Allianz

Industrial Special Risks Mark V

Policy Document



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Introduction

Welcome and thank You for choosing the Allianz Industrial Special Risk Mark V Policy.

In this Policy and the Schedule:

- 'Allianz', 'Insurer,' 'Us' and 'We' means Allianz Australia Insurance Limited; and
- 'Insured', 'You' and 'Your' means the person named in the Schedule as the insured.

About Allianz

The insurer of this product is Allianz Australia Insurance Limited ABN 15 000 122 850 (Allianz) AFS Licence No. 234708.

Allianz is one of Australia's largest general insurers. We utilise years of local expertise, combined with global experience to offer a wide range of products and services to Our customers. As a member of the worldwide Allianz Group, We are committed to continuous improvement of Our products and services and strive to achieve this through knowledge transfer within the Group, dedicated technical research units, sharing globally new product developments and a wide range of risk management services.

About this Insurance

This is an important document. You should read it carefully before making a decision to purchase this insurance.

It will help You to:

- decide whether this insurance will meet Your needs; and
- compare it with other products You may be considering.

Please note that any recommendation or opinion in this document is of a general nature only and does not take into account Your objectives, financial situation or needs.

You need to decide if this insurance is right for You and You should read all of the documents that make up the Policy to ensure You have the cover You need.

Our Contract with You

Where We agree to enter into a Policy with You it is a contract of insurance between Us and You (see the definition of "You" for details of who is covered by this term).

The Policy consists of:

- this document which sets out the standard terms of Your cover and its limitations;
- Your current Schedule issued by Us. The Schedule is a separate document, which shows the insurance details relevant to You. It may include additional terms, conditions and exclusions relevant to You that amend the standard terms of this document. Only those sections shown as covered in Your Schedule are insured; and
- any other change to the terms of the Policy otherwise advised by Us in writing (such as an endorsement) before the Insured enters into the Policy. These written changes may vary or modify the above documents where required or permitted by law.

These are all important documents and should be carefully read together and kept in a safe place for future reference.

We reserve the right to change the terms of this insurance where permitted to do so by law.

Any new or replacement schedule We may send You, detailing changes to Your insurance or the period of insurance, will become the current Schedule, which You should carefully read and retain.

Renewal Procedure

Before Your Policy expires, We will advise You whether We intend to offer renewal and if so on what terms.

This document also applies for any other renewal We make, unless We tell You otherwise.

It is important that You check the terms of any renewal before renewing to satisfy yourself that the details are correct. In particular check the sum insured amounts to ensure the levels of cover are appropriate for You or if You are insuring for reinstatement or replacement value, the full replacement value of Your property, to ensure that You are properly covered in the event of a major loss.

Please note that You need to comply with Your Duty of Disclosure before each renewal (see below).

Average/Underinsurance

Both Section 1 Material Loss or Damage and Section 2 Consequential Loss are subject to Average/Underinsurance clauses that may limit the amount that We pay when You have a claim. This will only happen if You understate a Declared Value.

Examples

Section 1. Material Loss or Damage – 85% Average/ Underinsurance clause

Property Assets Declared	$3,000,000
Damage to Property	$500,000
The value of Your Property Assets at the commencement of the Policy	$6,000,000
Policy Deductible/Excess	$5,000

Claim payment	
Step 1: $6,000,000 @ 85%	= $5,100,000
Step 2: $3,000,000/$5,100,000	= 0.5882
Step 3: $500,000 @ 0.5882	= $294,100
Step 4: $294,100–$5,000	= $289,100 payable

The 85% Average/Under-insurance clause does not apply if the Declared Value is greater than 85% of the actual value, or where the amount of the loss is less than 5% of the Declared Value.

Section 2. Consequential Loss (Gross Profit and Pay-Roll) – 100% Average/Under-insurance clause

Gross Profit Declared	$2,000,000
Loss of Gross Profit	$400,000
Value of Gross Profit at the commencement of the Policy	$2,500,000

Claim payment	
Step 1: $2,000,000 / $2,500,000	= 0.8
Step 2: $400,000 x 0.8	= $320,000 payable

Your duty of disclosure

Before You enter into a contract of insurance with Us, You have a duty, under the *Insurance Contracts Act 1984 (Cth)*, to disclose to Us every matter that You know, or could reasonably be expected to know, is relevant to Our decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to Us before You renew, extend, vary or reinstate the contract.

This duty of disclosure applies until the contract is entered into (or renewed, extended, varied or reinstated as applicable).

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by Us; or
- that is of common knowledge; or
- that We know or, in the ordinary course of Our business as an insurer, ought to know; or
- as to which compliance with Your duty is waived by Us.

Non-disclosure

If You fail to comply with Your duty of disclosure, We may be entitled to cancel the contract, reduce Our liability under the contract in respect of a claim, to the extent Our interests are prejudiced by Your failure to comply with the duty of disclosure, or both.

If Your non-disclosure is fraudulent, We may also have the option of avoiding the contract from its beginning.

Privacy Notice

At Allianz, We give priority to protecting the privacy of Your personal information. We do this by handling personal information in a responsible manner and in accordance with the *Privacy Act 1988 (Cth)*.

How We Collect Your Personal Information

We usually collect Your personal information from You or Your agents. We may also collect it from Our agents and service providers; other insurers and insurance reference bureaus; people who are involved in a claim or assist Us in investigating or processing claims, including third parties claiming under Your policy, witnesses and medical practitioners; third parties who may be arranging insurance cover for a group that You are a part of; law enforcement, dispute resolution, statutory and regulatory bodies; marketing lists and industry databases; and publicly available sources.

Why We Collect Your Personal Information

We collect Your personal information to enable Us to provide Our products and services, including to process and settle claims; make offers of products and services provided by Us, Our related companies, brokers, intermediaries, business partners and others We have an association with that may interest You; and conduct market or customer research to determine those products or services that may suit You. You can choose not to receive product or service offerings from Us (including product or service offerings from Us on behalf of Our brokers, intermediaries and/or Our business partners) or Our related companies by contacting Us by calling the Allianz Direct Marketing Privacy Service Line on 1300 360 529, EST 8am to 6pm Monday to Friday, or going to Our website's Privacy section at www.allianz.com.au. If You do not provide Your personal information We require, We may not be able to provide You with Our services, including settlement of claims.

Who We Disclose Your Personal Information To

We may disclose Your personal information to others with whom We have business arrangements for the purposes listed in the paragraph above or to enable them to offer their products and services to You. These parties may include insurers, intermediaries, reinsurers, insurance reference bureaus, related companies, Our advisers, persons involved in claims, external claims data collectors and verifiers, parties that We have an insurance scheme in place with under which You purchased Your policy (such as a financier or motor vehicle manufacturer and/or dealer). Disclosure may also be made to government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

Disclosure Overseas

Your personal information may be disclosed to other companies in the Allianz Group, business partners, reinsurers and service providers that may be located in Australia or overseas. The countries to which this information may be disclosed will vary from time to time, but may include Canada, Germany, New Zealand, United Kingdom, United States of America and other countries in which the Allianz Group has a presence or engages subcontractors. We regularly review the security of Our systems used for sending personal information overseas. Any information disclosed may only be used for the purposes of collection detailed above and system administration.

Access to Your Personal Information and Complaints

You may ask for access to the personal information We hold about You and seek correction by calling 1300 360 529 EST 8am-6pm, Monday to Friday. Our Privacy Policy contains details about how You may make a complaint about a breach of the privacy principles contained in the *Privacy Act 1988 (Cth)* and how We deal with complaints. Our Privacy Policy is available at www.allianz.com.au.

Telephone Call Recording

We may record incoming and/or outgoing telephone calls for training or verification purposes. Where We have recorded a telephone call, We can provide You with a copy at Your request, where it is reasonable to do so.

Your consent

By providing Us with personal information You and any other person You provide personal information for, consent to these uses and disclosures until You tell Us otherwise. If You wish to withdraw Your consent, including for things such as receiving information on products and offers by Us or persons We have an association with, please contact Us.

General Insurance Code of Practice

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry.

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code.

You can obtain more information on the Code of Practice and how it assists You by contacting Us. Contact details are provided on the back cover of this policy wording.

For more information on the Code Governance Committee (CGC) go to https://insurancecode.org.au/

Terrorism and Cyclone Insurance Act

We have determined that this Policy (or part of it) is a policy to which the Terrorism and Cyclone Insurance Act 2003 (Cth) applies. We may elect to reinsure part or all of Our liability under the Act with the Commonwealth Government reinsurer, the Australian Reinsurance Pool Corporation (ARPC).

As a consequence, We may be required to pay a premium to ARPC and that amount (together with the cost of that part of the cover provided by Us and administrative costs associated with the legislation) is reflected in the premium charged to You. As with any other part of Our premium, it is subject to government taxes and charges such as GST, Stamp Duty and where applicable, Fire Service Levy.

For further information contact Allianz or the intermediary.

