

Business Insurance

Product Disclosure Statement and Policy Wording



Vero Business Insurance Product Disclosure Statement and Policy Wording

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Introduction

Welcome to Vero Insurance

With the heritage of insuring Australians for over 175 years, together with the scale that comes from being part of the Suncorp Group, Vero Insurance delivers a broad range of superior insurance solutions and services for Brokers and their clients.

Our experience and expertise gives us a greater understanding of the risks you face so when it comes to making a claim, you can expect fast and easy lodgement, with the support of experts who will help ensure fair and timely resolutions.

Vero Insurance gives you the peace of mind and security you'd expect from one of Australia's largest and most successful general insurance companies.

You may contact **Us** by:

- ▼ Telephone: 1300 888 071;
- ▼ Email: via the contact page on our website www.vero.com.au;
- ▼ Mail: Vero Insurance
GPO Box 3999
Sydney NSW 2001

About Steadfast

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

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

Important information about Steadfast's advice

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

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

About this Product Disclosure Statement and Policy Wording

We are required to give **You** a Product Disclosure Statement (PDS) if **You** are insuring **vehicles** (not exceeding 2 tonnes) under the Commercial motor cover section or a **home building** under the Property damage, Theft and/or Glass cover sections and **You** are:

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

This PDS and Policy Wording consists of 4 parts:

- ▼ Part 1: A Policy summary. **You** can use this summary, together with **Your** Steadfast broker, to decide which cover sections **You** need for **Your** business.
- ▼ Part 2: Important information. This part of the booklet includes information about **Your** rights and responsibilities and the General Insurance Code of Practice and how to contact **Us** if **You** have a complaint. This part applies to all Policy cover sections and should be read by all people who take out this policy.
- ▼ Part 3: Information for certain persons insuring **vehicles** or a **home building**. This part only applies to **You** if **You** are insuring **vehicles** (not exceeding 2 tonnes) under the Commercial motor cover section or a **home building** under the Property damage, Theft and/or Glass cover sections and **You** are an individual or a small business as described above.
- ▼ Part 4: **Your** Business Insurance policy terms and conditions. This part of this booklet contains the policy terms and conditions, which detail all the terms, conditions and exclusions relating to all cover sections of the policy.

If **We** issue **You** with an insurance policy, **You** will be given a **policy schedule**. The **policy schedule** sets out the specific terms applicable to **Your** cover and should be read together with the policy terms and conditions.

The Policy terms and conditions, the **policy schedule** and any **endorsements** **We** send to **You** form **Your** legal contract with **Us** so please keep them in a safe place for future reference. If **You** require further information about this product please contact **Your** Steadfast broker.

To understand the full terms and conditions of **Your** policy, **You** must read the Important Information section (Part 2) and **Your** Business Insurance policy terms and conditions (Part 4).

If **You** are insuring Vehicles under the Commercial motor cover section or a **home building** under the Property damage, Theft and/or Glass cover sections and **You** are an individual or a small business, **You** should also read Part 3.

Part 1: Policy summary

This Policy has been designed to meet the needs of **Your** specific business. Below is a summary of the covers offered in the Vero Business Insurance Policy. Together with **Your** Steadfast broker **You** can choose cover sections to meet **Your** requirements.

Cover section	Summary of covers (see relevant Section for details, relevant limits, and specific conditions and exclusions that apply)
Property damage	This cover section covers the damage to Your property at Your premises from certain sudden, unexpected or unforeseen occurrences, and provides a number of automatic additional benefits.
Theft	This cover section covers loss of or damage to Your property due to theft and provides a number of additional benefits.
Glass	This cover section covers glass in Your premises (including internal glass such as glass partitions, or external windows) and provides a number of automatic additional benefits.
Machinery and electronic	<p>This cover section covers:</p> <ul style="list-style-type: none"> (a) the breakdown of Your business's mechanical machinery including air conditioning units, computers and electronic equipment such as photocopiers and faxes; (b) the cost of restoring Your business's computer records following a computer breakdown; (c) the increased costs of working (such as the hiring of alternative computers, the hiring of additional staff) following the breakdown of Your business's computers; (d) the costs of replacing Your business's stock which is kept in freezers or refrigerated units, if the fridge or freezer breaks down.
Money	This cover section covers Your business's money whilst on Your premises , in a safe or strongroom, in transit to or from Your premises , or in Your personal custody, or the custody of a trusted employee.
General property	This cover section covers loss or damage to portable property such as tools, laptop computers, a personal digital assistant occurs anywhere in Australia or the rest of the world.
Management liability	This section covers the management liability of You, Your directors, officers and employees.
Business interruption	This cover section covers the loss of income and the additional increased costs of working which results from the interruption of Your business caused by events covered under the 'Property damage cover section', the 'Theft cover section', the 'Money cover section', the 'Glass cover section', 'Goods in transit cover section' or the 'General property cover section' of Your policy.
Public and products liability	This cover section covers Your legal liability for personal injury to another person (other than employees) or for damage to property owned or controlled by someone else arising in connection with Your business.
Goods in transit	This section covers the loss or damage to goods and stock that Your business buys, sells or uses whilst they are in transit.
Tax audit	This cover section covers the professional fees incurred in connection with an audit or investigation of Your business's financial or tax affairs by any authority authorised to do so, eg the Australian Taxation Office, Workers Compensation authority.
Commercial motor	This cover section covers the business's Motor vehicles and offers a choice of Comprehensive, Third Party Fire and Theft and Third Party Only options, including choice of repairer provisions.

Part 2: Your rights and responsibilities

Duty of disclosure

You must comply with **Your** Duty of Disclosure when **You** apply for insurance with **Us** and each time **You** renew or alter **Your** cover.

You have a duty of disclosure to tell **Us** everything **You** know or should know, that is relevant to **Our** decision to insure anyone under the policy, including **You**, and on what terms.

It includes matters **We** specifically ask about when **You** apply for a policy, or renew or alter **Your** policy, and any other matters which might affect whether **We** insure **You** and on what terms.

The information **You** tell **Us** can affect:

- ▼ the amount of **Your** premium and **Your** excess;
- ▼ if **We** will insure **You**;
- ▼ if special conditions will apply to **Your** policy.

You do not need to tell **Us** of anything which:

- ▼ reduces the chances of **You** making a claim;
- ▼ **We** should know about because of the business **We** are in; or
- ▼ **We** tell **You** **We** do not want to know.

If **You** are unsure it is better to tell **Us**. If **You** do not tell **Us** something which **You** know or should know is relevant, **We** might reduce a claim, refuse to pay a claim, cancel **Your** policy or, if fraud is involved **We** can treat the policy as if it had never existed.

The duty of disclosure applies to every person or organisation insured under the policy. If **You** fail to comply with **Your** duty of disclosure **We** may be entitled to reduce **Our** liability under the contract in respect of a claim or may cancel the contract. If **Your** non-disclosure is fraudulent, **We** may also have the option of avoiding the contract from its beginning.

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 insurance policy or a section of the policy by notifying **Us** in writing within 30 days of the date it was issued to **You** ("cooling off period"), unless **You** have a claim under the policy within the cooling off period.

If **You** cancel it in this time, **We** will return the amount **You** have paid.

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

To cancel at other times, please see "Cancelling Your Policy" on page 1 Part 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 fire services levy (FSL) that applies. **Your** premium is shown on **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.

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

Paying your premiums

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

You must pay **Your** premium by the due date. For the first **period of insurance**, if **You** do not pay the premium owing by the due date, **We** can cancel **Your** policy as set out in "Cancelling your Policy" on page 1 Part 4.

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

Claims made and notified basis of cover

The Management liability cover section (excluding Optional cover Employee Dishonesty) is issued on a 'claims made and notified' basis. This means that the Management liability cover section (excluding Optional cover 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 the policy expires. If **You** give written notification of facts the policy will respond even though a claim arising from those facts is made against **You** after the policy has expired.

For **Your** information, s40(3) of the Insurance Contracts Act 1984 is set out below;

"S40(3) Where the insured gave notice in writing to the insurer of facts that might give rise to claim against the insured as soon as was reasonably practicable after the insured became aware of those facts but before the insurance cover provided by the contract expired, the insurer is not relieved of liability under the contract in respect of the claim when made by reason only that it was made after the expiration of the **period of insurance** cover provided by the contract."

When the **period of insurance** expires, no new notification of claims or facts can be made on the Management liability cover section (excluding Optional cover 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 the Automatic Discovery Period Additional Benefit in the Management liability cover section, if any, under which some cover for new notification of claims or facts is available.

Excess

This is the amount **You** have to pay if **You** suffer loss, damage or liability which leads to a claim under **Your** policy.

The amount and type of excess that applies to **Your** policy is shown either in Part 4 of this booklet or on **Your policy schedule**.

If **You** claim under more than one section of **Your** policy for one incident or event, then **You** only pay the highest excess that applies unless expressly stated otherwise in the policy. For example, Additional benefits may have their own excess which may be in addition to any excess that may apply to a claim.

Fraudulent claims

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

- ▼ refuse to pay a claim;
- ▼ cancel **Your** policy;
- ▼ take legal action against **You**.

Privacy statement

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

Why do we collect personal information?

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

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

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

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

How we handle your personal information

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

Under various laws we will be (or may be) authorised or required to collect your personal information. These laws include the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, Personal Property Securities Act 2009, Corporations Act 2001, Autonomous Sanctions Act 2011, Income Tax Assessment 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 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 call us for a copy.

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

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

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

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

Contact us

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

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

Complaints resolution

We are committed to:

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

If **You** have a complaint concerning this product or **Our** services, please tell the people who provided **Your** initial service or **You** can contact **Us** by:

- ▼ 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 ("the FOS").

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

You can contact the FOS by:

- ▼ Telephone: 1300 780 808
- ▼ Mail: Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001.
- ▼ Email: info@fos.org.au; or
- ▼ Website: www.fos.org.au

The 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.

If **You** want more information on the FOS, please ask **Us** for a brochure.

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 losses as a result of terrorism.

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

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

Updating information

The information in this PDS and Policy Wording was current at the date of preparation. Vero Insurance may update some of the information in the PDS and Policy Wording that is not materially adverse from time to time without needing to notify **You**. **You** can obtain a copy of updated information by contacting **Us**. **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.

Part 3: Information for some policyholders only

This part applies to **You** if **You** chose cover for:

- ▼ **vehicles** (not exceeding 2 tonnes) under the Commercial motor cover section; or
- ▼ a **home building** under the Property damage, Theft and/or Glass cover sections and **You** are an individual or a small business.

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, or **You** rent part of the building for residential use.

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

The amount you pay for the property damage, theft and glass cover sections (for a home building) or the commercial motor cover section

The premium is the amount **You** pay **Us** for this insurance. The premium payable by **You** will be shown on **Your policy schedule**. Premiums include applicable Commonwealth and state taxes and charges. These include the Goods and Services Tax and stamp duty. The amount of these taxes and charges will be shown on **Your 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 Property damage, 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 covers	None taken	All taken
Claims experience	Low claims experience	High claims experience
Voluntary excess	Higher	Lower
Our expenses of doing business including payments We make to intermediaries	Low expenses	High expenses
Endorsements	Reduces Our risk or Your cover	Increases Our risk or Your cover

The following table is a guide to the significant factors which impact generally on **Your** premium in relation to the Commercial motor cover section.

Type	Lowers premium	Increases premium
Type of cover	Legal liability only	Comprehensive
Type of vehicle	Low risk vehicle	High risk vehicle
Market or agreed value	Market value	Agreed value
Vehicle accessories/modifications	None specified	Accessories and modifications that increase the risk of insurance
No Claim Bonus	Higher rating	Lower rating
Vehicle use	Low risk use	High risk use
Radius	Smaller radius of operation	Australia wide
Insured amount	Lower insured amount	Higher insured amount
Postcode	Low risk postcode	High risk postcode
Claims experience	Low claims experience	High claims experience
Optional covers	None taken	One or more taken
Voluntary excess	Higher	Lower
Occupation	Low risk occupation	High risk occupation
Our expenses of doing business including payments We make to intermediaries	Low expenses	High expenses
Endorsements	Reduces Our risk or Your cover	Increases Our risk or Your cover

When determining **Your** premium **We** also take into account the age of the **vehicle** and the age of the drivers. These factors may lower or increase the premium depending on whether they mean there is a higher chance of **You** making a claim and if so, for how much.

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 covers to **Your** policy. Also, each time **You** renew **Your** insurance **your** premium is likely to change, even if **Your** circumstances or the risks covered by **Your** policy have not changed.

This is because premiums are affected by:

- ▼ the total cost of current and future claims;
- ▼ the cost of claims **We** expect to pay in the future;
- ▼ any changes in government taxes or charges;
- ▼ **Our** expenses of doing business;
- ▼ whether indexation is shown on **Your policy schedule**.

We may “cap” the amount of any increase on renewal, so that **We** pass only part of the increase on to **You**.

Premium discounts

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

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

For details of any discounts that may be available and the dollar difference these would make to **Your** premium, please ask **Us** when **You** obtain a quote or before renewing **Your** policy.

Excesses

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 Policy Wording in Part 4 of this booklet under 'Excess' or in the **policy schedule**.

Business property, theft and glass cover sections: Excesses

The amount of **excess** applying to each of these sections is shown on **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.

Commercial motor cover section: Excesses

There are a number of **excesses** which apply to this section. The amount of each **excess** (other than the basic **excess**) is shown in the Policy Wording that applies to Commercial motor cover section in Part 4 of this booklet. The amount of the basic **excess** will be shown on **Your policy schedule**.

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

- ▼ the make, model and type of **vehicle** being insured, including modifications made to the **vehicle**;
- ▼ any voluntary excess that **We** may allow **You** to choose;
- ▼ the age and driving experience of people who will be driving the **vehicle**;
- ▼ the **insured amount** of the **vehicle**;
- ▼ where and how the **vehicle** is used;
- ▼ the type of cover chosen;
- ▼ the place where **Your vehicle** is garaged;
- ▼ **Your** previous insurance and claims history; and
- ▼ Optional cover, extra covers, additional benefits and **endorsements**.

Part 4: Your policy terms and conditions – Important information

General policy conditions

The following general conditions apply to all sections of this **policy** unless expressly stated otherwise. Breach of a condition or warranty without **Your** knowledge or consent or error in name, description or situation of property will not prejudice **Your** rights under this **policy** provided notice in writing is given to **Us** when such breach or error comes to **Your** knowledge. Reasonable extra premium shall be paid if required, from the date of such breach or error.

Accountancy records

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

Acquisition of companies

Provided that **You** notify **Us** in writing within 30 days of the acquisition of:

- (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;
- and the business is of a similar occupation to that stated in the **policy schedule**, **We** will provide cover subject to **Your** acceptance of **Our** terms and undertaking to pay the additional premium **We** may require. **Our** liability shall not exceed the **insured amount**, limit of liability, or any sub-limit of liability applicable under the relevant **policy section(s)** making up **Your policy** for each category of property.

Bankruptcy or insolvency

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

Cancelling Your policy

How You may cancel

You may cancel the policy or a **policy section** at any time by telling **Us** that **You** want to cancel it. **You** can do this by giving the notice to **Your** Steadfast broker.

How We may cancel

We may only cancel a **policy** when the law says **We** can. Such cancellation shall take effect at the earlier of the following times:

- (a) the time when another policy of insurance between **You** and **Us** or some other insurer, being a policy that is intended by **You** to replace this policy, is entered into; or
- (b) at 4.00 pm on the thirtieth (30th) business day after the day on which notification was given by **Us**.

We will cancel **Your policy** by telling **You** so in writing, either in person or by post to **Your** last known address. **We** will return the premium that **You** have paid for the rest of the **period of insurance** (along with GST and any relevant charges where this is allowed).

In relation to the Commercial motor cover section of this **policy**, if **We** pay the **market value** or **agreed value** as a result of a total loss, then **Your** cover for that **vehicle** comes to an end without refund of any premium. If this is the only **vehicle** insured by this policy, then the Commercial motor cover section of the policy will come to an end.

Paying by instalments

If **We** agree that **You** can pay **Your** total amount in a number of payments instead of all at once, this is paying by instalments.

If **You** are one month (or more) late in paying an instalment, **We** may cancel **your policy**.

Premium funders

If the premium has been funded by a premium funding company which holds a legal right over the **policy** by virtue of a notice of assignment and irrevocable power of attorney, the return of premium calculated on the basis set out above will be made to the premium funding company.

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 the risks to be insured under this policy. **Your** insurance, including the amount of premium, may be affected if any of the facts or circumstances that existed at the start of the policy change during the **period of insurance**, including, for example:

- (a) the nature of or type of **business** carried on by **You** or **Your** tenants;
- (b) other circumstances that affect the **premises** or the **property insured** in such a way as to increase the risk of damage or losses;

- (c) **You** 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;
- (e) details of any conversion or modification to **Your vehicle** made by someone other than the manufacturer. For example, if **You** give your **vehicle** wide tyres or wheels, or lower its suspension;
- (f) if there is anyone under the age of 25 years who is likely to be a regular driver of the **vehicle**;
- (g) change of **Your** address, **Your vehicle**, **Your vehicle's** garage post code or the way **You** use **Your vehicle**.

You must immediately notify us of any changes to (a), (b), (c), (d), (e), (f) or (g) 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.

Designation of property

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

Provided always that this condition shall not apply to the Theft cover section with respect to tobacco, products containing tobacco, cigars, cigarettes and alcohol.

Under the Theft cover section, stock does not include tobacco, products containing tobacco, cigars, cigarettes or alcohol unless they are specified on the **policy schedule**.

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

In the premium, **We** will charge **You** an amount on account of GST.

You must inform **Us** of the extent to which **You** are entitled to an input tax credit (ITC) for that GST amount each time that **You** make a claim under this policy. No payment will be made to **You** for any GST liability that **You** may have on the settlement of a claim if **You** do not inform **Us** of **Your** entitlement or correct entitlement to an input tax credit.

Despite the other provisions of this insurance (including provisions in the Policy Wording, the **policy schedule** and any **endorsement**), **Our** liability to **You** will be calculated taking into account:

- (a) any input tax credit to which **You** are entitled for any acquisition which is relevant to **Your** claim, or which **You** would have been entitled were **You** to have made a relevant acquisition; and
- (b) also for claims for business interruption only, the GST exclusive amount of any supply made by **Your** Business which is relevant to **Your** claim.

In respect of loss or damage to **Your vehicle**, if **Your vehicle** is a total loss and **You** have chosen the **agreed value** option, **We** will not deduct any input tax credit entitlement from the amount of the **agreed value** shown in the **policy schedule**.

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

Inflation protection

To protect **You** from the effects of inflation, if **You** have cover under Property damage cover section, **We** may automatically change the **insured amount** at renewal in line with movements in the Consumer Price Index or another similar index.

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

Inspections

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

Jurisdiction

All disputes arising out of or under this **policy** shall be subject to determination by any court of competent jurisdiction within Australia according to the law which applies to that jurisdiction.

Keeping **Us** up to date

During the **period of insurance** and at renewal **You** must tell **Us** of any of the following changes (for which **We** may ask for an additional premium to maintain cover):

1. if the **building** is not in a good state of repair;
2. any work on the **building** other than routine maintenance or decoration;

3. any change in **Your business**;
4. any change of **situation**;
5. details of any conversion or modification to **Your vehicle** made by someone other than the manufacturer. For example, if **You** give **Your vehicle** wide tyres or wheels, or lower its suspension;
6. if there is anyone under the age of 25 year who is likely to be a regular driver of the **vehicle**;
7. change of **Your address**, **Your vehicle**, **Your vehicle's** garage postcode or the way **You** use **Your vehicle**.

You must tell **Us** at the commencement of **Your** policy and at each renewal if any **authorised driver** of **Your vehicle**, including **You**, has:

1. had a licence endorsed, suspended or cancelled in the past 5 years;
2. has been charged or convicted of any criminal offence relating to arson, drugs, firearms, burglary, housebreaking, theft, robbery, receiving stolen goods, fraud, criminal or wilful damage or injury, assault to anyone;
3. has been charged with or convicted of any motor offence or motor infringement (but not parking fines).

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.

Our maximum liability

Except as otherwise stated elsewhere in this **policy**, the maximum amount **We** will pay will not exceed the amount stated in the **policy schedule** as the **insured amount** or the limit of liability for those **policy sections** selected.

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

Non-imputation

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

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

Progress payments

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

Reasonable care

You must take reasonable precautions to prevent personal injury or property damage as if **You** were not covered by this **policy** such as (but not limited to):

1. if **You** discover **Your** products may be defective and the defect may cause a claim under the Public and products liability cover section, **You** must, at **Your** expense, take reasonable steps to restrict, trace, recall, modify, replace or repair the products;
2. maintain and look after other person's or organisation's property and **buildings** used or occupied by **You**, in accordance with **Your** agreement with them;
3. if **Your** occupation includes digging below ground at sites away from the **premises** the location of underground services must be obtained from the owners of the services by **You** or **Your** principal before the work is commenced;
4. comply with all laws and safety requirements imposed by any authority or by State or national legislation.

If **You** do not take reasonable precautions **We** may refuse to pay part or all of **Your** claim.

Sale of salvage

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

Single occurrence

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

Waiver of subrogation rights

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

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

General claims conditions

To enable **Us** to process a claim under any section of this policy the following conditions apply.

1. Making a claim

Promptly contact **Your** Steadfast broker or call the Vero First Response Unit as soon as possible on 1300 888 073. We're available 24 hours a day.

2. Motor vehicle claims

- ▼ **Our** staff will advise **You** whether to bring **Your vehicle** to one of **Our** assessing centres or take it to a repairer. **We** can help with any other arrangements necessary to get **You** back on the road as quickly as possible.
- ▼ If **Your vehicle** is involved in an **event**, **You** should obtain the full names, addresses and phone number of all drivers and passengers involved and any witnesses to the **event**. **You** will also need to obtain the **vehicle** registration numbers and insurance details of all vehicles involved. If damage is caused to **building** and other property please provide details of the address and owners names.
- ▼ If **You** get demands, a notice of prosecution, details of any inquest or similar communication from other parties involved in an **event**, **You** must tell **Us** immediately. If **You** delay in telling **Us**, **We** may not cover any legal or other costs that result from that delay.
- ▼ **You** must let **Us** inspect, and if necessary, move **Your vehicle** before repairs begin.
- ▼ **You** must not accept any payment (including excess payments) from anyone unless **We** agree first.

3. 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.

4. Minimise loss

You must:

- (a) take all reasonable precautions to minimise or prevent further loss, damage, injury or illness; and
- (b) take all reasonable steps to recover lost or stolen property.

5. Notify claim

You must

- (a) notify the police immediately following a theft or burglary or if any property is misappropriated, lost or maliciously damaged;
- (b) notify **Us** as soon as possible and give **Us** all the known details of the event including the police event number if available;
- (c) immediately send **Us** any legal document or other communication **You** receive about the event.

6. Retain all damaged property

You must:

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

- (b) use **Your** best endeavours to preserve all property, products, plant and all other things that may assist **Us** in investigating or defending a claim against **You**, including assisting in determining if there are rights of recovery against another entity or person.

7. 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.

8. Provide 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 is acceptable proof of ownership 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 are 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;
- ▼ **vehicle** log books;
- ▼ quotes for replacement items.

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.

9. 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.

10. Admitting liability

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

11. Not authorise repair or replacement

You must not authorise the repair or replacement of anything without **Our** agreement.

In the case of an emergency where **You** are required to prevent further loss or damage to **Your** property as a direct result of that emergency and the property is covered by **Your** policy. **We** give **You** authority to arrange these emergency repairs on **Our** behalf.

12. Conduct of claims

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

13. Paying your excess

You must pay the excess that applies to claims under this policy. The excess that applies will depend on the circumstances of the claim. The amount of the excesses and the circumstances that each excess applies to are shown on the **policy schedule** or set out in the applicable policy section. **We** will tell **You** how to pay **Your** excess and who to pay it to. In some cases, **We** will direct **You** to pay the excess directly to a supplier or repairer.

If more than one **excess** can be applied to one occurrence then **You** will only need to pay the highest **excess** that applies unless expressly stated otherwise in the policy.

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

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

14. Claims settlement

- (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 for **Your** insurance premium if **You** are registered, or should be registered for GST purposes. If the information **You** give **Us** is incorrect, **We** will not cover **You** for any resulting fines, penalties or tax charges.

(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** for any claim under this policy, the future conduct of the claim then becomes **Your** responsibility. **We** may also pay any extra covers, additional benefits or optional insurance that is in addition to the **insured amount**.

(d) Claims preparation expenses

We will pay for costs necessarily and reasonably incurred for the preparation and negotiation of a claim for which **We** agree to indemnify **You** under this Policy. The most **We** will pay is \$25,000 in total any one claim, unless a higher amount is included in the particular cover section of the policy. This benefit is in addition to the **insured amount**.

This benefit does not apply to the Management liability cover section, or the Tax audit cover section.

15. Rights of recovery

We have the right to take action or institute legal proceedings, in **Your** name, for the recovery of payments made and expenses incurred in relation to any claim insured by this policy, against any person, company or entity legally liable to **You** in respect of that claim.

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

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

General exclusions

These exclusions apply to all policy sections unless expressly stated otherwise.

1. Conflict

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

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

2. Consequential loss

This **policy** does not insure loss of use, loss of earning capacity and any other **consequential loss**.

This exclusion does not apply to the Business interruption cover section and the Public and products liability cover section.

3. Nuclear

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

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

4. Non-compliance

This policy does not insure loss or damage or liability caused by or as a result of **Your** failure to take reasonable precautions to comply with any relevant statutory obligations, by-laws, regulations, public authority requirements or safety requirements.

5. Intentional acts

This policy does not cover intentional acts by **You** or another party committed with **Your** knowledge and consent and which **You** were capable of preventing.

6. Known defects

We will not pay for loss or damage caused by faults or defects known to **You** or any employee whose knowledge in law would be deemed to be **Yours** and not disclosed to **Us** at the time this insurance was arranged.

7. Terrorism

This policy does not insure:

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

However, this exclusion does not apply to policy cover sections:

- (a) theft;
- (b) money;
- (c) glass;
- (d) general property.

8. Electronic data exclusion

(a) This policy does not cover:

- (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of data;
- (ii) error in creating, amending, entering, deleting or using data; or
- (iii) 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.

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

(c) Where an event listed below (being an event covered in Property damage cover section, or General property 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:

- (i) loss of or damage to **property insured** directly caused by the event; or
- (ii) **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.

- (i) Fire;
 - (ii) Lightning or thunderbolt;
 - (iii) Explosion or implosion;
 - (iv) Storm and wind;
 - (v) Water damage;
 - (vi) Impact;
 - (vii) Earthquake, including tsunami, subterranean fire, volcanic eruption or fire resulting from any of these;
 - (viii) 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) For the purposes of the "Your Insurance under this Policy Section" provision in this policy, computer systems records include data.
- (e) Where damage to property or property are used in this policy, they do not include **data**.

9. Geographical limitations

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

10. Unoccupancy

Unless **We** otherwise agree in writing, **We** will not pay for any loss or damage to **Your property insured** if the occurrence happens after **Your premises** has been unoccupied for more than 90 consecutive days. This exclusion does not apply to damage caused by:

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

This exclusion will not apply if the **premises** are partly occupied.

General definitions

Unless defined differently in individual policy sections, these definitions apply to all policy sections.

Aircraft

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

Animal(s)

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

Automatic Teller Machine (ATM)

A burglar resistant unit designed for the safe storage and disbursement of bank notes and which resists fire and attack by hand-held or power operated tools.

Business

The business(es) shown and described on the **policy schedule**.

Building(s)

The **building(s)** at the **premises**.

Building(s) includes:

- (a) sheds with a concrete floor and fixed to foundations at the **premises**;
- (b) customised and modified shipping containers or transportable buildings permanently located at the **premises** used as workshops, lunchrooms or storage and which are permanently fixed to the ground with electrical or plumbing services, as necessary;
- (c) shipping containers in which the stock of **Your business** is delivered to **Your premises** or from which merchandise is either being loaded into, unloaded from or stored in before dispatch, provided the container doors are secured when unattended with padlocks with a security rating under AS 4145.4 (or any subsequent amendment) of 6 or above and the padlocked container is fully enclosed by a locked cyclone fenced area at the **premises** after hours;
- (d) shipping containers in which the **stock** or **contents** of **Your business** is stored, provided the container doors are secured when unattended with padlocks with a security rating under AS 4145.4 (or any subsequent amendment) of 6 or above and the padlocked container is fully enclosed by a locked cyclone fenced area at the **premises** after hours;
- (e) walls, foundations, storage tanks and sheds, awnings, exterior lights, masts, antennae and aerials, fixed external signs, gates, fencing, pavements, roads and other structural improvements pertaining to the **building(s)**;
- (f) property owner's fixtures and fittings, floor coverings, plant, plumbing or wiring services that are within the **building**;
- (g) carports, pergolas and canopies;
- (h) barns and outbuildings;
- (i) external fixed items including swimming pools, saunas and spas, gangways between buildings, lights and signs and air conditioning units;
- (j) wharves, piers and jetties.

Building(s) does not include:

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

Business hours

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

Computer virus

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

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**.

Contents

Business and office furniture, tools of trade and equipment used by **You** in the **business**.

Contents includes:

- (a) unused stationery and printed books;
- (b) where **You** are a tenant of a leased or rented premises:
 - (i) property owner's fixtures and fittings, window blinds, floor coverings and **glass** for which **You** are liable under the terms of a lease or similar agreement;
 - (ii) fixtures and fittings installed by **You** for your use in the **business**;
- (c) money up to \$500;
- (d) plant and machinery, unregistered forklifts and hoists, communications systems, fixtures and fittings, signs and awnings (only if **You** are a tenant);
- (e) computers, word processors, printers, scanners and other peripheral equipment and other electronic equipment or electronic data processing systems;
- (f) digital or analogue telecommunication transmission and receiving equipment, lighting facilities, televisions, audio visual amplification or surveillance equipment and office machines;
- (g) data, media, records, documents, manuscripts, plans, drawings, designs, business books, but only for the value of these materials in their unused or uninstalled state or as blank stationery; or
- (h) current patterns, models, moulds, dies and casts used in the business but limited, unless repaired or replaced, to the value stated in **Your** financial records at the time of damage;
- (i) paintings, works of art, antiques or curios;
- (j) documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations;
- (k) property of **Your** welfare, sports and social clubs.
- (l) **stock**, but not if it is shown as a separate item on the **policy schedule**.

Contents does not include:

- (a) **stock**, if it is shown as a separate item on the **policy schedule**;
- (b) **buildings**;
- (c) **specified items**;
- (d) directors' and employees' tools of trade and personal effects;
- (e) jewellery, precious metals or stones, bullion or furs unless they are worth less than \$10,000 any one item;
- (f) **vehicles** registered for road use and any other machinery whilst registered for road-related areas, caravans, trailers, **watercraft**, **aircraft**, **hovercraft**, rolling stock and locomotives or their accessories;
- (g) live **animals**;
- (h) plants, shrubs, lawns, growing crops, pastures and standing timber other than pot-plants; or
- (i) **customers' goods** other than customer's records and documents held or created by **You** as part of your **business**.

This definition of **contents** is subject to the 'Designation of property' as noted in the General policy condition.

Customer's goods

- (a) Goods that belong to **Your** customers that are in **Your** physical or legal control because the business repairs, services, maintains, or stores those goods.
- (b) Goods that have been purchased by a customer but are in **Your** physical or legal control awaiting delivery.
- (c) Customer's goods includes items of property at the **premises** under a 'sales or return' consignment agreement.
- (d) Customer's goods do not include consigned items of property under an 'agency' arrangement where **You** make a commission on a sale.

Data

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

Employee

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

Employee includes:

- (a) volunteers; and
- (b) students on work experience.

Employee does not include:

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

Endorsement

Documentary evidence of an alteration to the **policy** which forms part of the **policy**.

Event or events

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

Excess

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

Family

- ▼ **Your** spouse, **Your** partner or **Your** de facto who live with **You**.
- ▼ **Your** parents and parents-in-law who live with **You**.
- ▼ **Your** children and children of **Your** spouse, partner or defacto (not being your children) who live with **You**.
- ▼ **Your** brothers and sisters who live with **You**.

