

Small Business Advantage Pack



Small Business Advantage Pack Policy Document and Product Disclosure Statement

16 June 2019



General Information

The General Information set out below is provided for your information only. It does not form part of the insurance contract with you, and is not part of the policy.

Nothing contained in the General Information imposes contractual obligations on you, or creates contractual rights. These are contained in the policy and any endorsement.

Claims made

The Management Liability Section of the policy operates on a "claims made and notified" basis. This means that the section covers you for claims as defined in the Management Liability Section made against you and notified to us during the period of insurance.

The Management Liability Section does not provide cover in relation to:

- acts, errors or omissions actually or allegedly committed prior to the retroactive date of the policy (if such a date is specified);
- claims made after the expiry of the period of insurance even though the event giving rise to the claim may have occurred during the period of insurance;
- claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy;
- claims made, threatened or intimated against you prior to the commencement of the period of insurance;
- facts or circumstances of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this policy section;
- claims arising out of circumstances noted on the proposal form for the current period of insurance or on any previous proposal form.

Where you give notice in writing to us of any facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts but before the expiry of the period of insurance, and provided the claim would otherwise be covered under the policy, you have rights under Section 40(3) of the Insurance Contracts Act 1984 (Cth) to be indemnified in respect of any claim subsequently made against you arising from those facts notwithstanding that the claim is made after the expiry of the period of insurance. Any such rights arise under the legislation only. The terms of the policy section and the effect of the policy section is that you are not covered for claims made against you after the expiry of the period of insurance.

Please note that the above may be affected by any defined discovery period where applicable which may extend time for notification of a claim as defined.

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Table of Contents

Introduction	1	Glass Section	28
About TIO	1	The cover	28
Summary of the available covers	1	Limitations of cover applicable to this Section	28
About this insurance	2	Additional benefits applicable to this Section	28
Our contract with You	2	Specific exclusions applicable to this Section	28
Understanding Your Policy and its important terms and conditions	2	Machinery Breakdown Section	29
Applying for cover	3	The cover	29
Cooling off period	3	Definitions applicable to this Section	29
What is covered	3	Basis of Settlement applicable to this Section	29
Some words have special meanings	3	Limitations of cover applicable to this Section	29
General definitions	7	Additional benefits applicable to this Section	30
General exclusions	10	Optional benefits applicable to this Section	30
Claims procedure and conditions	12	Specific exclusions applicable to this Section	31
General terms and conditions	13	Specific conditions applicable to this Section	31
Material Damage Section	16	Electronic Equipment Section	32
The cover	16	The cover	32
Definitions applicable to this Section	16	Definitions applicable to this Section	32
Basis of Settlement applicable to this Section	16	Basis of Settlement applicable to this Section	32
Limitations of cover applicable to this Section	17	Limitations of cover applicable to this Section	32
Additional benefits applicable to this Section	18	Additional benefits applicable this Section	32
Extra covers applicable to this Section	19	Optional benefits applicable to this Section	33
Optional benefits applicable to this Section	20	Specific exclusions applicable to this Section	34
Specific exclusions applicable to this Section	20	Specific conditions applicable to this Section	34
Theft Section	22	Personal Accident and Sickness Section	35
The cover	22	The cover	35
Definitions applicable to this Section	22	Definitions applicable to this Section	35
Basis of Settlement applicable to this Section	22	Basis of Settlement applicable to this Section	37
Limitations of cover applicable to this Section	22	Limitations of cover applicable to this Section	37
Additional benefits applicable to this Section	22	Additional benefits applicable to this Section	37
Extra cover applicable to this Section	23	Optional benefits applicable to this Section	38
Specific exclusions applicable to this Section	24	Specific exclusions applicable to this Section	38
Money Section	25	Specific conditions applicable to this Section	39
The cover	25	Public and Products Liability Section	40
Definitions applicable to this Section	25	The cover	40
Basis of Settlement applicable to this Section	25	Definitions applicable to this Section	40
Limitations of cover applicable to this Section	26	Limit of Indemnity applicable to this Section	41
Additional benefits applicable to this Section	26	Additional payments applicable to this Section	41
Extra covers applicable to this Section	26	Specific exclusions applicable to this Section	42
Specific exclusions applicable to this Section	27	Specific conditions applicable to this Section	44

