include the following Extensions of cover, subject to the General exclusions and all of the exclusions in this **cover section**, unless provided otherwise.

Any amounts payable under these Extensions of cover do not apply in addition to the **insured amount** shown in **your policy schedule**.

1. Advancement of defence costs and representation expenses

We will advance **defence costs** and **representation expenses** covered under this **cover section** including under Extension of cover – 5. ‘Occupational health and safety expenses’ and Extension of cover – 6. ‘Pollution expenses’.

However, if and to the extent that **you** are not entitled to cover for **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** within thirty (30) days following a request by **us** for such repayment.

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 an admission by **you**, 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** within thirty (30) days following the request for repayment.

2. Continuity

In the absence of fraudulent non-disclosure or fraudulent misrepresentation, where a **claim** that would otherwise be covered by this **cover section** is excluded by Exclusion – 3. ‘Known claims and circumstances’, then cover is provided under this **cover 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 Extension of cover will be in accordance with this **cover section**, except that:

(i) if the **excess** applicable to this **cover section** was 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**, then that higher amount will be deemed to be the **excess** specified in **your policy schedule** in respect of such **claim**; and

(ii) if the **insured amount** applicable to this **cover section** was 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 **your 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**, the **policyholder** acquires or creates 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 the **policyholder** (by reference to the **policyholder’s** 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** with effect from the date of acquisition or creation of such **subsidiary** by the **policyholder**.

Provided that the definition of **company** will not be extended to include any new **subsidiary** acquired or created by the **policyholder** that:

- (a) has any of its securities listed on any exchange in **North America**; or
- (b) is domiciled or incorporated in **North America**.

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 provided under this Extension of cover will be specifically in excess of:

- (a) any indemnity; or
- (b) any insurance contract specified by **endorsement**, available from or through the **non-profit outside entity** or **outside entity**.

5. Occupational health and safety expenses

Subject to the provisions of Extension of cover – 1. 'Advancement of defence costs and representation expenses' and notwithstanding Exclusion -1. 'Bodily injury and property damage', Exclusion – 14. 'Occupational health and safety law' and paragraph (d) of General policy condition 3 – 'Reasonable care and reducing risk', **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 occupational 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 occupational health and safety law; and
- (b) cover **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 occupational health and safety law.

For the purposes of this Extension of cover 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**) incurred with **our** prior consent, 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 Extension of cover will only apply to **claims** made in jurisdictions within **Australia** and New Zealand, and pursuant to the relevant laws of **Australia** or New Zealand.

If there is an entitlement to payment under Extension of cover – 6. 'Pollution expenses', then there is no entitlement to payment under this Extension of cover.

6. Pollution expenses

Subject to the provisions of Extension of cover – 1. 'Advancement of defence costs and representation expenses', and notwithstanding Exclusion – 1. 'Bodily injury and property damage' or Exclusion – 6. 'Pollution', **we** will pay on behalf of **you**:

- (a) **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
- (b) **representation expenses**, where the subject matter of the **official investigation** is **pollution**.

The cover provided under this Extension of cover will only apply to **claims** made within the jurisdiction of **Australia** and of New Zealand, and pursuant to the relevant laws of **Australia** or New Zealand.

7. Emergency costs

If, due to an emergency, **you** are unable to request **our** prior written consent to the incurring of **defence costs** or **representation expenses** in respect of **claims** covered under the terms of this **cover section**, then **you** may incur reasonable **defence costs** and **representation expenses** without **our** prior written consent until such time as **you** contact or reasonably could have contacted **us**.

8. Personal tax liability

The definition of **loss** is extended to include personal liability an **insured person** incurs with respect to unpaid taxes of an insolvent company.

Our liability under this Extension of cover will not exceed \$25,000 per **period of insurance**.

9. Public relations expenses

The definition of **loss** is extended to include the reasonable costs, charges, fees and expenses of a public relations firm or consultant incurred with **our** prior consent which **you** engage to prevent or limit the adverse effects or negative publicity which results from or is anticipated to result from a **claim**.

Our liability under this Extension of cover will not exceed \$25,000 per **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**.

We will not pay more than \$25,000 per **business crises event**.

11. Spouses and legal representatives

If an **insured person** dies or becomes legally incapable, insolvent or bankrupt, then this **cover section** will cover **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 **loss** for which the **spouse** becomes legally liable that would otherwise be covered by this **cover section** will be treated for the purposes of this **cover section** as **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 for any reason, other than for non-payment of **premium**, then any **director** or **officer** who retires from all paid employment with a **company** during the **period of insurance**, but prior to any **merger or acquisition**, shall be entitled to an automatic **discovery period** of 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 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 **insured amount** shown on **your policy schedule**.