Flood

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

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

Fungus/Fungi

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

Glass

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

Glass includes external glass, internal glass and specified glass as defined in the Glass policy section.

Home building

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

Hovercraft

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

Input tax credit

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

Insured/you/your

For all policy sections other than the Legal liability cover, any person, company or legal entity shown on the **policy schedule** as the insured.

Insured amount

The maximum amount that will be paid under each section of cover selected.

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

Limit

The limit is the maximum amount **We** will pay under any section of the policy and may be expressed 'per accident', 'per occurrence', 'per annum' etc.

Media

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

Money

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.

Obsolete stock

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

Occurrence

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

Period of insurance

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

Policy section

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

Policy schedule

The record of the particulars of **Your** insurance which forms part of this **policy**. The **policy schedule** is issued when **We** have accepted **Your** insurance. At each renewal of **Your policy**, the renewal **schedule** becomes **Your** current **policy schedule**.

Updated **policy schedules** or **endorsements** may also be sent to **You** showing alterations to **Your** policy.

Pollutants

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

Premises

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

Product Disclosure Statement (PDS)

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

Property insured

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

Safe or strongroom

A container or structure which has been specifically designed for the safe storage of money or valuables and is designed to resist unauthorised opening by hand-held or power operated tools. A **safe or strongroom** includes an **Automatic Teller Machine**.

A safe is not:

- (a) cash tin;
- (b) locked drawer in a filing cabinet or desk; or
- (c) burglary resistant container weighing less than 20 kilograms that is not fixed to the wall or floor of the **premises** by anchoring it using mechanical bolting. Eg Dynabolts.

Seasonal increase period/s

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

The total number of days **We** will allow as seasonal increase periods is 120 days in total during any one **period of insurance**. **You** do not have to tell **Us** what the dates of the periods are, but if **You** claim under a policy section which has the seasonal increase cover, then **Your** financial records over at least the previous 2 years must substantiate the period as a seasonal increase period. If the business is less than 2 years, **We** will use the financial records of **Your** business from the date of commencement until the date of the loss or damage to substantiate **Your** claim.

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

Stock

Products and materials **You** intend to sell, raw or consumable materials or products used by **You** in the **business** and **Your** products while being made, repaired or altered.

Stock includes:

- ▼ stock in trade and cigarettes and liquor;
- ▼ items of property at **Your premises** under a 'sales or return' consignment agreement;
- ▼ **customers goods**.

Stock does not include consigned items of property under an agency agreement where **You** make a commission on a sale.

Subsidiary company

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

Supplementary Product Disclosure Statement (SPDS)

An SPDS updates or adds to the information in the PDS.

Terrorism

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

The/this policy

Your insurance contract which consists of this PDS, any SPDS **We** may give **You**, any **endorsements** and **Your policy schedule**.

Vehicle

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

Watercraft

Anything made or intended to float or travel on or through water other than model boats.

We/us/our

AAI Limited trading as Vero Insurance.

You or Your

For all **policy sections** other than Public and products liability cover section, this means the person(s), companies or firms named on the current **policy schedule** as the 'Insured'.

Property damage cover section

About this policy section

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

Your insurance under this policy section

Provided 'Property damage' is shown under 'What's Covered' in the **policy schedule**, **We** will cover **You** up to the **insured amount** for accidental loss or damage to **Your property insured** at the **premises** during the **period of insurance**.

What We pay

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

The maximum **We** will pay for each **specified item** is the **insured amount** shown in the **policy schedule** for that item.

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

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

There are two methods of paying **your** claims. They are 'reinstatement or replacement' basis and 'indemnity value'. The method **You** have chosen is shown on **Your policy schedule**.

1. Building(s), specified items, contents or stock

Reinstatement or replacement

Unless the **policy schedule** shows **You** are insured for 'Indemnity' then, when **buildings, specified items, contents** or **stock** are lost or damaged **We** will, at our option:

- (a) rebuild the **buildings** at the **premises** shown on **your policy schedule** or at another site;
- (b) replace **contents, stock** or **specified items** with similar property to a condition equal to but not better than its condition when new;
- (c) pay **You** the amount shown on the proof of purchase for **specified items** unless the **specified items** are works of art, antiques and curios;
- (d) if the **specified items** are works of art, antiques and curios, pay **You** the amount of a valuation by the Auctioneers and Valuers Association of Australia; or
- (e) pay the cost of rebuilding or replacing the **buildings, specified items, stock** or **contents**.

Reinstatement or replacement is subject to the following conditions:

- (a) the work of rebuilding, replacing or repairing must be commenced and completed by **You** within a reasonable time otherwise **We** will pay no more than the cost that would have been incurred if the work of rebuilding, replacement or reinstatement has been commenced and carried out within a reasonable period of time;
- (b) when rebuilding at another site, **We** will not pay more than **We** would pay to rebuild at the **premises**;
- (c) when any **property insured** is damaged, but not destroyed, **We** will not pay more than the amount that **We** could have been called upon to pay for if that property had been destroyed;
- (d) **We** will only pay to return the **property insured** to a condition substantially the same as, but not better or more extensive than, its condition when new, using building materials readily available and in common use in The Commonwealth of Australia.

2. Indemnity

(Optional reduction in cover)

If **Your policy schedule** shows **You** are insured for 'Indemnity' then, for any loss or damage to **building** or **contents**, **We** will, at our option:

- (a) repair, reinstate or replace the **building** or **contents**;
- (b) pay **You** the market value of the **building** or **contents** at the time of its loss or damage; or
- (c) pay the cost of repair or replacement.

In all cases, where appropriate, **We** will reduce the amount **We** pay **You** to take into account age, wear, tear and depreciation.

The Underinsurance/average condition in this cover section is amended to read:

In the event of loss or damage to property **We** shall be liable for no greater proportion of the loss or damage than the **insured amount** at the **premises** bears to eighty percent (80%) of the current value of the **property insured**, provided that our liability shall not exceed the **insured amount** stated against each item in the **policy schedule**.

3. Branded stock

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

If **You** do not agree to **Us** selling the branded **stock** as salvage, **We** will pay the market value of the **stock** after brands, labels or names have been removed.

4. Extra costs of reinstatement

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

5. Extra costs of reinstatement; Heritage building

If **You** are insured under this **policy section** on a reinstatement or replacement basis for loss or damage to any **building** that is subject to any heritage listing or protection and **You** choose to rebuild, replace or repair the **building** at the same location, **We** will pay the extra 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.

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

6. Conditions which apply to extra costs of reinstatement

The following conditions apply:

- (a) the work of reinstatement must be commenced and completed within a reasonable time; and
- (b) the amount payable will not include any additional costs in complying with any requirement that **You** had been required to comply with before the loss or damage occurred; and
- (c) the work of reinstatement may be carried out wholly or partially upon any other site, if the requirements of the Act, regulation or by-law necessitate it, subject to **Our** liability not being increased.

Our total liability under this clause 'Extra cost of reinstatement' will be limited to:

- (i) the sub limit of liability shown in the current **policy schedule** for 'Extra cost of reinstatement' which shall be in addition to the **insured amount**; or
- (ii) the balance of the **insured amount** for this **policy section**.

whichever is the greater.

The underinsurance condition of this **policy section** will not apply to the amount payable under this clause.

7. Loss of floor space

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

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

We will, in addition to reinstating or replacing the **building** on the basis set out above, pay **You** the difference between:

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

8. Output replacement

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

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

9. Stock

If **stock** is lost or damaged, **We** will, at our option:

- (a) pay the market value of the **stock** at the time of the loss or damage;
- (b) pay **You** the market value of **obsolete stock** or its purchase price (net of GST), whichever is the lesser, but no more than the original cost to **You**;
- (c) replace or repair the **stock** with property or materials equal to or of a similar standard and specification as the **stock** at the time it was lost or damaged; or
- (d) pay the cost of repair or replacement of the lost or damaged **stock**.

Extra covers

When damage to **property insured** is covered by this **policy section**, **We** will pay for the following costs that are incurred as a result of that damage.

Unless stated otherwise below, any amounts payable under these Extra covers apply in addition to the **insured amount**.

1. Capital additions

If **buildings** or **contents** are insured and:

- (a) **buildings**, or part of them, are in the process of being constructed, erected, altered or added to; or
- (b) **contents**, excluding **stock**, are in the process of being installed or modified;

We will pay no more than:

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

whichever is the lesser amount.

For example: If **Your business** is retail, and the **contents** of **Your** rented shop are insured for \$150,000 and **You** are refitting the shop shelving and service counters, **We** will not pay more than \$30,000 (20% of \$150,000), as this amount is less than \$500,000.

2. Catastrophe inflation protection

If **We** agree to pay a claim for damage to **Your building** that is a direct result of a **catastrophe**, **We** will:

- (a) pay up to an additional 20% of the **insured amount** for **buildings**; and
- (b) increase the amounts payable under the 'Capital additions' (relating to **buildings** only) Extra cover and 'Prevention of loss or damage' Additional benefit of this **policy section** by up to 20%;

for any additional costs incurred in rebuilding that can be directly attributed to increases in the price of services and materials as a direct result of the **catastrophe**.

For example, if **Your insured amount** for **buildings** was \$1,000,000 **We** would pay up to an extra \$200,000 (20% of \$1,000,000). However, this Extra cover does not operate to increase the total **insured amount** for the purposes of calculating the application of any Extra cover or additional benefits or the Underinsurance provision in this **policy section**.

We will not pay more than the increased building costs which are actually incurred by **You** as a direct result of the **catastrophe**.

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

We will not pay any claim under this Extra cover if **Your policy schedule** shows the **building** as being insured for 'Indemnity'.

3. Discharge of mortgages

We will pay the reasonable legal costs of discharge of a mortgage or mortgages on **buildings**, **contents** or **stock** following settlement of a claim under this policy on a total loss basis. **We** will pay up to \$25,000 any one **event**.

4. Floating stock

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

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

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

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

For example: assume **You** operate from two retail premises, each with a **stock insured amount** of \$50,000. At the time of an insured event that destroys the premises, stock at the premises where the loss occurs is valued at \$70,000 and there is \$25,000 worth of **stock** at the other premises, which is less than \$100,000 of **stock** cover at all situations, **We** will pay up to \$95,000.

5. Government fees

If any of **Your property insured** is destroyed or damaged, **We** will pay any fee, contribution or other impost payable to any other Government, Local Government or other Statutory Authority where payment of the fee, contribution or impost is necessary to the obtaining of consent to reinstate any **property insured** provided that **We** will not be liable for payment of any fines and/or penalties imposed upon **You** by any such authorities. The cost of government fees is included in the **insured amount** for **buildings, contents** or **stock**. If the **insured amount** is exhausted, the most **We** will pay under this Extra cover is \$10,000 any one event.

6. Landscaping

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

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

We will not pay more than \$50,000 or 20% of the **insured amount**, whichever is the lesser, at the **premises** in respect of any one **event**. This additional benefit is included in the **insured amount** for the **buildings**.

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

7. Loss of land value

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

We will not pay more than:

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

whichever is the lesser.

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

8. Playing surfaces

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

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

9. Professional fees

We will pay the reasonable cost of surveyors', architects' and other professional fees for estimates, plans, specifications, quantities, tenders and supervision, incurred in the repair or replacement of lost or damaged **buildings**. The cost of professional fees is included in the **insured amount** of the lost or damaged **buildings**. If the **insured amount** has been exhausted, **We** will pay up to \$5,000 any one event.

We will not pay any claim under this Extra cover if **Your policy schedule** shows the **building** as being insured for 'Indemnity'.

10. Removal and disposal of trees and branches

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

11. Removal of debris including necessary temporary repairs

We will pay the reasonable costs of removal, storage and disposal of debris or the demolition, dismantling, cleaning up, shoring up, propping, underpinning or other temporary repairs of **property insured** by **You**. **We** will also pay for **Your** legal liability for the cost of removal of debris from adjoining **premises**, property, services, roadways and waterways as well as on the site.

We will pay **You** up to \$100,000 or 20% of the total **insured amount** on **buildings** and **contents** shown on the **policy schedule** for the damaged **premises** whichever is the greater or the amount for 'Removal of debris' shown in the **policy schedule**. If this is insufficient and **You** have not exhausted **Your insured amount** on the damaged items requiring demolition and/or removal of debris, **We** will pay up to the remaining balance of the **insured amount**.

12. Rewards

We will pay up to \$5,000 any one event for the reasonable cost of any reward paid by **You** for information which leads to the apprehension and conviction of person(s) responsible for any loss or damage which is insured under this **policy section**.

Provided that any cover given under this Extra cover shall not accumulate with any similar cover that may be given under Extra covers in the Theft or Money cover sections.

13. Rewriting of records

We will pay the reasonable costs of restoring the **data** stored on **media** or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the records at each **premises** for:

- (a) business books, plans, computer records, patterns and other business records that are damaged;
- (b) business records of **Your** customers at the **premises** or **Your** business records stored off-site.

We will pay **You**, in addition to your **insured amount**, up to \$25,000 any one event or the amount shown in the current **policy schedule**.

14. Seasonal increase in stock

We will automatically increase the **insured amount** in respect of **stock** by 50% during the **seasonal increase period**. If the **insured amount** in respect of **stock** is included in your **contents insured amount** **We** will only apply the seasonal increase to that portion of your **Contents insured amount** which relates to **Stock**.

15. Taking inventory

We will pay up to \$5,000 for the reasonable costs and expenses incurred by **You** in taking inventory (including unpacking, repacking and restacking) to identify, quantify and value any **property insured** damaged during the **period of insurance** including examination of **property insured** not belonging to **You** but in **Your** care, custody or control.

16. Undamaged foundations

If foundations are not destroyed following an occurrence and any Government or Statutory Authority requires reinstatement of the **property insured** to be carried out on another site, the abandoned foundations will be considered as destroyed. If the resale value of the original **building** site is increased due to the presence of the abandoned foundations, the increase in resale value will be paid to **Us** at the time of sale.

Additional benefits

We also provide the following Additional benefits, subject to the exclusions and conditions of this policy, unless provided otherwise.

Unless stated otherwise below, any amounts payable under these Additional benefits apply in addition to the **insured amount**.

1. Costs related to damage to glass in vacant buildings

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

- (a) the cost of temporary shuttering pending replacement of the broken **glass**;
- (b) the costs incurred in replacing reflective materials and burglar alarm tapes and connections attached to the **glass**;
- (c) 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 immediately around the **glass**.

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

We will not cover **You** under this Additional benefit for any breakage:

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

We will not pay for the breakage of:

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

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

- (a) **You** have selected Glass section;
- (b) **Your** insured **building** is leased to a tenant; or
- (c) the **building** has remained unoccupied or untenanted for a continuous period longer than 60 days and **We** have not agreed to an extended period in writing.

The excess that applies to this Additional benefit is:

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

whichever is the higher.

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

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

We will not pay more than \$5,000 for any one person for any one **event**. Any amount we pay for this Additional cover will be included in the **contents insured amount**.

3. Fire Brigade attendance fees

We will pay up to \$100,000 any one event for any statutory charges payable by **You** to a fire brigade or fire fighting authority for attendance at a fire or chemical emergency involving **property insured** and for the cost of refilling **Your** fire fighting appliances used in putting out a fire at or adjoining the **premises** and threatening the **property insured**, during the **period of insurance**. The excess that applies to this Additional benefit is \$500.

4. Limited transit cover

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

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

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

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

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

We will not cover **You** for any claims under this Additional benefit if **You** have selected – Goods in transit cover section.

5. Prevention of imminent damage

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

- (a) to extinguish a fire on or in the vicinity of **Your premises** which causes or threatens loss or damage to **Your property insured**;
- (b) to prevent or diminish imminent damage to **Your property insured**;
- (c) for the temporary protection and safety of **Your property insured** at the **premises**, including the employment of security services; or
- (d) to remove **property insured** from the **premises** if the purpose of the removal was to prevent or minimise damage insured under this **policy section**. **We** will also cover any damage resulting from the removal.

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

We will not pay for:

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

6. Temporary cover for new premises

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

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

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

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

We will not cover **You** under this Additional benefit for any loss or damage at the new **premises** that occurs more than 60 days after **You** first occupy the new **premises**.

7. Temporary removal of stock and contents

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

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

We will not pay for loss of or damage to:

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

8. Trace and access

We will pay the reasonable costs incurred to detect the point of bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems, during the period of insurance, at the **premises** used to hold or carry liquid provided that the bursting, leaking, discharging or overflowing has caused or may reasonably be expected to cause damage to **property insured**. **We** will not cover the repair or replacement of such apparatus, appliances, tanks, pipes of other systems.

9. Theft of external property

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

We will not cover **You** for more than \$5,000 in the aggregate during the **period of insurance** for all claims under this Additional benefit.

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

We will not pay any claims under this Additional benefit if **You** have selected the Theft cover section of the policy.

Optional extensions

Flood

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

Strata title mortgagee(s) interest

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

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

We will pay the mortgagee the lowest of:

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

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

We only pay a claim if:

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

If **You** have arranged this policy to insure only the interest of a mortgagee in a strata title unit no additional benefits are payable under this policy.

Exclusions

1. **We** will not cover **You** for loss or damage insurable under any other **policy section** or **policy sections** of this **policy**. This exclusion does not apply to any loss or damage which would only be insurable under any other policy section or policy sections because it fell within an Extra cover or Additional benefit in that **policy section**.
2. **We** will not cover **You** for loss or damage caused by:
 - (a) wear and tear, gradual deterioration, scratching, denting, chipping, marring, developing flaws, normal upkeep or any gradual cause;
 - (b) mechanical, hydraulic, electrical breakdown or electronic failure or malfunction;
 - (c) corrosion, rust, oxidation, any form of **fungus**, wet or dry rot, dampness of atmosphere, variation in temperature, evaporation, disease, shrinkage;
 - (d) change in colour, flavour, texture or finish;
 - (e) inherent vice or latent defect;
 - (f) loss of weight or exposure to light;
 - (g) creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in buildings, pavements, roads, car parks and the like;
 - (h) (i) error or omission in design, plan or specification or failure during testing;
(ii) faulty materials or workmanship;
Provided that this Exclusion 2(h) shall not apply to subsequent loss or damage to **Your property insured** (not otherwise excluded) resulting from an event referred to in this exclusion 2(h);
 - (i) loading or unloading;
 - (j) infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by **You** or any **employee**;
 - (k) erosion, subsidence, landslide or mudslide or any other earth movement but **We** will cover loss or damage caused by a landslide or subsidence that occurs within 72 hours of, and directly because of, a storm, earthquake, subterranean fire, volcanic eruption or water escaping from a water main owned by a water supply authority;
 - (l) demolition ordered by any lawful authority as a result of failure by **You** to comply with any lawful requirement;
 - (m) the action of the sea, storm surge or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance;
 - (n) **flood**;
 - (o) faults or defects known to **You** or any **employee** whose knowledge in law would be deemed to be **Your** knowledge and not disclosed to **Us** at the time this insurance was arranged, extended, varied or renewed;
 - (p) the cessation of work (whether total or partial), interruption or retarding of any process or operation as a result of any industrial dispute;
 - (q) data processing or media failure or breakdown or malfunction of a processing system including operator entry or omission;
 - (r) 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 insured whether acting alone or in collusion with any other person;
 - (s) **computer virus**;
 - (t) the gaining of unauthorised access to **Your** computer via any communication system by any person other than **You** or **Your** directors, partners, employees, officers or any other person who has an interest in the property;
 - (u) an electrical device (including wiring) caused by a surge in electrical current;
 - (v) the operation or presence of any computer program that alters or erases data or programs in a manner that is undesired by **You**;
 - (w) the actual breaking, seizing, deformation or melting of any part of the **property insured** while it is in use that is caused by mechanical, electrical or electronic defect that results in sudden and total loss of operation that requires repair or replacement before the **property insured** can resume normal operation;
 - (x) 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;
 - (ii) where any safety valve limiting pressure was removed or rendered inoperative;
 - (iii) due to the failure of the supply of water, gas, electricity or fuel.Provided that **We** will pay for any damage to **property insured** that is not otherwise excluded that results from damage caused directly by or arising directly from any of these causes.
3. **We** will not cover loss or damage caused:
 - (a) to **property insured** where loss or damage was caused during the course of its processing or manufacture;
 - (b) to any **building, contents** and **stock** if the **building** is vacant awaiting or undergoing demolition, unless **We** have agreed otherwise;
 - (c) to plants, or growing crops;

- (d) to external glass or ornamentation affixed to the glass or signs:
 - (i) other than loss or damage caused by fire, storm, wind, rain, hail, lightning, explosion, implosion, earthquake, impact by vehicles or **animals**, **aircraft** and other aerial devices and/or articles dropped from them, riots or civil commotion, persons acting maliciously or earthquake; or
 - (ii) except where **You** are a tenant of a **building** and **You** are required by the lease to insure glass;
 - (e) by the actions of birds, moths, termites or other insects, vermin or rodents or damage caused by their urine or excrement.
 - (f) by **animals** pecking, biting, clawing, scratching, tearing or chewing **Your property insured** at the premises, provided that this exclusion 3(f) shall not apply in respect to damage by an **animal** that gives rise to subsequent loss or damage to **Your property insured** occasioned by a fire, explosion or water damage only.
4. **We** will not cover loss or damage caused by or arising from:
- (a) theft other than physical damage to **property insured** at the **premises** during theft or any attempted theft and/or theft of parts of the **building** when **buildings** are insured;
 - (b) any legal liability **You** have other than the legal liability that is covered by the Extra cover 'Removal of debris';
 - (c) the incorrect layout or placement of **buildings** as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any lawful authority;
 - (d) any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;
 - (e) contamination, pollution, smoke or smut except where caused directly by fire, lightning, explosion, impact by any road vehicle or **animal**, **aircraft** or other aerial devices or articles dropped by them, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing or discharge of tanks, apparatus or pipes containing in water or liquid of any kind, or sprinkler leakage;
5. **We** will not cover loss or damage caused by:
- (a) a named cyclone named by the Bureau of Meteorology where the damage occurs within 72 hours from the commencement of this policy; or
 - (b) a bushfire occurring within 72 hours from the commencement of this policy, unless this policy commenced:
 - (i) immediately after another insurance policy, covering the same risk expired (the policy did not expire if it was cancelled) without a break in cover; or
 - (ii) the day you entered into a contract of sale to purchase the **property**; or
 - (iii) the day you entered into a contract to lease the **property**.

Limitations on cover which apply if you have cover under this policy section

Earthquake

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

Storm, rainwater, wind, hail or snow

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

Policy section conditions

These conditions apply to all covers and claims under this **policy section**.

1. Leased building clause

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

2. Reinstatement

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

3. Release

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

4. Storage premises

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

5. Tenant's actions

If a tenant of **Yours** or a tenant of **Your** landlord (but not **You**) without **Your** consent, causes or contributes to any loss or damage covered by this **policy section** which is in breach of any terms or conditions, **We** will cover **You** for **Your** loss or damage as per this **policy section**, provided:

1. **You** have taken all reasonable actions, as soon as **You** become aware of conditions causing the breach, to have the tenant comply with the terms;
2. **You** notify us within a reasonable amount of time of becoming aware of the breach;
3. **You** agree to pay a reasonable increase in premium for the additional risk.

6. Under-insurance

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

For claims settled on a reinstatement or replacement basis, **We** will be liable for no greater proportion of the loss or damage than the total **insured amount** on the **policy schedule** bears to 80% of the full insurable value of the **buildings, contents, stock and specified items** (net of any **input tax credit** that you could claim) at the time of the commencement of the **period of insurance**.

This condition does not apply if the amount of any loss or damage (net of any **input tax credit** that **You** could claim) is less than 10% of the total **insured amount** shown on the **policy schedule** at the **premises**.

Any additional costs incurred to comply with the requirements of any statutory authority, by-laws or regulations shall be omitted from the calculation of **Our** proportion.

See the worked dollar example below for an example of how underinsurance will apply to reduce the amount **We** will pay for claims under **Your** policy.

Worked dollar examples

The following worked dollar examples are designed to assist **You** in understanding some of the important benefits in this **policy 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.

***You** have cover for a **building** that is used as both a hairdressing salon and **Your** residence. For this reason it is a **home building**. Indemnity is not shown on **Your policy schedule**, so you have cover on a replacement value basis. The total **insured amount** on the **policy schedule** is shown as \$400,000 (the total of the **insured amount** shown on **Your policy schedule** for the **building** of \$380,000, contents of \$10,000 and stock of \$10,000 and there are no specified items) and the excess shown on the **policy schedule** is \$250.*

*When setting the **building insured amount**, **You** must consider the costs to remove debris and payment of any architect fees. The **building** is damaged in a storm and **We** assess the cost of repairs to be \$50,000.*

How much we pay		Further information
Cost of repairs	\$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 for buildings is \$380,000).
Cost of removal of debris	+\$30,000	In addition to the damage to the building , the storm has created building debris that requires cleaning up and removal. The most We will pay under the removal of debris benefit is \$25,000 in addition to any unexhausted amount of the total insured amount . However, as the total insured amount has not been exhausted, We will pay up to any unexhausted amount remaining from the total insured amount of the debris cost, which in this case is \$30,000.
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

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 the underinsurance condition in this **policy section**.

The amount **We** would pay will be calculated as follows:

$$\text{Total claim of } \$79,750 \times \frac{\$400,000 \text{ (insured amount)}}{80\% \times \$580,000 \text{ (building replacement value at time of loss)}} = \$68,750$$

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

How much we pay		Further information
Cost of repairs	\$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).
Cost of removal of debris	-\$40,000	In addition to the physical building damage there is also building debris that requires cleaning up and removal. The most We will pay under the removal of debris benefit is \$25,000 in addition to any unexhausted amount of the total insured amount . However, as the total insured amount has not been exhausted, We will pay up to any unexhausted amount remaining from the total insured amount .
Less excess	-\$10,000	Since the damage is caused by an earthquake, an excess of 1% of the insured amount of the loss or damage (up to a maximum of \$20,000) applies. In this example 1% of the insured amount of the loss to the buildings is \$10,000. We may ask You to pay this amount directly to the repairers.
Total claim	\$1,030,000	We normally pay this amount directly to the repairers.

Definitions

The following words have the following meanings for this **policy section** only.

Catastrophe

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

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

Specified items

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

Theft cover section

About this policy section

This section covers the loss of **Your contents** and **stock** from theft, attempted theft, armed hold up or an actual or threatened assault. **You** are not covered for theft of **contents** and **stock** kept in the open air unless **You** have taken the optional cover 'Theft of property insured in the open air'.

Your insurance under this policy section

Provided 'Theft' is shown under 'What's Covered' in the **schedule** **We** will cover **You** for loss of or damage to **Your contents** and **stock** occurring during the **period of insurance** at **Your premises** caused by one or more of the following:

- (a) any person who forcibly and violently enters or attempts to enter the **premises**;
- (b) any person unlawfully concealed at the **premises**;
- (c) any person who threatens or commits physical violence to **You, Your employees** or other persons;
- (d) armed hold-up at the **premises**;
- (e) any person who breaks into any locked cabinet and/or counter and/or showcase which is located at the **premises**.

What we pay

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 value of **obsolete stock** 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 **electronic equipment** or **contents**:
 - (i) repair or replace the **electronic equipment** or **contents**; or
 - (ii) pay **You** the cost of repair or replacement of the **electronic equipment** or **contents**.
- (c) pay the **insured amount** for a specified item.

For each specific **category** or **categories**, **We** will not pay more than the **insured amount** shown on the current **policy schedule** for this **policy section**, except to the extent stated under the headings 'Extra covers' and 'Additional benefits'.

Excess

The excess that applies is shown on the **policy schedule**.

Extra covers

If **We** agree to pay a claim under this **policy section** for loss or damage caused by theft, **We** will also pay or provide the extra covers set out below.

Unless stated to the contrary, any amounts payable under these Extra covers are included in the **insured amount** specified in the **policy schedule**.

1. Damage to business premises

If **You** are the **property** owner **We** will cover **You** for the cost to repair your **property insured** caused by theft or attempted theft. The maximum amount **We** will pay for this Extra cover is \$10,000. This limit is in addition to the **insured amount**.

2. Damage to rented premises

If **You** are the tenant **We** will cover **You** for damage to the rented **premises** that **You** occupy as a tenant if **You** are legally liable for that damage under **Your** tenancy agreement, provided that the damage is due to theft occurring during the **period of insurance**.

The maximum **We** will pay for any one claim under this extra cover is \$10,000 or the amount shown in the **policy schedule**.

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

3. Rewards

We will pay up to \$5,000 per event for the reasonable cost of any reward paid by **You** for information which leads to the apprehension and conviction of person(s) responsible for the theft of property which is insured under this **policy section**.

Provided that any cover given under this Extra cover shall not accumulate with any similar cover that may be given under Extra cover 1 in the Money cover section.

4. Seasonal increase period/s

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

5. Temporary protection and security guards

We will pay the reasonable and necessary costs of temporary protection and repairs and the employment of guards or watchman by **You**, for the safety and protection of the **building** pending repair of damage to the **building** caused by a theft or attempted theft. We will not pay more than \$10,000 for any one claim. If an occurrence results in a claim being paid under this **policy section** and another policy section, the highest single limit under the relevant policy section applies.

Provided that any cover given under this Extra cover 'Temporary protection and security guards' shall not accumulate with any similar cover that may be given under Extra cover 3 in the Money cover section.

This Extra cover operates in addition to the **insured amount**.

Additional benefits

We will also provide the following Additional benefits in this **policy section**, subject to the conditions, exclusions of this policy, unless provided otherwise.

Unless stated to the contrary, any amounts payable under these Additional benefits are included in the **insured amount** specified in the **policy schedule**.

1. Directors and employees tools of trade and personal effects

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

We will not pay more than \$5,000 for any one person and \$10,000 overall in respect of any one claim. This applies in addition to the **insured amount**.

2. Employee dishonesty

We will cover **you** for loss to **stock**, **contents** or **electronic equipment** as a direct result of **employee** dishonesty during the **period of insurance** which is discovered within 45 days of the **employee** dishonesty occurring.

This Additional benefit does not cover:

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

We will not cover **You** for more than \$5,000 any one occurrence. This is in addition to the **insured amount**.

We will not pay any claims under this Additional benefit if **You** are insured under Management liability section cover and further provided that any cover given under this Additional benefit shall not accumulate with any similar cover that may be given under the Money cover section.

3. Funeral expenses

We will cover **You** for burial or cremation costs if any director, **employee**, officer or business partner sustains a fatal injury provided:

- (a) their death directly results from an assault that occurs during a theft or attempted theft in the **period of insurance** of property owned by **You** or for which **You** are legally responsible; and
- (b) the death occurs within 12 months of the assault.

We will not cover **You** for more than \$10,000 in total during the **period of insurance**, to be paid to the estate of the deceased person.

Provided that any cover given under this Additional benefit shall not accumulate with any similar cover that may be given under the Money cover section.

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

4. Illegal use of corporate financial transaction card

If the policy covers **contents** and any corporate credit and/or debit 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.

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 **Your employee** or by any member of **Your family**;
- (b) more than \$5,000 in total for any one loss or event.

5. Illegal electronic funds transfer

If the policy covers **contents**, following entry into the premises arising from one of the events listed under the heading 'Your insurance under this policy section', **We** will pay any financial loss sustained by **You** during the **period of insurance** arising from the electronic transfer of funds from **Your** bank account to a bank account not controlled by **You**.

We will not pay for:

- (a) any financial loss arising from the misuse or illegal use of corporate credit cards or financial transaction cards by any of **Your employees** or any other person acting in collusion with any of **Your employee** or by any member of **Your family**;
- (b) transfer of money via electronic funds transfer which was enabled by:
 - (i) a key; or
 - (ii) use of details of a combination, code or password;that are left in the **building** outside **business hours**;
- (c) more than \$5,000 in total for any one event.

6. Replacement of locks and keys

We will pay the reasonable cost of replacing locks, keys, magnetic keys or cards or similar devices or to change the sequence of numbers or letters used in a safe or strongroom if:

- (a) as a result of theft covered under this **policy section**, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated;
- (b) keys, magnetic keys or cards or similar devices are accidentally lost;
- (c) the sequence of numbers or letters become known by any unauthorised person or are accidentally lost;
- (d) circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices.