Business Interruption Section	45	Part A – Directors and Officers Liability	59
Cover type	45	The cover	59
Definitions applicable to this Section	45	Definitions applicable to Part A of this Section	59
Defined Events applicable to Parts A, B and C of this Section	45	Limitations of cover applicable to Part A of this Section	60
Part A – Business Income Protection	46	Additional benefits to Part A of this Section	60
The cover	46	Extra covers to Part A of this Section	60
Definitions applicable to Part A of this Section	46	Optional benefits applicable to Part A of this Section	62
Basis of Settlement applicable to Part A of this Section	46	Specific exclusions applicable to Part A of this Section	62
Limitation of cover applicable to Part A of this Section	46	Specific exclusions relating to Cover Clause 3 – Your Liability Cover	63
Additional benefits applicable to Part A of this Section	46	Part B – Employment Practices Liability	64
Specific conditions applicable to Part A of this Section	47	The cover	64
Part B – Consequential Loss of Profits	48	Definitions applicable to Part B of this Section	64
The cover	48	Limitations of cover applicable to Part B of this Section	64
Definitions applicable to Part B of this Section	48	Optional benefits applicable to Part B of this Section	64
Calculation adjustment clause	48	Specific exclusions application to Part B of this Section	65
Basis of Settlement applicable to Part B of this Section	48	Part C – Crime	66
Additional benefits applicable to Part B of this Section	48	The cover	66
Optional benefits applicable to Part B of this Section	49	Definitions applicable to Part C of this Section	66
Specific conditions applicable to Part B of this Section	49	Basis of Settlement applicable to Part C of this Section	66
Part C – Business Continuity	51	Limitations of cover applicable to Part C of this Section	66
The cover	51	Additional benefits applicable to Part C of this Section	66
Definitions applicable to Part C of this Section	51	Specific exclusions applicable to Part C of this Section	66
Limitations of cover applicable to Part C of this Section	51	Specific conditions applicable to Part C this Section	67
Basis of Settlement applicable to Part C of this Section	51	Part D – Tax Audit	68
Additional benefits applicable to Part C of this Section	51	The cover	68
Optional benefits applicable to Part C of this Section	52	Definitions applicable to Part D of this Section	68
Specific Conditions applicable to Part C of this Section	52	Excess	68
General Property Section	54	Specific exclusions applicable to Part D of this Section	68
The cover	54	Specific conditions applicable to Part D of this Section	68
Definitions applicable to this Section	54	Transit Section	70
Basis of Settlement applicable to this Section	54	The cover	70
Limitations of cover applicable to this Section	54	Cover types	70
Additional benefits applicable to this Section	54	Definitions applicable to this Section	70
Specific exclusions applicable to this Section	54	Basis of Settlement applicable to this Section	70
Management Liability Section	56	Limitations of cover applicable to this Section	70
Cover types	56	Specific exclusions applicable to this Section	70
Definitions applicable to Part A & B of this Section	56	Specific conditions applicable to this Section	71
Specific exclusions applicable to Part A & B of this Section	57	Commercial Motor Section	72
Specific conditions applicable to Part A & B of this Section	57	Definitions applicable to this Section	72

Part A – Loss or Damage to Your Vehicle	73
The cover	73
Additional benefits applicable to Part A of this Section (Loss or Damage to Your Vehicle)	73
Optional benefit available under Part A of this Section	75
Part B – Fire and Theft	75
The cover	75
Specific exclusions applicable to Part A and Part B of this Section	75
Part C – Third Party Property Damage	75
Cover for damage to other people’s property (legal liability)	75
Limit of indemnity	75
Additional benefits applicable to Part C this Section	76
Specific exclusions applicable to Part C of this Section	76
Specific exclusions applicable to this Section	77
Specific conditions applicable to this Section	78
Making a claim	79

Welcome and thank You for choosing TIO Small Business Advantage Policy.