Optional extension of cover

The following Extension of cover is optional and is available if **you** choose it and pay an additional premium. If shown in **your policy schedule** the following Optional extension of cover shall apply:

1. Employee dishonesty

Provided 'Employee Dishonesty' is shown under 'What's Covered' in **your policy schedule**, **we** will cover **you** for **fidelity loss** that occurs during the **period of insurance**.

A series of related, continuous or repeated acts of fraud or dishonesty (whether by any one **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 **period of insurance**.

However, if the act of fraud or dishonesty is committed during more than one **period of insurance**, **you** shall be entitled to elect in which of these periods of insurance the act of fraud or dishonesty will 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.

Exclusions

We will not cover **you** for any **fidelity loss** arising from any act of dishonesty committed more than 12 months before the inception of this **cover section**.

We will not cover **you** for more than the lesser of the:

- (a) **insured amount** shown in **your policy schedule**; or
- (b) the amount that would have been recoverable under the previous policy had it continued in force until the discovery of the **loss**.

This Optional extension of cover does not cover **you** for:

- 1. any **fidelity loss** arising from the conduct of an **employee**, discovered later than:
 - (a) 12 months after the expiry of the **period of insurance**; or
 - (b) 12 months after the termination of employment of the relevant **employee(s)**, whichever occurs first; or
- 2. any **fidelity loss** arising from the conduct of an **employee** after **you** have knowledge of or information about any prior act of fraud or dishonesty by the **employee**;
- 3. **fidelity loss** arising from the conduct of an **employee** outside of **Australia** or New Zealand;
- 4. **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;
- 5. fraud or dishonesty by any of **your employees** committed with **your** connivance;
- 6. indirect or consequential loss of any kind, including but not limited to loss of use or loss of earning capacity; or
- 7. **fidelity loss** arising directly or indirectly from or in respect of the actual or alleged theft of confidential information or intellectual property.

Optional insurance extensions of cover

If **we** agree to pay a **claim** under Optional extension of cover – 1. 'Employee dishonesty', **we** will also pay or provide the Extensions of cover set out as follows:

1. Claims preparation costs

We will pay for the reasonable cost of auditors' fees and other reasonable expenses incurred by **you** with **our** written consent, for the preparation of claims under this Optional extension of cover.

We will not pay more than \$25,000 for claims preparation costs during any one **period of insurance**.

Any amounts payable for claims preparation costs do not apply in addition to the **insured amount** applicable to this Optional extension of cover.

2. Retroactive Cover

If Optional extension of cover - 1. 'Employee dishonesty' replaces any previous fraud and dishonesty 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 policy provided that:

- (a) the **fidelity loss** would have been recoverable by **you** under the consecutive previous 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 **cover section** if this **cover section** had been in force when the acts or defaults causing the **fidelity loss** were committed.

3. Welfare, social or sporting club cover

The term '**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 below, any amounts payable in respect of this extension of the term '**you**' do not apply in addition to the **insured amount** applicable to this Optional extension of cover.

Tax probe®

Introduction

This Policy Section covers **professional fees** (such as accountant's fees) incurred by **you** in connection with a **tax audit** 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 Probe" is specified in **your policy schedule**;
- ▼ the **tax audit** was commenced and is notified to **us** during the **period of insurance**;
- ▼ the claim is not excluded under "Exclusions"; and
- ▼ the claim is not excluded under the General Exclusions listed on pages 20 to 22.

Definitions

The following words have the following meanings and apply only to this Policy section. These defined terms prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording. **You** should also refer to the General Definitions on pages 16 to 19.

Authority

Means:

- (a) the Australian Taxation Office;
- (b) a revenue office of an Australian State or Territory; or
- (c) a Commonwealth, State or Territory government department, body or agency, duly authorised to conduct a **tax audit**.

Designated tax

Any tax assessable in accordance with the provisions, as amended, of the:

- (a) Income Tax Assessment Act 1936 (Cth);
- (b) Income Tax Assessment Act 1997 (Cth);
- (c) Fringe Benefits Tax Assessment Act 1986 (Cth);
- (d) A New Tax System (Goods and Services Tax) Act 1999 (Cth);
- (e) Superannuation Guarantee (Administration) Act 1992 (Cth);
- (f) Termination Payments Tax (Assessment and Collection Act) 1997 (Cth);
- (g) Sales Tax Assessment Act 1930 (Cth);
- (h) Sales Tax Assessment Act 1992 (Cth); or
- (i) any law of an Australian State or Territory relating to payroll tax.