We will also pay the reasonable cost of:

- (a) opening **safes and strongrooms** because of the theft of keys or combinations during a theft covered under this **policy section**;
- (b) developing images stored on media from security camera following a theft or attempted theft covered under this section.

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

Provided that any cover given under this Additional benefit 6 'Replacement of locks and keys', shall not accumulate with any similar cover that may be given under Additional benefit 7 in the Money cover section.

7. Rewriting of documents

We will pay for any reasonable labour costs incurred in reproducing or making good **Your** business records if they are lost, stolen or damaged while located at **Your premises** or offsite anywhere in the Commonwealth of Australia. **We** will not pay more than \$25,000 during any one **period of insurance**. This is in addition to the **insured amount**.

8. Temporary cover for new premises

We will cover **You** for loss of **stock** or **contents** at any new premises which **You** first occupy during the **period of insurance** provided that:

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

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

If **We** agree to cover **stock** or **contents** at the new premises beyond the 60 consecutive day period, **You** must pay any additional premium **We** ask for.

9. Temporary removal

We will cover **Your** contents and stock while temporarily removed to any other premises within the Commonwealth of Australia.

Provided that:

- (a) **We** will not cover tobacco, tobacco products, cigars, cigarettes or alcoholic beverages;
- (b) **We** will not cover **stock** that is on consignment to other parties unless it is owned by **You** or is property for which **You** are responsible;

- (c) the maximum amount **We** will pay for this additional benefit will be 20% of the **insured amount**;
- (d) this additional benefit will not apply to any contents or stock, which has been removed for a period greater than 90 days without **Our** prior written consent.

10. Theft of external property

We will cover **You** for loss or damage as a result of theft or any attempt at theft occurring during the **period of insurance** to **contents** that are securely and permanently affixed (by means other than the connection to a power point) to the outside of the **building** at the **premises**.

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

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

whichever is the lesser during the **period of insurance**.

11. Theft without forcible and violent entry (not property in the open air)

We will cover **You** for loss or damage occurring during the **period of insurance** to **contents** in the **building** as a result of a theft where there are no signs of forcible and violent entry to or exit from the **building**.

The amount **We** will pay is limited to:

- (a) \$10,000 (or the amount shown on the current **policy schedule** whichever is the higher) for any one occurrence for theft or attempted theft of **contents** other than:
 - (i) **electronic equipment**;
 - (ii) **stock**; or
 - (iii) **customer's goods**;
- (b) \$20,000 (or the **insured amount** shown on the current **policy schedule** whichever is the higher) for theft or attempted theft of **Your electronic equipment** which is not **stock**.

We will not cover **You** if the theft or attempted theft is from any open-sided structure such as, but not limited to, verandas or yards or other open spaces even if they are partially or fully enclosed.

Optional insurance

We will provide the following optional insurance when requested by **You**, when **You** pay any additional premium required and when shown on **Your policy schedule** as applying.

Any amount payable under these optional insurances is in addition to the **insured amount**.

Theft of property insured in the open air

We will cover you for theft without forcible and violent entry of **property insured** in the open air but within the boundaries of the **premises** or contained in an unlocked **building**, during the **period of insurance**, up to the amount shown in the current **policy schedule**.

We will not cover **You** for the theft of property in the open air unless the premises after business hours are fully enclosed by a locked cyclone fence with padlocks with a security rating under AS 4145.4 (or any subsequent amendment) of 6 or above.

Exclusions

We will not pay for:

1. Theft by persons

Loss of, or damage to, property committed by:

- (a) **You**, **Your** directors, partners, **employees** or any member of **Your family** other than following forcible and violent entry by **Your employees** or a member of **Your family**; or
- (b) any person or persons while lawfully at the **building**.

2. Property

Loss or damage to:

- (a) **money** in excess of \$500;
- (b) jewellery, precious metals or stones, property made of gold or silver, bullion or furs exceeding \$10,000 any one loss and \$2,000 any one item unless these items form part of **Your stock**;
- (c) motor vehicles, unless they are:
 - (i) **stock**; or
 - (ii) fork lift trucks and similar appliances that are used for hauling or conveying goods at the **premises**;
- (d) live **animals**; or
- (e) plants, shrubs, landscaping materials or growing crops, pastures or standing timber.

3. Glass

The breakage of **glass** (including washbasins, sinks, toilet pans or cisterns, or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to broken **glass**) unless it is **stock**.

4. Open air

Loss or damage of **property insured** from any open space, whether fenced or unfenced, outside the walls of the **building**, except as expressly provided in the Additional cover 'Theft of external property' and the Optional insurance 'Theft of property in the open air'.

5. Access

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

- (a) by use of a key or security code; or
- (b) through an unlocked door or window;

Except as provided for under:

- (a) Additional benefit 11, Theft without forcible and violent entry; and
- (b) Additional benefit 2, Employee dishonesty.

Policy section conditions

These conditions apply to this **policy section**.

1. Monitored burglar alarms

If **You** own or have responsibility for operating and maintaining a burglar alarm for the purposes of the **business**, the alarm system must be tested and used in accordance with the manufacturer's specifications. The burglar alarm must be activated whilst the **building** is unoccupied.

Testing and use includes resistance checking the battery, alarm detection coverage and transmission to the monitoring station.

2. Valuables

You must ensure that all **stock** that is precious stones, gold and silver articles, jewellery, watches trinkets, stamps, coins and personal ornaments, which are individually of the value of \$500 or more are contained in a securely locked safe or strongroom outside **business hours**.

3. Reinstatement

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

Definitions

The following words have the following meanings for this **policy section** only.

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

1. all **contents** including **stock**;
2. all **contents** excluding **stock**;
3. **stock** excluding **cigarettes, cigars and tobacco**;
4. **cigarettes, cigars and tobacco**;
5. alcohol;
6. **specified items** listed in the **policy schedule**.

Cigarettes, cigars and tobacco

Cigarettes, cigars and tobacco used by **You** in the **business**.

Glass cover section

About this policy section

This Policy Section covers breakage of glass at the **premises**.

Your insurance under this policy section

Provided "Glass" is shown under "What's Covered" in the **policy schedule** We will insure **You** for **breakage** of **glass** which **You** own or for which **You** are legally responsible, occurring during the **period of insurance** at the **premises**.

What we pay

We will pay for the cost of replacement of broken **glass** with **glass** of similar manufacture and quality including the reasonable costs for after-hours service by repairers, express delivery and overtime charges to repair or replace broken **glass**. We will also pay the extra cost necessarily incurred to comply with the minimum requirements of any statutory authority when replacing the **glass**.

Excess

The **excess** that applies is shown on the **policy schedule**.

Extra covers

If We agree to pay a claim under this **policy section** for loss or damage to **glass**, We will also pay or provide the Extra covers set out below.

Any amounts payable under these Extra covers apply in addition to the **insured amount**.

1. Costs

We will pay for the following costs provided they are reasonably incurred by **You** and are directly related to breakage of the **glass** covered under this **policy section**:

- (a) the cost of temporary shuttering necessary to secure otherwise exposed **stock** or **contents** pending replacement of the broken **glass**;
- (b) the costs incurred in replacing sign-writing, ornamentation, reflective materials and burglar alarm tapes and connections attached to the broken **glass**;
- (c) the cost incurred in repairing or replacing damage to window, door or showcase frames and their fittings;
- (d) the cost incurred in repairing or replacing tiles on shop and office fronts and around the broken **glass**.

We will not cover **You** for the cost of repairing or replacing bars, grilles or shutters.

Our liability under this Extra cover during any one **period of insurance** is limited to the sum of \$8,000.

2. Destruction of stock or contents

We will pay for destruction of, or damage to **Your stock** or **contents**, caused by broken glass following the breakage of **glass** where such breakage constitutes an admissible claim under this **policy section**. Our liability under this Extra cover during any one **period of insurance** is limited to:

- (a) the cost value (excluding profit of any kind) of **Your stock** or **contents** destroyed or damaged, less any amount realised from the sale or salvage; or
- (b) the sum of \$8,000,

whichever is the lesser.

3. Overtime

We will pay the reasonable costs of after-hours service by repairers, express delivery and overtime charges to repair or replace broken **glass**.

4. Rewards

We will pay up to \$5,000 per event for the reasonable cost of any reward paid by **You** for information which leads to the apprehension and conviction of person(s) responsible for damage to glass which is insured under this **policy section**.

If **You** are insured under Property damage cover section the benefits payable under this Extra cover shall not be cumulative.

Additional benefits

We will also provide the following Additional benefit in this **policy section**, subject to the policy conditions, limits and exclusions, except as provided otherwise.

Any amount payable under these Additional benefits applies in addition to the **insured amount**.

1. Malicious damage

We will pay for the cost of replacement of **external glass** which has suffered malicious damage, during the **period of insurance**. This Additional benefit is payable even where there is no **breakage of external glass**.

2. Signs

We will cover **You** for loss or damage to **signs** at the **premises** if they break during the **period of insurance**.

We will not pay more than \$8,000 for one claim under this Additional benefit or any higher amount shown in the **policy schedule** for **signs**. The admissibility of claims for damage to **signs** shall not be contingent upon other damage to **glass**.

Policy section exclusions

This **policy section** does not cover:

1. Some types of glass

Damage to glass:

- (a) when in transit or whilst being fitted into position or removed from its fitting;
- (b) forming part of **stock**;
- (c) in light fittings;
- (d) that is cracked or imperfect prior to breakage;
- (e) that is not fit for the purpose intended; or
- (f) that is in a glasshouse, conservatory or the like, television, computer screen or any domestic item such as a vase, china ware or glass in a photo frame.

2. Tiles

The cost of repairing or replacing tiles on shop fronts and office fronts other than immediately around the broken glass.

Definitions

Breakage

Means:

- (a) for plate or sheet **glass** or porcelain, a fracture extending through the entire thickness of the **glass** or porcelain;
- (b) for laminated **glass**, a fracture extending through the entire thickness of a lamination but not any other damage or disfiguration.

External glass

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

Glass

Means **external glass**, **internal glass**, and **specified glass**.

Internal glass

Means:

- (a) **glass**, or plastic material used as glass in internal partitions, windows and doors, glass in counters, glass forming shelves and/or stock restraints, interior showcases, fixed mirrors and other fixed internal glass including ceramic vitreous china urinals, toilet pans and hand basins; and
- (b) frames of showcases, display cabinets and counters containing the broken **glass** in the **building**.

Sign

Means **glass** or plastic that forms part of a sign.

Specified glass

Means **glass** specifically designated in the **policy schedule** under **specified glass**.

Machinery breakdown and electronic equipment cover section

About this policy section

This section covers the **breakdown** of **machinery or electronic equipment** at **Your premises**.

Your insurance under this policy section

There are two covers available in this **policy section**.

▼ Machinery Breakdown.

▼ Electronic Equipment Breakdown.

Your policy schedule indicates which cover has been selected by you.

Machinery breakdown basis

If Machinery is shown under "What's Covered" in the **policy schedule** and subject to the General exclusions, **We** will cover you for:

- (a) **breakdown** of **machinery** which occurs at the **premises**; and
 - (b) direct loss or damage to other **property insured** as a result of that **breakdown**,
- provided that the **breakdown** of **machinery** occurs during the **period of insurance**.

We do not cover loss or damage to air conditioners unless your **policy schedule** shows that you are covered for air conditioners under this **policy section**.

Electronic equipment basis

If Electronic Equipment is shown under "What's Covered" in the **policy schedule** and subject to the General exclusions, **We** will cover **You** for:

- (a) **breakdown** of **electronic equipment** which occurs at the **premises**; and
 - (b) direct loss or damage to other **property insured** as a result of that **breakdown**,
- provided that the **breakdown** of **electronic equipment** occurs during the **period of insurance**.

What we pay

Machinery breakdown basis

If **We** agree to pay a claim for **breakdown** of **machinery**, **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 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**, which is greater than the cost of repairing or replacing the entire piece of such **machinery**,

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.

The maximum **We** will pay is the **insured amount** as shown in the **policy schedule**.

1. In the event of **breakdown** **We** will at our option pay to **You**, up to the **insured amount** less the applicable **excess**, the reasonable cost of repair or replacement necessary to return the **machinery** to their former state of operation including:
 - (a) cost of dismantling, re-erection, cleaning up and removal of debris;
 - (b) replacement of refrigerant or lubricating or insulating oil lost from **machinery** as a direct result of **breakdown**;
 - (c) charges for overtime work on public holidays where necessarily and reasonably incurred;
 - (d) freight within the Commonwealth of Australia by any recognised scheduled service;

- (e) overseas air freight by any recognised scheduled service and/or overseas labour;
- (f) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any **property insured**;
- (g) any customs duties and dues.

Provided that the total of all of these extra costs in clauses 1(c), 1(d), 1(e) and 1(f) are limited to 50% of the normal cost of repair payable under this part.

2. Where **You** incur extra expense, in complying with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority, in the course of effecting repair or replacement of the **machinery**, **We** will indemnify **You** for such extra expense.

Provided that the amount so recoverable hereunder shall not include the additional cost in complying with any such Act, Regulation, By-law or requirement with which **You** had been required to comply with prior to the **breakdown**.

3. All **machinery** which can be repaired must be repaired. However should the item be uneconomical to repair due solely to the nature of the **breakdown**, settlement will be as follows:

- (a) the cost of replacement of the **machinery** by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the **machinery** when new; or
- (b) the **insured amount** for the **machinery**.

4. **We** shall not be required to replace the **machinery** exactly, but only as circumstances permit.

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

Electronic equipment breakdown basis

If **We** agree to pay a claim for **breakdown** of **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 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 **computer equipment** or **electronic equipment** which is greater than the cost of repairing or replacing the entire piece of such **computer equipment** or **electronic equipment**.

If 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 component or part of a computer equipment or electronic equipment, **We** will not pay more than the cost of repairing or replacing that component or part plus the cost of dismantling and erecting the computer equipment or electronic equipment.

The maximum **We** will pay is the **insured amount** as shown in the **policy schedule**.

1. In the event of **breakdown** **We** will at our option pay to **You**, up to the **insured amount** less the applicable **excess**, the reasonable cost of repair or replacement necessary to return the **electronic equipment** to their former state of operation including:
 - (a) cost of dismantling, re-erection, cleaning up and removal of debris;
 - (b) replacement of refrigerant or lubricating or insulating oil lost from **electronic equipment** as a direct result of **breakdown**;
 - (c) charges for overtime work on public holidays where necessarily and reasonably incurred;
 - (d) freight within the Commonwealth of Australia by any recognised scheduled service;
 - (e) overseas air freight by any recognised scheduled service and/or overseas labour;
 - (f) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any **property insured**;
 - (g) any customs duties and dues.

Provided that the total of all of these extra costs in clauses 1(c), 1(d), 1(e) and 1(f) are limited to 50% of the normal cost of repair payable under this part and shall be payable in addition to the **insured amount**.

2. Where **You** incur extra expense, in complying with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority, in the course of effecting repair or replacement of the **electronic equipment**, **We** will indemnify **You** for such extra expense.

Provided that the amount so recoverable hereunder shall not include the additional cost in complying with any such Act, Regulation, By-law or requirement with which **You** had been required to comply with prior to the **breakdown**.

3. All **electronic equipment** which can be repaired must be repaired. However should the item be uneconomical to repair due solely to the nature of the **breakdown**, settlement will be as follows:
 - (a) the cost of replacement of the **electronic equipment** by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the **electronic equipment** when new; or
 - (b) the **insured amount** for the **electronic equipment**.
4. **We** shall not be required to replace the **electronic equipment** exactly, but only as circumstances permit.
5. Where component's or manufacturer's specifications are no longer available due to **obsolescence**, the basis of settlement will be the cost which would have been incurred if the components or specifications had still been available.

Depreciation applied for replacement of computers

If **We** 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.

Excess

You must pay the amount of any **excess** shown in the **policy schedule** for each claim **You** make.

Extra covers

If **We** agree to pay a claim under this **policy section** for breakdown of **machinery** or **electronic equipment**, **We** will also pay or provide the Extra covers set out below.

Any amounts payable under these Extra covers apply in addition to the **insured amount**.

1. Hazardous substances

If a **hazardous substance** is involved in or released by a **breakdown** of the **machinery** or **electronic equipment** **We** cover **You** for the increase in cost to repair, replace, clean up or dispose of, damaged **property insured**.

We will not pay more than \$25,000 for each claim under this Extra cover.

2. Inflation protection

The **insured amount** on items of **machinery** or **electronic equipment** shall at the time of loss be increased according to the consumer price index by the proportion which the number of days since the commencement of the **period of insurance** shall bear to the whole of such period.

3. Repair costs

The cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with our written consent, in the reinstatement of **machinery** or **electronic equipment**. Provided that where the **insured amount** is exhausted **We** will pay an additional amount of up to \$5,000 in respect of this Extra cover.

Additional benefits

We will also provide the following Additional benefit in this **policy section**, subject to the policy limits, conditions and exclusions except as provided otherwise.

Any amount payable under the following Additional benefits applies in addition to the **insured amount**.

1. Additional Items

If **You** hire or purchase and commission at **Your premises** any items similar to items already insured under this cover section, **We** will consider these items to be added to the insurance by this **policy section**, giving the same cover as for similar items already insured.

Provided that:

- (a) cover for additional items shall not exceed the total **insured amount** for the items already insured under this cover section;
- (b) **You** give **Us** written notice within 90 days of the hire or purchase and commissioning of the item(s) and pay the appropriate extra premium on a pro rata basis together with any applicable statutory charges;
- (c) the items are as far as **You** are aware, suitable for service, free from material defect and in sound working condition;
- (d) the items shall not be insured until successfully commissioned and all relevant statutory provisions for inspections and certification have been fulfilled;
- (e) the limits and excess as shown on the **policy schedule** shall be the same as for similar items already insured.

2. Electronic equipment away from the premises

If **You** have cover on the Electronic Equipment basis, that cover is extended to:

- (a) include **breakdown** occurring during the **period of insurance** to laptop computers, notebooks, or mobile **electronic equipment** that are away from the **premises**;

- (b) **breakdown** of **Your** laptop **computer equipment** or mobile **electronic equipment** that is away from **Your** premises anywhere in Australia and the laptop **computer equipment** or mobile **electronic equipment** are also **specified** in the **policy schedule** under General property cover section.

3. Restoration of computer data

We will insure **You** for the costs of restoring **electronic data** stored on **media** if:

- (a) **We** have agreed to pay a claim under the Electronic cover section for repair or replacement of the **computer equipment**;
- (b) the **electronic data** is lost or distorted during the **period of insurance** as a direct result of the **breakdown** covered under this **policy section**; and
- (c) the **media** which contains the **electronic data** is at the **premises**, is at a location away from the **premises** where copies of **media** are stored, is temporarily at an alternative location for processing purposes or is in transit between any of these locations.

We will not cover **You** for:

- (a) loss or distortion of **electronic data** due to defects in the **media**;
- (b) any **consequential loss**;
- (c) restoration of **electronic data** other than that which is lost or distorted after the most recent functional back-up;
- (d) expenses or costs incurred in connection with the loss or distortion of **electronic data** if they are not incurred within 12 months of the **breakdown**;
- (e) loss or damage of, or distortion to, **electronic data** caused by a **computer virus**;
- (f) loss or damage of, or distortion to, **electronic data** caused by or resulting from the partial or total failure, malfunction or loss of use of any electronic equipment, computer system, information repository, microchip, integrated circuit or other similar device due to:
 - (i) the erasure, destruction, corruption, misappropriation or misinterpretation of **electronic data**;
 - (ii) any error in creating, amending, entering, deleting or using **electronic data**;
 - (iii) the inability to receive, transmit or use **electronic data**; or
 - (iv) the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility.

Except to the extent that such loss, damage or distortion results solely from the **breakdown** of **computer equipment** covered under Electronic equipment cover section.

If **We** agree to pay a claim, **We** will pay the costs incurred in restoring the lost or distorted **electronic data** in a condition equivalent to that existing prior to the **breakdown**. **Electronic data** may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in its original form.

We will pay up to the greater of \$15,000 or the amount shown in the current **policy schedule**, for each claim under this Additional benefit.

4. Computers – increased costs

We will insure you for 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 Electronic equipment cover section.

We will insure you for the increased costs of operating your **business**, including hiring computers, transport costs, additional personnel and working at an off-site back up facility if:

- (a) **We** have agreed to pay a claim under Electronic equipment cover section for repair or replacement of **computer equipment**;
- (b) the increased costs of working occur during the **period of insurance** and are a direct result of the **breakdown** covered under Electronic equipment cover section; and
- (c) **We** agree in advance to pay the increased costs of working;

We will not cover you for:

- (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 **breakdown**;
- (f) expenses that are incurred in the replacement of the **media**;
- (g) the cost of reinstating the **electronic data** contained on the **media**.

If **We** agree to pay a claim, **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.

We will pay up to the greater of \$15,000 or the amount shown in the current **policy schedule**, for each claim under this Additional benefit.

Exclusions – applicable to machinery breakdown and electronic equipment breakdown

We will not cover **You** for:

1. The cost of repair or replacement of **expendable items** other than **expendable items** which are necessary for the repair.
2. The costs incurred in repairing wear and tear or gradual deterioration including:
 - ▼ wear and tear due to normal operation;
 - ▼ wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation;
 - ▼ damage to a safety or protective device caused by its own operation;
 - ▼ the chipping or scratching of painted or polished surfaces; or
 - ▼ slowly developing deformation or distortion.
3. The cost of:
 - ▼ carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
 - ▼ alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or at a separate operation;
 - ▼ modification or alteration of insured plant to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
 - ▼ replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting;
 - ▼ repair of scratches chipping or discolouration to painted or polished surfaces, unless resulting from Insured damage;
 - ▼ repair of a slowly developing deformation, distortion or fatigue of any part;
 - ▼ repair of blisters, laminations, flaws or grooving even when accompanied by leakage;
 - ▼ repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking;
 - ▼ repairs to shaft keys requiring tightening, fitting or renewal;
 - ▼ damage caused by the movement of foundations, masonry or brick work unless this results from **breakdown** of any **machinery** or **electronic equipment** or any part of **machinery** or **electronic equipment**; or
 - ▼ removal or installation of underground pumps and well casings. Unless specifically noted on the **policy schedule**, this exclusion does not apply to submersible pumps.
4. **Breakdown** of **machinery** or **electronic equipment** which **You** knew or reasonably should have known to be defective before the **breakdown** occurred.
5. Any **consequential loss**. Loss of use or consequential loss of any kind.
6. **We** will not cover loss or damage caused by or arising out of:
 - ▼ earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption;
 - ▼ cyclone, storm, hail, lightning, thunder, wind, rainwater;
 - ▼ **flood**;
 - ▼ the sea, including tidal wave, tsunami, storm surge or high-water;
 - ▼ fire, smoke or soot;
 - ▼ water seeping or percolating the building from outside;
 - ▼ water, liquids or substances discharged or other means used to extinguish a fire;
 - ▼ vandalism or malicious damage.
7. **Breakdown**, loss or damage caused by explosion, other than:
 - (a) the sudden and violent rending of any **boilers and pressure plant** or **pressure pipe systems** by force of internal fluid pressure of ignited flue gases, but excluding other chemical action; or
 - (b) the bursting or disruption of turbines, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformers, switches or oil immersed switch gear.
8. **Breakdown**, loss or damage caused during the course of maintenance, inspection, repair, alteration, modification or overhaul.
9. **Breakdown**, loss or damage caused during installation, erection or relocation.
10. Damage to foundations, brickwork, and refractory materials other than as a result of **breakdown**.

11. **Breakdown**, loss or damage arising out of plant being subjected to tests involving abnormal stresses or arising out of plant being deliberately overloaded. The checking of the correct working of any insured item or of its safety installations is not considered to be testing or overloading within the context of this exclusion.
12. **Breakdown**, loss or damage caused by a deliberate act, neglect or omission on **Your** part.
13. **Breakdown**, loss or damage for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement provided that **We** shall be liable for Breakdown insured by this section and not recoverable under such maintenance agreement or warranty by reason of a specific exclusion contained therein or by reason of any dispute concerning the interpretation of that agreement or warranty (as the case may be).
14. The cost of alterations, improvements or overhauls unless it is required for the repair or replacement.
15. The costs associated with modifying the **machinery** so that it operates with a more ozone friendly refrigerant gas as required by the **United Nations Environment Programme ("UNEP")**.
16. **Breakdown**, loss or damage as a result of dual lifting.
17. **Air conditioners** unless your **policy schedule** shows they are covered.
18. **Breakdown**, of **machinery**, **computer equipment** or **electronic equipment** which is useless or **obsolete** to your **business**.
19. Loss or damage caused by or arising out of pollution, contamination or a **hazardous substance**, however caused, except as provided for in extra cover 1.

Policy section conditions

1. Adherence to statutory requirements

If any insured equipment must be licensed under statutory obligations, by-laws, regulations, public authority requirements or safety requirements, **You** must obtain any licenses as required and use the **machinery** or **electronic equipment** as specified in the license.

2. Inspection

We or **Our** authorised representatives have the right to make inspections of **machinery** or **electronic equipment** at any reasonable time. Neither this right to make inspections nor making them is an undertaking to **You** or others that the insured equipment is safe and not hazardous or injurious to health.

3. Obligation to prevent loss

If **We** or our authorised representative discover **machinery** or **electronic equipment** in or exposed to a dangerous condition, **You** must comply with any 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 and cancel **Your** policy.

4. One breakdown

If either:

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

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

Optional cover

We will provide the following optional cover when requested by **You**, when **You** pay any additional premium required and when shown on **Your policy schedule** as applying. This optional cover is subject to the policy limits, conditions, general exclusions and exclusions, except as otherwise provided.

Deterioration of stock

Provided "Deterioration of stock" is shown in the **policy schedule**, **We** will cover you for loss of perishable **stock** that spoils during the **period of insurance** due to a change in temperature of the refrigeration or freezer unit as a result of:

- (a) a **breakdown** of the refrigeration or freezer unit in which the refrigerated **stock** is kept where **We** have agreed to pay a claim under the Machinery breakdown and electronic equipment cover section for the **breakdown** of such **machinery** or **electronic equipment**;
- (b) malfunctioning or failure of the thermostats, controls, fuses, circuit breakers or overload devices which are owned by **You** and are protecting a refrigeration chamber, but shall not include loss or damage due to the manual operation or setting of switches;
- (c) contamination of the refrigerated **stock** by leakage of refrigerant.
- (d) sudden and unforeseen failure of the public power supply;
- (e) accidental failure of supply services which directly affects the refrigeration or freezer unit;
- (f) a supply authority intentionally interfering with a public service but only to the extent that this is necessary to safeguard life or any part of the public supply and the supply authority's interference is not caused directly or indirectly by fire, flood, storm or any other natural cause; or
- (g) sudden leakage of refrigerant from the **machinery** or **pressure pipe systems**.

Loss minimisation

If deterioration occurs or is likely to occur to such **stock** by any of the above causes, **We** will pay any reasonable expenses incurred by **You** to prevent or minimise the loss of refrigerated **stock**.

What we pay under this option

If **We** agree to pay for a claim for deterioration of refrigerated **stock**, **We** will at our option, pay the cost of replacing the refrigerated **stock** or replace that **stock**.

We are not liable to pay more than the purchase price **You** paid for the **stock**, together with any handling costs **You** incurred. If deterioration occurs or is likely to occur to refrigerated **stock** by any of the Defined events specified above, **We** will also pay the reasonable costs incurred by **You** to prevent or minimise the loss of or damage to refrigerated **stock**.

We will not pay more than the **insured amount** shown on the current **policy schedule** for this optional cover, except to the extent stated during **seasonal increase periods**.

During the **seasonal increase periods** **We** will increase the **insured amount** shown in the **policy schedule** by 50%.

What you are not covered for under this option

In addition to the exclusions for this **policy section**, **We** will not pay for:

- (a) any loss or damage due to shrinkage, inherent defects or diseases;
- (b) loss or damage caused by improper storage, collapse of the packing material or storage structure;
- (c) penalties or delay or detention or **consequential loss** or damage or liability of any nature whatsoever, and
- (d) loss or damage following loss of public power supply due to:
 - (i) the deliberate act of any public power supply authority unless performed for the sole purpose of safeguarding life or protecting a part of the supply system;
 - (ii) the decision by any public power supply authority to restrict or withhold supply excepting a scheme of rationing necessitated by damage to any part of the supply system;
 - (iii) shortage of power generation fuel or water.

Policy section conditions under this option

In respect of **stock** that is kept in cold storage under **controlled atmospheric conditions**, **You** must keep adequate records, for each chamber, of the temperature, humidity and gas concentrations, as well as the time(s) and date(s) when each chamber is opened. **You** must provide **Us** with those records upon request.

Definitions

These Definitions apply to this **policy section**.

Boilers and pressure plant and pressure pipe systems

The permanent structure of machinery which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure) including all direct attachments connected to the permanent structure and includes with respect to Boilers the rotating, reciprocating or electrical apparatus attached to them.

Breakdown

A sudden and accidental failure of **machinery** or **electronic equipment** resulting in physical damage to the equipment which requires the repair or replacement of the equipment or a part of the equipment.

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:

- (a) 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.

Controlled atmospheric conditions

An atmosphere in which oxygen, carbon dioxide and nitrogen concentrations are regulated.

Electronic equipment (as referred to under electronic equipment cover)

Any of the following equipment provided it is owned, leased, operated or controlled by **You** and used in **Your business**:

- (a) any electronic machine, device or instrument used for research, diagnosis or medical treatment;
- (b) telecommunication transmission and receiving equipment;
- (c) lighting facilities, audio visual, amplification and surveillance equipment;
- (d) office machines owned by **You** or for which **You** are legally responsible;
- (e) **computer equipment**.

Expendable items

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

Hazardous substance

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

Machinery

Any of the following equipment provided it is owned, leased, operated or controlled by **You** and used in **Your business**:

- (a) any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure (other than static pressure of contents) any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, but not including:
 - (i) any boiler foundation, any refractory or insulating material;
 - (ii) any part of a boiler or fired pressure vessel that does not contain steam or water; nor
 - (iii) any buried piping, any drainage piping, any sprinkler piping and its accessory equipment;
- (b) any mechanical or electrical equipment that generates, transmits or utilises mechanical or electrical power, but not including:
 - (i) any vehicle, or mobile equipment;
 - (ii) any watercraft or **aircraft**; or
 - (iii) any elevator or escalator.

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.

Obsolete

Something that is already antiquated.

Money cover section

About this policy section

This **policy section** covers the loss of or damage to **Your** business's money from a wide variety of causes such as theft, armed hold up, or fire. The **money** may be **in transit** or at **Your premises**.

Your insurance under this policy section

When 'Money' is shown under 'What's Covered' in the **policy schedule**, **We** will cover **You** for loss of or damage to **money** occurring during the **period of insurance** as a result of the defined events described below and shown on **Your policy schedule**:

- (a) **in transit**;
- (b) in the **building** during **business hours**;
- (c) in the **building** outside of **business hours**;
- (d) in the **building** in a securely locked **safe or strongroom**; or
- (e) **in custody**.

What we pay

If **You** have selected one **insured amount** for **money**, the maximum amount **We** will pay is the **insured amount** shown on the **policy schedule**.

If **You** have selected a different **insured amount** for each of the defined events listed above, the maximum amount **We** will pay, in respect of:

- (a) **money in transit** at the time of the loss or damage is the **money in transit insured amount**;
- (b) **money** in the **building** during **business hours** at the time of the loss or damage is the **money** in the **building** during **business hours insured amount**;
- (c) **money** in the **building** outside **business hours** at the time of the loss or damage is the **money** in the **building** outside **business hours insured amount**;
- (d) **money** in the **building** in securely locked **safe or strongroom** at the time of the loss or damage is the **money** in the **building** in securely locked **safe or strongroom insured amount**; or
- (e) **money in custody** at the time of the loss or damage is the **money in custody insured amount**.

If **You** select a **insured amount** for defined event (a), **We** will automatically cover **You** up to \$2,000 for defined events (b), (d), and (e).