About TIO

Territory Insurance Office (TIO) is a trading name and division of the insurer Allianz Australia Insurance Limited AFS Licence No. 234708 ABN 15 000 122 850 which is one of Australia's largest general insurers.

Summary of the available covers

Not everything is covered by the Policy. The following is a limited summary only and as such does not form part of the terms of Your insurance. All cover is subject to the applicable Sum Insured, Limit of Indemnity, other limits and sub-limits and terms, conditions, exclusions and limitations that are not listed in the summary. You should read the Policy carefully to fully understand the extent of cover provided.

In some circumstances :

- You must take out cover under a specific Section of the Policy in order to be eligible for any cover under the Policy; or
- You may only be eligible to take out cover under a particular Section of the Policy if You are also covered under another Section of the Policy.

These eligibility criteria are subject to change from time to time and We will advise You of any criteria that may apply at the time of Your application.

The Policy does not automatically provide cover for loss or damage caused by Flood.

There is an option to apply for cover for Flood under the Material Damage Section. Where We agree to provide this cover it will be shown on the Schedule.

Sections	Summary of covers (This table is not to be relied on as an accurate description of cover. See relevant Section for details, relevant limits, and specific conditions and exclusions that apply)
Material Damage	This Section covers You for Property Insured that is accidentally Damaged at the Situation during the Period of Insurance which is not otherwise excluded and provides a number of automatic additional benefits and extra covers. There is an optional benefit to include cover for Flood.
Theft	This Section covers the cost of replacing or repairing Property Insured following Theft from the Situation happening during the Period of Insurance and provides a number of additional benefits and an extra cover.
Money	This Section covers You for Loss of Money in Transit, Money on the Situation, Money in a Locked Safe or Locked Strongroom and Money in Your private residence and Damage to Safes and Strongrooms that occurs during the Period of Insurance. It also includes a number of additional benefits and extra covers.
Glass	This Section covers You for accidental Breakage of Glass at the Situation occurring during the Period of Insurance and provides a number of additional benefits.
Machinery Breakdown	This Section covers You for Breakdown to Your Machinery occurring at the Situation during the Period of Insurance. It also provides a number of additional and optional benefits.
Electronic Equipment	This Section covers You for Damage to Your Property Insured as a result of a Breakdown. It also provides a number of additional and optional benefits.
Personal Accident and Sickness	This Section provides Compensation on the happening of a Defined Event to an Insured Person, Benefits include: <ul style="list-style-type: none"> • the percentage of the Capital Sum Insured shown against the applicable Defined Event 1. to 20. for specified Injury caused by Accident; or • a Weekly Benefit shown in the Schedule or Average Weekly Income, whichever is lesser, for the applicable Defined Event 21. to 23. for Temporary Partial Disablement as a result of Injury and Temporary Total Disablement caused by Sickness or Injury. It also provides a number of additional benefits and an optional benefit.
Public and Products Liability	This Section covers You or any Insured Person for amounts You become legally liable to pay as compensation for Personal Injury, Property Damage and/or Advertising Liability happening during the Period of Insurance within the Territorial Limits as a result of an Occurrence in connection with Your Business. It also provides a number of additional payments.
Business Interruption	This Section covers You for Consequential Loss from the interruption of or interference with the Business that is caused by a Defined Event that occurs during the Period of Insurance. There are three cover types available: <ul style="list-style-type: none"> Part A – Business Income Protection; Part B – Consequential Loss of Profits; or Part C – Business Continuity. Your cover selection will be shown in Your Policy Schedule. It also provides a number of additional and optional benefits.
General Property	This Section covers You for the cost of repairing or replacing the Property Insured that is Accidentally Damaged during the Period of Insurance. It also provides an additional benefit.