Contact for Assistance or Confirmation of Cover

If You need to confirm any Policy transaction or clarify any of the information contained in this Document or if You have any other queries, please contact Us via the details on the back cover.

Industrial Special Risks Insurance Policy

1. Definitions

For the purpose of this Policy, the following definitions apply:

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

(a) involves violence against one or more persons; or

(b) involves damage to property; or

(c) endangers life other than that of the person committing the action; or

(d) creates a risk to health or safety of the public or a section of the public; or

(e) is designed to interfere with or to disrupt an electronic system.

1.2 **Computer Attack -** any malicious direction of network traffic, introduction of malicious computer code, or other malicious attack directed at, occurring within, or utilising the computer system or network of whatsoever nature.

1.3 **Cyberterrorism -** any premeditated politically, religiously, or ideologically (or similar objective) motivated attack or disruptive activity, or the threat thereof, by a group or individual against a computer system or network of whatsoever nature or to intimidate any person in furtherance of such objectives.

1.4 **Cyber War and Terrorism Event -** any Act of Terrorism or Cyberterrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the loss or Damage.

1.5 **Damage** (with Damaged having a corresponding meaning) means physical loss, damage or destruction.

1.6 **Debris** means the residue of Damaged Property Insured excluding any material which is itself a pollutant or contaminant and which is deposited beyond the boundaries of the Situation.

1.7 **Declared Values** are the values of Property Insured at each Situation/Gross Profit/Pay-Roll declared by the Insured and calculated as applicable in accordance with the Basis of Settlement Clauses. The Insured shall complete a statement of Declared Values as at the commencement of the Period of Insurance, on the acquisition of Property Insured and as at the end of the Period of Insurance.

1.8 **Deductible** is the first amount of each claim which is payable by the Insured as stated in the Schedule. Should more than one Deductible apply under this Policy for any claim or series of claims arising from the one original source or cause, such Deductibles shall not be aggregated and the highest single level of Deductible only shall apply.

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

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

(a) a lake (whether or not it has been altered or modified);

(b) a river (whether or not it has been altered or modified);

(c) a creek (whether or not it has been altered or modified);

(d) another natural watercourse (whether or not it has been altered or modified);

(e) a reservoir;

(f) a canal;

(g) a dam.

1.11 **Money** means current coin, bank notes, currency notes, cheques, travellers' cheques, credit card sales and discount house vouchers, postal orders, money orders, unused postage and revenue stamps and including the value of stamps contained in franking machines.

1.12 **Period of Insurance** is the period referred to in the Schedule or any further period for which renewal has been agreed.

1.13 **Policy** means this document, the Schedule and any Endorsement(s).

1.14 **Pollution or Contamination** means the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon any property, land, atmosphere or any water course or body of water (including ground water).

1.15 **Property Insured** means all tangible property both real and personal of every kind and description belonging to the Insured or for Damage to which property the Insured is legally responsible or which the Insured has assumed responsibility to insure prior to the occurrence of any Damage, and includes more specifically Money. Property Insured includes all such property acquired after the commencement of the Period of Insurance.

1.16 **Schedule** means the Schedule attached to this Policy or any later Schedule issued on renewal or variation or by way of endorsement.

1.17 **Situation** is the Situation or Situations shown in the Schedule.

1.18 **Specified Damage**, for the purpose of any Limit or Sub-Limit of Liability or Deductible as shown in the Schedule, means damage caused by any peril or circumstance not more specifically covered or excluded by this Policy other than fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, aircraft and/or other aerial devices and/or articles dropped therefrom, sonic boom, theft, breakage of glass, loss of Money, the acts of persons taking part in riots or civil commotions or of strikers or locked-out workers or of persons taking part in labour disturbances or of malicious persons or the acts of any lawfully constituted authority in connection with the foregoing acts or in connection with any conflagration or other catastrophe, storm and/or tempest and/or rainwater and/or wind and/or hail, water or other liquids or substances discharged, overflowing or leaking from apparatus, appliances, pipes or any other system at the premises or elsewhere.

1.19 **The Insured** is as described in the Schedule and includes all subsidiary companies, organisations and other entities in which the Insured has a controlling interest to the extent only that each of them is engaged in carrying on the Business described in the Schedule or activities which are substantially of the same kind or related to that Business. For the purpose of this definition, a controlling interest shall in the case of a company mean the beneficial ownership of shares carrying more than 50% of votes capable of being cast at a general meeting of all shareholders in the company.

1.20 **The Insurer** is the company or companies named in the Schedule. If there is more than one company, each company shall be separately liable only to indemnify the Insured for that proportion of any claim as is set out in the Schedule.

1.21 **The Limit of Liability** is the maximum amount payable by the Insurer for any one loss or series of losses suffered by the Insured arising out of any one original source or cause at any one Situation, subject to any Sub-Limits of Liability and the application of any Deductible. The Limits of Liability and Sub-Limits of Liability are as set out in the Schedule.

If more than one Limit or Sub-Limit of Liability applies, the lesser amount shall be payable.

Each Sub-Limit shall not increase the liability of the Insurer beyond the Limit of Liability. Each of the Deductibles will apply to each Sub-Limit, but will not be cumulative.

1.22 **We, Us, Our, Allianz** means Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234708 of GPO Box 9870 Melbourne VIC 3000

1.23 **You, Your(s), Insured** means the person(s) named as The Insured in the Schedule.

Section 1 – Property Damage

2. Extent of Cover

Provided the Insured has paid or agreed to pay the premium, the Insurer will indemnify the Insured against Damage occurring to Property Insured during the Period of Insurance and shall provide the additional cover referred to in Clause 3 up to the value of the Limit(s) and Sub-Limit(s) of Liability referred to in the Schedule, but subject to:

2.1 the Property Insured being either:

- 2.1.1 at the Situation at the time that the Damage occurs; or
- 2.1.2 in the case of property other than Money, stock and merchandise, whilst in transit during temporary removal to any situation within Australia, but cover is limited to Damage caused directly by fire, lightning, explosion, earthquake, aircraft, riot, strikes, malicious damage and storm and tempest; or
- 2.1.3 in the case only of Money whilst at the following places within Australia; namely, at the Situation, while in the night safe of any bank or financial institution where the Insured transacts business or within the private residence of the Insured or any person authorised by the Insured to have the personal custody of the Money or whilst in transit between any of these places;

2.2 the Limit(s) and Sub-Limit(s) referred to in the Schedule;

2.3 the amount of the indemnity being calculated in accordance with the Basis of Settlement Clause 4;

2.4 the exclusion of certain items of property as referred to in Clause 5;

2.5 the Damage not occurring in circumstances which are excluded from cover by Clause 6;

2.6 the application of any Deductible referred to in the Policy Wording and the Schedule; and

2.7 the Conditions set out in Clauses 7 and 14.

3. Additional Cover

3.1 If Damage to Property Insured occurs in circumstances giving rise to indemnity under Section 1 of this Policy, the Insurer will also pay the following additional costs where they are necessarily and reasonably incurred in respect of:

3.1.1 architects', surveyors', consulting engineers', legal and other fees and clerks of works salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred as a result of any such Damage, but not costs, fees or other expenses for preparing any claim made under Section 1 of this Policy;

3.1.2 any fee, contribution or other impost payable to any government, local government or other statutory authority necessarily incurred by the Insured because payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to repair or replace any buildings insured under this Section 1, provided that the Insurer shall not be liable for payment of fine or penalty imposed by any such authorities.

3.1.3 the temporary protection and safety of Property Insured pending repair or replacement as a result of Damage.

3.1.4 the replacing of locks, keys and combinations as a result only of Damage caused by theft or any attempt at theft where the keys are stolen or combinations become known or if there are reasonable grounds to believe that the keys may have been duplicated. The Insurer will also pay the cost of opening safes and strongrooms as a result of theft of keys and combinations forming part of Property Insured;

3.1.5

3.1.5.1 the removal, storage and disposal of Debris and of any thing which caused the Damage from the Situation;

3.1.5.2 the removal, storage and disposal of Debris from premises, roadways, services, railway or waterways owned by any other person or entity (and notwithstanding the provisions of Exclusion 6.1.5) where the Insured is liable at law to remove, store or dispose of such Debris as a result of the Damage, together with the cost of cleaning up, but provided that such liability has not arisen as a result of any agreement made by the Insured after the commencement of the Period of Insurance unless liability would have attached in the absence of such agreement.

3.1.5.3 the demolition, dismantling, shoring up, propping or underpinning of the Property Insured or the carrying out of other temporary repairs to the Property Insured as a result of the Damage;

3.1.5.4 the demolition and removal of any Property Insured belonging to the Insured which is necessary for the purpose of repair or replacement as a result of the Damage;

3.1.6 customs, excise and other duties which the Insured is liable to pay as a result of the Damage.