If **You** select a **insured amount** for defined events (a), (b), (c) or (d) **We** will automatically cover **You** up to \$2,000 for defined event (e).

If **We** agree to pay a claim for loss of or damage to **money** (other than certificates of stock, bonds, coupons and all other types of securities or travellers cheques) **We** will pay the amount of **money** lost or damaged.

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

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

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

Losses sustained in currencies other than Australian dollars will be calculated by converting the amount of loss to Australian dollars at the market rate at the time of settlement of the loss or such other rates as may have been expressly agreed with **Us**. 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**.

If the **safe or strongroom** is lost or damaged, **We** will, at our option:

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

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

Excess

The **excess** that applies for each event is shown on the **policy schedule**.

Extra covers

If **We** agree to pay a claim under this **policy section** for loss or damage to **money**, **We** will also pay or provide the Extra covers set out below.

Unless stated otherwise below, any amounts payable under these Extra covers apply in addition to the **insured amount**.

1. Rewards

We will pay up to \$5,000 per event for the reasonable cost of any reward paid by **You** for information which leads to the apprehension and conviction of person(s) responsible for any loss or damage to **money** which is insured under this **policy section**.

Provided that any cover given under this Extra cover shall not accumulate with any similar cover that may be given under Extra cover 3 in the Theft cover section.

2. Seasonal increase of cover

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

3. Temporary protection and security guards

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

We will not pay more than \$10,000 as a result of any one event.

Provided that any cover given under this Extra cover 'Temporary protection and security guards' shall not accumulate with any similar cover that may be given under Extra cover 5 in the Theft cover section.

Additional benefits

We will also provide the following Additional benefits in this **policy section**, subject to the policy conditions, limits, general exclusions and **policy section** exclusions except as provided otherwise.

Unless stated otherwise below, any amounts payable under these Additional benefits apply in addition to the **insured amount**.

1. Bank and public holidays extension

The **insured amounts** for **money** are automatically increased by 100% or \$75,000 whichever is the lesser on days that are gazetted bank or public holidays. This increase shall apply up until bank closing time on the next business day after such holiday. This Additional benefit does not apply to damage to **safes and strongrooms** and to **seasonal increase**.

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

We will cover **You** for loss of or damage to the personal effects of **Your** directors, officers and **employees** during a theft or attempted theft covered under this **policy section**.

We will not cover **You** for more than \$5,000 for any one person's personal effects, and \$10,000 for any one **occurrence**.

If **You** are insured under the Theft cover section the benefits payable under this Additional benefit shall not be cumulative.

3. Counterfeit currency

We will pay for losses sustained by **You** due to the acceptance in good faith in exchange for merchandise, **money** or services, of counterfeit Australian currency notes up to an amount not exceeding \$500 in any one **period of insurance**.

4. Employee dishonesty

We will cover **You** for loss of **money** as a direct result of **employee** dishonesty during the **period of insurance** if discovered within 45 days of the **employee** dishonesty first occurring.

This additional benefit does not cover:

- (a) any loss arising from the conduct of an **employee** after **You** have knowledge of or information about any prior act of fraud or dishonesty by the **employee**;

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

We will not pay more than \$5,000 for any one occurrence.

We will not pay any claims under this additional benefit if **You** are insured under Management liability section cover and further provided that any cover given under this Additional benefit shall not accumulate with any similar cover that may be given under the Theft cover section.

5. Funeral expenses

We will cover **You** for any burial or cremation costs if any director, **employee**, officer or business partner sustains a fatal injury provided:

- (a) their death directly results from an assault that occurs during a theft or attempted theft of **money** owned by **You** or for which you are legally responsible in the **period of insurance**; and
- (b) the death occurs within 12 months of the assault.

We will not cover **You** for more than \$10,000, to be paid to the estate of the deceased person

Provided that any cover given under this Additional benefit shall not accumulate with any similar cover that may be given under the Theft cover section.

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

If **money** is stolen or there is an attempt at stealing **Your money** from **Your safe or strongroom** or cash carrying bag, **We** will pay **You**:

- (a) the cost of opening the **safe or strongroom** and of repairing or replacing any loss or damage to the **safe or strongroom** that was caused by the theft or attempted theft;
- (b) for loss of or damage to **Your** cash carrying bag that was caused by the theft or attempted theft.

A limit of \$10,000 any one occurrence applies to this Additional benefit.

7. Replacement of locks and keys

We will pay the reasonable cost of replacing locks, keys, magnetic keys or cards or similar devices or to change the sequence of numbers or letters used in a safe or strongroom if during the **period of insurance**:

- ▼ as a result of theft of **money** covered under this **policy section**, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated;
- ▼ keys, magnetic keys or cards or similar devices are accidentally lost;
- ▼ the sequence of numbers or letters become known by any unauthorised person or are accidentally lost;
- ▼ circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices.

We will also pay the reasonable cost of:

- ▼ opening **safes and strongrooms** because of the theft of keys or combinations during a theft of **money** covered under this **policy section**;
- ▼ developing images stored on media from security camera following a theft or attempted theft of **money** covered under this section.

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

Provided that any cover given under this Additional benefit 'Replacement of locks and keys', shall not accumulate with any similar cover that may be given under Additional benefit 6 in the Theft cover section.

8. Temporary cover for new premises

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

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

Our maximum liability under this Additional benefit is limited to 20% of the **insured amount** shown in the **policy schedule** in relation to each item of **money** covered under this **policy section**.

Full details of such additional premises are to be supplied to **Us** within 30 days of your commencement to use the premises. If **We** agree to cover **money** at the additional premises beyond this 30 day period, **We** may require payment of an additional premium.

9. Traveller's money

We will pay **You** for loss of **money** in **Your** custody, or in the custody of **Your employee**, in the **period of insurance**, while **You** or **Your employee** are travelling on **Your business** anywhere in the world provided that the total amount payable under this extension is limited to \$10,000 in total any one **event**.

Policy section conditions

Reinstatement

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

Policy section exclusions

This **policy section** does not cover:

1. Missing money

Loss or damage of **money**:

- (a) due to shortages resulting from clerical or accounting errors, or loss due to errors in receiving or paying out;
- (b) by any intentional or wilful act or omission by **You** or **Your employees** with **Your** connivance other than as covered by Additional benefit 4 **Employee dishonesty**; or
- (c) by any fraudulent or dishonest acts committed by **You**, **Your family** members or any of **Your employees** acting alone or in collusion with others other than as covered by the Additional benefit 4 **Employee dishonesty**.

2. Key or combination in building

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

3. Unattended

Loss or damage to **money** in or from an unattended **vehicle** that is not locked.

4. Professional carrier

Loss or damage to **money** while professional money carriers, professional carriers or common carriers are carrying it.

5. Loss outside The Commonwealth of Australia

Loss or damage to **money** occurring outside The Commonwealth of Australia except as provided under Additional benefit 9 'Traveller's Money'.

6. Consequential loss

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

7. ATMs

Loss or damage to **money** that does not belong to **You** in or from an **ATM**.

Definitions

The following words have the following meanings for this **policy section** only.

Financial service provider

A financial organization such as a bank, building society or credit union or an agency for any of these, that is in the business of providing banking services to the public.

In custody

In **Your** custody and control at your private residence or in the custody and control of persons authorised by **You** at their private residences until the next business day when the **money** can be deposited in the bank.

In transit

Money in **Your** personal custody or in the **custody** of persons authorised by **You** whilst in transit within the Commonwealth of Australia. Money in transit includes **money** while contained in the night safe, night depository chute or automatic teller machine of any Financial Services Provider. **Our** liability ceases at the time your Financial Services Provider 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 **Your employees**.

Money

For the purposes of the **policy section** only, **money** has the meaning in the general definitions and also includes funds held in electronic form in a bank account.

General property cover section

About this policy section

This **policy section** covers portable or valuable items that **You** usually carry around with **You** in the course of **Your business** anywhere in the world. Any individual item worth more than \$2,500 must always be specified.

Your insurance under this policy section

Provided 'General Property' is shown under 'What's Covered' in the **policy schedule** we will insure **You** for **accidental** loss or damage to **Your property insured** occurring anywhere in the world during the **period of insurance**.

What we pay

At our option, **We** will:

- (a) repair or replace the item of **property insured** (including carry case and usual accessories) to a condition equal to but not better or more extensive than its condition when new; or
- (b) pay **You** the cost to repair or replace the **property insured**;
- (c) replace the **property insured** with a new item that has the same features or features that are nearly the same as (but not less than) the item being replaced.

When the loss or damage is confined to a part or component of the **property insured**, **We** will only pay for that part or component plus the cost of any necessary dismantling and reassembling.

If **We** replace or pay the cost of replacing any item of property **You** no longer have any cover for that item or the replacement item.

The maximum amount **We** will pay in respect of each **specified item** is the **insured amount** for that item.

The maximum amount **We** will pay in respect of any one **unspecified item** is \$2,500.

The maximum **We** will pay during the **period of insurance** for all claims in respect of any particular group or class of **unspecified items** is the **insured amount** for that group or class of **unspecified property** set out in the **policy schedule**.

Excess

The **excess** that applies is shown on the **policy schedule**. The **excess** applies to each **event** unless otherwise noted on the **policy schedule**.

Additional benefits

We will also provide the following Additional benefit in this **policy section**, subject to the conditions, limits, general exclusions and **policy section** exclusions except as otherwise provided.

Any amounts payable under these Additional benefits apply in addition to the **insured amount**.

1. Theft of other equipment

We will cover **You** for theft of any **property insured** not belonging to **You** but in your physical or legal control for the purposes of **Your business** occurring during the **period of insurance** anywhere in the world.

This Additional benefit does not cover theft committed by any member of **Your family** or by any **employee of You** or committed by any person whilst lawfully at **Your premises**.

We will not cover **You** under this additional benefit unless the **property insured** was:

- (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 insured property;
- (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 (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 **property insured**. 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.

However **We** will not cover any theft:

- (i) committed by any person while lawfully in the building; or
 - (ii) of **property insured** which is unattended in areas of the building.
- (f) stolen as a consequence of armed hold-up or the threat of physical violence.

We will not cover **You** for more than \$2,000 in any one **period of insurance** under this Additional benefit.

Policy section exclusions

This **policy section** does not cover:

- (a) loss or damage to any **unspecified item** of property unless **Your policy schedule** shows that **You** have cover for **unspecified property**;
- (b) loss or damage caused by or arising out of:
 - (i) wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause;
 - (ii) moths, termites or other insects or vermin;
 - (iii) scratching, biting or chewing by any **animal**;
 - (iv) chipping, scratching, denting or marring that does not materially affect the use or operation of the **property insured**;
 - (v) change in colour, loss of weight, change in flavour, texture or finish;
 - (vi) the action of light, atmospheric conditions, any form of **fungus** or variations or extremes of temperature, rust or oxidation, wet or dry rot, corrosion, inherent vice or latent defect;
 - (vii) mechanical, hydraulic, electrical or electronic breakdown, burn-out, failure, malfunction or derangement of any equipment or device;
 - (viii) smut or smoke from industrial operations (other than sudden and unforeseen resultant damage);
 - (ix) any faults or defects in any item of insured property that **You** or any of **Your** employees knew about before taking out this **policy section**;
 - (x) faulty materials or faulty workmanship;
- (c) loss or damage to any item worth more than \$2,500 unless it is a **specified item**;
- (d) loss or damage to **money** or documents of any kind;
- (e) loss of use, loss of earning capacity and any other **consequential loss**;
- (f) loss or damage as a result of:
 - (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of data;
 - (ii) breakdown or malfunction of the processing system including operator error or omission in creating, amending, loading, deleting or using data;
 - (iii) total or partial inability or failure to receive, send, access or use data for any time or at all;
- (g) loss or damage committed by any member of **Your family** or by any **employee** of **Yours** or committed by any person whilst lawfully at **Your premises**;
- (h) theft of any **vehicles** registered for road use, caravans, trailers, **watercraft**, **aircraft**, **hovercraft**, rolling stock and locomotives or their accessories.

Policy section conditions

Reinstatement

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

Definitions

The following words have the following meanings for this **policy section** only.

Accidental

Unexpected and unintended from **Your** standpoint.

Specified items

Each item of property that is specifically described on the **policy schedule**. Any item worth more than \$2,500 must be specified.

Unspecified items

Each item of property which is not a **specified item** but which is part of a group or class of property described generally on the **policy schedule**. The group or class described may include hand tools and hand held power tools.

Unspecified items do not include any item worth more than \$2,500.

Management liability cover section

About this policy section

This section covers the management liability of **You**, **Your directors, officers** and **employees**. The cover in this section (apart from the Optional Cover – Employee Dishonesty) is issued on a **claims made and notified** basis, which is discussed further on page vi.

You can also choose to take out the Employee Dishonesty Optional Cover which will cover you for theft of your property or **money** by any of your **employees** which occurs during the **period of insurance**.

Your Insurance under this section

Provided 'Management liability' is shown under 'What's Covered' in the **policy schedule** 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).

Policy section exclusions

This 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) damage to or destruction of any tangible property including any resulting consequent loss of use.

This Exclusion will not apply in respect of any actual or alleged psychiatric, psychological or mental injury alleged in any **claim** by any **insured person** resulting from any **employment wrongful act**.

This Exclusion does not apply to Additional benefit 14 Statutory liability.

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 willful, reckless, dishonest, fraudulent, malicious or criminal intent; or
- (b) an **insured person** or **trustee** improperly using their position to gain an advantage for themselves or someone else or to cause a detriment to the **company** or the **superannuation fund**; or
- (c) an **insured person** or **trustee** improperly using information obtained as a result of their position to gain an advantage for themselves or someone else or to cause a detriment to the **company** or the **superannuation fund**;

in each case only if established by formal written admission by **you** or final adjudication of a judicial or arbitral tribunal.

For the purpose of this Exclusion, the fact that one of **you** has committed or is alleged to have committed the conduct described in (a), (b) or (c) above will not be imputed to any other of **you**.

This Exclusion does not apply to Optional Cover – Employee Dishonesty.

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. Company v insured

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 Cover – 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** other than as provided for by Additional benefit 6 - Pollution expenses.

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**, and in circumstances where such professional services or professional advice is provided to you and not to third parties in the course of the **company's** professional business.

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 The Commonwealth of Australia or New Zealand) in any country other than The Commonwealth of Australia or New Zealand, regardless of whether **you** are represented by a branch or by an **employee** domiciled in that country or by a company, firm or individual holding your power of attorney.

However, this exclusion (a) does not apply to actions and judgments arising from business visits (but not manual labour or supervision of manual labour) by travelling **directors** and **employees** of the **company** normally resident in the Commonwealth of Australia or New Zealand, to any country other than the United States or Canada; or

- (b) any actions brought or instituted against **you** or any judgment obtained against **you** (whether or not such judgement is enforced by the courts of The Commonwealth of Australia or New Zealand) within the United States or Canada.

However, this exclusion (b) does not apply to any recognition or enforcement action brought or instituted within the Commonwealth of Australia or New Zealand relating to a judgement obtained against **you** within the United States or Canada arising from business visits (but not manual labour or supervision of manual labour) by travelling **directors** and **employees** of the **company** normally resident in the Commonwealth of Australia or New Zealand.

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 the **insured** 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 other than as provided for by Additional benefit 5 - Occupational health and safety expenses.

Additional benefits

We will also provide the following Additional benefits in this section, subject to the General exclusions and all of the exclusions in this **policy section**, unless provided otherwise.

Any amounts payable under these Additional benefits do not apply in addition to the **insured amount** specified in the **policy schedule**.

1. Advancement of defence costs and representation expenses

We will advance **defence costs** and, under Additional benefit 5 – Occupational Health and Safety Expenses, Additional benefit 6 – Pollution expenses and Additional benefit 7 – Representation Expenses.

However, if and to the extent that **you** are not entitled to cover for **loss** under the terms of this **policy 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 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 / 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 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 section is excluded by Exclusion 3 – Known Claims and Circumstances, then cover is provided under this section, provided that:

- (a) **You** were insured against the **wrongful act** by us at the time when **You** first became aware of such fact, event, circumstance or **wrongful act** and have since been insured continuously by **Us**, under a policy of which this **policy section** is a replacement; and
- (b) no related **claim** has been made against **You** prior to the **period of insurance**.

The cover provided under this Additional benefit will be in accordance with this section, except that:

- (a) if the **excess** applicable to the section in force at the time when **You** first became aware of such fact, event, circumstance or **wrongful act** is higher than the **excess** specified in the **policy schedule**, then that higher amount will be deemed to be the **excess** specified in the **policy schedule** in respect of such claim; and
- (b) if the **insured amount** applicable to the section in force at the time when **you** became aware of such fact, event, circumstance or **wrongful act** is lower than the **insured amount** specified in the **policy schedule**, then that lower amount will be deemed to be the **insured amount** in respect of such claim.

3. Acquisition or creation of new subsidiaries

If, during the **period of insurance**, **you** acquire or create a new **subsidiary** that has total assets (by reference to the new **subsidiary's** most recent financial statements as at the time of acquisition or creation) that are no greater than the total assets of **you** (by reference to your most recent financial statements as at the time of acquisition or creation), then the definition of **company** will be extended to include the new **subsidiary**.

Cover only applies in respect of **wrongful acts** or any dishonest or fraudulent act occurring or committed or alleged to have been committed after the acquisition or creation of such **subsidiary** by **You**.

What we exclude

The definition of **company** will not be extended to include any new **subsidiary** acquired or created by **You**, if:

- (a) it has any of its securities listed on any exchange in the United States; or
- (b) is domiciled or incorporated in the United States.

4. Outside directorships

This **policy section** is extended to include as an **insured person** a person who, at the written request of the **company** was prior to the **period of insurance**, or is during or after the **period of insurance** a **director** or **officer** of, or occupies a position of equivalent status in, any **non-profit outside entity** or **outside entity**.

Any cover afforded under this Additional benefit will be specifically excess of:

- (a) any indemnity; or
 - (b) 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 Additional Benefit 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 General Exclusion 4 – Non-compliance, **We** will:

- (a) pay on behalf of **You**:
 - (i) **defence costs** incurred in defending **claims** (other than a civil claim for compensation or damages) first made against **You** and notified to us during the **period of insurance**, based upon 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) insure **You** for fines or penalties to the extent permitted by law imposed upon **You** resulting from **claims** first made against **You** and notified to **Us** during the **period of insurance**, based upon occupational health and safety law.

For the purposes of this Additional benefit 5 – **representation expenses** also includes necessary and reasonable costs, charges and expenses (other than regular or overtime wages, salaries, fees or **benefits** of an **insured person**) 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 Additional benefit will only apply to **claims** made in the jurisdictions of Australia and New Zealand and pursuant to the laws of Australia or New Zealand.

If there is an entitlement to payment under Additional benefit 6 – Pollution Expenses then there is no entitlement to payment under this Additional benefit.

6. Pollution expenses

Subject to the provisions of Additional Benefit 1 – Advancement of Defence Costs and Representation Expenses and notwithstanding Exclusion 1 – Bodily Injury and Property Damage or Exclusion 6 – Pollution and General Exclusion 4 – Non-compliance, **We** will:

- (a) pay on behalf of **You**:
 - (i) **defence costs** incurred in defending **claims** (other than a civil claim for compensation or damages) first made against **You** and notified to **Us** during the **period of insurance**, based on **pollution** which results from a **wrongful act**; and
 - (ii) **representation expenses**, where the subject matter of the **official investigation** is **pollution**; and

- (b) insure **You** for fines or penalties to the extent permitted by law imposed upon **You** resulting from **claims** first made against **You** and notified to **Us** during the **period of insurance** based on **pollution** which results from a **wrongful act**, except where **pollution** arises directly or indirectly from or in respect of **Your** liability as owner or operator of any **aircraft**, marine craft or motor vehicle of any kind.

The cover provided under this Additional benefit 6 will only apply to **claims** made in the jurisdictions of Australia and New Zealand and pursuant to the laws of Australia or New Zealand.

7. Emergency costs

If, due to an emergency, **You** are unable to request our prior written consent to the incurring of **defence costs** or **representation expenses** in respect of claims covered under the terms of this section, then **You** may incur reasonable defence costs and **representation expenses** without our prior written consent until such time as **You** contact or reasonably could have contacted us.

8. Personal tax liability

- (a) The definition of **loss** is extended to include any personal liability an **insured person** incurs with respect to unpaid taxes of an insolvent company.
- (b) **Our** liability under this Additional benefit will not exceed \$25,000 per **period of insurance**.

9. Public relations expenses

- (a) 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.
- (b) **Our** liability under this Additional benefit will not exceed \$25,000 per **period of insurance**.

10. Business crisis consultant fees

The **Insurer** 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 **policy 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 **policy 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 will be treated for the purposes of this **policy 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 **policy 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 and office 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 **policy 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 **limit of liability**.

14. Statutory liability

To the extent permitted by law, **We** will cover any fines and penalties imposed upon **You** resulting from **claims** first made against **You** and notified to **Us** during the **period of insurance** (or discovery period, if applicable).

The cover provided under this Additional benefit will only apply to fines and penalties imposed in the jurisdictions of Australia and New Zealand and pursuant to the laws of Australia or New Zealand, respectively.

Fines and penalties do not mean exemplary, punitive, liquidated or aggravated damages or compensatory damages.

This Additional benefit does not cover any fines or penalties:

- (a) imposed under any law regulating air, marine or vehicular traffic, or
- (b) directly or indirectly as a result of or in connection with a requirement to pay:
- (i) taxes, duties, levies, charges, fees, or

- (ii) any other fines or penalties,

by the Australian Taxation Office or a revenue office of an Australian State.

In the event of any conflict between this Additional Benefit and the Pollution Exclusion, this Additional benefit shall apply, except where **Pollution** arises directly or indirectly from or in respect of **Your** liability as owner or operator of any **aircraft**, marine craft or motor vehicle of any kind.

Optional cover

The following cover is optional and is available if **you** choose it and pay an additional premium. The optional cover you have chosen will be set out in the **policy schedule**, and is subject to the limits, conditions and exclusions of this policy, except as otherwise provided.

Employee dishonesty

Provided 'Employee Dishonesty' is shown under 'What's Covered' in the **policy schedule** **We** will pay **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 shall be deemed to have occurred. The maximum amount of insurance will be determined by the **insured amount** that applied in the elected **period of insurance**.

What we exclude

We will not cover **You** for any **fidelity loss** arising from any act of dishonesty committed more than 12 months before the inception of this section.

We will not cover **You** for more than the lesser of the:

- (a) **insured amount** shown in the **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**.

Retroactive cover for optional cover – employee dishonesty

If this section 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 insurance** of the consecutive previous policy provided that:

- (a) the **fidelity loss** is not covered by the consecutive previous policy;
- (b) 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
- (c) the **fidelity loss** would have been covered under this section if this section had been in force when the acts or defaults causing the **fidelity loss** were committed.

We will also pay:

1. Claims preparation costs

If **We** agree to pay a **claim** under this optional cover **We** will also pay for the reasonable cost of auditors' fees and other reasonable expenses incurred by **you** with our consent, for the preparation of **claims** under this optional 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 cover.

2. 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 cover.

This optional cover does not cover you for 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)**.
- (c) 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**;
- (d) **fidelity loss** arising from the conduct of an **employee** outside of Australia or New Zealand;
- (e) **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;

- (f) fraud or dishonesty by any of **Your employees** committed with **Your** connivance;
- (g) indirect or consequential loss of any kind, including but not limited to loss of use or loss of earning capacity; or
- (h) **fidelity loss** arising directly or indirectly from or in respect of the actual or alleged theft of confidential information or intellectual property.

Policy section conditions

These conditions apply to all covers 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 **you**; or
- (b) the appointment of a receiver, controller, administrator or liquidator to **You** or the commencement of a scheme of arrangement or compromise or a winding up process in respect of **You**;

then this **policy 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 **policy section**, any knowledge or information possessed by any past, present or future chief executive officer, chief operating officer, chief financial officer, chief legal officer (or similar positions) or chairman of the board of **directors** shall be imputed to the **company**.

The **proposal** made to us prior to entering into this policy shall be construed as separate applications for cover by each of **You** and, except as provided for above, no information provided by or representation made by one, shall be imputed to another.

No breach of this policy or knowledge or information possessed by one of **You** shall be imputed to another except as provided for above.

3. Related claims

For the purpose of the calculation of the **limit of liability**, any **sub-limit** or **excess**, all **related claims** will be deemed to be one **claim** and cover for all **related claims** will be provided as follows:

- (a) if the first **related claim** is first made during this **period of insurance** and notified to us during this **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 this **period of insurance**, during which **you** had cover with **Us**, then cover for all **related claims** will only be provided under that earlier policy with **Us**, subject to the terms, **excess** and **limit of liability** of that earlier policy; and
- (c) if the first **related claim** was first made during a period prior to this **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

You must give to **Us** notification of any **claim** made against **you**, or any **loss**, as soon as reasonably practicable within the **period of insurance** at the Claims Notification address or facsimile number specified in the **policy schedule**.

Each notification of a **claim** must include so far as practicable:

- (a) the identity of the claimant or potential claimant; and
- (b) the nature of the **claim**; and
- (c) the likely quantum of the **claim**.

You must provide **Us** notification of any **business crisis event** as soon as reasonably practicable and during the **period of insurance**. Each notification of a **business crisis event** must include a full description of the **event**.

You must provide **Us** with such further information and documentation as **We** may reasonably require.

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, reasonable attempts should be made to settle the **claim**. The Senior Counsel shall be mutually agreed upon, or in the absence of such agreement, as nominated by the President of the NSW Bar Association. The cost to obtain the opinion will be advanced by **Us** and treated as **defence costs**.

Senior Counsel shall provide the opinion in writing. In formulating the opinion Senior Counsel shall consider commercial matters including the amount of the **claim**, the actual and potential **loss** (including **defence costs**) that may reasonably be incurred in contesting the **claim**, the liability prospects and the prospect of recovering costs against the claimant in the event that the defence is successful. Senior Counsel shall also provide a settlement range within which

reasonable attempts should be made to settle the **claim**.

If it is the opinion of Senior Counsel that reasonable attempts should be made to settle the **claim**, **you** shall not object to **Our** attempt to do so.

6. Settlement

You must not settle or offer to settle any **claim**, incur any **defence costs**, or **representation expenses** or otherwise assume any contractual obligation or admit any liability in respect of any **claim** without **Our** prior written consent.

If **You** object to a proposal by us to settle or compromise any **claim** payable under this **policy 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 **policy 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 **policy section**, whether jointly or severally;

and which is partly covered and partly not covered under this **policy 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 **insured's** 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 should include without limitation, the following factors:

- (a) the nature of the **claim** against each **insured**;
- (b) the issues of fact and law in relation to each **insured**;
- (c) the content and the manner of the conduct of any defence of the **claim**;
- (d) the relative degree of personal responsibility for the **loss**;
- (e) the extent to which the insured's responsibility for the **loss** is joint, several or shared;
- (f) the extent to which any person or entity, other than that insured, would obtain a benefit from the payment by **Us**;
- (g) the extent to which the **loss** is solely of that **insured**;
- (h) the extent to which the issues in the **claim** against that insured are in common with the issues in the **claim** against any other person or entity;
- (i) the extent to which the **loss** is partly covered and partly not covered under this **policy section**;
- (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 days after the agreement is signed, and need not give reasons; and
- (d) the expert's decision will be binding on the parties and final; and
- (e) the expert will exclude all liability of the expert to either party (including liability for negligence) to the full extent permitted by law.

This allocation applies for all purposes under this **policy section** including the Additional benefit 1 – Advancement of Defence Costs and Representation Expenses and the Policy Section Condition 8 – Subrogation and Recoveries Claims.

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 in Part 2 with respect to our determination of the allocation, to the extent of any inconsistency.

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

All recoveries obtained by **You** from other parties will be allocated, after the settlement of any **claim** under this **policy section** as follows:

- (a) firstly, to the benefit of **You** to reduce or extinguish the amount of **Your loss** to the extent that it would have been paid under this **policy section** but for the fact that such **loss** exceeds the sum of the **insured amount**; and
- (b) secondly, to the benefit of **Us** for all sums paid in settlement of **loss** arising under this policy; and
- (c) thirdly, to the benefit of **You** for the **excess** under this **policy section**.

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

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

9. Authorisation

You are the agent for each of **You** and each of **You** is bound by any statement, act or omission of **You** for all purposes under this **policy section**, subject to the Claims Conduct Claims Condition and the Disclosure and the Severability and Imputation General Terms.

If **You** are more than one entity, then the first entity listed in the **policy schedule** will be deemed to be **You**.

10. Confidentiality

You must not disclose the existence or terms of this **policy section**, including without limitation the **limit of liability**, the nature of the insurance or the premium payable to any person who is not insured except where:

- (a) **You** are required by law or stock exchange rules to do so; or
- (b) **We** provide our prior written consent to such disclosure.

11. Governing law

The construction, interpretation and meaning of the terms of this **policy 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 the Commonwealth 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 the Commonwealth of Australia or elsewhere).

The titles and headings to the various parts of this 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.

What we pay

Our liability to **You** under this 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 policy during the **period of insurance**.

Except as provided by the Optional Cover – Employee Dishonesty, **We** have no liability for any amount above the 'Management liability' **insured amount**.

Any **discovery period** will not increase or reinstate the 'Management liability' **insured amount** or any Sub-limit of Liability, which will be our maximum liability for the **period of insurance** and **discovery period**, combined.

In respect of the Optional Cover – 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 Cover – Employee Dishonesty in the **period of insurance** is the 'Employee dishonesty' **insured amount**.

Excess

The **excess** that applies to Management liability only is shown on the **policy schedule** and applies to each **claim** under this section.

If **You** also select Optional Cover – 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 section.

The **excess** is deducted from **loss** payable before the application of the ‘Management liability’ **insured amount** or, in respect of the Optional Cover – Employee Dishonesty, from **fidelity loss** payable before the application of the ‘Employee dishonesty’ **insured amount**.

Definitions

The following words have the following meanings for this **policy section** only. You should also refer to the General definitions section starting on page 8.

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 and expenses of an independent management consultant engaged to minimise the effect of the **business crisis event**, but only during the first thirty days immediately following the **business crisis event**.

Business crisis event

Any one of the following unforeseen **events** which, in the reasonable opinion of the Managing Director (or equivalent) of the **company**, if left unmanaged has the potential to lead to an imminent decrease of 30% or more of the **company's** consolidated revenues:

- (a) the loss of a major customer or contract of the **company**; or
- (b) the sudden and unexpected death or injury of any **insured person**; or
- (c) the unexpected imposition of a tax bill; or
- (d) the unexpected recall of any product manufactured, distributed or sold by **company**; or
- (e) the illegal tampering with or contamination of any product manufactured, distributed or sold by the **company**.

Claim

- (a) a written communication, including electronic communications, to you, containing 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) **You**; and
- (b) **subsidiaries** of **You** prior to or as at the commencement of the **period of insurance**, but cover only applies in respect of **wrongful acts** committed or alleged to have been committed subsequent to the acquisition or creation of such **subsidiary**.

Covered property

Tangible property other than **money**.

Defence costs

Reasonable costs, fees and expenses incurred by **You** in defending, investigating or settling **claims**.

Director

Any natural person who was prior to the **period of insurance**, or is during or after the **period of insurance** a validly appointed director (as defined in the Corporations Act 2001 or any equivalent provision in the jurisdiction in which the **company** is incorporated) of the **company**.

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 will include trainees, casual, parttime, seasonal, temporary, voluntary and work experience personnel) acting in such capacity, but excludes **directors** and independent contractors.

Employment wrongful acts

Any employment related act, error, omission, conduct constituting actual, constructive or alleged:

- (a) wrongful dismissal, discharge or termination of employment;
- (b) wrongful failure to employ or promote;
- (c) wrongful deprivation of career opportunity;
- (d) misleading representation or advertising in respect of employment;
- (e) wrongful disciplinary action;
- (f) negligent employee evaluation;
- (g) wrongful demotion;
- (h) breach of employment contract;
- (i) sexual or workplace harassment (including the creation of a workplace environment conducive to such harassment);
- (j) wrongful discrimination;
- (k) failure to grant tenure;
- (l) invasion of privacy or defamation,

committed by **You** in respect of **employees** or prospective **employees** of the **company**.