Management Liability	This Section has four cover types available: Part A – Directors and Officers Liability; Part B – Employment Practices Liability; Part C – Crime; and Part D – Tax Audit. It also includes a number of additional benefits, extra covers and an optional benefit.
Transit	This Section covers You for Damage to Property Insured whilst in Transit anywhere within the Territorial Limits during the Period of Insurance. There are three cover types available: Part A – Fire, collision and overturning; Part B – Fire, collision and overturning and theft ; or Part C – All Risks not excluded.
Commercial Motor	You can select from the following covers: A Comprehensive • Part A – Loss or Damage to Your Vehicle; and • Part C – Third Party Property Damage B Fire and Theft • Part B – Fire and Theft; and • Part C – Third Party Property Damage C Third Party Property Damage only • Part C – Third Party Property Damage

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.

Preparation date: 16/06/2019.

Our contract with You

Where We agree to enter into a Policy with the Insured it is a contract of insurance between Us and the Insured. 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 or Supplementary PDS). These written changes may vary or modify the above documents.

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 the Policy where permitted to do so by law.

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

Understanding Your Policy and its important terms and conditions

To properly understand the significant features, benefits and risks of this insurance You need to carefully read:

- about each of the available cover types and benefits in the relevant Section of the Policy (the standard cover provided under each Section can be affected by the following);
- the rest of this “Introduction” section – this sets out how You apply for cover, the basis on which We insure You, the duty of disclosure You need to meet before We insure You, Our privacy information, Our dispute resolution procedures and other important information;
- the “General definitions” section – this sets out what We mean by certain words used in the Policy. These words begin with a capital letter throughout this document. Each Section may also contain definitions relevant to that Section of the Policy;
- the “General exclusions” section – this sets out the general exclusions and limits that apply to all covers and benefits;
- the “General terms and conditions” section – this sets out certain general rights and obligations that You and We have;
- all of the documents that make up the Policy, including the Schedule and any Endorsements or other written changes to the cover We issue You with – these contain specific details relevant to You and can affect the cover.

Headings are provided for reference only and do not form part of Your Policy for interpretation purposes.

Applying for cover

When You apply by completing Our application process You need to provide the information We require to determine whether to issue a Policy and if so, on what terms, including (to the extent they are optional):

- the covers and benefits You want (including the property You wish to cover);
- the limits You want;
- the Period of Insurance You want;
- whether You want any third parties to be noted as having an interest;
- the Excesses that You want to contribute for certain claims;
- whether any standard terms need to be varied (this may be by way of an Endorsement).

Where We agree to issue a Policy, cover is provided on the basis:

- that You have paid or agreed to pay Us the Premium for the cover provided;
- of the verbal and/or written information provided by You which must have been given in accordance with Your duty of disclosure.

If You fail to comply with Your duty of disclosure or have made a misrepresentation to Us, We may be entitled to refuse or reduce Our liability under the Policy in respect of a claim and/ or We may cancel the Policy. If You have told Us something which is fraudulent, We also have the option of avoiding the Policy (i.e. treating it as if it never existed).

Your duty of disclosure and the consequences of nondisclosure, are provided under the heading "Your Duty of Disclosure".

Cooling off period

We will refund all Premium paid for cover under the Policy, less any government taxes or duties that are non-refundable or remain payable by Us if You request cancellation of the Policy within 14 days of its commencement. To do this, You must advise Us in writing. You will not receive a refund if You have made or are entitled to make a claim under the Policy.

After the cooling off period has ended, You still have cancellation rights, however We may deduct a pro rata proportion of the Premium for time on risk, plus any reasonable administrative costs and any government taxes or duties We cannot recover. In the event that You have made a claim under the Policy and We have agreed to pay the full Sum Insured for Your Property Insured or Limit of Indemnity, no return of Premium will be made for any unused portion of the Premium. (Refer to "General terms and conditions – 5. Cancellation rights" of the Policy on page 13 for full details).

What is covered

Where We have entered into a Policy with You, We will insure You for:

- loss or Damage caused by one or more of the covered insured events; and
- the other covered benefits, as set out in the Policy occurring during the Period of Insurance.

Other persons may be entitled to cover, but only if specified as so entitled and limited only to the extent and interest specified.

Some words have special meanings

Certain words used in the Policy have special meanings. The "General definitions" section of this document on pages 7 to 9 contains such terms. In some cases, certain words may be given a special meaning in a particular Section of the Policy when used or in the other documents making up the Policy.