3.2 The Insurer will also pay the following additional costs which are necessarily and reasonably incurred:

3.2.1 in the repair of replacement of personal effects (excluding Money) belonging to directors and employees of the Insured and the property of welfare sport and social clubs of the Insured which are Damaged during the Period of Insurance, but only if they were at the Situation at that time, and limited to two thousand dollars ($2,000) any one person or club;

3.2.2 in extinguishing a fire at or in the vicinity of Property Insured or threatening to involve Property Insured or for the purpose of preventing or diminishing imminent Damage to Property Insured occurring during the Period of Insurance caused in any other circumstances giving rise to indemnity under this Policy, including the cost to gain access to any property;

3.2.3 in replenishing fire fighting appliances and paying costs and charges incurred for the purpose of shutting off the supply of water or any other substance following the accidental discharge or escape of any such substance occurring during the Period of Insurance, whether from fire protective equipment or otherwise.

4. Basis of Settlement

For the purpose of this Clause 4:

4.1 **Reinstatement Value** is the cost necessary to replace, repair or rebuild the Property Insured to a condition substantially the same as but not better or more extensive than its condition when new.

4.2 **Indemnity Value** is the cost necessary to replace, repair or rebuild the Property Insured to a condition substantially the same as but not better or more extensive than its condition at the time that the Damage occurred taking into consideration age, condition and remaining useful life.

4.3 On buildings, machinery, plant and all other property and contents other than those specified in 4.9 to 4.17 below, the Basis of Settlement shall be the **Reinstatement Value** and the provisions of 4.4 to 4.8 shall apply.

Reinstatement Provisions applying to buildings, machinery and all other property other than property referred to in 4.9 to 4.17

4.4 4.4.1 The replacement, repair or rebuilding may be carried out upon any other site(s) and in any manner suitable to the requirements of the Insured, but subject to the liability of the Insurer not being thereby increased.

4.4.2 Such work must be commenced and carried out with reasonable despatch, failing which the Insurer shall not be liable to make any payment greater than the **Indemnity Value**. The claim will not be affected to the extent that the Insurer caused or contributed to the delay.

4.4.3 Where any Property Insured is damaged in part only, the liability of the Insurer shall not exceed the sum representing the cost which the Insurer could have been called upon to pay by way of **Reinstatement Value** if such property had been totally destroyed.

4.4.4 The Insurer shall not be liable to make any payment beyond the **Indemnity Value** of the Property Insured until a sum equal to the **Reinstatement Value** has actually been incurred by the Insured in the replacement, repair or rebuilding of the property, provided that where the Insured repairs or rebuilds any Damaged Property Insured at a cost which is less than the cost of reinstatement but greater than the value of such property at the time of the Damage, then the cost so incurred shall be deemed to be the cost of reinstatement. The Insurer may make progress payments in settlement of any claim for reinstatement of any property.

4.5 Extra Cost of Reinstatement

The Insurer will also pay the extra cost of reinstatement (including demolition or dismantling) of Property Insured which has been Damaged necessarily incurred by the Insured to comply with the requirements of any statute or regulation or of any municipal or statutory authority, provided that:

4.5.1 the Insurer shall not pay for any additional cost incurred in complying with any such requirement with which the Insured had been required to comply prior to the happening of the Damage.

4.5.2 the Average/Underinsurance Clause shall not apply to any amount recoverable under this Clause 4.5 and any amount payable shall not be taken into account for the purpose of the application of the Average/Underinsurance Clause.

4.5.3 if the cost of reinstatement of Damaged Property Insured is less than 50% of the cost of reinstatement if such property had been totally destroyed, the indemnity under this clause 4.5 shall be limited to the extra cost necessarily incurred in reinstating only that portion Damaged or the Sub-Limit of Liability stated in the Schedule, whichever is the lesser. If no Sub-Limit of Liability is stated, the Insurer's liability shall be limited to the extra cost necessarily incurred in reinstating only that portion Damaged.

4.6 Output Replacement

Where any Property Insured consists of equipment, machinery or plant having a measurable function, capability or output and if, by reason of the application of the Basis of Settlement Clause, 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 as follows:

4.6.1 Where any property is to be replaced by an 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.

4.6.2 Where any property is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of that property, then the Basis of Settlement is the new installed cost of the item or items so replaced.

4.6.3 Where any property is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the replacement value of the property, 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 property Damaged bears to the output of the replacement item or items.

4.7 Floor Space Ratio Index (Plot Ratio)

If a building being Property Insured is Damaged and the cost of reinstatement is more than 50% of the cost of reinstatement if the building had been totally destroyed and reinstatement is only permissible by reason of any requirement of any law or local government or other statutory authority subject to a reduced floor space ratio index, the Insurer will pay in addition to any other amount payable on reinstatement of the building the difference between the actual cost of reinstatement incurred in accordance with the reduced floor space ratio index and the cost of reinstatement which would have been incurred had a reduced floor space ratio index not been applicable. In calculating the amount payable under this Clause 4.7, any payment made by the Insurer shall include the extra cost payable under Clause 4.5 above.

Any amount payable under this Clause 4.7 shall be paid upon completion of the rebuilding works as certified by the architect acting on behalf of the Insured in the reinstatement of the building.

4.8 Undamaged Foundations

Where any Property Insured being a building or an installation constructed on its own foundations is Damaged but its foundations are not destroyed and due to the requirement of any law or of any local government or other statutory authority reinstatement of the building has to be carried out upon another site, the abandoned foundations shall be considered as having been destroyed.

If, however, the resale value of the original building site is increased by virtue of the presence of the abandoned foundations, then such increase in resale value shall be regarded as salvage and that amount shall be paid to the Insurer by the Insured upon completion of the sale of the site, or shall be deducted from the final amount of any moneys payable by the Insurer under this Policy, whichever shall occur later.

Provisions applying to specific items of property

4.9 In the case of raw materials, supplies and other merchandise not manufactured by the Insured, the Basis of Settlement shall be the replacement cost calculated at the time and place of replacement, provided that replacement shall have been carried out with reasonable despatch, or if not replaced the **Indemnity Value**.

4.10 In the case of materials in process of manufacture, the Basis of Settlement shall be the replacement cost of the raw materials and the cost of labour and other overhead charges expended on them calculated at the time and the place of the Damage.

4.11 In the case of finished goods manufactured by the Insured, the Basis of Settlement shall be either the replacement cost of the raw materials and the cost of labour and other overhead charges expended on them without any allowance for profit calculated at the time and place of the Damage or the cost of restocking such goods within a reasonable time, whichever is the lesser.

4.12 In the case of computer systems records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description, the Basis of Settlement shall be the cost of repairing, replacing, reproducing or restoring them, including the information contained on or in them, but excluding the value to the Insured of that information. If repair, replacement, reproduction or restoration is not required, the Basis of Settlement shall be the replacement cost of the materials as blank stationery calculated at the time and place of the Damage, provided that replacement shall have been carried out with reasonable despatch. The claim will not be affected to the extent that the Insurer caused or contributed to the delay.

4.13 In the case of patterns, models, moulds, dies or lasts, the Basis of Settlement shall be the **Reinstatement Value** (if replaced with reasonable despatch), otherwise the value of such property to the Insured calculated at the time and place of the Damage, but not exceeding **Reinstatement Value**. The claim will not be affected to the extent that the Insurer caused or contributed to the delay.

4.14 In the event of any claim, any salvage of branded goods or merchandise owned by the Insured or held by the Insured in trust or on commission and any goods sold but not delivered shall not be disposed of by sale without the consent of the Insured. If such salvage is not disposed of by sale, then the Basis of Settlement shall be the market value of the goods after brands, labels or names have been removed by or on behalf of the Insured.

4.15 In the case of glass, the Basis of Settlement shall be the cost of repairing or replacing the broken glass, including the cost of temporary shuttering and hiring of security services pending replacement of the broken glass, the cost of sign-writing or ornamentation on the glass, the replacement cost of burglar alarm tapes on the glass, the removing and refixing of window and showcase frames and fittings and heat reflecting material or process on the glass.

4.16 In the case of personal effects (excluding Money) belonging to directors and employees, and in the case of the property of welfare, sport and social clubs, but only while at the Situation, the Basis of Settlement shall be the **Reinstatement Value**, but limited to two thousand dollars ($2,000) in the case of any one person or club.

4.17 In the case of empty premises awaiting demolition, the Basis of Settlement shall be the salvage value of the building materials and landlord's fixtures and fittings.

4.18 Designation

For the purpose of ascertaining the classification under which any property is insured, the Insurer agrees to accept the designation applied to such property by the Insured in its records, provided that such property is not specifically excluded by this Policy.

Provisions applying to all property

4.19 The Insurer may, at its option (acting reasonably), reimburse the Insured for the cost of carrying out work or obtaining any item or items in accordance with this Basis of Settlement Clause, or may arrange for that work to be carried out or for the purchase of the item or items.

4.20 Where the Insurer is not able to replace, repair or rebuild exactly or completely, (for example, if exact materials are no longer manufactured); the Insurer will reinstate in a reasonable manner and shall not in any case be bound to expend more than the applicable Limit or Sub-Limit of Liability.