Fidelity loss

Direct financial or physical loss of **money** or covered **property** belonging to **You**, or leased by **You** or in **Your** care, custody or control, and caused by any dishonest or fraudulent act committed by an **employee** (whether acting alone or in collusion with any other person) while working for **You** in connection with the business.

Fidelity loss does not mean:

- (a) regular or overtime wages, salaries, fees or benefits earned in the normal course of employment; or
- (b) damages of any type, including but not limited to punitive, exemplary or aggravated damages;
- (c) securities;
- (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 the **period of insurance**, or is during or after the **period of insurance** 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-judgement interest, awards of costs or settlements including claimant's costs;
- (b) defence costs;
- (c) **representation expenses**;
- (d) under the Business Crisis Consultant Fees Additional Benefit, **business crisis consultant fees**;
- (e) reasonable expenses incurred by **You** with **Our** prior written consent, solely to investigate, prove and substantiate the amount of the **claim**;
- (f) fines and penalties, but only as provided under Additional benefit - 14. Statutory liability;
- (g) with respect to any claim for an employment wrongful act:

in the event of an order to reinstate or re-employ an **employee**, the cost to **You** of complying with any order to pay salary or wages, or damages calculated by reference to salary or wages, to an **employee** for the period from the date of the purported dismissal or termination to the date on which the court, tribunal or similar body delivered its judgement 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;

- (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 **Employment wrongful act**.

Merger or acquisition

- (a) **You** or the **company** consolidating with, merging into or selling all or substantially all of its assets such that **You** or the **company** is not the surviving entity; or
- (b) any entity obtaining control of **You** or the **company**.

Money

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

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) a receiver, or receiver and manager; or
- (b) an administrator or an administrator of a deed of company arrangement; or
- (c) a liquidator; or
- (d) a trustee or other person administering a compromise or arrangement made between the company and someone else.

Official investigation

Any formal investigation, examination, inquiry, or other formal proceeding into the affairs of the **company** or the conduct of **directors**, **officers**, **employees** and **trustees** in that capacity, as ordered or commissioned by any authoritative or governmental body that has legal authority to conduct such a proceeding, and in which the **company** and **directors**, **officers** and **employees** in that capacity, are required or requested to attend or produce documents.

An **official investigation** is deemed to have started when **You** are first required or requested to attend or produce documents.

Outside entity

Any company, other than a **subsidiary**, that:

- (a) is not domiciled or incorporated in the United States;
- (b) is not a bank, building society, credit union, stockbroker, venture capital company, private equity company, insurance or reinsurance company, investment manager, fund manager or similar entity; and
- (c) does not have any of its securities listed on an exchange.

Period of insurance

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

Policy committee

A prescribed **policy committee** for the purposes of Part 9 of the Superannuation Industry (Supervision) Act 1993.

Pollution

- (a) the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of **pollutants** into or on real or personal property, water or the atmosphere; or
- (b) any direction or request to test for, monitor, clean up, treat, detoxify or neutralise **pollutants**.

Proposal

The signed proposal form and declaration completed in respect of this policy, including any renewal declaration and any information supplied by the **company** about any matter or risk the subject of or relevant to this insurance or policy.

Related claims

All **claims** arising directly or indirectly from or in respect of the same or causally related or continuous or repeated **wrongful acts** whether committed by one or more of **You** and whether directed to or affecting one or more than one person or legal entity.

Representation expenses

Reasonable costs, fees and expenses of preparing for, attending, cooperating with, or being represented at an **official investigation**.

Retroactive date

The date specified as such in the **policy schedule**.

Spouse

A lawful spouse, domestic partner (including same sex partner) or any person deriving similar status by reason of the common law or statute.

Subsidiary

- (a) a subsidiary of **You** as defined in the Corporations Act 2001; or
- (b) any body corporate in which **You**:
 - (i) control the composition of the board of the body corporate; or
 - (ii) are in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the body corporate; or holds more than one-half of the issued share capital of the first body (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
- (c) any body corporate which is a subsidiary of a body corporate described in (a) or (b) above; or
- (d) any other body corporate whose accounts are consolidated into those of **Your's** 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

was prior to or at the commencement of the **period of insurance** a **trustee** of the **superannuation fund** duly appointed by a court or regulatory body or pursuant to statute.

Wrongful act

Management wrongful act or **employment wrongful act**.

You

- (a) the company;
- (b) an insured person; and
- (c) a trustee.

Business interruption cover section

Introduction

This cover section only forms part of **Your Policy** when Business interruption is shown in the **policy schedule**.

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

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

Your **policy schedule** indicates which cover has been selected by you.

Insurable gross profit basis

What You are covered for

In the event of interruption of or interference with **Your business** in consequence of **damage** to any **property insured** or any part thereof used by **You** at the **premises** for the purpose of **Your business**, **We** will pay **You** in respect of each item selected by **You** and shown in the current **policy schedule**, the amount of the loss resulting from such interruption or interference.

Provided that:

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

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

Item 1. Gross profit (if selected).

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

Item 3. Accounts receivable (if selected).

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

Item 5. Rent receivable (if selected).

What we pay

Item 1. Gross profit

This item is limited to the loss of **gross profit** due to a reduction in **turnover** and the increase in **Your** cost of working.

The amount payable as indemnity under this item will be:

- (a) in respect of reduction in **turnover**:
 - the sum produced by applying the **rate of gross profit** to the **shortage in turnover** during the **indemnity period**; and
- (b) in respect of the increase in cost of working:
 - the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** which, but for the additional expenditure, would have taken place during the **indemnity period** in consequence of the **damage**, but not exceeding the sum produced by applying the **rate of gross profit** to the amount of reduction thereby avoided;

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

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

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

Item 2. Additional increase in cost of working

See common clauses.

Item 3. Accounts receivable

See common clauses.

Item 4. Claim preparation and proving expenses

See common clauses.

Item 5. Loss of rent receivable

The amount payable under this item will be:

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

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

(b) in respect of additional expenditure:

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

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

Provided that if the **insured amount** for this item, at the commencement of each **period of insurance**, is less than eighty percent (80%) of the **annual rent receivable** (or its proportionately increased multiple where the **indemnity period** exceeds twelve months), the amount payable will be reduced so that **We** will be liable for no greater proportion of the loss under this item than that which the **insured amount** bears to eighty percent (80%) of the **annual rent receivable** (or its proportionately increased multiple, if appropriate). This provision will not apply if **Your** claim is for less than 10% of the **insured amount** for this item.

Annual revenue basis

What You are covered for

In the event of interruption of or interference with **Your business** in consequence of **damage** to any **property insured** or any part thereof used by you at the **premises** for the purpose of your **business**, **We** will pay **You** in respect of each item selected by **You** and shown in the current **policy schedule**, the amount of the loss resulting from such interruption or interference.

Provided that:

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

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

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

(d) **Our** liability in no case will exceed in respect of each item the **insured amount** shown in the current **policy schedule** for that item.

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

Item 1. Revenue (if selected).

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

Item 3. Accounts receivable (if selected).

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

What we pay

Item 1. Revenue

This item is limited to the loss of **revenue** and increase in the cost of working.

The amount payable as indemnity under Item 1 will be:

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

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

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

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

We will reduce the amount **We** will pay by the amount saved during the **indemnity period** for charges and expenses of **Your** business which cease or are reduced as a consequence of the loss or **damage** covered by this **policy** section.

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

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

Item 2. Additional increase in cost of working

See common clauses.

Item 3. Accounts receivable

See common clauses.

Item 4. Claim preparation and proving expenses

See common clauses.

Weekly revenue basis

What You are covered for

In the event of interruption of or interference with your **business** in consequence of **damage** to any **property insured** or any part thereof used by you at the **premises** for the purpose of your **business**, **We** will pay you in respect of each item selected by you and shown in the **policy schedule**, the amount of the loss resulting from such interruption or interference.

Provided that:

- (a) the payment is in accordance with the 'What we pay' provision for the item;
- (b) **We** have paid for or admitted liability in respect of such **damage** under the relevant section of this **policy**, or another insurer has paid for or admitted liability in respect of such **damage**,
- (c) **We** would have paid for or admitted liability in respect of such **damage** under the relevant section of this **policy**, or another insurer would have paid for or admitted liability in respect of such **damage** but for the application of an **Excess**; and
- (d) **Our** liability in no case will exceed in respect of each item the **insured amount** shown in the **policy schedule** for that item.

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

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

Item 1. Weekly Revenue (if selected).

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

Item 3. Accounts receivable (if selected).

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

What we pay

Item 1. Weekly revenue

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

Item 2. Additional increase in cost of working

See common clauses.

Item 3. Accounts receivable

See common clauses.

Item 4. Claim preparation expenses

See common clauses.

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

The following clauses are applicable:

Accumulated stocks

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

Alternative trading

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

Departmental

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

Insured amount

Our liability to **You** will in no case exceed in respect of each item the **insured amount** expressed against that item in the current **policy schedule**. 'Extra covers' and 'Additional benefits' are within the total **insured amount** of this **policy section** and not additional to the total **insured amount**.

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

Item 2. Additional increase in cost of working

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

We will not pay more than the **insured amount** for 'Additional increase in cost of working' shown in the **policy schedule** for any one claim.

Item 3. Accounts receivable

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

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

We will not pay more than the **insured amount** for 'Outstanding Accounts Receivable' shown in the **policy schedule** for any one claim.

Item 4. Claim preparation and proving expenses

In addition to the amount payable under General Claims Condition 14(d) 'Claim preparation expenses' of this Policy, We will pay **You** up to the amount shown in the **policy schedule** for the costs of such reasonable professional fees as may be payable by **You** and other such reasonable expenses necessarily incurred by **You** and not otherwise recoverable, for preparation and negotiation of claims under this **policy section**.

Government incentives

The words **gross profit**, **revenue** and **weekly revenue** include the loss of any Government approved incentives, subsidies or market development allowances **You** are or would have been entitled to in relation to **Your business**. We will pay for the reduction in your **gross profits**, **revenue** or **weekly revenue** in relation to your **business** where such interruption results from the loss of Government approved incentives, subsidies or market development allowances to which **You** would have been entitled.

New business

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

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

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

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

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

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

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

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

Salvage sale

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

(a) Clause (a) of Item 1 'Gross Profit' of this **policy section** shall, for the purpose of such claim, read as follows:

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

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

Turnover output

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

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

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

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

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

Extra covers

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

1. Contractual fines and penalties

Following a claim under Insurable Gross Profit, Item 1 Gross Profit, **We** will also pay:

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

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

2. Explosion of pressure vessels

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

3. Infectious disease, etc.

We will cover **You** for interruption to or interference with your **business** due to closure or evacuation of the whole or part of the **premises** during the **period of insurance** by order of a competent government, public or statutory authority as a result of:

- (a) bomb threat, vermin or pests or defects in the drains or other sanitary arrangements, occurring at the **premises**;
- (b) an outbreak of an infectious or contagious human disease occurring within a 20-kilometre radius of the **premises**, however there is no cover for highly pathogenic Avian Influenza or any other diseases declared to be quarantinable diseases under the Quarantine Act 1908 and subsequent amendments irrespective of whether discovered at the **premises**, or out-breaking elsewhere;

- (c) injury, illness or disease caused by the consumption of food or drink supplied at or from the **premises** during the **period of insurance**;
- (d) murder or suicide occurring at the **premises**; or
- (e) shark or crocodile attack occurring within a 20-kilometre radius of the **premises** during the **period of insurance**.

4. Motor vehicles owned or operated by You

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

5. Prevention of access

We will cover **You** for interruption to **Your business** that is caused by or results from **damage** to property in the vicinity of the **premises** which shall prevent or hinder the use of or access to the **premises** provided that:

- (a) the damage would have been covered under the Property damage cover section if the property in the vicinity of the **premises** had been insured under that **policy section**;
- (b) the damage prevents or hinders the use of or access to the **premises**;
- (c) the damage results in interruption of or interference with **Your business**.

We will cover **You** for interruption to **Your business** that is caused by an order of any legal authority which prevents or restricts access to the **premises** provided that the order results from the threat of damage to property within a 50 kilometre radius of the **premises**.

Additional benefits

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

1. Computer installation

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

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

2. Customers and suppliers

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

- (a) of **Your** suppliers, manufacturers or processors of component goods, materials or services which supply the **business** directly; or
- (b) of customers of goods or materials or services (other than those services provided by any utilities); or
- (c) at storage premises neither owned nor operated by **You** where **You** store goods or materials;

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

3. Documents temporarily removed

We will treat damage to your documents or documents held in trust by **You** and **electronic data** files belonging to or held in trust by **You** as part of **Your business** that are:

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

if the following apply:

- (i) the damage would have been covered under the Property damage cover **policy section** if the documents and **electronic data** files had been insured under that section;
- (ii) the damage results in interruption of or interference with **Your business**;

as **damage** for the purpose of this **policy section**.

We will not cover **You** for more than 20% of the **insured amount** applicable to this **policy section**.

4. Loss of attraction

If **Your business** is located within a multi-tenanted retail shopping complex, **We** will treat **damage** to property of a major tenant as being **damage** for the purposes of this **policy section** provided that:

- (a) the **damage** to the property of the major tenant would have been covered under the Property damage cover section if such **damage** had been to **property insured** under that **policy section**;

(b) the **damage** results in a reduced pedestrian count in the shopping complex; and

(c) the **damage** results in interruption of or interference with **Your business**.

5. Roads, bridges and railway lines

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

(a) the damage would have been covered under the Property damage cover section if such damage had been to property insured under that **policy section**;

(b) the damage results in not being able to convey **stock**, components or materials used in **Your business** to and from **Your premises**;

(c) the damage results in interruption of or interference with **Your business**.

6. Storage sites/temporary removal

We will cover **You** for interruption to **Your business** that is caused by or results from damage to **Your** property stored or being processed at any premises in the Commonwealth of Australia not occupied by **You**. **Our** total liability under this additional benefit will not exceed 20% of the **insured amount**.

7. Transit

We will cover **You** for interruption to **Your business** that is caused by or results from damage to **Your property insured** while in transit by road, rail, sea or air within the Commonwealth of Australia and outside of the **premises** occupied by **You**. **Our** total liability under this additional benefit will not exceed 20% of the **insured amount** in respect of any one **occurrence**.

8. Utilities

We will treat damage to the following utilities:

(a) any electrical supply system; or

(b) any gas supply system; or

(c) water supply or sewerage works; or

(d) any telecommunications system that is land-based within Australia and supplies **Your business**;

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

(i) the damage would have been covered under the Property damage cover section if such damage had been to **property insured** under that **policy section**;

(ii) the damage results in hindering or stopping the supply of electricity, gas, water or telecommunications to the premises or sewage from the premises; or

(iii) the damage results in interruption of or interference with **Your business**.

We will not pay for the first 48 hours where the utility which was damaged is not at or immediately adjacent to the **premises**.

Optional benefits

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

1. Goodwill

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

Provided that:

(a) **We** will only pay these goodwill costs when the **building** that is damaged cannot or will not be repaired or rebuilt due to any refusal by any owner or lessor other than **You** to repair or rebuild and any restrictions imposed by any legal authority; and

(b) the purchase of the business is incurred because **You** were unable to continue **Your business** at the **premises** as a result of the damage to the **buildings** not being repaired; and

(c) the cause of the damage to the **buildings** would have been covered by the Property damage cover section had that building been insured under that **policy section**; and

(d) the business that is purchased is similar to **Your business**.

2. Specified customers and suppliers

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

(a) Specified suppliers

property at the premises of **Your** suppliers shown in the **policy schedule** up to an amount calculated by applying the percentage shown in the **policy schedule** to the **insured amount** for **gross profit**, **annual revenue** or **weekly revenue**;

(b) Specified customers

property at the premises of **Your** customers shown in the **policy schedule** up to an amount calculated by applying the percentage shown in the **policy schedule** to the **insured amount** for **gross profit, annual revenue** or **weekly revenue**.

Special conditions applicable to this cover section

Adjustment of premium

We will reduce **Your** premium for Insurable Gross Profit or Annual Revenue at the end of each **period of insurance** if the **gross profit** or **annual revenue** (as the case may be) earned during the previous 12 months accounting period is less than the **insured amount**. The adjustment rate is 50% of the difference between the premium payable for the **gross profit** or **annual revenue insured amount** and for the **gross profit** or **annual revenue** earned. Any payment made by **Us** for a claim under Insurable Gross Profit or Annual Revenue is to be included in the **gross profit** or **annual revenue** earned for the purpose of this adjustment.

Books of account

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

Reinstatement of insured amount

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

This Extra cover does not apply if **We** pay the full insured amount for **property insured** in respect of a single claim under this **policy section**.

Definitions

The following words have the following definitions in this **policy section** only:

Annual rent receivable

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

Annual revenue

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

Annual turnover

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

Damage

Physical loss, destruction or damage occurring during the **period of insurance** caused by an event insured under the Property damage cover section, Theft cover section, Glass cover section, Money cover section, General property cover section or Goods in transit cover section.

Gross income

The money paid or payable to **You** for goods sold, services rendered or rental received less the purchase price of **stock**.

Gross profit

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

Note: The amount of the opening and closing **stocks** will be arrived at in accordance with your normal accounting methods, due provision being made for depreciation.

Indemnity period

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

Rate of gross profit

The **rate of gross profit**, expressed as a percentage, earned on the **turnover** during the financial year immediately before the date of the **damage**, to which such adjustments will be made as may be necessary to provide for the trend of **Your business** and for variations in or other circumstances affecting **Your business** either before or after the **damage** or which would have affected **Your business** had the **damage** not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the **damage**, would have been obtained during the relevant period after the **damage**.

Rent receivable

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

Revenue

The **money** paid or payable to **You** as a:

- ▼ wholesaler or retailer of goods – for goods sold and delivered in the course of **Your business** less the cost of any related purchases (after any discounts);
- ▼ motel operator – in respect of facilities, accommodation, food and drink made available and services rendered in connection with **Your business**, less the cost of any related purchases (after any discounts) and laundering and cleaning expenses;
- ▼ professional practitioner or consumer services provider – for services rendered and work performed in connection with **Your business**;
- ▼ property owner – by tenants (being **rent receivable**).

Shortage in turnover

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

Standard rent receivable

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

Standard revenue

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

Standard turnover

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

Standard weekly revenue

The average of the **weekly revenues** in that period during the fifty two (52) weeks immediately before the date of the **damage** which corresponds with the **indemnity period**, adjusted as may be necessary for trends, variations in or other circumstances affecting **your business**, so that the adjusted figure will represent as far as possible the weekly results which, but for the **damage**, would have been obtained during the relevant period after the **damage**.

Turnover

The amount (less discounts allowed) paid or payable to **You** for goods sold and delivered for services rendered and for **rent receivable** in the course of **Your business** at the **premises**.

Uninsured working expenses

The working expenses of **Your business** which **You** have elected not to insure under this cover section, and which are not included in the **insured amount** for cover on an insurable Gross Profit basis and are specified on the **policy schedule**.

Weekly benefit

The amount shown in the **policy schedule**.

Weekly revenue

The **gross income** received by **You** for goods sold, services rendered or rental received less the purchase price of **stock**.

Public and products liability cover section

Introduction

This **policy section** only forms part of your policy when the Public and products liability cover section is shown on the **policy schedule**.

What you are covered for

We agree (subject to the terms, Claims Conditions, General Policy Conditions, Exclusions, definitions and **Limits of Liability** incorporated herein) to pay to **You** or on **Your** behalf all amounts which **You** shall become legally liable to pay as **compensation** in respect of:

1. **personal injury**; and/or
2. **property damage**; and/or
3. **advertising injury**;

happening during the **period of insurance** within the **geographical limits** in connection with **Your business** and caused by or arising out of an **occurrence**.

Defence costs and supplementary payments

With respect to the indemnity provided by this **policy section**, **We** will:

1. Defend, in **Your** name and on **Your** behalf, any claim or suit against **You** alleging such **personal injury**, **property damage** or **advertising injury** and seeking damages on account thereof even if any of the allegations of such claim or suit is groundless, false or fraudulent.
2. Pay all charges, expenses and legal costs incurred by **Us** and/or by **You** with **Our** written consent (which consent shall not be unreasonably withheld):
 - (a) in the investigation, defence or settlement of such claim or suit, including loss of salaries or wages because of **Your** attendance at hearings or trials at our request; or
 - (b) in bringing or defending appeals in connection with such claim or suit.
3. Pay:
 - (a) all charges, expenses and legal costs recoverable from or awarded against **You** in any such claim or suit;
 - (b) pre-judgment interest awarded against **You** on that part of the judgment payable by **Us**; and
 - (c) all interest accruing on **Our** portion of any judgment until **We** have paid, tendered or deposited in court that part of such judgment which does not exceed the limit of **Our** liability thereon.
4. Pay premiums on:
 - (a) bonds to release attachments for amounts not exceeding the applicable **limit of liability** of this **policy** but **We** shall have no obligation to apply for or furnish any such bond;
 - (b) appeal bonds and/or security for costs required in any suit but **We** shall have no obligation to apply for or furnish any such bonds and/or security for costs.
5. Pay expenses incurred by **You** for:
 - (a) rendering first aid and/or surgical and/or medical and/or therapeutic relief to others at the time of any **personal injury** (other than any medical expenses, which **We** are prevented from paying by any law);
 - (b) temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up and/or unpinning thereof;
 - (c) purchasing and/or hiring and/or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including such protection which **You** must provide in compliance with the requirements of any Government, Local Government or other Statutory Authority.
6. Pay all legal costs incurred by **You** with **Our** consent for representation of **You** at:
 - (a) any coronial inquest or inquiry;
 - (b) any proceedings in any court or tribunal in connection with liability insured against by this **policy section**;
 - (c) any Royal Commission or Government Enquiry arising out of any alleged breach of statute, or other similar judicial enquiry into circumstances relating to any **occurrence**, claim or potential claim which would be the subject of indemnity under this insurance;
 - (d) any enquiry, prosecution or hearing of a disciplinary nature held before a legally constituted enquiry board, committee, licensing authority or the like.

Provided that **Our** liability under clauses 6(c) and (d) shall not exceed \$250,000 in respect of any one claim or series of claims arising out of any one **occurrence**.

The amounts of such defence costs and supplementary payments incurred, except payments in settlement of claims and suits, are payable by **Us** in addition to the applicable **limit of liability** of this **policy**.

However, in respect of any claims or suits originating in any court in North America, the applicable **limit of liability** shown in the **policy schedule** shall be inclusive of all defence costs and supplementary payments.

Where **We** are prevented by law or otherwise from making payments on **Your** behalf, **We** will indemnify **You** for legal liability incurred to the extent that such liability is covered by this **policy**.

In jurisdictions where **We** may not legally be permitted to, or cannot for any other reason, defend any claim or suit against **You**, **We** will reimburse **You** for the expense of such defence incurred with **Our** written consent.

Limits of liability and excess

Subject to:

- (i) the 'Claims preparation expenses' provision under 'General Policy conditions';
 - (ii) the 'Defence costs and supplementary payments' clause above;
 - (iii) the Additional Benefit under paragraph (e) of 'Property in **Your** physical or legal control' below;
- (a) for **general liability** the **limit of liability** for 'Public Liability' in the **policy schedule**, represents the maximum amount which **We** shall be liable to pay in respect of any one claim or series of claims arising out of any one **occurrence**;
- (b) for **products liability** the **limit of liability** specified in the **policy schedule** represents the maximum amount which **We** shall be liable to pay in respect of any one claim or series of claims, and in the aggregate during any one **period of insurance**.

The applicable **limit of liability** will not be reduced by the amount of any **excess** payable by **You**.

What you are not covered for under this policy section

This **policy section** (including the Additional benefits) does not insure **You** for liability arising directly or indirectly out of or caused by, through, or in connection with, or for:

1. Advertising injury

In respect of **advertising injury**:

- (a) resulting from statements made at **Your** direction with knowledge that such statements are false;
- (b) resulting from failure of performance of contract but this exclusion shall not apply to claims for unauthorised appropriation of advertising ideas contrary to an implied contract;
- (c) resulting from any incorrect description of **products** or services;
- (d) resulting from any mistake in advertised price of **products** or services;
- (e) resulting from failure of the **insured's products** or services to conform with advertised performance, quality, fitness or durability;
- (f) incurred by any **insured** whose principal occupation or business is advertising, broadcasting, publishing or telecasting.

2. Aircraft, hovercraft or watercraft

For **personal injury** and/or **property damage** arising from:

- (a) the ownership, maintenance, operation, or use by **You** of any **aircraft**;
- (b) the ownership, operation or use by **You** of any **watercraft** or **hovercraft** exceeding ten (10) metres in length, whilst such **watercraft** or **hovercraft** is on, in or under water.

3. Aircraft products

Arising out of **Your products** that are **aircraft** or **aircraft** component parts used for maintaining an **aircraft** in flight or moving upon the ground or used in the construction of an **aircraft** hull or machinery which to **Your** knowledge are incorporated in an **aircraft**.

4. Asbestos

Directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

5. Breach of professional duty

Arising out of any breach of duty owed in a professional capacity by **You** and/or any person(s) for whose breaches **You** may be held legally liable, but this exclusion shall not apply to claims:

- (a) arising out of the rendering of or failure to render professional medical advice by **medical persons** employed by **You** to provide first aid and other medical services on **Your premises**;
- (b) arising out of advice which is given by **You** for no fee;
- (c) arising out of advice given in respect of the use or storage of **Your products**.

6. Contractual liability

Which has been assumed by **You** under any contract or agreement that requires **You** to:

- (a) effect insurance over property, either real or personal;

(b) assume liability for **personal injury** and/or **property damage** regardless of fault;

provided that this exclusion shall not apply with regard to:

- (i) liabilities which would have been implied by law in the absence of such contract or agreement; or
- (ii) liabilities assumed under **incidental contracts**; or
- (iii) terms regarding merchantability, quality, fitness or care of **Your product** which are implied by law or statute; or
- (iv) liabilities assumed under the contracts specifically designated in the **policy schedule** or in any **endorsement(s)** to this Policy.

7. Damage to products

For **property damage** to any **products** where such damage is directly caused by a fault or defect in such **products**; but this exclusion shall be interpreted to apply with respect to damage to that part and only that part of such **product** to which the damage is directly attributable.

8. Defamation

For defamation:

- (a) resulting from statements made prior to the commencement of the **period of insurance**;
- (b) resulting from statements made at your direction with knowledge that such statements are false;
- (c) if **Your business** is advertising, broadcasting, publishing or telecasting.

9. Data

Arising out of:

- (a) the communication, display, distribution or publication of **Data**; provided that this Exclusion does not apply to **personal injury** and/or **advertising injury** arising therefrom;
- (b) the total or partial destruction, distortion, erasure, corruption, alteration, misrepresentation or misappropriation of **data**;
- (c) error in creating, amending, entering, deleting or using **data**;
- (d) the total or partial inability 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.

10. Employers liability

- (a) For bodily injury to any Worker in respect of which **You** are or would be entitled to indemnity under any policy of insurance, fund, scheme or self insurance pursuant to or required by any legislation relating to Workers Compensation or Accident Compensation whether or not such policy, fund, scheme or self insurance has been effected.

Provided that this Policy will respond to the extent that **Your** liability would not be covered under any such policy, fund, scheme or self insurance arrangement had **You** complied with **Your** obligations pursuant to such law.

- (b) Imposed by:

- (i) the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination or contract of employment or workplace agreement;
- (ii) any law relating to **employment practices**.

For the purpose of exclusions 10(a) and 10(b):

- ▼ the term 'Worker' means any person deemed to be employed by **You** pursuant to any Workers Compensation Law. Voluntary workers, secondees and work experience students (if any) shall not be deemed to be **Your** Employees.
- ▼ the term 'Bodily Injury' means bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom.

11. Faulty workmanship

For the cost of performing, completing, correcting or improving any work undertaken by **You**.

12. Fines, penalties, punitive, exemplary or aggravated damages

For any fines, penalties, punitive exemplary or aggravated damages.

13. Liquidated damages

Arising out of liquidated damages clauses, penalty clauses or performance warranties except to the extent that such liability would have attached in the absence of such clauses or warranties.

14. Loss of use

For loss of use of tangible property, which has not been physically lost, destroyed or damaged, directly arising out of:

- (a) a delay in or lack of performance by **You** or on your behalf of any contract or agreement; or
- (b) failure of any **products** or work performed by **You** or on **Your** behalf to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by **You**; but this Exclusion 14(b) shall not apply to **Your** liability for loss of use of other tangible property resulting from sudden and accidental physical loss, destruction of or damage to any **products** or work performed by **You** or on **Your** behalf after such **products** or work have been put to use by any person or organisation other than **You**.

15. Pollution

- (a) For **personal injury** and/or **property damage** directly or indirectly arising out of the dispersal, release, seepage, migration or escape of **pollutants** into or upon land, the atmosphere or any watercourse or body of water;
- (b) For any costs and expenses incurred in preventing the discharge, dispersal, release, seepage, migration or escape of, or, testing and monitoring for, containing, removing, nullifying, or cleaning up of, **pollutants**.

Provided that, with respect to any such liability which may be incurred anywhere other than North America, Exclusions 15(a) and 15(b) shall not apply where such discharge, dispersal, release, seepage, migration, or escape is caused by a sudden, identifiable, unintended and unexpected event from **Your** standpoint which takes place in its entirety at a specific time and place.

16. Property in your physical or legal control

For loss of or damage to:

- (a) property leased or rented to **You**;
- (b) property not belonging to **You** but in your physical or legal control other than the property described in 'Additional benefit – Property in **Your** physical or legal control'.

17. Property owned by You

For **property damage** to property owned by **You**.

18. Product guarantee

For any products warranty or guarantee given by **You** or on **Your** behalf, but this exclusion shall not apply to the requirements of any Federal or State legislation as to product safety and information.

19. Product recall

For damages, costs or expenses arising out of the withdrawal, recall, inspection, repair, reconditioning, modification, reinstallation, replacement or loss of use of any **products** where such **products** are withdrawn or recalled from the market or from use by any person or organisation because of any known, alleged or suspected defect or deficiency in such **products**.

20. Vehicles

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

- (a) which is registered or which is required under any legislation to be registered; or
- (b) in respect of which compulsory liability insurance or statutory indemnity is required by virtue of legislation (whether or not that insurance is effected);
but exclusions (a) and (b) shall not apply to:
 - (i) **personal injury** where:
 - (a) that compulsory liability insurance or statutory indemnity does not provide indemnity; and
 - (b) the reason or reasons why that compulsory liability or statutory indemnity does not provide indemnity do not involve a breach by **You** of legislation relating to **vehicles**;
 - (ii) any **vehicle** (including any tool or plant forming part of or attached to or used in connection with such **vehicle**) whilst being operated or used by **You** or on **Your** behalf as a Tool of Trade at **Your Business Premises** or on any Work Site;
 - (iii) the delivery or collection of goods to or from any **vehicle**;
 - (iv) the loading or unloading of any **vehicle**;
 - (v) any **vehicle** temporarily in **Your** custody or control for the purpose of parking;
 - (vi) **property damage** caused by or arising out of the movement of any **vehicle** (which is required to be Conditionally Registered in accordance with the law of any State or Territory in Australia) in the event of **Your** inadvertent and unintentional failure to effect Conditional Registration.

Additional benefit applicable to this policy section

Property in your physical or legal control

Exclusion 16 'Property in **your** physical or legal control' shall not apply with regard to:

- (a) the personal property, tools and effects of any of **Your** directors, partners, proprietors, officers, executives or **employees**, or the clothing and personal effects of any of **Your** visitors;
 - (b) premises or part(s) of premises (including their contents) leased or rented, or temporarily occupied by, **You** for the purpose of the **business**, but no cover is provided by this Policy if **You** have assumed the responsibility to insure such premises;
 - (c) (i) premises (and/or) their contents temporarily occupied by **You** for the purpose of carrying out work in connection with **Your** Business; or
 - (ii) any other property temporarily in **Your** possession for the purpose of being worked upon;
- but no indemnity is granted for damage to that part of any property upon which **You** are or have been working if the damage arises solely out of such work.