GST Notice

The Policy has a GST provision in relation to Premium and Our payment to You for claims. It may have an impact on how You determine the amount of insurance You need. Please read carefully. Seek professional advice if You have any queries about GST and Your insurance.

Sums Insured

All monetary limits in the Policy may be adjusted for GST in some circumstances (see below).

Claim settlements – Where We agree to pay

When We calculate the amount We will pay You, We will have regard to the items below:

Acquisition of goods, services or repairs

Where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim (such as services to repair a Damaged item insured under the Policy) We will pay the GST amount.

We will pay the GST amount in addition to the Sum Insured or Limit of Indemnity or other limits shown in the Policy or in the Schedule (unless We state GST is included in Sum Insured or Limit of Indemnity).

If Your Sum Insured or Limit of Indemnity is not sufficient to cover Your loss, We will only pay the GST amount that relates to Our settlement of Your claim.

Payment as compensation

We will reduce the GST amount We pay by the amount of any input tax credits to which You are or would be entitled.

Where We make a payment under the Policy as compensation instead of payment for a relevant acquisition, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to had the payment been applied to a relevant acquisition.

Where the Policy insures business interruption, We will (where relevant) pay You on Your claim by reference to the GST exclusive amount of any supply made by Your Business that is relevant to Your claim.

Disclosure – Input tax credit entitlement

If You register, or are registered, for GST You are required to tell Us Your entitlement to an input tax credit on Your Premium. If You fail to disclose or You understate Your entitlement, You may be liable for GST on a claim We may pay. The Policy does not cover You for this GST liability, or for any fine, penalty or charge for which You may be liable.

Your obligation to comply with the Policy terms and conditions

You are required to comply with the terms and conditions of the Policy. Please remember that if You do not comply with any term or condition, We may (to the extent permitted by law) decline or reduce any claim payment and/or cancel Your Policy.

If more than one person is insured under the Policy, a failure or wrongful action by one of those persons may adversely affect the rights of any other person insured under the Policy.

How to make a claim

If You need to make a claim under the Policy, please refer to "Claims procedure and conditions" from page 12.

How We settle claims

Where We agree to reinstate or replace Damaged property, We will replace Your property with new goods or repair it using new materials. If You ask for a cash settlement instead, We will deduct an amount for wear, tear and depreciation. This amount depends on the age of the Damaged item and the expected useful life.

If You replace an item without Our authority, We will only pay You what We could have replaced it for using any discounts that are available to Us. More details around how We settle claims are provided in this document under the Basis of Settlement sections within each Section.

How We calculate Your Premium

The amount of Your Premium is determined by taking a number of different matters into account. You can seek a quote at any time.

It is important for You to know in particular that the Premium varies depending on the information We receive from You about the risk to be covered by Us. The higher the risk is (e.g. high claims experience), the higher the Premium will be. Based on Our experience and expertise as an insurer, We decide what factors increase Our risk and how they should impact on the Premium.

We calculate Your Premium on the basis of information that We receive from You when You apply for the insurance. Some factors impacting Premiums include:

- Your nominated Sum Insured/Limit of Indemnity;
- where Your Business is situated;
- the materials used in the construction of Your Building(s);
- the nature of Your Business;
- security measures used for Your Property Insured (e.g. alarms, deadlocks); and
- any additional Excess You nominate to pay above Our basic Excess. This means that when You purchase a Policy You may elect to take a higher Excess in the event of a claim, which will reduce the cost of Your Premium. If You are interested in this, You should ask Your intermediary or Us to supply You with quotes based on differing amounts of Excesses.

Your Premium also includes amounts that take into account Our obligation to pay any relevant compulsory government charges, taxes or levies (e.g. Stamp Duty, GST, Emergency and Fire Services Levy) in relation to Your Policy. These amounts will be

set out separately on Your Schedule as part of the total Premium payable.