4.21 Election to claim Indemnity Value

The Insured may elect to claim the Indemnity Value of any property and, if so, the Insurer will pay that value or may, at its option (acting reasonably), replace, repair or rebuild the property or any part in accordance with the Indemnity Value, but including the extra cost of reinstatement as set out in Clause 4.5.

5. Property Excluded

Section 1 of this Policy does not cover Damage to the following property in the circumstances set out.

5.1 Property (other than Money) whilst in transit except:

5.1.1 during the incidental movement of such property within Situations occupied by the Insured;

5.1.2 as specifically provided in Clause 2.1.2.

This Exclusion shall not apply during the temporary removal of property (other than stock and merchandise) and unregistered motor vehicles to any Situation within Australia, but, while such property or unregistered motor vehicles are in transit, cover is limited to Damage caused directly by fire, lightning, explosion, earthquake, aircraft, riot, strikes, malicious damage and storm and tempest.

5.2 Money:

5.2.1 while being carried by professional money carriers, professional carriers or common carriers which is insured by any person or entity other than the Insured except to the extent of any Damage in excess of the amount of that insurance;

5.2.2 stolen from an unlocked and unattended vehicle;

5.2.3 stolen from a safe or strongroom opened by a key or by use of details of a combination, either of which has been left at the Situation outside the Insured's business hours, unless such key or combination details have been properly secured or unless obtained through actual or threatened violence to person(s) or property;

5.2.4 where the loss of the Money is not discovered within five (5) working days of the loss occurring;

5.2.5 where the loss arises out of a demand made for the payment of Money in connection with any kidnapping, bomb threat, hoax, extortion or an attempt of any of these.

5.3

5.3.1 Jewellery, furs, bullion, precious metals or precious stones other than where used as stock or merchandise of the Business;

5.3.2 Works of art, antiques and curios unless they are on the premises at the Situation at the time of the Damage and then limited for all such items to an amount not exceeding in total 10% of the Declared Values for Property Insured under Section 1 or fifty thousand dollars ($50,000), whichever is the lesser (unless stated to the contrary in the Schedule).

5.4

5.4.1 Any locomotive or rolling stock or watercraft other than where used as stock or merchandise of the Business, provided always that no cover shall apply to watercraft while in the water;

5.4.2 Any aircraft (including its accessories and spare parts) other than where used as stock or merchandise of the Business, provided always that no cover shall apply to aircraft during taxiing, take-off, flight or landing.

5.5 Vehicles or trailers registered or licensed to travel on a public road, provided that this exclusion shall not apply to mobile plant and equipment which is so registered or licensed not being cars, sedans, panel vans and trucks while on any premises occupied or used by the Insured.

5.6 Live animals, birds or fish or any other living creature.

5.7 Standing timber, growing crops and pastures.

5.8 Land, unmined or unrecovered oil, gas and mineral deposits, provided that this exclusion shall not apply to structural improvements on or in the land if they are not otherwise excluded in this Policy.

5.9

5.9.1 Bridges, canals, roadways and tunnels, dams and reservoirs (other than tanks) and their contents;

5.9.2 Railway tracks (other than on the premises occupied or used by the Insured for the purpose of its Business).

5.10 Docks, wharves and piers not forming part of any building.

5.11 Mining property and equipment located beneath the surface of the ground unless otherwise expressly insured under this Policy.

5.12 Property whilst it is undergoing any process where the Damage results from its being processed.

5.13

5.13.1 Gates, fences, retaining walls, textile awnings and blinds where caused by wind, rainwater or hail;

5.13.2 Property in the open air unless such property comprises or forms part of a permanent structure designed to function without the protection of the walls or roof where caused by wind, rainwater or hail.

5.14

5.14.1 Property undergoing construction, erection, alteration or addition including the partial dismantlement of existing structures where the total contract value of all work to be carried out any one Situation during such activity exceeds 10% of the Limit of Liability applying at that Situation or five hundred thousand dollars ($500,000), whichever is the lesser. Provided that this exclusion shall apply only to the portion of the premises or the part of any property which is the subject of any such work and this exclusion shall not apply to any other Property Insured under this Policy;

5.14.2 Empty premises undergoing demolition.

5.15 Oil and gas drilling and production rigs while off shore.

6. Circumstances where Cover is Excluded

6.1 Section 1 of this Policy does not cover Damage to any Property Insured caused directly or indirectly by or in connection with or arising from or occasioned through:

6.1.1 war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or the use of military or usurped power;

6.1.2 any order of any Government, Public or Local Authority involving the confiscation, nationalisation, requisition or damage of any property;

Notwithstanding the provisions of Exclusion 6.1.2, the Insurer will extend indemnity for the reasonable cost of removal of Property Insured at the premises for the purpose of preventing or diminishing imminent Damage by, or inhibiting the spread of, fire or any other cause not excluded under this Policy and for Damage resulting from removal carried out in those circumstances;

6.1.3 ionising radiations or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel. Nuclear fuel means any material which is capable of producing energy by a self-sustaining chain process of nuclear fission;

6.1.4 nuclear weapons materials;

6.1.5 any legal liability of whatsoever nature other than as herein provided;

6.1.6 the incorrect siting of buildings as a result of error in architectural design or specification, faulty workmanship or non-compliance with the requirements of any Government, Local Government or Statutory Authority;

6.1.7 demolition ordered by any Government, Local Government or Statutory Authority as a result of the failure of the Insured or its agents to comply with any lawful requirement;

6.1.8 unexplained or inventory shortage or disappearance resulting from clerical or accounting errors or shortage in the supply or delivery of materials to or from the Insured;

6.1.9 spontaneous combustion, spontaneous fermentation or heating or any process involving the direct application of heat. Provided, however, that the provisions of this Exclusion 6.1.9 shall be limited to the item or items immediately affected and shall not extend to other property Damaged as a result of any such spontaneous combustion, fermentation, heating or process.

6.1.10 consequential loss of any kind. This means cover is not provided for anything not expressly described in the cover sections of the Policy, including, for example loss due to delay, lack of performance, loss of contract or depreciation in the value of any undamaged property, except as provided for in Section 2 of this Policy;

6.1.11 Pollution or Contamination except where caused directly by fire, lightning, explosion, impact by aircraft or other aerial devices or articles dropped from them, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing and discharging of water tanks, apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal;

6.1.12 any circumstances other than those referred to in Exclusion 6.1.11 above which results directly or indirectly from Pollution or Contamination.

6.2 Section 1 of this Policy does not cover Damage to any Property Insured caused by or occasioned through:

6.2.1 electrical, electronic or mechanical breakdown which shall mean the actual breaking, seizing, deformation or burning out of any part of a machine causing stoppage of the functions thereof and necessitating repair or replacement before it can resume working. For the purpose of this Exclusion 6.2.1, machine means any apparatus whether or not functioning independently or as any component part of a collection of apparatus which generates, contains, controls, transmits, receives, transforms or utilises any form or source of energy or power.

6.2.2 erosion, subsidence, earth movement or collapse resulting therefrom;

6.2.3 Flood; or

6.2.4 the action of water from the sea, tidal wave or high water;

Provided that Exclusions 6.2.2, 6.2.3 and 6.2.4 shall not apply if Damage is caused by or arises out of an earthquake or seismological disturbance.

6.2.5 the action of moths, termites or other insects, vermin, rust or oxidation, mildew, mould, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour, texture or finish;

6.2.6 wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;

6.2.7 error or omission in design, plan or specification or failure of design;

6.2.8 normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration;

6.2.9 faulty materials or faulty workmanship;

6.2.10 the cessation of work whether total or partial or the cessation, interruption or retarding of any process or operation as a result of any industrial dispute. This Exclusion 6.2.10 shall not apply to any Damage caused directly by persons participating in an industrial dispute;

6.2.11 kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt at any of these;

6.2.12 theft of property (other than Money in transit) whilst in the open air;

6.2.13

6.2.13.1 fraudulent or dishonest acts, fraudulent misappropriation, embezzlement, forgery, counterfeiting;

6.2.13.2 Electronic Data corruption, unauthorised amendment of Electronic Data and erasure by electronic or non-electronic means; involving the Property Insured and committed by the Insured or any of the employees of the Insured whether acting alone or in collusion with any other person or persons. Provided that Exclusion 6.2.13.1 shall not apply to theft by an employee of the Insured consequent upon forcible and violent entry upon premises at the Situation or upon felonious concealment at those premises.

6.2.14 the gaining of access by any person other than the Insured or employees of the Insured to the Insured's computer system via Electronic Data communication media that terminate in the Insured's computer system;

6.2.15 Computer Virus, being an executable programme or computer code segment that is self-replicating, requires a host programme or executable disc segment in which it can be contained, and which destroys or alters the host programme or other computer code or data, causing undesired programme or computer system operation;

6.2.16 the explosion, implosion, rupture, collapse, bursting, cracking or overheating of any boiler (other than a boiler used for domestic purposes), economiser, or other pressure vessel, including pipes, valves and other apparatus forming part of any of these and in respect of which a certificate is required to be issued in accordance with Australian Standard AS 1210-2010, 4343-2014, 3788-2006, and 2593-2021. This Exclusion 6.2.16 shall be limited to the items immediately affected and shall not extend to Damage to other property caused by any of the circumstances referred to in this Exclusion. The provisions of this Exclusion shall not apply to Section 2 of this Policy.