- (d) any **vehicle** (including its contents, spare parts and accessories while they are in or on such **vehicle**) not belonging to or used by **You**, whilst any such **vehicle** is in a car park owned or operated by **You** provided that **You** do not operate the car park for reward, as a principal part of **Your** Business;
- (e) notwithstanding exclusion 6 'Contractual liability', any property (except property that **You** own) not mentioned in paragraphs (a) to (d) above whilst in **Your** physical or legal care, custody or control whether or not **You** have accepted or assumed legal liability for such property, provided that **Our** liability under this additional benefit shall not exceed \$250,000 in respect of any one claim or series of claims arising out of any one **occurrence** or any other greater amount set out in the **policy schedule**.

Optional cover

Products exported to North America with Your knowledge (Applicable only where this optional cover is confirmed in the policy schedule)

The cover provided by this Policy is extended to include any judgment, award or settlement made within North America or any other order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part, subject to the following additional terms and exclusions in respect of any such judgment, award or settlement:

- (a) cover only applies to **Your** legal liability in respect of **personal injury** and/or **property damage** that arises out of any Products exported to North America with **Your** knowledge;
- (b) cover is not provided for:
 - (i) **personal injury** and/or **property damage** directly or indirectly caused by or arising out of discharge, dispersal, emission, release or escape of Pollutants;
 - (ii) the cost of removing, nullifying or clean up of Pollutants;
 - (iii) the cost of preventing the escape of Pollutants;
 - (iv) any claim for Compensation if in North America **You** have:
 - ▼ any assets other than Products;
 - ▼ related or Subsidiary company;
 - ▼ any person or entity with power of attorney; and/or
 - ▼ any franchisor or franchisee.

Special conditions applicable to this policy section

Claims

1. Notification of occurrence, claim or suit

You shall give:

- (a) written notice (including facsimile transmission) via **Your** Steadfast broker, to **Us**, as soon as reasonably practicable, of any claim made against **You** or any **occurrence** that may give rise to a claim being made against **You** and which may be covered by this **policy section**;
- (b) all such additional information that **We** may reasonably require and every demand, writ, summons, proceedings, impending prosecution or inquest and all documents relating to the claim or **occurrence** shall be forwarded to **Us** as soon as practicable after they are received by **You**.

2. Your duties in the event of an occurrence, claim or suit

- (a) **You** shall not, without **Our** written consent (which consent shall not be unreasonably withheld), make any admission, offer, promise or payment in connection with any **occurrence** or claim.
- (b) **You** shall use the best endeavours to preserve all property, Products, appliances, plant, and all other things which may assist in the investigation or defence of a claim or suit or in the exercise of rights of subrogation and, so far as may be reasonably practicable, no alteration or repair shall be effected without **Our** consent until **We** have had an opportunity of inspection.
- (c) **You** shall, when so requested, provide **Us** with details of any other insurances current at the time of any **occurrence**, and/or **personal injury** and/or **property damage** and/or **advertising injury** and covering any of the liability insured by this **policy section**.

3. Our rights regarding claims

- (a) Following the happening of any **occurrence** in respect of which a claim is, or may be, made under this Policy, **We** have full discretion in the conduct of any legal proceedings and in the settlement of any claim. **You** must co-operate by giving **Us** any statements, documents or assistance **We** require. This may include giving evidence in any legal proceedings.

- (b) **We** may at any time pay to **You**, in respect of all claims against **You** arising directly or indirectly from one source or original cause:
- (i) the amount of the Limit of Liability or such other amount specified in respect thereof (after deduction of any sum(s) already paid by **Us**, which sum(s) would reduce the amount of **Our** unfulfilled liability in respect thereof); or
 - (ii) any lesser sum for which the claim(s) can be settled.
- (c) Upon making such payment, **We** shall relinquish conduct and control of, and be under no further liability under this Policy in connection with, such claim(s) except for defence costs and supplementary payments:
- (i) recoverable from **You** in respect of the period prior to the date of such payment (whether or not pursuant to an order made subsequently); or
 - (ii) incurred by **Us**, or by **You** with **Our** written consent, prior to the date of such payment.

4. Cross liabilities

This insurance extends to indemnify:

1. each of the parties comprising the named insured; and
2. each of the insureds hereunder;

separately in the same manner and to a like extent as though policies had been issued in their separate names.

In particular, but without limiting the foregoing, this insurance shall indemnify each of the parties described in clauses 1 and 2 of 'Cross liabilities' in respect of claims made by any other of such parties.

Provided always that:

- (i) each of such parties shall be separately subject to the terms, claims conditions, General Policy conditions, exclusions and definitions of this Policy in the same manner and to a like extent as though separate policies had been issued; and
- (ii) in no case shall the amount payable by **Us** in respect of any one claim or series of claims arising out of any one **occurrence** or in the aggregate, as the case may be, exceed the applicable Limit of Liability as specified in the **policy schedule**.

5. Inspection and audit

We shall be permitted, but not obligated, to inspect **Your business** premises and operations at any reasonable time. Neither our right to make inspections, nor our failure to make inspections, nor the making of any inspections, nor any report of an inspection shall constitute an undertaking, on behalf of or for the benefit of **You** or others, to determine or warrant that such premises or operations are safe or healthful or are in compliance with any law, rule or regulation.

We may examine and audit **Your** books and records at any time during the currency of this Policy and within three (3) years after the final termination of this Policy but only with regard to matters which in **Our** opinion are relevant to this Policy.

6. Premium – adjustment of premium

If the first premium or any renewal premium for this policy or any part thereof shall have been calculated on estimates provided by **You**, **You** shall keep an accurate record containing all particulars relative thereto and shall at all reasonable times allow **Us** to inspect such record.

You shall, where requested by **Us** after the expiry of each **period of insurance**, provide to **Us** such particulars and information as **We** may require as soon as reasonably practicable. The premium for such period shall thereupon be adjusted and any difference paid by or allowed to **You**, as the case may be, subject to retention by **Us** of any minimum premium that may have been agreed upon between **Us** and **You** at inception or the last renewal date of this policy.

7. Release

Where **You** are required by contractual agreement to release any government or public or local authority or other statutory authority or any landlord or any other persons or parties from liability for loss, destruction or damage or legal liability insured against under this policy, such release is allowed without prejudice to this insurance.

Notwithstanding general condition 'Subrogation rights' of this Policy, **We** agree to waive all our rights of subrogation against any such authority or persons or parties in the event of any **occurrence** for which a claim for indemnity may be made under this **policy**.

8. Subrogation and allocation of the proceeds of recoveries

Subject to condition 9 'Subrogation Waiver', any corporation, organisation or person claiming under this insurance shall, at **Our** request and at **Our** expense, do and concur in doing and permit to be done all such acts and things that may be necessary or may reasonably be required by **Us** for the purpose of enforcing any rights and remedies, or for obtaining relief or indemnity from any other organisation(s) or person(s), to which **We** shall be or would become entitled upon **Us** paying for or indemnifying **You** in respect of legal liability under this **policy**.

Should **You** incur any legal liability which is not covered by this **policy**:

- (a) due to the application of an excess; and/or
- (b) where the amounts of any judgments or settlements exceed the applicable **insured amount**;

You will be entitled to the first call on the proceeds of all recoveries made, by either **You** or **Us**, on account of such legal liability until fully reimbursed for such **insured amount** or amounts (less the actual costs of making such recoveries where those costs are incurred by **Us**) and any remaining amount(s) will be applied to reimburse **Us**.

9. Subrogation waiver

We hereby agree to waive all **Our** rights of subrogation under this **policy section** against:

- (a) each of the parties described as an **insured**;
- (b) any corporation, organisation or person which or who owns or controls the majority of the capital stock of any corporation or organisation to which or to whom protection is afforded under this Policy.

Where such corporation, organisation or person is protected from liability insured against hereunder by any other policy of indemnity or insurance, **Our** right of subrogation is not waived to the extent and up to the amount of such other policy.

Definitions

The following words have the following meanings in this **policy section** only:

Advertising injury

Injury arising out of:

- (a) defamation; or
- (b) any breach of the misleading or deceptive conduct provisions of the Competition and Consumer Act 2010 (Commonwealth) or Schedule 2 to the Competition and Consumer Act 2010 (The Australian Consumer Law) or any Fair Trading or similar legislation of any country, state or territory; or
- (c) any infringement of copyright or passing off of title or slogan; or
- (d) unfair competition, piracy, misappropriation of advertising ideas style of doing business; or
- (e) an invasion of privacy;

committed or alleged to have been committed during the **period of insurance** in any advertisement, publicity article, broadcast or telecast and caused by or arising out of **Your** advertising activities.

Business (for the purposes of this policy section only)

The business as described in the **policy schedule** (or as further described in any more specific underwriting information provided to us at the time when this insurance was proposed to us or at the time of any renewal of this **policy**) and shall also include:

- (a) the ownership of premises and/or the tenancy thereof by **You**;
- (b) participation in any exhibition by **You** or on **Your** behalf;
- (c) the hire or loan of plant and/or equipment to other parties;
- (d) conducted tours of **Your** premises;
- (e) the provision of any sponsorships, charities, galas, first aid, medical, ambulance or fire fighting service by **You** or on **Your** behalf;
- (f) private work undertaken by **Your employees** for any of **Your** directors, partners, proprietors, officers or executives;
- (g) the provision of any canteen, social and/or sporting clubs or welfare and/or child care facilities by **You** or on **Your** behalf, which are primarily for the benefit of **Your employees**.

Compensation

Monies paid or agreed to be paid by judgment, award or settlement in respect of **personal injury** and/or **property damage** and/or **advertising injury** provided that such compensation is only payable in respect of an **occurrence** to which this insurance applies.

Employment practices

Any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination in respect of your employees.

Excess

The first amount of each claim or series of claims, arising out of any one **occurrence**, for which **You** are responsible. The **excess** applicable to this **policy section** appears in the **policy schedule**. The **excess** applies to all amounts for which **We** will be liable, including the indemnity provided for defence costs and supplementary payments.

General liability

Your legal liability for **personal injury**, **property damage** or **advertising injury** caused by or arising out of an **occurrence** happening in connection with **Your business** other than **products liability**.

Geographical limit

- (a) anywhere in the World except North America;
- (b) North America but only with respect to:
 - (i) overseas business visits by any of **Your** directors, partners, officers, executives or **employees**, who are non-resident in North America but not where they perform manual work in North America;
 - (ii) products exported to North America without **Your** knowledge.

Incidental contracts

- (a) any written rental agreement and/or lease of real and/or personal property other than with respect to any term or condition contained in such rental, lease and/or hiring agreement that requires **You** to insure such property;
- (b) any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work performed by **You** or on **Your** behalf for such authorities or entities;
- (c) any written contract with any railway authority for the loading, unloading and/or transport of **Products**, including contracts relating to the operation of railway sidings;
- (d) those contracts designated in the **policy schedule**.

Limit of liability

The limit specified in the **policy schedule**. Unless stated to the contrary, and otherwise as provided in this PDS, limits and the most **We** pay amounts stated in this PDS and on your certificate of insurance include GST.

Medical persons

Includes but is not limited to medical practitioners, medical nurses, dentists and first aid attendants.

Named insured

- (a) The person(s), corporations and/or other organisations specified in the **policy schedule**;
- (b) All existing Subsidiary and/or controlled corporations (including subsidiaries thereof) of the specified **insured** incorporated in the Commonwealth of Australia and/or any other organisations under the control of the **named insured**;
- (c) All Subsidiary and/or controlled corporations (including subsidiaries thereof) of the **named insured** and/ or any other organisations under the control of the **named insured** incorporated in the Commonwealth of Australia and which are constituted or acquired by the **named insured** after the commencement of the **period of insurance** and notified to **Us** in writing within 30 days of the acquisition;
- (d) Every subsidiary and/or controlled corporation and/or other organisation of the **named insured** which is divested during the **period of insurance**, but only in respect of claims made against such divested subsidiary, related or controlled corporation or organisation caused by or arising out of **occurrences** insured against by this **policy**, which occurred prior to the divestment.

North America

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

Occurrence

An event, including continuous or repeated exposure to substantially the same general conditions, which results in **personal injury** and/or **property damage** and/or **advertising injury** that is neither expected nor intended (except for the matters set out in item (e) of the definition of '**personal injury**') from **Your** standpoint.

With respect to **personal injury** or **property damage**, all events of a series consequent upon or attributable to one source or original cause shall be deemed to be one **occurrence**.

All **advertising injury** arising out of the same injurious material or act (regardless of the frequency or repetition thereof, the number and kind of media used, or the number of claimants) shall be deemed to be one **occurrence**.

Personal injury

- (a) bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom;
- (b) false arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation;
- (c) wrongful entry or wrongful eviction;
- (d) defamation or invasion of privacy, unless arising out of **advertising injury**;
- (e) assault and battery not committed by **You** or at **Your** direction, unless committed for the purpose of preventing or eliminating danger to persons or property.
- (f) discrimination as a result of race, religion, sex, marital status, age, intellectual impairment, disability or otherwise (unless insurance thereof is prohibited by law) not committed by **You** or at **Your** direction, but only with respect to liability other than fines and penalties imposed by law.

Products

Anything manufactured, constructed, erected, assembled, installed, grown, extracted, produced or processed, treated, altered, modified, repaired, serviced, bottled, labelled, handled, sold, supplied, re-supplied or distributed, imported or exported, by **You** or on **Your** behalf (including **Your** predecessors) in the course of **Your business**, including any packaging or containers thereof, including the design, formula or specification, directions, markings, instructions, advice or warnings given or omitted to be given in connection with such products and anything which, by law or otherwise, **You** are deemed to have manufactured in the course of **Your business** including discontinued **products**.

Provided always that for the purpose of this insurance the term “**products**” does not include:

- (a) food and beverages supplied by **You** or on **Your** behalf primarily to **Your employees** as a staff benefit;
- (b) any vending machine or any other property rented to or located for use of others but not sold by **You**;

and any claims made against **You** in respect of **personal injury** and/or **property damage** arising out of any **occurrence** in connection therewith shall be regarded as **general liability** claims hereunder.

Products liability

Your legal liability for **personal injury** and/or **property damage** caused by or arising out of any **products** or the reliance upon a representation or warranty made at any time with respect to such **products**; but only where such **personal injury** and/or **property damage** occurs away from premises owned or leased by or rented to **You** and after physical possession of such **products** has been relinquished to others.

Property damage

- (a) physical loss, destruction of or damage to tangible property, including the loss of use thereof at any time resulting therefrom; and/or
- (b) loss of use of tangible property which has not been physically lost, destroyed or damaged; provided that such loss of use is caused by or arises out of an **occurrence**.

Tool of trade

A **vehicle** that has tools, implements, machinery or plant attached to or towed by the **vehicle** and is being used by you at your premises or on any **work site**. **Tool of trade** does not include any **vehicle** whilst travelling to or from a **work site** or **vehicles** that are used to carry goods to or from any premises.

Work site

Any premises or site where any work is performed for and/or in connection with **Your business** together with all areas surrounding such premises or site and/or all areas in between such premises or site that **You** shall use in connection with such work.

You/Your/Insured (where used in this policy section)

Each of the following is an insured to the extent specified below:

- (a) the **named insured**;
- (b) every past, present or future director, stockholder or shareholder, partner, proprietor, officer, executive or employee of the **named insured** (including the spouse or any **family** member of any such person while accompanying such person on any commercial trip or function in connection with the **business**), while such persons are acting for or on behalf of the **named insured** in the conduct of the **business** and/or within the scope of their duties in such capacities;
- (c) any employee superannuation fund or pension scheme managed by or on behalf of the **named insured**, and the trustees and the directors of the trustee of any such employee superannuation fund or pension scheme which is not administered by corporate fund managers;
- (d) every principal in respect of the principal's liability arising out of:
 - (i) the performance by or on behalf of the **named insured** of any contract or agreement for the performance of work for such principal, but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this **policy**;
 - (ii) any **products** sold or supplied by the **named insured**, but only in respect of the **named insured's** own acts or omissions in connection with such **products** and in any event only for such coverage and limits of liability as are provided by this **policy**.
- (e) every person, corporation, organisation, trustee or estate to whom or to which the **named insured** is obligated by reason of law, (whether written or implied) to provide insurance such as is afforded by this **policy**, but only to the extent required by such law, and in any event only for such coverage and limits of liability as are provided by this **policy**;
- (f) every officer, member, **employee** or voluntary helper of the **named insured's** canteen, social and/or sporting clubs, first aid, medical, ambulance or fire fighting services, charities, welfare and/or child care facilities, while acting in their respective capacities as such;
- (g) any director, partner, proprietor, officer or executive of the **named insured** in respect of private work undertaken by the **named insured's employees** for such person and any **employee** whilst actually undertaking such work;
- (h) the estates, legal representatives, heirs or assigns of:
 - (i) any deceased or insolvent persons; or
 - (ii) persons who are unable to manage their own affairs by reason of mental disorder or incapacity;who would otherwise be indemnified by this **policy**, but only in respect of liability incurred by such persons as described in clauses (h) (i) and (h) (ii) above.
- (i) every party including joint venture companies and partnerships to whom the **named insured** is obligated by virtue of any contract or agreement to provide insurance such as is afforded by this **policy**; but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this **policy**.

Goods in transit cover section

About this section

This section covers loss of or damage caused to the **goods** **You** sell, buy or use in **Your business** when they are in **transit**. 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.

Your insurance under this section

Provided 'Goods in transit' is shown under 'What's Covered' in the **policy schedule** **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 option **You** select will be shown in **Your policy schedule**.

Accidental damage

If **You** have Accidental damage cover **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 (14) 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 despatched, up to a maximum of 10% of the **insured amount** of the **goods**.

Limited conditions

If **You** have Limited conditions cover **We** will insure **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.

What we exclude

We will not pay for:

- (a) loss or damage that existed or occurred prior to the commencement of the **transit**;
- (b) loss or damage caused by dismantling, erection, commissioning, testing or storage other than in the ordinary course of **transit**;
- (c) loss of or damage to **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;
- (d) consequential loss or damage including loss of profits and loss of market; or
- (e) loss of or damage to livestock.
- (f) loss of or damage to **temperature controlled goods** or **non-temperature controlled goods** if **Your policy schedule** does not show **You** have cover for such goods.

Extra cover

If **We** agree to pay a claim for loss or damage for **goods** in **transit** under this section **We** will also pay for the following. Unless stated otherwise below, these Extra covers 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 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 section and where **You** are legally or contractually obliged to pay those costs.

Any amount **We** pay under this Extra cover 3 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 Extra cover 4 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 despatched.

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;

We will insure the **goods** for loss or damage covered by the insured events detailed in this section.

What we pay

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, and movement of **goods** other than for the reason of purchase or sale, the new replacement cost or, if not available, as near as possible to the same make, model and specifications as is available, whichever is 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 its condition immediately prior to the loss or damage (including the reasonable cost of any necessary overtime);
- (b) in the case of a purchase or sale, the purchase or sale price plus the cost of packing and transport; or
- (c) in the case of movement of return **goods** (inwards or outwards), stock transfers, and 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 its condition immediately prior to the loss or damage (including the reasonable cost of any necessary overtime); or
- (b) the invoice value covering the **goods** while in **transit** (including freight if separately invoiced to the receiver of the **goods**), or if there is no invoice value, the cost of replacing the **goods** with similar 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.

Limits to what we pay

The most **We** will pay for:

- ▼ all **goods** in any one **conveyance** is the **insured amount** shown in the **policy schedule**;
- ▼ trade samples in **transit** in **Your** or **Your** employee's care, custody and control, is \$10,000 any one claim or series of claims arising from any one **event**;
- ▼ 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 the **policy schedule** and the Extra cover limits referred to in this 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 the **policy schedule** for each claim **You** make.

Definitions

The following words have the following meanings for this section only. **You** should also refer to the General definitions section starting on page 8.

Conveyance

Any ship, vessel, **aircraft**, postal service (except in the case of **temperature controlled goods**), rail or road vehicle used to transport the **goods**.

Goods

Your goods that **You** sell, buy or use in **Your business** being the following:

- ▼ **non-temperature controlled goods** if shown on the **policy schedule**;
- ▼ **temperature controlled goods** if shown on the **policy schedule**;
- ▼ trade samples;
- ▼ return insured **goods**;
- ▼ **stock** transfers;
- ▼ retail and sales packaging; or
- ▼ shipping containers in your care, custody or control.

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:

- ▼ any period where the **goods** are “shut out” from the **conveyance** or intended destination;
- ▼ 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) a destination outside **Your premises**, or
- (b) **Your premises** for the purpose of a service or maintenance or repair as part of **Your business**.

For **non temperature controlled goods**, the transit terminates:

- ▼ 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
- ▼ seventy two 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.

Tax audit cover section

About this section

This section covers the **professional fees** such as accountant's fees incurred by **You** in connection with an audit, review or investigation of **Your** business's tax affairs by the Australian Taxation Office, or by a Commonwealth, State or Territory department, body or agency.

Your insurance under this section

Provided that 'Tax audit' is shown under 'What's Covered' in the **policy schedule** **We** will insure **You** for **professional fees** reasonably and necessarily incurred by **You** in connection with an official **tax audit** by an **authority**, which is commenced and notified to **Us** during the **period of insurance**.

The nature and extent of cover under this cover section will depend on whether **You** select:

- (a) Business Audit Only – With Investigation Cover (which provides cover under this section excluding Extra cover – Directors' Personal Tax Returns); or
- (b) Business AND Directors Audit – With Investigation Cover (which provides cover under this section including Extra cover – Directors' Personal Tax Returns); or
- (c) Individual cover (which provides cover under this section for insureds who are not companies excluding Extra cover – Directors' Personal Tax Returns).

The cover you select will be shown on **Your policy schedule**.

What we exclude

This **section** does not cover:

- (a) any claim or claims caused by or arising out of 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:
 - (i) prescribed sales tax;
 - (ii) income derived from any payment under a contract of employment of service between **You** and any other person, company or entity, other than when that payment is paid by a company for which **You** are a director or have a controlling interest;
 - (iii) income derived from any payment from superannuation, pension or other retirement benefit; or
 - (iv) income derived from personal investments that **You** are not wholly or mainly dependent on;
- (b) **You**:
 - (i) if **You** bring about a **tax audit** through **Your** failure to lodge taxation or any other return within the time limit prescribed by statute or through any extension of time granted by the **authority**;
 - (ii) if **You** make a statement to the **authority** or **Your tax agent** that omits a material particular or is false or misleading; or
 - (iii) if **You** bring about a **tax audit** by **Your** failure to pay all taxes by the due date or within any extension of time granted by the **authority**;
- (c) the amount of any fine or penalty that **You** may be ordered to pay by any **authority** or court;
- (d) any amount that **You** are unable to recover because of a contract or agreement that **You** have entered into that excludes or limits **Your** rights to recover that amount;
- (e) any tax return prepared:
 - (i) by a person who ordinarily resides outside Australia and its external territories;
 - (ii) for a company, firm or entity which operates outside Australia and its external territories;
- (f) any claim arising from any **tax audit** for which notice or information was received by **You** or **Your tax agent** before the inception of this **section**;
- (g) any claim or claims caused by or arising out of any inquiry from an **authority** which is not related to either an identified intention to conduct a **tax audit** or is not directed at obtaining information or data for a possible future **tax audit**;
- (h) any claim or claims caused by or arising out of any fraudulent act or fraudulent omission or statement made to an **authority**.

This exclusion does not apply when a false or misleading statement results from:

- (i) **You** being misled by the **authority**, when **You** did not and could not be expected to know that statement was false or misleading; or
 - (ii) a matter which **You** can demonstrate to **Our** satisfaction to be a contentious matter;
- (i) any claim or claims caused by or arising out of any improper, unwarranted or unjustified refusal or failure to comply with any request made by the **authority**.

This exclusion does not apply when, in accordance with professional advice, **You** refuse or fail to comply with an authorisation under section 263 of the Income Tax Assessment Act 1936 or under section 264 of the Income Tax Assessment Act 1936;

- (j) any claim or claims caused by or arising out of any act committed deliberately or with wilful intent by **You**;
- (k) any **tax audit** conducted by the Australian Prudential Regulation Authority;
- (l) any **tax audit** where a **return** has been prepared lodged or submitted dishonestly or fraudulently, and where the supporting documents have been falsely created or collected;
- (m) any **tax audit** where the Australian Taxation Office, or where another **tax agent** assesses **Your** behaviour as being a case of deliberate evasion or recklessness;
- (n) any routine enquiries, or enquiries from the **tax agent** which are not identified as being either preliminary to, or relating to an **tax audit** of a **return**;
- (o) **professional fees** that are:
 - (i) associated with any criminal prosecution;
 - (ii) associated with any **return** lodged outside Australia, its states or territories;
 - (iii) in respect of any person or organisation ordinarily resident outside Australia, its states or territories;
- (p) any:
 - (i) amounts sought by any amended notice of assessment;
 - (ii) additional tax, duty government impost or the like; or
 - (iii) costs in legally pursuing or defending any legal actions against **You** or initiated by **You** (unless it is at **Our** discretion);
- (q) any **tax audit** that includes a refund or claim for tax or duty relief arising out of an arrangement, facility, financial structure or the like adopted for the principal purpose of obtaining that refund or relief, unless the arrangement has received prior written approval from the relevant government or government authority or agency before being offered to **You** or the general public;
- (r) any form of activity involving a periodic review relevant to **You** maintaining industry status, licence, compliance, membership, any form of occupational health and safety compliance, similar requirements;
- (s) any form of activity involving a review of how the professional firm assisting **You** undertakes its professional duty;
- (t) any form of practice or procedural audit of any of **Your** files;
- (u) any activity involving a statutory authority;
- (v) any activity agency gathering information or data that is not part of a formal **tax audit**; or
- (w) any activity involved in the familiarisation, education, training, application, implementation, process or operation of any amendments or changes to existing or the introduction of new statutory or industry regulation.

Extra covers

If **We** agree to pay a claim for **professional fees** under this section **We** will also pay for the following extra covers.

1. Reinstatement of insured amount

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

2. Directors' personal tax returns

If your **policy schedule** shows that **You** have selected 'Business and Directors Audit – with Investigation Cover' and **You** are a company and the director(s) work full-time in the **business**, **We** will also pay for **professional fees** reasonably and necessarily incurred by each director in connection with an audit by an **authority** of the director's personal income tax returns that are lodged with that **authority** which is commenced and notified to **Us** during the **period of insurance**.

This Extra cover only covers an audit of a director's personal income tax return that was prepared by the same **tax agent** who prepared the income tax return for the **business** in that same year.

The amounts payable under this Extra cover 2 are included in, and do not apply in addition to, the "Business and Directors Audit – with Investigation Cover" **insured amount**.

This Extra cover 2 will not apply if **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 the claim.

Policy section conditions

These conditions apply to this section.

1. Authority matters

- (a) **You** must make a full and complete statement of the total income and profits or gains of a capital nature derived by **You** and of any deductions or capital losses during each tax year;
- (b) **You** must be registered for GST purposes, if required by the operation of legislation; and
- (c) all correspondence, requests and inquiries from the **authority** must be dealt with within an acceptable time, taking all reasonable steps to minimise cost and delay.

2. Claims

For any claim:

- (a) **You** must notify us within 30 days of the first notice of a **tax audit**;
- (b) **You** must keep **Us** fully informed of all developments as they occur;
- (c) **You** shall take all necessary and reasonable steps to minimise any delays and costs incurred or likely to be incurred;
- (d) **We** have the right to directly access **Your tax agent** and lawyers and any documented advice they have given **You** relevant to the **tax audit**; and
- (e) **Your tax agent** will assist **Us** with any matter **We** may pursue with the **authority**.

What we pay

Subject to the Reinstatement of Insured Amount Extra cover, if the **policy schedule** shows the cover is:

- (a) Business Audit Only – With Investigation Cover, the most we will pay in respect of a **tax audit** commenced in the **period of insurance** is the **insured amount** shown on the **policy schedule**; or
- (b) Business AND Directors Audit – With Investigation Cover, the most **We** will pay in respect of a **tax audit** commenced in the **period of insurance** relating to:
 - (i) insured persons named in the **policy schedule** or any company, firm, partnership or trust in which the named persons named in the **policy schedule** holds 50% or more ownership, interest or shareholding; and
 - (ii) each director named in the **policy schedule**;is the **insured amount** shown on **Your policy schedule**; or
- (c) Individual Cover, the most **We** will pay in respect of a **tax audit** commenced in the **period of insurance** relating to all individuals named in the **policy schedule** as **You** is the **insured amount** shown on the **policy schedule**.

Excess

The **excess** that applies per **tax audit** is shown on the **policy schedule**.

Definitions

The following words have the following meanings for this section only. **You** should also refer to the General definitions section starting on page 8.

Authority

The Australian Taxation Office, a revenue office of an Australian State or Territory; a Commonwealth, State or Territory government department, body or agency which is duly authorised to conduct a **tax audit**.

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 legislation of an Australian State or Territory relating to payroll tax.

Professional fees

Fees, costs and disbursements payable to a **tax agent** or professional person (other than **You**) in connection with a **tax audit** by an **authority**.

Professional fees does not mean any fees, costs or disbursements:

- (a) that relate to any subsequent objection lodged with the **authority** in respect of a **tax audit**;
- (b) incurred after the **tax audit** has been completed; or
- (c) incurred after 12 months from the commencement date of the **tax audit** other than when **You** can demonstrate to **Our** satisfaction that the delay in completing the **tax audit** was caused primarily by the **authority**.

Return

Any return legally required to be, and is actually lodged with, an Australian Commonwealth, Federal or State government or government authority or agency by **You** or on **Your** behalf.

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 and 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 and statements.

Tax agent does not mean **You** or a person working for **You** under a contract of employment.

Tax audit

- (a) The audit 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) following lodgement of a return for that **designated tax**; or
- (b) Any official inquiry, investigation, examination or review 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**, or
- (c) A **workers compensation wage audit** or investigation in respect of **Your** liability to pay a workers compensation premium.

If an official inquiry, investigation, examination or review referred to in paragraph (b) above escalates or results in an audit as referred to in paragraph (a) above, then this would be viewed as one **tax audit** for the purposes of this **cover section**.

For the purpose of this section:

- (a) the **tax audit** commences at the time **You** or **Your** professional adviser first receive notice of either an audit under paragraph (a) or an inquiry, investigation, examination or review, under paragraph (b).
- (b) the **tax audit** is complete when:
 - (i) the auditor has given written notice to that effect;
 - (ii) the auditor notifies us that it has made a concluded decision about **Your** returns;
 - (iii) when the auditor has issued an assessment or amended assessment of **Your** returns; or
 - (iv) in the absence of (i), (ii) or (iii) where **Your** professional adviser declares in writing that such an audit has been concluded.
- (c) "**You**" includes any company, firm, partnership or trust in which **You** hold a 50% or more ownership, interest or share holding.

Workers compensation wage audit

Any audit conducted by an Authority pursuant to legislation in respect of **Your** liability to pay a workers compensation premium.

Commercial motor cover section

About this policy section

This section covers **Your vehicles**. **You** can choose between three different types of cover for each **vehicle** **You** insure – Comprehensive; Legal liability, fire and theft and Legal liability only. The cover **You** have selected will be displayed next to each **vehicle** on the **policy schedule**.

The types of cover you can choose

There are three different types of cover for **vehicles**. Not all types of cover are available for all types of **vehicles**. The cover option **You** have chosen is shown on **Your policy schedule** and is detailed below.

Cover option	Description of cover provided
Comprehensive	Part 1, insured events 1 to 5 (inclusive) apply Part 2 applies
Legal liability, fire and theft	Part 1, insured events 1 to 4 (inclusive) only apply Part 2 applies
Legal liability only	Part 1 does not apply Part 2 applies

You can ask **Us** at any time to change the cover option for any **vehicle** and if **We** agree, there may be an additional premium or a refund of premium.

Cover for additional vehicles

We automatically provide cover for any additional vehicle **You** acquire, purchase or lease during the **period of insurance**. **You** must tell **Us** about the additional vehicle within 30 days of getting it and pay any extra premium **We** ask for.