In cases where We are required to pay an estimated amount (e.g. for Fire Services Levies) based on criteria set by the Government, We allocate to the Policy Our estimate of the amount We will be required to pay. We may over or under recover in any particular year but We will not adjust Your Premium because of this. You can ask Us for more details if You wish.

Minimum premiums prior to charges may apply. In some cases, discounts may apply if You meet certain criteria We set. Any discounts/entitlements only apply to the extent any minimum premium is not reached. If You are eligible for more than one, We also apply each of them in a predetermined order to the Premium (excluding taxes and government charges) as reduced by any prior applied discounts/entitlements. Any discounts will be applied to the base premium calculated prior to any taxes being added.

When You apply for this insurance, You will be advised of the total Premium amount payable, when it needs to be paid and how it can be paid. This amount will be set out in the Schedule, which will be sent to You after the entry into the Policy. If You fail to pay We may reduce any claim payment by the amount of Premium owing and/or cancel the Policy. Special rights and obligations apply to instalment Premium payments as set out below.

Paying Your Premium

You must pay Your Premium by the due date. If We do not receive Your Premium by this date or Your payment is dishonoured, We may be entitled to reduce or refuse to pay a claim and cancel the Policy.

Premium payment by direct debit

You may have chosen to pay the Premium for this insurance by direct debit from a financial institution holding Your account. If You choose this option, the financial institution may dishonour the direct debit payment due to lack of funds in Your account. If this occurs, We will charge You for any direct and indirect costs which We incur arising from the payment being dishonoured.

Instalment premiums

If You pay Your Premium by instalments refer to the "General terms and conditions" section for important details on Your and Our rights and obligations.

In some cases a service fee will apply where You select to pay Your Premium by instalments. We tell You the total amount payable when You apply and when and how it can be paid. This is confirmed in the Schedule We issue to You.

If You pay Your Premium by way of instalments and:

- the Premium instalment remains unpaid for at least 14 days after the due date of the instalment, We may refuse to pay any claim under the Policy arising from an event occurring after the due date of the instalment;
- the Premium instalment remains unpaid after the due date of the instalment, We may cancel Your Policy by providing the Insured with written notice of cancellation.

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 offer of renewal We may make, unless We tell You otherwise.

It is important that You check the terms of any renewal offer before renewing to satisfy Yourself that the details are correct. In particular, check the Sum Insured amounts and Excess(es) applicable and to ensure the levels of cover are appropriate for You.

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

Each renewal is a separate Policy, not an extension of the prior Policy.

Automatic renewal

Where You pay Your Premium by instalments, or have otherwise authorised Us to deduct Your Premium by direct debit to Your nominated account/credit card, We will send You a renewal notice at least 14 days prior to the expiry of the Policy advising if We are prepared to offer renewal, and on what terms and whether We will automatically renew the Policy or not.

Where You receive a renewal offer, You must tell Us if the information contained in it is incorrect or incomplete and You must comply with Your "Duty of Disclosure". If You do not We may reduce or refuse to pay a claim or cancel the renewed policy.

If nothing needs to be disclosed and You are happy with the renewal offer terms and conditions, You do not have to do anything as We will automatically renew based on those terms and conditions and deduct/charge the new renewal Premium from Your nominated account/credit card, unless You tell Us not to.

Should You not wish to take up the automatic renewal offer You must contact Us prior to the renewal to advise Us.

Your Duty of Disclosure

Before You enter into a contract of insurance with Us, You have a duty under the Insurance Contracts Act 1984 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 reduce Our liability under the contract in respect of a claim, cancel the contract or both.

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

Privacy Notice

At TIO, 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; offer Our products and services and those of Our related companies, intermediaries and business partners 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 intermediaries and/or Our business partners) or Our related companies by calling TIO on 131 846 or going to Our website's Privacy section at www.tiofi.com.au.

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 this information may be disclosed to will vary

from time to time, but may include Canada, Germany, New Zealand, United Kingdom, United States of America and other countries where 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 TIO on 131 846. 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.tiofi.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.

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.

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 document.