Provided that the Insurer will indemnify the Insured for any Damage to Property Insured caused directly by any circumstances not excluded under Section 1 of this Policy, notwithstanding that these circumstances may in turn have been caused by any of the circumstances referred to in Exclusions 6.2.1. to 6.2.16.

6.3 Section 1 of this Policy does not cover Damage to any Property Insured resulting from or happening through or in connection with:

6.3.1

6.3.1.1 any alteration made by or known to an officer responsible for insurance of the Insured in the trade or processes of manufacture carried on at the Situation; or

6.3.1.2 any alteration made by or known to an officer responsible for insurance of the Insured in the nature of the occupation or other circumstances affecting the Insured Property; whereby the risk of Damage shall have been materially increased, unless a responsible officer of the Insurer shall have first been notified of any such alteration and the Insured shall have agreed to pay any additional premium required by the Insurer.

6.3.2 any premises being Property Insured or containing any Property Insured having become unoccupied and remaining unoccupied for a continuous period in excess of thirty (30) days unless the Insurer shall have been notified and shall have agreed to extend cover.

6.4 Section 1 of this Policy does not cover any loss or Damage to any appliance, machinery, equipment or other property which is a computer or which contains or comprises any computer technology (including computer chip or control logic) and which fails to perform or function in the precise manner for which it was designed for any reason arising from the performance or functionality of such computer technology (including computer chip or control logic).

7. Conditions Applying to Section 1

7.1 Interests of Other Parties

7.1.1 If any person or entity shall have any interest in the Property Insured, the Insurer shall protect that interest in the event of a claim, provided that interest is disclosed in the business records of the Insured and the Insured shall have disclosed the nature and extent of that interest to the Insurer at the time of notification of the claim.

7.1.2 Where separate interests of more than one Co-Insured in the Property Insured are insured under this Policy, any act or neglect of one Co-Insured will not prejudice the rights of the remaining Co-Insured; provided that the remaining Co-Insured 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 the Insurer and shall on demand pay such reasonable additional premium as the Insurer may require in order to maintain cover that the Insurer may agree to provide for the increased risk as a result of the act or neglect.

7.2 Average/Underinsurance

7.2.1 The Insured is required to insure for full value calculated in accordance with the Basis of Settlement Clause as applicable, as at the commencement of the Period of Insurance and in relation to any Property Insured acquired after the commencement of the Period of Insurance as at the time of acquisition of that property.

7.2.2 In the event of a claim, the moneys otherwise payable under Section 1 of this Policy shall be the proportion that the Insured's declaration at the time of the commencement of the Period of Insurance of the value of all Property Insured at the Situation to which the Damaged item or items belong bears to 85% of the value of all such property as at the time of the commencement of the Period of Insurance calculated in accordance with the Basis of Settlement Clause.

7.2.3 This Condition 7.2 shall not apply if the amount of the Damage does not exceed 5% of the amount of the Insured's declaration of value for that Situation.

7.2.4 For the purpose of the application of this Condition 7.2, the Insured's declared values at any Situation shall not include any allowance for the Extra Cost of Reinstatement referred to in Clause 4.5 or for the costs and expenses referred to in the Additional Cover provided in Clauses 3.1.2, 3.1.3, 3.1.4 and 3.2.

7.3 Sprinkler Installations

7.3.1 This Condition applies to any property being Property Insured in which an automatic sprinkler system is installed and which is owned by the Insured or where the Insured is responsible for the operation or maintenance of the automatic sprinkler system.

7.3.2 The Insured shall ensure that the property is protected as required by law by an approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a Fire Brigade Station.

7.3.3 The Insured shall exercise due diligence to ensure that any system and alarm signal are at all times maintained in good working order.

7.3.4 It is a condition of this insurance that such system will be regularly maintained in accordance with Australian Standard AS1851-2012 (Section 2 – Automatic Fire Sprinkler Systems) by the installing engineers or entity or by a person or entity approved by the Insured to carry out such maintenance.

7.3.5 Any alterations or additions to the automatic sprinkler installation must be notified to the Insurer in writing as soon as reasonably practicable.

7.4 Damage Over a Period of Time

All Damage which occurs during any period of seventy-two (72) consecutive hours and which is caused by an earthquake, volcanic eruption, subterranean fire or atmospheric disturbance shall be considered for the purpose of the application of any Limit and Sub-Limit of Liability and of the Deductible as resulting from the one original source or cause. Each period shall be deemed to have commenced on the first happening of any such Damage which does not occur within any prior period of seventy-two (72) consecutive hours. This Clause shall apply to any of these causes whether continuous or sporadic in their sweep or scope and whether the Damage was due to the same seismological condition.

Section 2 – Consequential Loss of Profits Insurance

8. Definitions

For the purpose of Section 2 of this Policy, the following definitions apply:

8.1 **Annual Turnover** means:

the Turnover during the twelve (12) months immediately before the date of the Damage.

8.2 **Gross profit** means:

the amount by which the sum of the Turnover and the amount of the closing stock and work in progress shall exceed the sum of the amount of the opening stock and work in progress and the amount of the Uninsured Working Expenses as set out in the Schedule. (The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.)

8.3 **Indemnity Period** means:

the period beginning with the occurrence of the Damage and ending not later than the number of months specified in the Schedule thereafter during which the results of the Business shall have been affected in consequence of the Damage.

8.4 **Pay-Roll** means:

the remuneration (including but not limited to pay-roll tax, fringe benefits tax, bonuses, holiday pay, sick pay, workers' compensation insurance premiums, accident compensation levies, superannuation and pension fund contributions and the like) paid to all employees of the Insured.

8.5 **Premises** means:

the Situation specified in the Schedule.

8.6 **Rate of Gross Profit** means:

the proportion which the Gross Profit bears to the Turnover during the financial year immediately before the date of the Damage.

8.7 **Rate of Pay-Roll** means:

the proportion which the Pay-Roll bears to the Turnover during the financial year immediately before the date of the Damage.

Adjustments shall be made to the Rate of Gross Profit, Annual Turnover, Standard Turnover and Rate of Pay-Roll as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall 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 occurred.

8.8 **Shortage in Turnover** means:

the amount by which the Turnover during a period shall, in consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period.

8.9 **Standard Turnover** means:

the Turnover during that period in the twelve (12) months immediately before the date of the Damage which corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds twelve (12) months).

8.10 **The Business** means:

the Business as specified in the Schedule carried on by the Insured at the Premises at the commencement of the Period of Insurance or such other business or businesses as may be declared by the Insured during the Period of Insurance and insurance for which has been accepted by the Insurer under Section 2 of this Policy.

8.11 **Turnover** means:

the money (less discounts if any allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business conducted at the Premises.

9. Extent of Cover

9.1 Provided that the Insured has paid or agreed to pay the premium stated in the Schedule, the Insurer will indemnify the Insured in accordance with the provisions of Clause 10 (Basis of Settlement) against loss resulting from the interruption of or interference with the Business, provided the interruption or interference is caused by Damage occurring during the Period of Insurance to:

9.1.1 any building or any other property or any part thereof used by the Insured at the Premises for the purposes of the Business;

9.1.2 any property belonging to the Insured or for Damage to which the Insured is responsible, while such property is at any storage premises within Australia or at any situation within Australia where the Insured has any work or process carried out by others;

9.1.3 at any electricity sub-station, gas or water pumping station of a public supply undertaking which is situated on or immediately adjacent to the Premises;

9.1.4 computer installations, including ancillary equipment and data processing media utilised by the Insured anywhere in Australia;

9.1.5 where:

9.1.5.1 there is damage to a property within a 5km radius of the Premises; and

9.1.5.2 that damage was caused by a peril (damage as a result of which is insured hereunder); and

9.1.5.3 as a result, a competent government, public or statutory authority has ordered the closure or evacuation of the whole or part of the Premises during the Period of Insurance

then any loss as Insured by this Policy which has resulted from interruption of or interference with the Business following 9.1.5.1, 9.1.5.2 and 9.1.5.3 above, shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises whether the Premises or property of the Insured therein shall be damaged or not;

9.1.6 loss as insured by this Policy resulting from interruption of or interference with the Business in consequence of damage to property forming part of or contained in the complex of which the Premises forms part caused by a peril, damage as a result of which is insured hereunder, which results in a cessation or diminution of trade due to temporary falling away of potential custom whether the Premises or property of the Insured therein shall be damaged or not shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises. Provided that the damage to property referred to above resulted in an order by a competent government, public or statutory authority to close or evacuate of the whole or part of the complex of which the Premises forms part during the Period of Insurance;

9.1.7 any registered vehicles or trailers which are owned or operated by the Insured, while such vehicles or trailers are at the Premises, but not while any such vehicles or trailers are being used on any public highway or thoroughfare.