If **We** are unable to continue covering the additional vehicle, **We** will tell **You** and give **You** 5 working days from the date **We** tell **You** so **You** can organise to insure the vehicle elsewhere. Cover on the additional vehicle will then end at 4pm 5 days after **We** have told **You** **We** are unable to continue covering the additional vehicle.

If **You** have only one type of cover option for **Your vehicles**, **We** will automatically provide that cover option for an additional vehicle **You** get during the **period of insurance** (unless **You** tell **Us** **You** want another cover option).

If **You** have **vehicles** insured with **Us** for more than one type of cover option, **We** will automatically provide the cover option with the better cover for an additional vehicle **You** get during the **period of insurance** (unless **You** tell **Us** **You** want another cover option).

The **insured amount** for any additional vehicle will be its **market value**. However, unless a higher amount is shown on **Your policy schedule** for additional vehicles or **We** have agreed to insure an additional vehicle that is similar for a higher amount, the most **We** will pay for an insured claim for **loss** or **damage** to an additional vehicle is:

- ▼ \$100,000 if **Your** vehicle is a motorcycle, caravan, car, 4WD, utility or van or not more than 2 tonne carrying capacity; or
- ▼ \$300,000 for any other vehicle type.

The most **We** will pay for a claim for **legal liability** arising from the use of the additional vehicle is the relevant amount stated in Part 2 of this Section.

Your insurance under this policy section

Part 1 – Loss or damage to your vehicle

What you are covered for under Part 1 – Loss or damage to your vehicle

Provided 'Commercial Motor' is shown under 'What's covered' in the **policy schedule** and **Your vehicle** is insured for Comprehensive or Legal liability, Fire and Theft Cover, **We** will pay for loss of or damage to **Your vehicle** occurring in Australia or its external territories during the **period of insurance** and caused by one of the following insured events.

1. Fire
2. Explosion
3. Lightning
4. Theft or attempted theft
5. Any other cause (no cover if the **vehicle** has Legal liability, Fire and Theft cover)

There are things **We** do not cover. See the General exclusions and:

- ▼ 'What **You** are not covered for under Part 1 – Loss or damage to **Your vehicle**' on page 93;
- ▼ 'When **We** will not pay a claim under this cover section Part 1 – Loss or damage to **Your vehicle** and Part 2 – Legal liability' on page 99 and 100.

What we pay

If **We** agree to pay a claim under Part 1, **We** will either pay **You** for a **partial loss** or a **total loss**. This is determined by the extent of the **loss** or **damage**, the cost of repair or replacement and the value of **Your vehicle**.

If **We** agree to pay a claim for **legal liability** under any Additional Benefit in this Part, the 'Limits to what We pay' in Part 2 of this cover section will apply.

Total loss

If **We** accept a claim and decide **Your vehicle** is a **total loss** and the conditions applying to Extra Cover 1 - 'New vehicle after total loss' are met **You** can choose to accept a new replacement vehicle of the same make, model and series as **Your vehicle**.

If Extra Cover 1 - 'New vehicle after total loss' does not apply **We** will settle **Your** claim in one of the following ways:

(a) Market value or insured amount

If the **vehicle** is shown on the **policy schedule** as having a **market value**, and the **insured amount** does not show a figure in dollars, **We** will pay **You** the **market value** of **Your vehicle**.

If the **vehicle** is shown on the **policy schedule** as having a **market value**, and the **insured amount** does show a figure in dollars, **We** will pay **You** the lesser of the **market value** or the **insured amount**.

The **market value** or **insured amount** of **Your vehicle** includes accessories defined as **Your vehicle** plus any agreed accessory specified on **Your policy schedule**.

We will deduct any **excess** that is payable from the amount **We** pay.

If **We** pay the **market value** or **insured amount** as a result of a **total loss** then **Your** cover for that **vehicle** comes to an end. There will be no refund of premium.

(b) Agreed value

If the **vehicle** is shown on the **policy schedule** as having **agreed value**, **We** will pay **You** the **agreed value** shown on the **policy schedule** for **Your vehicle**. This **agreed value** for **Your vehicle** includes accessories defined as **Your vehicle** plus any agreed accessory specified on **Your policy schedule**.

The **agreed value** shown on **Your policy schedule** is the most **We** will pay for theft, **loss** or **damage** to **Your vehicle**.

We will deduct any **excess** that is payable from the **agreed value**.

If **We** pay **You** for a **total loss** of **Your vehicle** then **Your** cover for the **vehicle** comes to an end. There will be no refund of the premium.

(c) Legal liability, fire and theft

If the **vehicle** is shown on the **policy schedule** as having Legal liability, Fire and Theft cover, **We** will pay **You** the **market value** or the **insured amount** for **Your vehicle** whichever is less. The **market value** of **Your vehicle** includes accessories included within the definition of **vehicle** plus any agreed accessory specified on **Your policy schedule**.

We will deduct any **excess** that is payable.

If **We** pay the **market value** or **insured amount** as a result of a **total loss** then **Your** cover for that **vehicle** comes to an end. There will be no refund of the premium.

Applicable to (a), (b) and (c):

We will deduct all applicable **excesses** and any unpaid premium from the amount that **We** pay **You**.

Your vehicle, including any unexpired premium, registration and Compulsory Third Party insurance, becomes **Our** property when **We** pay **You** for the **total loss**. If **You** make a claim and another party is entitled to the salvage of **Your vehicle**, **Our** estimate of the salvage value will be deducted from the amount **You** are entitled to under this **policy**.

If another party (eg. a bank) is shown as having an interest on **Your policy schedule** and **Your vehicle** is a **total loss**, **We** pay them (instead of **You**) what **You** owe them up to the amount **You** are entitled to under this **policy**. If this amount is less than the full amount payable under the **policy**, **We** pay **You** the balance.

For an example of how **We** may settle a total loss claim, see page 101 of this **policy**.

Partial loss

If **We** agree to pay a claim and decide **Your vehicle** is a **partial loss**, **We** can arrange the repairs with a **recommended repairer** if one is available, or alternatively **You** can choose **Your** own repairer and arrange repairs with them.

Where **We** are able to provide **You** with access to one of **Our recommended repairers**, **We** will offer **You** a choice if there is more than one in **Your** area. However, **We** may only be able to nominate one **recommended repairer** if there are no others available.

Where **We** are unable to provide **You** with access to one of **Our recommended repairers**, **We** will require **You** to choose **Your** own repairer.

If **We** authorise repairs with a **recommended repairer** or **Your** own repairer **We** will:

- ▼ authorise the repair of **Your Vehicle** to the same or reasonably similar condition and standard it was immediately before the **event**;
- ▼ authorise only the use of new parts or parts which are consistent with the age or condition of **Your vehicle** (which may include using non genuine and/or recycled parts);
- ▼ authorise only the use of manufacturer's approved parts if **Your vehicle** is under warranty, but not when the **vehicle** has an extended warranty or for windscreen replacement;
- ▼ only pay the **market value** of damaged parts **We** consider to be obsolete;
- ▼ replace damaged windscreen or window glass with glass which may not be produced by the original manufacturer but will meet Australian Design Rules; and
- ▼ guarantee the quality of materials and workmanship in respect of the repairs for the life of the **vehicle**.

Any repairer **We** authorise to repair **Your vehicle** may sub-contract some of the repairs to a person of their choice. This will usually occur when the repairer is unable to perform the repairs themselves.

If **You** choose **Your** own repairer and **We** do not authorise repairs, **We**:

- ▼ will pay an amount equal to the **reasonable repair costs**; and
- ▼ will not provide any guarantee for the quality of materials and workmanship in respect of the repairs.

We are not responsible for the costs or losses which occur because of delays in delivery of parts. If a part is not available in Australia, **We** will pay the cost of surface freight from the nearest reasonable source of supply.

You are responsible for the cost of any air-conditioning refit, re-gas or modification required by law.

You may have to contribute to the cost of replacing or repairing tyres, engines, accessories, paintwork, bodywork, radiators, batteries, interior trims, or caravan annexes affected by wear and tear or rust and corrosion. How much **You** are required to pay will depend on how worn **We** consider these items were when the **damage** happened.

If **You** do not agree to pay these amounts **We** will pay **You** the **reasonable repair costs** less any contribution charges.

We will subtract any **excess** that may apply.

For an example of how **We** settle a partial loss claim see page 102 of this **policy**.

Policy section Part 1 conditions

Lifetime guarantee for repairs

If **We** authorise repairs for **Your vehicle**, **We** will guarantee the repairs against any defect due to workmanship or faulty material for the life of **Your vehicle**.

If **You** choose **Your** own repairer and **We** pay **reasonable repair costs** instead of authorising repairs, **We** will not provide a lifetime guarantee for the repairs.

Underinsurance condition

If at the time of the **event**, **Your vehicle** was insured for less than 80% of its **market value** and **We** decide **Your vehicle** is:

- ▼ a **total loss**, **We** will not apply this underinsurance condition.
- ▼ a **partial loss**, **We** will pay the same proportion of the **loss** as the **insured amount** bears to 80% of the **market value** of **Your vehicle**.

In assessing the amount **We** pay, prime movers and attached trailers and dollies are regarded as separate and distinct insured **vehicles**.

The underinsurance condition does not apply if **Your vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity.

How you earn a No Claim Bonus

A No Claim Bonus recognises **Your** good driving and claims history record where **You** are insured for comprehensive cover.

Your policy schedule will show the type of No Claim Bonus **You** are entitled to (if any), and **Your** premium will be charged accordingly.

If **You** are not entitled to a maximum No Claim Bonus, **You** will earn an entitlement to a bonus for the next **period of insurance** if there has been no claims that fall within the definition of a **penalty claim**.

The following will apply if **You** qualify for a No Claim Bonus:

For sedans, station wagons, 4 wheel drives or goods carrying vehicles with a carrying capacity of 2 tonne or less:

Year	Existing bonus	Renewal bonus
1st Year	0%	25%
2nd Year	25%	45%
3rd Year	45%	55%
4th Year	55%	65%
Subsequent Years	65%	65%

For all other vehicles:

Year	Existing bonus	Renewal bonus
1st Year	0%	20%
2nd Year	20%	30%
3rd Year	30%	40%
4th Year	40%	50%
Subsequent Years	50%	50%

Protected No Claim Bonus

If **You** are entitled to a maximum No Claim Bonus of 65% for sedans, station wagons, 4 wheel drives, or goods carrying vehicle with a carrying capacity of not more than 2 tonne, **We** may allow **You** to have the option when **You** first take out the **policy**, or upon renewal, to protect **Your** No Claim Bonus for that **vehicle**. An additional premium is payable to extend the **policy** to include this option.

How making a claim could affect your No Claim Bonus

If You do not lodge a penalty claim

If **You** did not lodge a **penalty claim** during the **period of insurance**, then **Your** No Claim Bonus will not be detrimentally affected at renewal of **Your policy**.

Windscreen claims

When **You** renew **Your policy**, **Your** No Claim Bonus will not be affected by any windscreen or window glass claims **You** make.

Other claims

When **You** renew **Your policy**, **We** reduce **Your** No Claim Bonus for each **penalty claim** **You** have made during the **period of insurance** unless **You** have selected the protected No Claim Bonus optional cover.

If **You** have selected the protected No Claim Bonus optional cover for **Your vehicle** involved in a claim, **We** will not count that first **penalty claim** on that **vehicle** during the **period of insurance**.

The amount **We** reduce **Your** No Claim Bonus to, is set out below:

For sedans, station wagons, 4 wheel drives or goods carrying vehicles with a carrying capacity of less than 2 tonnes:

Your current No Claim Bonus	Following one penalty claim	Following more than one penalty claim
65%	45%	Nil
55%	25%	Nil
45%	Nil	Nil
25%	Nil	Nil
Nil	Nil	Nil

For all other vehicles:

Your current No Claim Bonus	Following one penalty claim	Following more than one penalty claim
50%	30%	Nil
40%	20%	Nil
30%	Nil	Nil
20%	Nil	Nil
Nil	Nil	Nil

Extra covers to Part 1 – Loss or damage to your vehicle

If as a result of an insured event **We** agree to pay a claim under this Part 1, **We** will also provide the following Extra Covers in relation to that claim:

1. New vehicle after a total loss

Applicable if **Your vehicle** is insured for Comprehensive cover only and:

▼ it is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity, prime mover, trailer or rigid body truck, and

▼ **We** decide that because of the **event** it is a **total loss**;

if **You** are the first registered owner of **Your vehicle** **You** can choose to accept a new replacement vehicle of the same make, model and series if:

▼ the **loss** or **damage** occurred within 2 years of the date of **Your vehicle's** original registration;

▼ the replacement vehicle is available in Australia; and

▼ anyone who provided finance for **Your vehicle** agrees in writing.

We will also pay all on-road costs.

The Extra Cover does not apply if **Your vehicle**:

▼ has a stock, tanker or vacuum application;

▼ is a concrete agitator vehicle;

▼ is a garbage compactor;

▼ is a concrete pumping truck or trailer; or

▼ is any other specialised rigid vehicle body type.

If **Your vehicle** is a prime mover, trailer or rigid body truck **We** will not pay more than 112.5% of the **insured amount** of **Your vehicle**.

2. Personal effects

Applicable if **Your vehicle** is insured for Comprehensive cover only.

We will pay the reasonable costs of repair or replacement if the **personal effects** belonging to **You** or the **authorised driver**, are **damaged** or lost as a result of **Your vehicle** being:

▼ **damaged** as a result of the insured event; or

▼ stolen as a result of forcible entry to **Your vehicle**.

We will not pay:

▼ more than \$1,000 for any one **event**; or

▼ if such **personal effects** are insured under another policy.

3. Funeral expenses

Applicable if **Your vehicle** is insured for Comprehensive cover only.

If the driver of **Your vehicle** sustains a fatal injury during the insured event, **We** will pay the:

▼ burial or cremation costs of the deceased driver;

▼ travel costs within Australia or its external territories for the deceased driver or any member of the deceased driver's immediate family.

This Extra Cover will not be reduced by any accident compensation.

We will not pay more than \$5,000 in total for any one **event**.

We will not pay if the driver dies:

▼ more than 12 months from the date of the **event**; or

▼ because the driver committed suicide.

We will not pay if **We** have paid an amount for the 'Personal accident' Extra Cover.

4. Personal accident

Applicable if **Your vehicle** is insured for Comprehensive cover only.

We will pay \$5,000 if **Your vehicle** was being driven by **You** or any **authorised driver** and, as a direct and sole result of the insured event, the driver:

▼ permanently and totally loses sight in one or both eyes; or

▼ permanently and totally loses the efficient use of one or both hands or feet.

We pay the driver.

We will not pay more than \$5,000 in total for any one insured event.

We will not pay if the permanent and total loss happens:

- ▼ more than 12 months from the date of the **event**; or
- ▼ because the driver attempted to commit suicide.

We will not pay if **We** have paid an amount for the 'Funeral expenses' Extra Cover.

5. Emergency repairs

Applicable if **Your vehicle** is insured for Comprehensive cover only.

We will pay reasonable costs of **emergency repairs** incurred by **You** if they are necessary in order to get **Your vehicle** to **Your** destination or a repairer after the insured event.

If **You** need **emergency repairs** **We** give **You** the authority to arrange these matters on **Our** behalf. **You** must produce tax invoices and receipts for all costs if **We** ask for them.

For any one **event**, **We** will not pay more than:

- ▼ \$500 if **Your vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity; or
- ▼ \$3,000 if **Your vehicle** is any other type of vehicle.

6. Emergency travel

Applicable if **Your vehicle** is insured for Comprehensive cover only.

If **Your vehicle** is unroadworthy or unsafe to drive following the insured event **We** will pay the reasonable travel expenses incurred by:

- ▼ **You** or the **authorised driver**; and
- ▼ any occupants of **Your vehicle** at the time of **event**.

If **You** need emergency travel **We** give **You** the authority to arrange these matters on **Our** behalf. **You** must produce tax invoices and receipts for all costs if **We** ask for them.

We will not pay more than \$1,250 in total for any one **event**.

7. Emergency accommodation

Applicable if **Your vehicle** is insured for Comprehensive cover only.

We will pay reasonable costs for temporary accommodation:

- ▼ for **You** or the **authorised driver** if the insured event was more than 100km from **Your** home or the **authorised driver's** home and **Your vehicle** was unroadworthy or unsafe to drive;
- ▼ if **Your vehicle** is an unregistered on-site caravan and it is damaged by an insured event, provided that the unregistered on-site caravan is **Your** only home and **You** can't live in it as a result of the **event**.

If **You** need emergency or temporary accommodation **We** give **You** the authority to arrange these matters on **Our** behalf. **You** must produce tax invoices and receipts for all costs if **We** ask for them.

We will not pay more than \$1,250 in total for any one **event**.

8. Removal of debris

Applicable if **Your vehicle** is insured for Comprehensive cover only.

If **You** are liable to pay the cost of cleaning up or removing goods that have fallen off **Your vehicle** because it was in a collision or it overturned, **We** will pay those reasonable costs. **You** must provide invoices or other proof of payment of costs if **We** ask for them.

We will not pay more than \$25,000 in total for any one **event**.

9. Vehicle modifications

Applicable if **Your vehicle** is insured for Comprehensive cover only.

We will pay the reasonable costs of modifying the **vehicle** for any driver of **Your vehicle** who is permanently disabled directly as a result of the insured event.

We will not pay more than \$3,000 in total for any one **event**.

10. Towing and storage

We will pay the reasonable and necessary costs of towing **Your vehicle** when as a result of an **event** **Your vehicle** cannot be driven to:

- ▼ **Our** nearest assessing centre;
- ▼ a **recommended repairer** that **We** nominate; or
- ▼ a repairer **We** agree to.

We will also pay the reasonable costs of storing **Your vehicle**.

We do not cover:

- ▼ storage costs for any period after **Your** claim is settled; or
- ▼ the cost of towing or storage of **Your vehicle** if it is insured for Legal liability, Fire and Theft cover only and the **event** was not fire, explosion, lightning, theft or attempted theft.

11. Hire vehicle after theft

We will pay the reasonable cost incurred by **You** of hiring a vehicle of a similar make and model of **Your vehicle** for up to 30 days following the insured event if **Your vehicle** is stolen and either not found or is found but is not drivable. This Extra Cover stops before the 30 day limit if and when:

- ▼ **Your vehicle** is returned undamaged;
- ▼ **Your vehicle** is repaired; or
- ▼ We have settled **Your** claim.

You are responsible for all running costs and extras of the hire vehicle, including paying a deposit, security bond, fuel, and any upgrade costs. **You** are responsible for paying all costs for any period **You** continue to use the hire vehicle after this Extra Cover stops.

If **You** withdraw **Your** claim or **We** refuse to accept it, **You** might have to refund to **Us** any payments for the hire vehicle **We** have already made.

Please see the Additional Benefit 3 'Hired Vehicle' on page 91 for details of the cover provided under this **policy** when **You** hire a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity.

We will not pay more than \$3,000 in total for any one **event**.

12. Lease payout – motorcycle, car, 4WD, utility or van not exceeding 2 tonne carrying capacity

Applicable if **Your vehicle** is insured for Comprehensive cover only, and is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity.

We will pay the difference when the amount owing by **You** under a lease or a hire purchase agreement is greater than the **market value** or **agreed value** of **Your vehicle** if **We** decide the **vehicle** is a **total loss**.

We will deduct:

- ▼ any amounts or interest in arrears at the time of the **loss** or **damage**; and
- ▼ discounts in respect of finance charges or interest for the unexpired term of the financial agreement.

We will not pay more than 20% of the **market value** or **agreed value** of **Your vehicle**.

We will not pay under this Extra Cover:

- ▼ if **loss** or **damage** to **Your vehicle** was caused by fire or theft; or
- ▼ if **Your vehicle** was purchased via a personal loan or line of credit.

13. Lease payout – vehicles other those referred to in extra cover 12

Applicable if **Your vehicle** is insured for Comprehensive cover only and is not a **vehicle** referred to in Extra Cover 12.

We will pay the difference when the amount owing by **You** under a lease or a hire purchase agreement is greater than the **market value** of **Your vehicle** if **We** decide **Your vehicle** is a **total loss**.

We will deduct:

- ▼ any amounts or interest in arrears at the time of the **loss** or **damage**; and
- ▼ discounts in respect of finance charges or interest for the unexpired term of the financial agreement.

We will not pay more than 12.5% of the **insured amount** of **Your vehicle**.

We will not pay under this Extra Cover:

- ▼ if **loss** or **damage** to **Your vehicle** was caused by fire or theft; or
- ▼ if **Your vehicle** was purchased via a personal loan or line of credit.

Additional benefits to Part 1 – Loss or damage to your vehicle

Your policy is extended to include the following Additional Benefits only if **Your vehicle** has Comprehensive cover. All of the terms, conditions and exclusions of this policy apply to the Additional Benefits unless otherwise specified including without limitation the exclusions applicable to Part 1 and Part 2 of this cover section.

1. Two-wheel or box trailer

When **Your** two-wheel trailer or box trailer is attached to or being towed by **Your vehicle**, **We** will cover **loss** or **damage** to **Your** trailer, caused by an **event** in the **period of insurance**.

We will not pay more than \$1,000 for any one **event**. If **We** agree, **You** can insure **Your** trailer for more than \$1,000 if **You** insure it as a separate insured **vehicle** under **Your** policy.

No **excess** is applicable for any claim accepted under this Additional Benefit.

2. Locks and keys

We will pay the cost of replacing the keys or re-coding **Your vehicle's** locks, if during the **period of insurance**, the keys to **Your vehicle**:

- ▼ have been stolen (even if **Your vehicle** was not);

- ▼ have been **damaged** or lost after an **event** as a result of which **We** have paid a claim under Part 1 of this section; or
- ▼ may have been duplicated and there are reasonable grounds to believe so.

We will not pay more than \$3,000 in total for any one **event**.

You must pay the basic **excess** applicable to **Your vehicle** for any claim accepted under this Additional Benefit.

3. Hired vehicle

If **You** hire a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity:

(a) but do not insure it with the hiring company, **We** will pay:

- ▼ up to \$40,000 for theft, **loss** of or **damage** to that hire vehicle during the **period of insurance**; and
- ▼ **Your legal liability** for another person's **personal injury**, or **damage** to another person's property, arising from **Your** or an **authorised driver's** use of the hire vehicle during the **period of insurance**.

(b) and **You** did insure the hire vehicle with the hiring company for the theft, **loss** or **damage** or **legal liability**, **We** will pay any excess **You** are required to pay to the hiring company under that insurance for theft, **loss** or **damage** to that hire vehicle occurring during the **period of insurance**.

Please refer to page 94 of this **policy** for how **We** will settle any other claim for **Your legal liability** under this Additional Benefit.

You must pay to **Us** an **excess** of \$500 (unless another amount is shown on any **endorsement**) for any claim accepted by **Us** under this Additional Benefit.

4. Recovery costs – no damage

We will pay the reasonable cost of removing **Your vehicle** to a place of safety following it becoming immobilised, bogged or stranded in the **period of insurance** even if there is no **damage** to **Your vehicle**, but this Additional Benefit does not apply if **Your vehicle** is immobilised, bogged or stranded solely as a result of vehicle failure or breakdown.

You must pay:

- ▼ for the recovery costs after recovery, and
- ▼ provide tax invoices and receipts for all costs if **We** ask for them.

We will not pay more than \$5,000 in total for any one **event**.

You must pay the basic **excess** applicable to **Your vehicle** for any claim under this Additional Benefit.

5. Theft of certain vehicle accessories

If any of the following accessories that would normally be attached to or in or on **Your vehicle** are stolen in the **period of insurance** **We** will pay the reasonable cost to replace them, even if the theft occurs while they are not attached to **Your vehicle** or if they are not shown on **Your policy schedule**:

- ▼ buckets
- ▼ chain trencher
- ▼ hammer
- ▼ laser
- ▼ pallet forks
- ▼ post hole borer
- ▼ ramps
- ▼ ripper
- ▼ rock breaker
- ▼ sweeper

We will not cover these accessories if:

- ▼ **You** do not give **Us** evidence to satisfy **Us** that the **insured amount** reflects the value of **Your vehicle** plus the accessories, or
- ▼ **You** cannot prove **You** owned the accessories.

You must pay the **basic excess** applicable to **Your vehicle** for any claim accepted under this Additional Benefit, unless **You** have already paid the **basic excess** applicable to **Your vehicle** because it was also stolen in the **event**.

6. Vehicles being test driven by You

If a vehicle is being demonstrated to **You** or test driven by **You** or **Your authorised driver** during the **period of insurance**, **We** will cover **Your legal liability** for:

- ▼ theft, **loss** or **damage** to that vehicle; or
- ▼ another person's **personal injury** or **property damage** in connection with the use of that vehicle.

We will not pay:

- ▼ more than \$100,000 for theft of, **loss** or **damage** to the demonstration or test driven vehicle;
- ▼ if the demonstration or test driven vehicle is a customer's vehicle or being test driven for the purposes of repair, restoration or modification.

No **excess** is payable for any claim accepted under this Additional Benefit.

7. Non-owned trailer in control

Only applicable if **Your vehicle** is a prime mover or rigid body truck of 2 tonne carrying capacity or more.

We will pay for **loss** or **damage** in the **period of insurance** to a trailer **You** do not own, lease or hire when:

- ▼ the trailer was in **Your** legal possession or control at the time the **loss** or **damage** occurs; and
- ▼ **You** or an **authorised driver** were using it in conjunction with **Your vehicle**.

We will not pay:

- ▼ more than \$50,000 for any one **event**, regardless of the number of trailers **Your vehicle** may have under its control at the time of the **event**,
- ▼ for **loss** or **damage** to goods or property being carried in or on the trailer, or
- ▼ if the trailer is a tanker, tipper, convertible, refrigerated, freezer or chiller trailer.

You must pay **Us** an **excess** of \$2,500 for any claim accepted by **Us** under this Additional Benefit. This **excess** is additional to any **excess** payable for **Your vehicle**.

If **You** ask **Us** **We** may allow **You** to increase the maximum **We** will pay and remove the restrictions relating to the type of trailers that are not covered under this Additional Benefit. If **We** agree to **Your** request, an extra premium will be payable.

We will not backdate any request.

Optional benefits under Part 1 – Loss or damage to your vehicle

We may provide the following Optional Benefits when requested by **You**, when **You** pay any additional premium required and when shown on **Your policy schedule** as applying to that **vehicle**. The optional benefits are subject to the terms, conditions and General Exclusions, the section exclusions and any other 'What we exclude' section in Part 1 or Part 2 of this **policy section** (unless otherwise specified).

1. Windscreen excess waiver

You will not have to pay the basic **excess** for the first windscreen or window glass claim for that **vehicle** in any **period of insurance**. If **You** have any additional windscreen or window glass claims during the same **period of insurance** for that **vehicle**, the basic **excess** will apply.

This option will only apply if **Your vehicle** is a car, utility, 4WD or van of not more than 2 tonne carrying capacity.

2. Rental vehicle after accident

If **Your vehicle** cannot be driven or is in need of repair following **loss** or **damage** as a result of an insured event (other than theft) for which **We** agreed to pay a claim under Part 1, **We** will reimburse **You** for the cost of hiring a replacement vehicle:

- ▼ of a similar type to **Your vehicle**; and
- ▼ from the date **Your vehicle** is left at the repairers.

Please see:

- ▼ Additional Benefit 3 'Hired vehicle' (page 91) for cover applicable to and caused by the rental vehicle,
- ▼ Extra Cover 11 'Hire vehicle after theft' (page 90) for cover applicable if **Your vehicle** is stolen.

We will not pay:

- ▼ if **Your vehicle** is anything other than a car, utility, 4WD or van of not more than 2 tonne carrying capacity;
- ▼ if **Your vehicle** is stolen;
- ▼ to hire a vehicle for any longer than the day after repairs to **Your vehicle** have been completed;
- ▼ after **Your** claim has been paid if **Your vehicle** is a **total loss**;
- ▼ the running costs and extras of the rental vehicle including fuel, deposit, security bond;
- ▼ for any other non-rental costs which **You** may be liable to pay for under a hire agreement.

We will not pay more than \$1,500 in total for any one **event**.

3. Protected No Claim Bonus

If **You** are entitled to a maximum No Claim Bonus:

- ▼ **You** can choose to protect **Your** No Claim Bonus for **Your vehicle** against one **penalty claim** occurring in the **period of insurance** for that **vehicle**; or
- ▼ **We** may allow **You** to protect **Your** No Claim Bonus against all **penalty claims** occurring during the **period of insurance** for that **vehicle**.

If **You** have the Optional Benefit **Your policy schedule** will show whether the No Claim Bonus for **Your vehicle** is protected for one or all **penalty claims**.

This Optional Benefit does not apply if **Your vehicle** is anything other than a car, utility, 4WD or van of not more than 2 tonne carrying capacity.

This Optional Benefit does not apply unless **You** are entitled to a maximum No Claim Bonus for **Your vehicle**.

4. Damage to towed vehicles

Only available if **Your vehicle** is a registered tow truck.

We will pay all amounts **You** become **legally liable** to pay for **loss** or **damage** to any vehicle while being towed, retrieved or carried by **Your vehicle** in the **period of insurance** in Australia or its external territories.

We will not pay:

- ▼ more than \$150,000 any one **event** for **loss** or **damage** to any vehicle/s being towed, retrieved or carried by **Your vehicle**; or
- ▼ if **Your vehicle** and the vehicle being towed, retrieved or carried are not being operated within the provisions of any law relating to the use of a tow truck.

What You are not covered for under Part 1 – Loss or damage to your vehicle

We will not pay for:

1. Loss or damage to tyres

loss or **damage** to tyres caused by punctures, bursts, road cuts or the application of brakes.

2. Vehicle deterioration

loss or **damage** due to wear and tear, corrosion, rusting or depreciation.

3. Accessories

any **vehicle** accessories other than those:

- ▼ supplied by the manufacturer of **Your vehicle** as original equipment;
- ▼ stated within the definition of **Your vehicle**; or
- ▼ specified accessories shown on **Your policy schedule**.

4. Failure or breakdown

structural, mechanical, electrical, or electronic failure or breakdown.

5. Safeguarding Your vehicle

loss or **damage** caused by or arising from **You** failing to take reasonable steps to protect, prevent or diminish further **loss** or **damage** to **Your vehicle** after:

- ▼ it breaks down;
- ▼ it is **damaged**; or
- ▼ **You** have been notified that **Your stolen vehicle** has been found.

6. Engine gearbox and transmission

damage to **Your vehicle's** engine, gearbox or transmission because it was driven in a **damaged** condition after an **event** unless **We** agree that **You** could not reasonably have known that the **damage** was occurring.

7. Incorrect fuel or additive

loss or **damage** to **Your vehicle** due to using incorrect fuel or additive.

8. Lawful seizure

loss or **damage** caused by or arising from any person or organisation who lawfully takes possession of **Your vehicle**.

9. Accidental damage

loss or **damage** caused by **event** 5 under 'What **You** are covered for under Part 1 - loss or damage to **Your vehicle**' if **Your vehicle** is insured for Legal liability, Fire and Theft only.

Part 2 – Legal liability

What your vehicle also means

For the purposes of Part 2, **Your vehicle** also means:

- ▼ a trailer;
- ▼ a caravan; or
- ▼ another vehicle which has broken down; that is being towed by **Your vehicle** or a **substitute vehicle** legally and not for reward; and
- ▼ a **substitute vehicle**.

What is legal liability?

Legal liability means that an Australian court or a court of an Australian external territory finds, or **We** accept, that:

- ▼ **You**;
 - ▼ an **authorised driver**;
 - ▼ a passenger in **Your vehicle**; or
 - ▼ **Your** employer, principal or business partner;
- are legally responsible to pay compensation for:
- ▼ **loss** of or **damage to property** owned or controlled by someone else; or
 - ▼ **personal injury** to another person (but only where the **legal liability** is not covered or capable of being covered by any compulsory third party insurance or public liability insurance),
- caused by an **event** which occurs during the **period of insurance** in Australia or its external territories.