Policyholder

The person or 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 after 12 months from the commencement date of a **tax audit** other than when **you** can demonstrate to **our** satisfaction that the delay in completing the **tax audit** was caused primarily by the **authority**.

Return

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

Means:

- (a) the audit by an **authority** of a **return** submitted by **you** or on **your** behalf 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 Extension of 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 Policy Section.

You / Your / Yours

Includes:

- (a) any company, firm, partnership or trust in which **you** hold a 50% or more ownership, interest or shareholding; and
- (b) any director but only to the extent that Extension of cover 2 – 'Directors' personal tax returns' applies.

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 Policy Section will depend on whether **you** select:

- (a) Business Audit Only – with Investigation Cover (which provides cover under this Policy Section excluding Extension of cover 2. Directors' Personal Tax Returns); or
- (b) Business AND Directors Audit – with Investigation Cover (which provides cover under this Policy Section including Extension of cover 2. Directors' Personal Tax Returns); or
- (c) Individual Cover (which provides cover under this Policy Section for **insureds** who are not companies excluding Extension of cover 2. Directors' Personal Tax Returns).

The cover you select will be shown on **your policy schedule**.

Basis of Settlement

Subject to Extra cover 1 - Reinstatement, if **your policy schedule** shows the cover **you** have selected is:

- (a) Business Audit Only – with Investigation Cover, then the most **we** will pay for a claim during the **period of insurance** relating to a **tax audit** is the **insured amount** specified in **your policy schedule**; or
- (b) Business AND Directors Audit – with Investigation Cover, the most **we** will pay for a claim during the **period of insurance** relating to a **tax audit** of:
 - (i) the **policyholder** named in **your policy schedule** or any company, firm, partnership or trust in which the **policyholder** named in **your policy schedule** holds 50% or more ownership, interest or shareholding; and
 - (ii) each director named in **your policy schedule**,is the **insured amount** specified in **your policy schedule**; or
- (c) Individual Cover, the most **we** will pay for a claim during the **period of insurance** relating to a **tax audit** of all individuals named in **your policy schedule** as **policyholders** is the **insured amount** specified in **your policy schedule**.

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 "Cover" of this Policy Section;
- (b) **your** claim is not excluded under "Exclusions" of this Policy Section;
- (c) **your** claim is not excluded under the General Exclusions on pages 20 to 22 and
- (d) the **tax audit** has been completed (as defined in Limitations of cover 1 below).

Limitations of cover

These conditions apply to this Policy section.

1. 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:

- (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.

2. 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 reasonable 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.

3. 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 necessary and reasonable steps to minimise any delays and costs incurred or likely to be incurred;
- (d) **we** have the right to directly access **your tax agent** and lawyers and any documented advice they have given **you** relevant to the **tax audit**;
- (e) **you** must ensure **your tax agent** will assist **us** with any matter **we** may pursue with the **authority**; and
- (f) **you** must submit to **us** all accounts for **professional fees** that relate to **your** claim upon completion of the **tax audit**.

Excess

The **excess** that applies is specified in **your policy schedule**.

Exclusions

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 deliberate evasion 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 30 business 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 **your** failure to lodge 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 **your** failure to pay all taxes by the due date or within any extension of time granted by the **authority**; or
- (c) **your** failure to respond to the **authority**.

4. Imposition of penalties

The imposition of or the seeking to impose 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 **your** 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 Policy 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 occupational health and safety compliance or similar requirements.

Extensions of cover

If **we** agree to pay a claim for **professional fees** under this Policy Section, **we** will also pay or provide for the following Extensions of covers.

1. Automatic reinstatement

If **we** pay an amount for a claim under this Policy Section, **we** will automatically reinstate the **insured amount** under the Policy 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 directors' work full time in the **business**, **we** will cover the **professional fees** reasonably and necessarily incurred by each director in connection with a **tax audit** by an **authority** of the director's personal income tax returns that are lodged with that **authority** which is commenced and notified to **us** during the **period of insurance**.

This Extension of cover only covers a **tax audit** of a director's personal income tax return that was prepared by the same **tax agent** who prepared the income tax **return** for the **business** in that same year.

Provided that the amounts payable under this Extension of cover are included in, and do not apply in addition to, the 'Business and Directors Audit - with Investigation Cover' **insured amount**. This Extension of cover will not apply if **your 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 a claim under this Policy Section.