9.2 If the building or other property which is subject to the Damage is owned by the Insured, such Damage must be the subject of indemnity under a policy of insurance covering the circumstances in which it occurred (other than where caused by any cause referred to in Clause 6.2.16 and other than indemnity not applying only because of the application of a Deductible).

9.3 In the case of any other property which suffers Damage, that Damage must occur in circumstances in which indemnity would apply as if that property were insured under Section 1 of this Policy other than indemnity not applying only because of the application of a Deductible.

9.4 Indemnity under Clause 9.1 is also subject to:

9.4.1 the Limits and Sub-Limits referred to in the Schedule;

9.4.2 the loss being calculated in accordance with the Basis of Settlement Clause 10.

9.4.3 the Conditions set out in Clauses 11 and 14.

9.4.4 the loss not being caused as a result of Damage to certain property as referred to in Clause 12.

9.4.5 the loss not being caused as a result of Damage to property occurring in circumstances set out in Clause 13.

9.4.6 no cover will be provided for any loss under clause 9.1.5 or 9.1.6 unless the closure or evacuation exceeds a period of 48 hours and indemnity shall not exceed the Sub-Limit of Liability per event and in the annual aggregate and Indemnity period expressed in the Schedule.

9.5 Infectious or Contagious Diseases; Vermin, Pests or Defective Sanitary Arrangements; Food or Drink Poisoning; Rape, Murder or Suicide

Loss as insured by the Policy resulting from interruption of or interference with the Business arising from closure or evacuation of the whole or part of the Premises during the Period of Insurance:

9.5.1 by order of a competent government, public or statutory authority as a result of a notifiable human infectious or contagious disease manifested by any person while at the Premises;

9.5.2 by order of a competent government, public or statutory authority as a result of vermin or pests or defects in the drains or other sanitary arrangements at the Premises;

9.5.3 by order of a competent government, public or statutory authority as a result of injury, illness or disease caused by the consumption of food or drink provided on the Premises or the wilful threat of contamination of food or drink at the premises;

9.5.4 as a result of rape, murder or suicide occurring in or at the Premises,

shall be deemed to be loss resulting from Damage to Property used by the Insured at the Premises for the purpose of the Business under paragraph 9.1.1 above.

Provided that paragraphs 9.5.1, 9.5.2 and 9.5.3 will not indemnify loss resulting from interruption of or interference with the Business directly or indirectly caused by, arising out of or in any way connected with:

(i) an human infectious or contagious disease (regardless of whether or not it is a notifiable human infectious or contagious disease) that is a 'listed human disease' under the *Biosecurity Act 2015 (Cth)* and any of its subsequent amendments or any similar such listing or declarations of diseases under any subsequent statute that repeals and replaces the *Biosecurity Act 2015 (Cth)* in whole or part, whether or not such declaration has taken place before or after the inception of this Policy; or

(ii) highly pathogenic avian influenza in humans, Severe Acute Respiratory Syndrome (SARS), Middle East Respiratory Syndrome (MERS), SARS-CoV-2 (Covid 19) or any other disease caused by a coronavirus, whether or not these diseases are also listed in (i) above; or

(iii) any disease infectious in humans forming part of the Quarantinable Infectious Diseases as defined under the *Health Act 1956 (NZ)* and any of its subsequent amendments or any similar such listing of diseases under any subsequent statute that repeals and replaces the *Health Act 1956 (NZ)* in whole or part, whether or not such declaration has taken place before or after inception of this Policy; or

(iv) any pandemic or epidemic, as declared as such by the World Health Organisation; or

(v) poor hygiene at the Premises being a cause or a contributing cause of any closure of the Business.

No cover will be provided for any loss under this clause unless the closure or evacuation due to a notifiable human infectious or contagious disease exceeds a period of 48 hours.

For the purposes of this clause:

(i) "notifiable human infectious or contagious disease" means any human infectious or contagious disease which is required to be notified under any Commonwealth, State or Territory legislation in force during the policy period; and

(ii) "loss" does not include any costs of cleaning up or sanitising the Premises as a result of a notifiable disease

Indemnity under this clause shall not exceed the Sub Limit of Liability per event and in the annual aggregate and Indemnity Period expressed in the Schedule.

10. Basis of Settlement

10.1 Item No.1 (Actual Loss of Gross Profit due to Reduction in Turnover and Increase in Cost of Working)

The Insured is indemnified with respect to actual loss of Gross Profit calculated in the following manner, namely:

10.1.1 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 shall, in consequence of the Damage, fall short of the Standard Turnover; and

10.1.2 In respect of 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 that 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 the reduction thereby avoided.

10.1.3 There shall be deducted from the amounts calculated in 10.1.1 and 10.1.2 any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced as a consequence of the Damage.

10.1.4 Cover under this Clause 10.1 shall be proportionately reduced if the Declared Value of Gross Profit stated in the Schedule is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (appropriately increased if the Indemnity Period exceeds twelve (12) months).

This Condition 10.1.4 shall not apply if the amount of the claim does not exceed 5% of the Declared Value of Gross Profit under Section 2 of this Policy.

10.2 Item No.2 (Claims Preparation Costs)

The Insured is indemnified with respect to such reasonable professional fees and such other reasonable expenses as are necessarily incurred by the Insured with the consent of the Insurer for preparation of claims under Sections 1 and 2 of this Policy. In order to be sure that there is cover under the Policy, the Insured should always contact the Insurer for approval before incurring expenses the Insured wishes to claim. If not, the Insurer will pay for expenses up to the amount the Insurer would have authorised had the Insured asked first.

10.3 Item No.3 (Insured Pay-Roll being Loss in respect of Pay-Roll Calculated by Reference to Reduction in Turnover)

10.3.1 The Insured is indemnified for loss of Pay-Roll limited to loss due to Reduction in Turnover and Increase in Cost of Working, and the amount payable as indemnity shall be calculated in the following manner:

10.3.1.1 during the portion of the Indemnity Period beginning with the occurrence of the Damage and ending not later than the number of weeks thereafter specified in the Schedule calculated by applying the Rate of Pay-Roll to the Shortage in Turnover during that portion of the Indemnity Period less any saving during that portion through reduction in the amount of Pay-Roll paid in consequence of the Damage.

10.3.1.2 during the remaining portion of the Indemnity Period calculated by applying the Rate of Pay-Roll to the Shortage in Turnover during the remaining portion of the Indemnity Period less any saving during that portion through reduction in the amount of Pay-Roll paid in consequence of the Damage, but not exceeding the amount produced by applying the percentage of the Rate of Pay-Roll specified in the Schedule to the Shortage in Turnover during that remaining portion of the Indemnity Period, increased by such amount as is deducted for savings under Clause 10.3.1.1 above.

10.3.2 The Insured may at its option increase the number of weeks referred to in Clause 10.3.1.1 to the number of weeks specified in the Schedule under the heading "Consolidated Period", provided that the amount payable under Clause 10.3.1.2 shall not exceed such amount as is deducted under Clause 10.3.1.1 for savings effected during the increased number of weeks.

10.3.3 The Insured shall also be indemnified in addition to the amount payable under Clause 10.3.1 for so much of the additional expenditure described in Clause 10.1.2 as exceeds the amount payable under that Clause 10.1.2, but not more than the additional amount which would have been payable in respect of reduction in Turnover under the provisions of Clauses 10.3.1. and 10.3.1.2 had such expenditure not been incurred.

10.3.4 Cover under this Clause 10.3 shall be proportionately reduced if the Declared Value of Pay-Roll is less than the amount produced by applying the Pay-Roll Limits set out in the Schedule to the amount produced by applying the Rate of Pay-Roll to the Annual Turnover (or its appropriately increased multiple thereof, where the Indemnity Period exceeds twelve (12) months). This Clause 10.3.4 shall not apply if the amount of the claim does not exceed 5% of the Declared Value of Insured Pay-Roll under Section 2 of this Policy.

10.4 Item No.4 (Additional Increased Cost of Working)

The Insured is indemnified with respect to any additional Increased Cost of Working not otherwise recoverable under Section 2 of this Policy necessarily and reasonably incurred during the Indemnity Period in consequence of the Damage for the sole purpose of avoiding or diminishing reduction in Turnover or resuming and maintaining normal operation of the Business.

11. Conditions Applying to Section 2

11.1 Turnover Elsewhere after Damage

If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by others on behalf of the Insured, moneys paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

11.2 Departmental Clause

If the Business is conducted in departments or business units the independent trading results of which are ascertainable, the provisions of Clauses 10.1.1, 10.1.2, 10.3.1.1, 10.3.1.2 and 10.3.2 shall apply separately to each department or unit affected by the Damage.