What you are covered for under Part 2 – Legal liability

Provided 'Commercial Motor' is shown under 'What's Covered' in the **policy schedule**, **We** will pay a claim for **Your legal liability** if the **event** giving rise to that **legal liability** was not expected or intended, and the **event** was caused by:

1. **You** or another **authorised driver** driving, using or being in charge of **Your vehicle**;
2. goods being carried by or falling from **Your vehicle**;
3. loading goods onto **Your vehicle** from a fixed place of rest directly beside **Your vehicle**;
4. unloading goods off **Your vehicle** to a fixed place of rest directly beside **Your vehicle**; or
5. a passenger who was in **Your vehicle** with **Your** permission, while travelling or getting in or getting out of **Your vehicle**.

What we pay

If **We** agree to pay a claim for **legal liability** under Part 2, **We** will pay:

- ▼ the compensation;
- ▼ legal costs and expenses if **We** have given **Our** prior written consent to **You** incurring these costs;
- ▼ costs and charges reasonably and necessarily incurred by **You** in removing or cleaning up debris unless stated otherwise; and
- ▼ costs and charges reasonably and necessarily incurred to extinguish a fire that **Your vehicle** has caused.

We will also pay for legal costs in representing **You** or any other person covered at any inquest or other inquiry relating to an **event** which may give rise to **You** being **legally liable**, if **We** have given **Our** prior written consent to **You** incurring these costs.

You must pay any **excess** that may apply.

For an example of how **We** may settle a liability claim, see page 102 of this **policy**.

Limits to what we pay

If **We** agree to pay a claim for **legal liability**, the most **We** will pay for all claims arising directly or indirectly from an **event** is \$30 million (unless another amount is specified on **Your policy schedule**) but restricted to:

- ▼ \$1,000,000 for any one **event** occurring within the external territories of Australia, but only in respect of the death and bodily injury to another person;
- ▼ \$1,000,000 (unless another amount is specified on **Your policy schedule**) where **Your vehicle** is being used for the transportation of **dangerous goods** or is attached to, or is towing, a vehicle used for the transportation of **dangerous goods**; and
- ▼ \$500,000 in respect of all **events** occurring during the **period of insurance** and giving rise to a claim under the Additional Benefit 1 – 'Pollution' under Part 2.

These amounts include all legal costs and expenses.

These limits also apply to any cover for **Your legal liability** provided under any Extra Cover, Additional Benefit or **endorsement** unless a lower limit is specified in the cover, benefit or any **endorsement**.

These limits are the most **We** will pay even if there are several claims against **You** relating to the one **event**.

Extra covers to Part 2 – Legal liability

We will also provide the following Extra Covers in this section, subject to the General and section exclusions and the policy terms and conditions:

1. Damage by uninsured drivers

Applicable if **Your vehicle** is insured for Legal liability, Fire and Theft or Legal liability cover only.

We cover **loss** of or **damage** to **Your vehicle** during the **period of insurance** in an **event** as a result of a collision with another vehicle driven by an uninsured driver within Australia or its external territories.

A driver is uninsured if neither the driver nor the owner of the other vehicle had an insurance policy that would cover them for the **loss** or **damage** to **Your vehicle**.

We only pay if:

- ▼ **You** show the **event** was the fault of the uninsured driver and **We** agree; and
- ▼ **You** can identify the other vehicle and its driver (name, residential address, phone number and registration details).

We will pay for the cost of repairs but will not pay more than \$5,000 or the **market value** of **Your vehicle** (whichever is less), for **loss** of or **damage** to **Your vehicle** during any one **period of insurance**.

We will deduct:

- ▼ any **excess** that may apply to **Your vehicle**, and
- ▼ the salvage value of the **vehicle** if it is not repairable (**You** keep the damaged **vehicle**), and any unpaid premium. There is no refund of premium.

2. Emergency services

If **We** agree to pay a claim under Part 1 or Part 2 of this section during the **period of insurance**, **We** will pay the reasonable costs and charges levied by the police force or any fire brigade or other authority due to **Your vehicle** causing the attendance of a member of the:

- ▼ fire brigade or authority for the purpose of fire extinguishment or other purposes; and/or
- ▼ police force;

at the accident site.

Additional benefits to Part 2 – Legal liability

We will also provide the following Additional Benefits in the section, subject to the policy terms and conditions, the General and section exclusions including the exclusions in Part 1 and Part 2 of this section and any **endorsement**. The **event** giving rise to the **legal liability** must not have been expected or intended.

1. Pollution

Your legal liability arising directly or indirectly out of the actual, alleged or threatened discharge, dispersal, release or escape of **contaminants** or **pollutants** into or upon any property, land, the atmosphere, water course or body of water (including ground water), where such discharge, dispersal, release or escape:

- ▼ is caused by or in connection with the operation, ownership, possession or use by **You** or on **Your** behalf of any **vehicle**;
- ▼ is caused by a sudden identifiable unintended and unexpected **event**;
- ▼ takes place in its entirety at a specific point in time during the **period of insurance** and within Australia or its external territories; and
- ▼ does not relate to any property, land, air, water course or body of water which **You** own, occupy or have in **Your** custody or control.

We will also only pay for clean up or removal costs if they are caused by such an incident within Australia or its external territories.

We will not pay:

- ▼ more than \$500,000 in respect of all claims arising from **events** occurring during the **period of insurance**; or
- ▼ if the **contaminants** or **pollutants** are **dangerous goods**.

2. Non owned vehicle liability

Your legal liability, in respect of any vehicle not owned or supplied by **You** while that vehicle is being used or driven by **You** or an **authorised driver** in connection with **Your** business during the **period of insurance** in Australia or its external territories.

You must pay to **Us** an **excess** of \$500 for each claim accepted by **Us** under this Additional Benefit.

3. Legal liability for caravans and trailers

You are covered for **Your legal liability** as a result of:

- ▼ the actions of a caravan or trailer while it is being towed by **Your vehicle**;
- ▼ a caravan or trailer running out of control after separating from **Your vehicle** while **Your vehicle** is moving; or
- ▼ another vehicle colliding or acting to avoid a collision with:
 - ▼ property falling off a caravan or trailer while it is being towed by **Your vehicle**; or
 - ▼ property being loaded or unloaded from a caravan or trailer attached to **Your vehicle**;

during the **period of insurance** in Australia or its external territories.

We do not cover **loss** or **damage** to:

- ▼ the caravan or trailer unless it is a **vehicle** insured under Part 1 of this section (and **We** have accepted a claim for it under Part 1); or
- ▼ the property which is loaded or unloaded from or which falls from the caravan or the trailer.

We do not cover the cost to remove the trailer or caravan debris, unless the caravan or trailer is an insured **vehicle** and **We** have accepted a claim for it under Part 1 of this section.

You must pay the **excess** applicable to **Your vehicle** for any claim accepted under this Additional Benefit.

4. Legal liability for unregistered on-site caravans

If **Your vehicle** is an unregistered on-site caravan, **You** are covered for **Your legal liability**, caused by **Your** use or occupation of the unregistered on-site caravan during the **period of insurance** in Australia or its external territories.

We do not pay for:

- ▼ amounts **You** must pay which are covered, or should be, by Medicare, workers compensation or another government scheme or arrangement, or private medical insurance; or
- ▼ **loss** or **damage** to the unregistered on-site caravan, unless the caravan is an insured **vehicle** and **We** have accepted a claim for it under Part 1 of this section.

What you are not covered for under Part 2 – Legal liability

We will not pay a claim for **Your legal liability**:

1. Dangerous goods

which is a direct or indirect result of discharge or escape of **contaminants or pollutants** or **dangerous goods** from **Your vehicle** unless they are substances **You** are legally allowed to carry.

2. Property in Your custody or control

for **loss** or **damage to property** which **You** or an **authorised driver** own, control or are responsible for, or which belongs to someone who normally lives with **You** or an **authorised driver**. However, this exclusion will not apply to **Your legal liability** for **damage** to motor vehicles belonging to an **employee** or visitor which occurs within the confines of a private car park owned or operated by **You**.

3. Employers liability

for **personal injury** to anyone who was **Your employee** at the time of the **event**.

4. Statutory liability

for **personal injury** if **You** were or anyone else was required by law to have insurance for compensation, damages or similar insurance for injury (eg. compulsory third party insurance or workers compensation insurance required by law).

5. Northern Territory

for **personal injury** if **Your vehicle** is registered in the Northern Territory of Australia.

6. Persons residing with you

where **You** cause **Your own personal injury**, or if **You** injure or cause the death of someone who normally lives with **You**.

7. Contractual liability

- ▼ occurring because **You**, an **authorised driver** of **Your vehicle**, a passenger in **Your vehicle**, or **Your** employer, principal or business partner agreed to accept liability;
- ▼ because of an agreement **You** or anyone insured under this **policy** has entered into, unless **legal liability** would have been applied anyway.

8. Showman's devices

for **personal injury** if at the time of the **event** **Your vehicle** was being used as a show, carnival or festival attraction, parade float or for any similar activity.

9. Air side

if at the time of the **event** **Your vehicle** was being driven or used at, in or on any **aircraft** hanger or any part of an airport or airfield used by **aircraft** for loading, unloading, taxiing, takeoffs or landings.

10. Unregistered vehicle

resulting from the use of **Your vehicle** if it was unregistered at the time of the **event**, unless **Your vehicle** is an unregistered on-site caravan.

11. Fuel contamination

in respect of fuel contamination caused by **You** delivering:

- ▼ the incorrect type of fuel; or
- ▼ the fuel to the incorrect place.

12. Digging, excavating, boring or drilling

for **damage to property** resulting from an **event** arising out of the use of **Your vehicle** while it is digging, excavating, boring or drilling.

However, **We** will pay if **Your vehicle** is being used for the sole purpose of travelling to or from any work site or transporting or carting goods at the time of the **event** and is not being used at the time of the **event** for any other purpose including any specific activity for which the **vehicle** was designed.

13. Fines and exemplary damages

to pay fines or punitive, exemplary or aggravated damages.

14. Asbestos

arising directly or indirectly from:

- ▼ the transportation, distribution, and or storage of asbestos, asbestos fibres or derivatives of asbestos;
- ▼ any material containing asbestos or any process of decontamination, treatment or control of asbestos.

This will only apply to **personal injury** arising in consequence of inhalation of asbestos fibre or derivatives of asbestos, and **loss or damage to property** due to the presence of asbestos.

15. Pollution

for **personal injury** or **loss** of or **damage to property** arising directly or indirectly out of the actual, alleged or threatened discharge, dispersal, release or escape of **contaminants or pollutants** into or upon any property, land, the atmosphere, water course or body of water (including ground water). However this exclusion does not apply to Additional Benefit 1 - 'Pollution'.

16. Other exclusions

for anything excluded by any other exclusions in Part 1 or Part 2 in this **policy section**.

Excess

An **excess** is the amount **You** might have to pay if **You** claim. **Excesses** are cumulative and apply to all claims, unless otherwise stated. If **You** also claim under another cover section for one **event** the **excesses** payable under this cover section apply in addition to all other **excesses**.

For each **event**, or series of **events** arising from the one originating cause **You** will bear the amount of the **excess** in respect of each and every insured **vehicle**, unless stated otherwise.

The basic **excess** is shown on **Your policy schedule**. The amounts for any other **excesses** (or where the amounts can be found in this **policy**) are detailed below on pages 97 and 98. **You** might have to pay more than one type of **excess** when **You** claim. **You** must pay the **excesses** in full.

We will decide if **You** pay the **excess** to **Us** (when **We** ask for it) or to the repairer when **You** pick up **Your vehicle** after it has been repaired. **We** can also choose to deduct the **excess** from the amount **We** pay **You**.

You don't pay any **excess** when **Your vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity and:

- ▼ another vehicle is involved in the **event**, and **We** agree the driver of **Your vehicle** was not at fault, and **You** can identify the other vehicle and the other driver responsible (name, residential address, phone number and vehicle registration details); or
- ▼ no other vehicle is involved in the **event**, and **We** agree the driver of **Your vehicle** was not at fault, and **You** can identify another person at fault (name, residential address and phone number) and prove that they were at fault.

Types of excesses

Basic excess

Basic **excess** is the amount shown on **Your policy schedule** and applies to all claims unless otherwise stated.

Age or inexperienced drivers excess

An age or **inexperienced driver excess** applies if a driver under 25 or an **inexperienced driver** was in charge of **Your vehicle** at the time of an **event**. This **excess** will not apply to glass only, damage while parked, fire, malicious damage, theft or storm claims.

If **We** accept a claim where the driver was less than 25 years of age or was an **inexperienced driver**, the following age or **inexperienced driver excesses** will apply to the claim when:

- ▼ the **vehicle** is a car, 4WD, utility or van not exceeding 2 tonne carrying:
 - ▼ for drivers under 21 years of age \$500;
 - ▼ for drivers 21 years of age or older \$300;
 - ▼ for **inexperienced drivers** \$250.
- ▼ the **vehicle** is a prime mover and:
 - ▼ the **insured amount** for the prime mover is less than \$100,000 or it is insured for Legal liability only – the age or **inexperienced driver excess** is \$2,500, or \$3,500 if the prime mover was towing more than one trailer at the time of the **event**.
 - ▼ the **insured amount** for the prime mover is \$100,000 or more, but not more than \$200,000 – the age or **inexperienced driver excess** is \$10,000, or \$15,000 if the prime mover was towing more than one trailer at the time of the **event**;
 - ▼ the **insured amount** for the prime mover is more than \$200,000 – the age or **inexperienced driver excess** is \$25,000, or \$37,500 if the prime mover was towing more than one trailer at the time of the **event**;
- ▼ the **vehicle** is not a car, 4WD, utility, van not exceeding 2 tonne carrying capacity or prime mover the age or **inexperienced driver excess** is \$750.

You must pay the age or **inexperienced driver excess** in addition to any other **excess** for **Your vehicle** that may be payable. For the purposes of the application of the age or **inexperienced driver excess**, a dolly is considered a trailer.

Tipping excess

A tipping **excess** applies if **Your vehicle** is a trailer or rigid body truck and it is **damaged** while the tipping hoist is partly or fully extended. The tipping **excess** is \$1,000 and **You** pay this in addition to any other **excess** payable for **Your vehicle**.

Theft excess

A theft **excess** of \$2,500 applies to the each claim for theft or **damage** occasioned by theft of:

- ▼ **Your** skid steer loader, excavator, loader, backhoe or bobcat; or
- ▼ any of their accessories, whether these accessories are attached to **Your vehicle** at the time of the theft or **damage** or not.

You pay this in addition to any other **excess** for **Your vehicle** that may be applicable.

Endorsement excess

An **endorsement excess** may apply if **You** have **endorsements** to **Your policy**. Any **endorsement excess** applicable to **Your policy** will be shown in the **endorsement** wording.

You pay the **endorsement excess** shown in the **endorsement** wording in addition to any other **excess** for **Your vehicle** that may be payable.

Radius excess

A radius **excess** applies if **We** accept a claim for **loss** or **damage** to **Your vehicle** or **legal liability** and at the time of the **event**, **Your vehicle** was on a journey to or from a destination beyond the maximum radius of operation shown on **Your policy schedule** measured from **Your vehicle's** garaged postcode shown on **Your policy schedule**.

The radius **excess** is:

- ▼ \$500 if **Your vehicle** is a truck or bus;
- ▼ \$2,500 if **Your vehicle** is a trailer which at the time of the **event** was being towed by a prime mover or \$500 if being towed by a truck; or
- ▼ \$7,500 if **Your vehicle** is a prime mover.

You pay the radius **excess** in addition to any other **excess** for **Your vehicle** that may be payable.

Additional benefit excesses

Please refer to pages 90 to 92 for the amount of any **excess** **You** might have to pay if **You** make a claim under any Additional Benefit in Part 1 of this section.

Application of excess involving trailer and towing vehicle

If a trailer being towed by **Your vehicle** damages the property of another person and:

- ▼ only the trailer was **damaged**, the **excess** for the towing **vehicle** will apply; or
- ▼ there is no **damage** to either the trailer or towing **vehicle**, the **excess** for the towing **vehicle** will apply.

When we will not pay a claim under this cover section

Part 1 – Loss or damage to your vehicle and Part 2 – Legal liability

1. **You** are not covered under this cover section for an **event** occurring when **Your vehicle** is being driven by, or is in the charge of, someone who:

- ▼ was under the influence of, or had their judgement affected by, any alcohol or drug;
- ▼ had more than the legal limit of alcohol in their breath or blood, as shown by analysis;
- ▼ refused to take a test for alcohol or drugs; or
- ▼ was not licensed, not correctly licensed or not complying with the conditions of their licence.

We will cover **You** if **You** were not the driver or person in charge of **Your vehicle** at the time of the **event** and **You** can satisfy **Us** that **You** did not know, and could not have reasonably known, of any of the above circumstances.

If **We** pay a claim **We** can recover those costs from the person who was driving or in charge of **Your vehicle**, unless the law prohibits recovery by **Us**.

2. **You** are not covered under this Cover Section:

- ▼ if **You** or an **authorised driver** does something or neglects to do something that is not in accordance with this **policy** or does not give **Us** the information or assistance that **We** ask for;
- ▼ for theft of or malicious damage to **Your vehicle** when anyone insured under this **policy** has not taken reasonable care to prevent this **loss** or **damage**;
- ▼ for financial loss:
 - ▼ occurring because **You** cannot use **Your vehicle**;
 - ▼ because **Your vehicle's** value was less after being repaired; or
 - ▼ because **Your vehicle's** working life has been reduced;
- ▼ for **loss** of or **damage** to a drill rod or bit attached to **Your vehicle** while the drill rod or bit is being used for its designed purpose. For the purposes of this exclusion, a drill rod or bit includes any part attaching to or forming part of the drill rod or bit including but not limited to pipes, guides, filters, gaskets, plugs, caps, beacon housings, tool heads, nozzles and/or any other electronic mechanism;
- ▼ for the cost to repair or replace burnt out electric motors or wiring of appliances in **Your** caravan;
- ▼ for **damage** to **Your** caravan, caravan annexe, trailer or **personal effects** caused by biting, chewing or scratching by an **animal** or bird;
- ▼ for **damage** to **Your** caravan, caravan annexe or **personal effects** caused by any tenant;
- ▼ if **Your** unregistered on-site caravan is unoccupied for 60 consecutive day. (If **You** want cover over 60 days, **You** need to ask **Us** for an extension of time and **We** must agree in writing. **We** might charge an extra premium or impose special terms.);
- ▼ for **loss** or **damage** to **Your** caravan caused by the sea or high water;
- ▼ for **loss** or **damage** or **legal liability** caused or contributed to by or arising from any biological, bacterial, viral, germ, chemical or poisonous **contaminants** or **pollutants** (except for any cover provided under Additional Benefit 1– 'Pollution' on page 95) or any looting or rioting following these occurrences;
- ▼ for theft by anyone who has hired or leased **Your vehicle** or who has taken it as security for a debt;
- ▼ for any **loss**, **damage** or **legal liability** caused by any person or organisation who lawfully destroys or takes away **Your** ownership or control of any property or **vehicles** covered under this section;
- ▼ for any **loss**, **damage** or **legal liability** which happens before the **period of insurance** or which arises from an **event** before the **period of insurance** starts unless specifically stated otherwise;
- ▼ for an **event** that occurs outside of Australia or its external territories.

3. **We** will not pay a claim for **loss**, **damage** or **legal liability** under this section:

- ▼ if another person is, or could have been, liable to compensate **You** for such **loss**, **damage** or **legal liability**, but **You** have agreed with that person either before or after the **loss**, **damage** or **legal liability** occurred that **You** would not seek to recover any moneys from that person;
- ▼ if the **event** that is the subject of the claim was intentionally or recklessly caused by **You** or the driver of **Your vehicle** or someone acting with **You** or their express or implied consent; or
- ▼ if excluded by an **endorsement**.

4. **You** are not covered under this cover section for an **event** occurring when **Your vehicle** was:
- ▼ damaged, unsafe or unroadworthy. However, this exclusion will not apply if **You** prove that the unroadworthy or unsafe condition of **Your vehicle**:
 - ▼ did not cause or contribute to the **loss, damage or legal liability** being incurred; or
 - ▼ could not reasonably have been detected by **You**;
 - ▼ being used in a race, contest, trial, test, hill climb or any similar activity;
 - ▼ being used on a competition race track, circuit, course or arena;
 - ▼ being used by **You** for illegal purposes;
 - ▼ carrying passengers for payment or reward unless it was a car pool, child car arrangement or fare paying passenger bus;
 - ▼ carrying a greater number of passengers than it was designed for or is allowable according to law;
 - ▼ conveying, towing, lifting or carrying a load not secured according to law;
 - ▼ conveying, towing, lifting or carrying a load in excess of that which it was designed for or is allowable according to law;
 - ▼ being used to move dangerous goods or substances that pollute or contaminate unless this was done legally;
 - ▼ travelling on railway lines; or
 - ▼ being operated, transported or driven in an underground mine or mining shaft (but **We** will cover **You** if **Your** vehicle was being used for open cut mining).

Worked dollar examples

The following worked dollar examples are designed to assist in the understanding of some of the important benefits in this 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 should be used as a general guide only. **You** should consider all examples as each example covers different benefits and scenarios.

Example: Total loss — market value

A car that has a carrying capacity of not more than 2 tonnes is comprehensively insured for **market value**. The basic **excess** is \$500. The **vehicle** is **damaged** in an accident and **We** assess the cost of repair to be \$20,000.

The **market value** is determined as follows:

The vehicle is an 8 year old sedan in poor condition. A motor vehicle guide records the value is \$20,000 for good condition. **We** assess the **market value** to be \$15,000 (GST inclusive).

The **vehicle** contains no modifications or accessories and **We** decide it is a **total loss**.

How much we pay		Further information
Market value	\$15,000	The vehicle is a total loss with a market value of \$15,000. We normally decide a vehicle is a total loss if the complete repair cost exceeds its market value less salvage value.
Less ITC	- \$1,364	If You are registered for GST and entitled to an Input Tax Credit (ITC) We will deduct this entitlement. In this example You are entitled to a full Input Tax Credit (100%). We will not deduct this entitlement if Your vehicle is insured for agreed value .
Less outstanding premium	- \$300	If You paid Your insurance by pay by the month instalments, We will deduct the remaining instalments for the period of insurance . In this example, there are three \$100 per month instalments remaining when the total loss occurs.
Less excess	- \$500	Only the basic excess applies in this example. We deduct this from the amount We pay to You .
Total claim	\$12,836	We would normally pay this amount directly to You in a total loss situation.
Plus lease payout	\$2,200	If, instead of owning Your vehicle outright, Your vehicle was purchased under a finance lease and the amount owing was \$17,200 (excluding any payments in arrears and resulting interest), We will pay the difference between the amount owing under the finance arrangement and the market value (\$17,200 - \$15,000). This Extra Cover has a limit of 20% of the market value (\$3,000).
Less ITC	- \$200	In this example You are entitled to a full Input Tax Credit (100%).
Total claim	\$14,836	We would normally pay the claim directly to Your financier and not to You in circumstances of a lease payout. You pay Your financier any amounts left owing.

If the vehicle in the above example was less than 2 years old at the time of the **event**, instead of paying the claim above **You** can choose to accept a replacement vehicle including similar accessories and parts plus on-road costs e.g. registration, compulsory third party, pre-delivery. **You** must pay the **excess** to the dealership that has provided the replacement vehicle or **Us**.

If the vehicle salvage is valued at \$1000, the salvage becomes **Our** property and **We** are entitled to keep the \$1000 proceeds of its sale plus any registration and compulsory third party insurance refund. This does not affect the calculations above unless **You** obtain these refunds directly in which case **We** will deduct these amounts from the total claim above.

Example: Repair – agreed value

A utility that has a carrying capacity of not more than 2 tonnes is comprehensively insured for an **agreed value** of \$20,000. The basic **excess** is \$500. The **vehicle** is stolen and subsequently recovered, **damaged**, 25 days later.

We assess the cost of repairs to be \$5,500.

How much we pay		Further information
Damage to vehicle	\$5,500	We normally decide a vehicle is repairable if the cost of repairs is significantly less than the insured amount (in this example the insured amount is the agreed value of \$20,000).
Less excess	- \$500	Only the basic excess applies in this example. We normally require You to pay the excess directly to the repairer.
Total claim	\$5,000	We would normally pay this amount directly to the repairer.
If personal effects to the value of \$350 are also stolen during the theft:		
Plus personal effects	+ \$350	Personal effects cover is limited to \$1,000 per event . This Extra Cover's sub-limit is in addition to the \$20,000 agreed value limit for Your vehicle .
Total claim	\$5,350	We normally pay the \$350 for personal effects to You (and the remaining \$5,000 directly to the repairer).
If a replacement vehicle of a similar type for a cost of \$100 per day is arranged by Us :		
Plus vehicle hire cost	+ \$2,500	The cost per day times the number of days from the date of theft until the date of recovery is 25 x \$100. This Extra Cover has a limit of up to 30 days and We will not pay more than \$3,000. Note: This Extra Cover would not apply if the vehicle was damaged in an accident instead of stolen, unless You also selected Optional Benefit 2. 'Rental vehicle following accident'.
Total claim	\$7,850	We normally pay the \$2,500 for vehicle hire directly to the hire company (the \$350 to You and the \$5,000 to the repairer).

Example: Legal liability

A **vehicle** is insured for Legal liability cover. The **vehicle** is involved in an accident and the other driver claims that the driver of **Your vehicle** has a legal liability for the accident. The **damage** to the other vehicle would be assessed by a court at \$12,500. There is a basic **excess** of \$500 on **Your policy**. The legal costs to defend **Your legal liability** are \$3000.

How much we pay		Further information
Damage to other vehicle	\$12,500	We normally pay the cost of repairs directly to the third-party claimant.
Less excess	- \$500	Only the basic excess applies in this example. We normally require You to pay this amount to Us before We act on Your behalf.
Plus Our legal costs	+ \$3,000	We incur and do not charge You for these costs providing You have paid Your excess prior to legal costs being incurred.
Total claim	\$15,000	
If the driver of Your vehicle was not at fault and the driver of the other vehicle was at fault but was not insured, and You provide Us with the details of the other driver. The basic excess is \$500. For the purposes of this example it is assumed that Your vehicle is not comprehensively insured:		
Damage by uninsured drivers additional Cover	\$4,500	Your vehicle is not covered for own damage because Legal liability Only cover was purchased. However, the 'damage by uninsured drivers' Extra Cover provides limited cover in these circumstances for up to \$5,000. For the purposes of this example, We assess that the damage to Your vehicle will cost more than its market value of \$4,500. We decide it is not repairable.
Less ITC	- \$409.09	If You are registered for GST and entitled to an Input Tax Credit (ITC) We will deduct this entitlement. In this example You are entitled to a full Input Tax Credit (100%).
Less excess	- \$500	Only the basic excess applies in this example. We deduct this from the amount We pay You .
Less residual value of wreck	- \$500	The remaining value of Your damaged vehicle . We deduct this from the amount We pay You .
Total claim	\$3,090.91	We normally pay this directly to You . You will keep the damaged vehicle.

Definitions

The following words have the following meanings for this section only. **You** should also refer to the General Definitions section starting on page 8.

Agreed value

The amount that **We** agree to insure **Your vehicle** for including its standard accessories, tools and spare parts that the manufacturer of the vehicle supplies as standard equipment with the vehicle, and any specified accessory shown in the current **policy schedule**.

The **agreed value** amount can change when **You** renew **Your policy**. The renewal **policy schedule** will show this amount.

Authorised driver

A person controlling, driving or using **Your vehicle** with **Your** consent.

Contaminants or pollutants

Includes smoke, vapours, soot, fumes acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants and other contaminants or pollutants. **Contaminants or pollutants** do not include **dangerous goods**.

Damage or damaged

Sudden and unforeseen physical damage or destruction.

Damage to property

- ▼ physical loss of or **damage** to or destruction of tangible property including resultant loss of use; or
- ▼ loss of use of tangible property which has not been physically damaged or destroyed provided such loss of use is caused by an **event**.

Dangerous goods

- ▼ substances which are shown in the Australian Code for the Transport of Dangerous Goods by Road or Rail;
- ▼ liquid fuels, liquefied or compressed gasses, toxic chemicals, acids, organic peroxides, or corrosives;
- ▼ infectious, explosive radioactive, or oxidising substances; or
- ▼ substances with a flashpoint of below twenty two point seven degrees celsius (22.7°C).

Emergency repairs

Minor repairs which are essential for **You** to be able to drive **Your vehicle** safely from an accident or **event** causing **damage**.

Employee

Any person:

- ▼ engaged in **Your** business under a contract of service or apprenticeship; or
- ▼ supplied to **You** pursuant to a contract of labour hire.

Inexperienced driver

A person who is 25 years or over and has not held a drivers licence for the class of vehicle being driven at the time of the **event** for the past 2 consecutive years.

Loss or losses

Sudden and unforeseen physical loss.

Market value

The amount **We** calculate the market would pay for **Your vehicle**. It takes into account the age, make, model, kilometres travelled and condition of **Your vehicle** immediately before the **loss or damage**. **We** might use recognised industry publications to calculate the amount.

Partial loss

When **We** decide at **Our** option, to repair **Your vehicle**, replace any part of it or reimburse **You** for any **loss or damage** to it. In this case **We** will not treat **Your vehicle** as a **total loss**.

Penalty claim

An **event** or claim where **We** consider **You** to be at fault, or a claim where **We** are not able to recover the costs of repairing or replacing **Your vehicle**.

Personal effects

Clothing and personal belongings normally worn or carried but excluding personal computers, non-fixed GPS units, musical instruments, curios, works of art, money or credit cards.

Personal injury

- ▼ Bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and mental injury, including loss of consortium or services resulting therefrom.
- ▼ False arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation.
- ▼ Libel, slander or defamation of character.
- ▼ Wrongful entry or wrongful eviction or other invasion of privacy.
- ▼ Assault and battery not committed by **You** or at **Your** direction unless committed for the purpose of preventing or eliminating danger to persons or property.

Reasonable repair costs

If **You** choose **Your** own repairer, **We** will pay the amount **We** consider to be reasonable repair costs taking into account:

- ▼ **Your** repairer's quote with any adjustments or reduction recommendation by an experienced motor vehicle assessor **We** appoint; and
- ▼ a quote **We** may choose to obtain from one of **Our recommended repairers**.

Recommended repairer

A repairer who has been appointed by **Us** as a **recommended repairer** because **We** have assessed the repairer as capable of meeting **Our** strict standards of quality workmanship, timeliness, efficiency and cost effectiveness.

Substitute vehicle

A vehicle which does not belong to **You** and which **You**, **Your** spouse, de facto partner or an **employee** are using while **Your vehicle** is not in use because **Your vehicle** is unroadworthy or undergoing repair.

Total loss

When **Your vehicle** is stolen and not recovered or is **damaged** so badly that it would cost more to repair than the **value of Your vehicle**.

Value of your vehicle

The **market value** or **agreed value**, whichever is shown on the **policy schedule**.

Vehicle

The vehicle(s) described on **Your policy schedule**.

The following accessories will also be insured if they are attached to or in or on **Your vehicle**:

Baby capsule/car seats – bicycle carriers – binders – bonnet protector – built in refrigerators – built in televisions – bull bar – caravan annexe – cargo barrier – CB and/or 2 way radio – chains – cruise control – dash mats – decorative wheel trims – driving lights – fire extinguishers – fixed GPS units – floor mats – gates – headlamp guards – motor cycle helmets, gloves, or associated riding clothes up to a total of \$500 (if **We** pay a claim covering **Your motorcycle**) – mud flaps – paint protection – panel/rust protection – pin striping – decals – protective mouldings – rear louver sunshade – registration plate covers – ring feeder – seat covers – side steps for a 4WD – sign writing – sleeping box – sound systems (fitted as standard by manufacturer) – spare wheel cover – steering locks – tarpaulins – tools supplied as standard by the vehicle manufacturer or similar replacements – tow bars – weather shield – winch.

It also includes other vehicle accessories or modifications if **We** have agreed to insure them as part of **Your vehicle** and they are shown on **Your policy schedule**.

Insurer and issuer:
AAI Limited ABN 48 005 297 807 AFS Licence No. 230859
trading as Vero Insurance.

This policy is available to you exclusively through a
Steadfast broker. Steadfast Group Limited does not issue,
guarantee or underwrite this policy.

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