11.3 New Business

In the event of Damage occurring at the Premises before the completion of the first year's trading of the Business, the terms `Rate of Gross Profit', `Annual Turnover', `Standard Turnover' and `Rate of Pay-Roll' shall bear the following meanings and not those as stated in Clause 8 (Definitions):

Rate of Gross Profit means:

the proportion which the Gross Profit bears to the Turnover during the period between the date of the commencement of the Business and the date of the Damage.

Annual Turnover means:

the proportional equivalent, for a period of twelve (12) months of the Turnover realised during the period between the commencement of the Business and the date of the Damage.

Standard Turnover means:

the proportional equivalent, for a period equal to the Indemnity Period of the Turnover realised during the period between the commencement of the Business and the date of the Damage.

Rate of Pay-roll means:

the proportion which the Pay-Roll bears to the Turnover during the period between the date of the commencement of the Business and the date of the Damage.

Adjustments shall be made to the Rate of Gross Profit, Annual Turnover, Standard Turnover and Rate of Pay-Roll as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall 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 occurred.

11.4 Accumulated Stocks

In adjusting any loss, account shall be taken and equitable allowance made if any Shortage in Turnover resulting from the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks.

11.5 Books of Account

11.5.1 Any particulars or details contained in the Insured's books of account or other business books or documents which may be reasonably required by the Insurer for the purpose of investigating or verifying any claim made under Section 2 of this Policy may be produced and certified by the Insured's auditors and their certificate shall be prima facie evidence of the particulars and details to which the certificate relates.

11.5.2 The words and expressions used in this Policy shall have the meanings usually attached to them in the books and accounts of the Insured unless otherwise defined in this Policy.

11.6 Turnover/Output Alternative

If the Insurer and the Insured agree, the word "Output" may be substituted for "Turnover" and, for the purpose of Section 2 of this Policy Output shall mean the sale value of goods manufactured or processed by the Insured in the course of carrying on the Business at the Premises.

If the Output Option is selected:

11.6.1 the provisions of Clause 11.1 (Turnover Elsewhere after Damage) shall read as follows:

If during the Indemnity Period goods shall be manufactured or processed other than at the Premises for the benefit of the business either by the Insured or by others on behalf of the Insured, the sale value of the goods so manufactured or processed shall be brought into account in arriving at the Output during the Indemnity Period.

and

11.6.2 the definition of Gross Profit shall read as follows:

The difference between sale value of production and the amount of the Uninsured Working Expenses.

11.7 Salvage Sale

If Damage gives rise to a claim under Section 2 of this Policy and the Insured holds a salvage sale during the Indemnity Period:

11.7.1 Clause 10.1 shall be varied to provide that the amount of the indemnity shall be calculated by reference to 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.

11.7.2 For the purposes of Clause 10.3:

11.7.2.1 a Shortage in Turnover means 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;

11.7.2.2 the amount of insured Pay-Roll recovered from Turnover during the period of the salvage sale shall be deducted from the amount otherwise payable under Clause 10.3.

11.8 Termination of Cover

Notwithstanding anything contained in this Policy to the contrary, if during any period in respect of which this Policy is in force:

11.8.1 the Insured forms the intention of ceasing to carry on the Business or any part of the Business, or if any part of the Business is disposed of, permanently discontinued or the Insured ceases to have any proprietary interest in the Business;

11.8.2 the Insured (being a corporation) is placed in liquidation or provisional liquidation, is placed under official management or enters into a scheme of arrangement or has receivers or managers appointed over its assets or undertakings; or

11.8.3 the Insured (being a natural person) becomes a bankrupt or enters into a scheme of arrangement or compromise or composition with creditors; then the insurance cover provided under Section 2 of this Policy in respect of such Business or part of the Business (as the case may be) shall automatically and forthwith cease unless otherwise agreed in writing by the Insurer. In the event of the Indemnity Period having begun to run in respect of any claim relating to such Business or part of the Business, the Indemnity Period shall thereupon be at an end unless agreed otherwise in writing by the Insurer.

11.9 Mitigation of Loss

The Insured shall use due diligence and do and concur in doing all things reasonably practicable to minimise any interruption of or interference with the Business and to avoid or diminish the loss and shall also deliver to the Insurer a statement in writing of any claim certified by the Insured's auditors or accountants with all particulars and details reasonably practicable as to the loss and shall produce and furnish all books of account and other business books, invoices, vouchers and all other documents, proofs, information, explanations and other evidence and facilities as may reasonably be required to enable the Insurer to investigate and verify the claim and such information or documentation shall be verified on oath if required by the Insurer.

12. Property Excluded

Section 2 of this Policy does not cover any loss resulting from Damage to any property described in Clause 5 of Section 1 of this Policy in the circumstances set out in that Clause other than Damage to property the subject of indemnity as described in Clause 9.1.7.

13. Circumstances where Cover is Excluded

13.1 Section 2 of this Policy does not cover any loss resulting from any Damage to any property in the circumstances described in Clause 6 of Section 1 of this Policy.

13.2 Section 2 of this Policy does not cover any interruption to or interference with the Business caused by or happening through:

13.2.1 the stranding or sinking of any vessel in any canal, waterway or port; or

13.2.2 the impact by any vessel to any wharf, dock or pier.

14. Conditions Applying to Sections 1 and 2

14.1 Other Insurance

The Insured shall give written notice to the Insurer as soon as practicable as to any other insurance or insurances effected by the Insured or by any other person or entity and which are known to the Insured which cover the Property Insured or any part thereof, or which provide indemnity for loss suffered by the Insured from the interruption of or interference with the Insured's Business.

14.2 Precautions to Prevent Loss

The Insured shall take all reasonable precautions to prevent Damage to Property Insured which may give rise to a claim under this Policy.

14.3 Claims and Claims Procedures

14.3.1 On the happening of any Damage giving rise to a claim under this Policy, the Insured shall forthwith give notice in writing to the Insurer and shall as soon as reasonably practicable deliver to the Insurer a statement of claim in writing containing as particular an account as may be reasonably practicable of the items of property Damaged, and of the amount of Damage having regard to their value at the time this occurred and of the amount of any claim made under Section 2 of this Policy, together with details of any other insurances which may apply to the claim.

14.3.2 The Insured shall, upon becoming aware of any loss by theft or of any wilful or malicious damage which may give rise to a claim under this Policy, take all practicable steps to trace and recover the missing property and to discover by whom the property was stolen or damaged, including reporting the matter to the police and any other responsible authority.

14.3.3 If the Insurer elects or becomes bound to replace, repair or rebuild any item of property, the Insured shall at the Insured's own expense produce and deliver to the Insurer all such plans, documents and information as the Insurer may reasonably require.

14.3.4 On the happening of any Damage in respect of which a claim is or may be made under this Policy, the Insurer and every person authorised by the Insurer may (for all reasonable purposes and in any reasonable manner), without thereby admitting any liability, and without diminishing the right of the Insurer to rely upon any provisions of this Policy, enter, take or keep possession of any building or premises where the Damage has happened and may take possession of or require to be delivered to the Insurer any of the property hereby insured and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner. This Condition shall be evidence of the leave and licence of the Insured to the Insurer so to do. The Insured shall do all things reasonably necessary within the Insured's control to ensure that the Insurer's requirements are met and that the Insurer is not hindered or obstructed in undertaking anything authorised by any provision of this Policy.

14.3.5 The Insured shall not be entitled to abandon any property to the Insurer whether taken possession of by the Insurer or not.

14.3.6 Any person claiming under this Policy shall at the request and at the expense of the Insurer do and concur in doing and permit to be done all such acts and things as may be reasonably required by the Insurer for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Insurer shall be or would become entitled or subrogated upon the Insured paying for or making good any Damage under this Policy or paying any moneys under Section 2 of this Policy.

If the Insurer makes any recovery as a result of such action, the Insured may only recover from the Insurer any amount by which the amount recovered by the Insurer exceeds the amount paid to the Insured by the Insurer in relation to the loss.

14.3.7 Provided that liability has been admitted, the Insurer shall make reasonable progress payments on account of any claim to the Insured at such intervals and for such amounts as may be agreed upon production of a report by any loss adjuster appointed by the Insurer. Any such payment shall be deducted from the amount finally determined upon adjustment of the claim.

14.3.8 If the Insured is in breach of any of the provisions of this Policy, the Insurer may reduce or refuse to pay a claim, to the extent the Insurer is prejudiced by the breach.

14.4 Reinstatement of Insurance after Loss

The insurance under this Policy and the Limit of Liability shall be automatically reinstated in the event of any loss unless the Insured requests otherwise. The Insured must pay any additional premium calculated pro rata by reference to the amount of the loss and the outstanding Period of Insurance. The premium shall be calculated at the Insurer's current premium rates applicable to the current Period of Insurance.

14.5 Acquired Companies

14.5.1 This Policy extends to include:

14.5.1.1 property located in Australia belonging to companies and other organisations a controlling interest in which is acquired by the Insured during the Period of Insurance;

14.5.1.2 property located in Australia for Damage to which such companies or other organisations are legally responsible or for which they have assumed responsibility to insure prior to the occurrence of any Damage; and

14.5.1.3 any loss suffered by any such companies or organisations which is the subject of indemnity under Section 2 of this Policy.

14.5.2 The Insured must, as soon as reasonably possible, declare in writing to the Insurer:

14.5.2.1 the name of the company or other organisation and the nature of its business;

14.5.2.2 the nature and extent of the property to be insured;

14.5.2.3 the value of the indemnity provided calculated in accordance with the applicable Basis of Settlement Clauses 4 and 10; and provided that the Insured pays any additional premium required and comply with any reasonable directions of the Insurer with respect to the security or safety of that property.

14.5.3 The business of the acquired company or other organisation must be similar to the Business stated in the Schedule.

14.5.4 For the purpose of this Condition, a controlling interest shall, in the case of a company, mean the acquisition of shares carrying more than 50% of votes capable of being cast at a general meeting of all shareholders in the company.

14.5.5 All such property shall be Property Insured for the purpose of the Adjustment of Premium Clause and the Insured shall make declarations with respect to it accordingly and with respect to the indemnity provided under Section 2.

14.6 Adjustment of Premium

14.6.1 The premium shown is provisional and is calculated on the Declared Values of:

14.6.1.1 the Property Insured; and

14.6.1.2 the Annual Gross Profit and Insured Pay-Roll (or appropriately increased if the Indemnity Period exceeds twelve (12) months) estimated to apply during the period referred to in Clause 14.6.2.2 below; on the day of commencement of each Period of Insurance.

14.6.2 The Insured undertakes to declare to the Insurer within a reasonable time after the expiry of the Period of Insurance:

14.6.2.1 the value of Property Insured on the day of expiry of the Period of Insurance calculated in accordance with the Basis of Settlement Conditions. For the purpose of this declaration, stock in trade and merchandise shall be taken at their average monthly value during the Period of Insurance;

14.6.2.2 the amount of the Gross Profit earned and Pay-Roll paid in accordance with the indemnity afforded in respect of Items of Section 2, in the course of the Business during the accounting period of twelve (12) months most nearly concurrent with the Period of Insurance (or appropriately increased if the Indemnity Period exceeds twelve (12) months).

14.6.3 The provisional premium shall be adjusted by payment to the Insurer of an additional premium or by allowance to the Insured of a return premium, as the case may be, calculated at the agreed rate on 50% of the difference between property declared in accordance with Clauses 14.6.1.1 and 14.6.2.1 and the full agreed rate on the difference between the amounts declared under Clauses 14.6.1.2 and 14.6.2.2.

14.6.4 The Insured agrees to pay to the Insurer an additional premium commensurate with any allowance for any abnormal fluctuation in values commensurate with the risk insured by the Insurer.

14.6.5 The Declaration of Values made at the expiry of the Period of Insurance in accordance with this Condition 14.6 shall not be reduced as a result of any Damage in respect of which a claim has been paid or is payable under this Policy.

14.7 Cancellation

14.7.1 This Policy may be cancelled at any time at the written request of the Insured, in which case the Insurer will retain its customary short-period rate for the time this Policy has been in force.

14.7.2 The Insurer may cancel this Policy by giving the Insured not less than fourteen (14) days' prior written notice to that effect where the Insured is in breach of any of the provisions of this Policy, including any provision relating to the payment of premium or for any other reason available to the Insurer at law. In the event of cancellation by the Insurer, the Insurer will repay to the Insured a rateable proportion of the premium applicable to the unexpired Period of Insurance.

14.8 Waiver of Subrogation

14.8.1 The Insurer shall waive any rights and remedies or relief to which it is or may become entitled by subrogation against:

14.8.1.1 any Co-Insured (including its directors, officers and employees);

14.8.1.2 any corporation or entity (including its directors, officers and employees) owned or controlled by any Insured or against any co-owner of the Property Insured.

14.8.2 The Insured may without prejudicing its position under this Policy:

14.8.2.1 release any statutory governmental, semi-governmental or municipal authority from any liability if required by contract to do so;

14.8.2.2 agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause;

14.8.2.3 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.

14.9 Headings

Headings have been included for ease of reference only. The provisions of this Policy are not to be construed or interpreted by reference to such headings.

15. Exclusions Applying to Sections 1 and 2

15.1 Terrorism Exclusion

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes 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 loss.

This Policy also excludes loss, damage, cost or expenses of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any action in controlling, preventing, suppressing retaliating against, or responding to any Act of Terrorism.

15.2 Cyber and Electronic Data Exclusion

Notwithstanding any provision to the contrary in the Policy or any endorsement thereto, it is understood and agreed as follows:

This Policy does not insure:

15.2.1 damage, loss, destruction, distortion, erasure, corruption, alteration, theft or other dishonest, criminal, fraudulent or unauthorised manipulation of **Electronic Data** from any cause whatsoever (including, but not limited to **Computer Attack** and/or a **Cyber War and Terrorism Event**) or loss of use, reduction in functionality, loss, cost expense and/or fee of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss or damage;

15.2.2 error in creating, amending, entering, deleting or using Electronic Data; or

15.2.3 total or partial inability or failure to receive, send, access or use Electronic Data for any time at all,

from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

However, in the event that a peril (except a Cyber War and Terrorism Event) listed below (being a peril insured by this Policy but for this exclusion) is caused by any one of the matters described in paragraphs 15.2.1, 15.2.2 or 15.2.3 above, this Policy, subject to all its provisions will insure:

(i) physical loss of or Damage or destruction to Property Insured directly caused by such listed peril, and/or

(ii) consequential loss insured by this Policy.

Further, this exclusion does not apply in the event that a peril listed below (being a peril insured by this Policy but for this exclusion) causes any of the matters described in paragraphs 15.2.1, 15.2.2 or 15.2.3 above.

Accidental Damage other than non-physical damage, fire, subterranean fire, explosion, implosion, lightning, thunderbolt, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freezing, weight of snow, impact by aircraft or other aerial objects dropped there from, impact by any road vehicle or animal, sonic boom, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances, water and other liquids and/or substances discharged and/or bursting and/or overflowing and/or leaking from any apparatus and/or tanks and/or pipes, or theft of Electronic Data solely where such theft is accompanied by theft of the computer hardware, firmware medium, microchip, integrated circuit or similar device containing Electronic Data.

For the purposes of the Basis of Settlement provision in this Policy, computer systems records includes Electronic Data.

Any terrorism exclusion in this Policy or any endorsement thereto prevails over this exclusion.

15.3 Pollution, Contamination and Debris

The exclusion 6.1.11 is deleted and replaced by Perils Exclusion 15.3 which shall read

Notwithstanding anything to the contrary contained herein, this policy does not cover loss or destruction or damage resulting from pollution or contamination except (unless otherwise excluded) loss or destruction of or damage to property or any part thereof used by the Insured at the premises for the purpose of the business caused by

(a) Pollution or contamination at the premises which itself result from fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, bursting overflowing discharging or leaking of water tanks, apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal;

(b) Any of the perils listed in (a) above which itself results from pollution or contamination.

In Section 1. – Material Loss or Damage, the whole of paragraph (f) of the Indemnity is deleted and replaced by the following new paragraph (f):

(c) costs and expenses necessarily and reasonably incurred in respect of

(i) the removal, storage and/or disposal of debris or the demolition, dismantling, shoring up, propping, underpinning, or other temporary repairs consequent upon damage to property insured by this Policy and occasioned by a peril against;

15.4 Sanctions

Notwithstanding anything contained in this Policy to the contrary, the insurer shall not be liable to provide any cover or benefit or pay any claim where the provision of cover or benefit or payment of claim would constitute a breach of any trade or economic sanction, embargo, prohibition or restriction imposed by any of the following: United Nations, United State of America, Australia, European Union, UK, or New Zealand. This clause shall apply where such geographical location, provision of goods, services or other reasons shall contravene such sanction, embargo, prohibition or restriction.

15.5 Communicable Disease

Notwithstanding any provision to the contrary in the Policy or any endorsement thereto, it is understood and agreed that this Policy does not insure any loss, Damage, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease (e.g. any action taken in controlling, preventing or suppressing a Communicable Disease) regardless of any other cause or event contributing concurrently or in any other sequence thereto.

15.5.1 As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

15.5.1.1 the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

15.5.1.2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

15.5.1.3 the disease, substance or agent can cause or threaten Damage to human health or human welfare or can cause or threaten Damage to, deterioration of, loss of value of, marketability of or loss of use of property.

Provided that this Exclusion 15.5, shall not apply to 9.5 "Infectious or Contagious Diseases; Vermin, Pests or Defective Sanitary Arrangements; Food or Drink Poisoning; Rape, Murder or Suicide." Clause as stated under Section2 - Consequential Loss of Profits Insurance.

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POL566BA 10/25