Complaints – Internal and external complaints procedure

If You are dissatisfied with Our service in any way contact Us and We will attempt to resolve the matter in accordance with Our Internal Dispute Resolution procedures. To request a copy of Our procedures, use Our contact details on the back cover. If You are not satisfied with Our decision or a decision is not reached within 45 days, You may lodge a complaint with an external dispute resolution scheme which is independent and free to You (subject to its relevant terms and rules) as follows:

- The Australian Financial Complaints Authority
Online: www.afca.org.au
Email: info@afca.org.au
Phone: 1800 931 678
Mail: Australian Financial Complaints Authority GPO Box 3
Melbourne VIC 3001.

Agency arrangements and agent's remuneration

If Your Policy has been issued through Our agent, then they are acting as Our agent and not as Your agent.

When the Policy has been arranged through an agent, remuneration (such as commission) is payable by Us to them for arranging the insurance. You can ask them or Us for more information.

Financial Claims Scheme

In the unlikely event TIO were to become insolvent and could not meet its obligations under the Policy, a person entitled to claim may be entitled to payment under the Financial Claims Scheme. Access to the Scheme is subject to eligibility criteria. More information can be obtained from <http://www.fcs.gov.au>.

Terrorism Insurance Act

We have determined that the Policy (or part of it) is a Policy to which the Terrorism Insurance Act 2003 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 the Premium, it is subject to government taxes and charges such as GST, Stamp Duty and where applicable, Fire Service Levy.

For further information contact TIO or Your intermediary.

Product Disclosure Statement

The Policy provides a number of covers which may or may not be provided to You as a retail client under the Corporations Act 2001 (Cth) depending on Your circumstances. Only the parts of the Policy document relevant to cover provided to You as a retail client and any other documents which We tell You are included, make up the PDS for the purposes of the Act.

Updating this PDS

We may need to update this PDS from time to time if certain changes occur where required and permitted by law. We will issue You with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, We may issue You with notice of this information in other forms or keep an internal record of such changes (You can get a paper copy free of charge by contacting Us using Our details on the back cover of this PDS).

Other documents may form part of the PDS and the Policy. If they do We will tell You in the relevant document.

Further information and confirmation of transactions

If You require further information about this insurance or wish to confirm a transaction, please contact Us.

The following definitions shall apply to the words used in Your Policy.

Act of Terrorism means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar 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.

Aircraft means any vessel, craft or device made or intended to fly or move in or through the atmosphere or space.

Australia means the Commonwealth of Australia and all of its States and Territories including all external Territories.

Basis of Settlement means the method by which a claim is met. This will be the method as stated in the appropriate Section.

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

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

- a. carports, pergolas and canopies;
- b. barns, outbuildings and tanks;
- c. storage sheds;
- d. shipping containers or transportable buildings permanently located at the Situation used for additional accommodation for the storage of Stock or Contents or for any other general business use or amenity; provided the container doors are secured when unattended with padlocks with a security rating under AS4145.4 (or subsequent amendment) of 6 or above and the padlocked container is fully enclosed by a locked cyclone fenced area at the Situation after hours;
- e. walls, fences, gates and letterboxes;
- f. all permanent fittings and fixtures to any Building;
- g. external fixed items:
 - swimming pools, saunas and spas;
 - gangways between Buildings;

- lights and signs; and
 - air conditioning units and associated piping and wiring;
- h. flag poles;
 - i. communications masts, aerials, antennae and dishes;
 - j. fixed floor coverings;
 - k. bitumen, concrete or Sealed Surface:
 - driveways;
 - roadways; and
 - carparks
 - l. foundations of any Building;
 - m. structural improvements to any Building; and
 - n. underground and above ground services, for which You are responsible, connected to any Building.

Business means Your business, occupation, trade or profession shown in the Schedule.

Computer Virus means an executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained and which destroys or alters the host program or other computer code or Electronic Data causing undesired program or computer system operation.

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

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

Contents means all contents at the Situation, including property (other than Buildings and Stock) of others and shipping containers not owned by You but temporarily in Your possession for the delivery, unloading, loading and/or dispatch of goods and merchandise to or from the Situation, but only to the extent that You are not indemnified against loss or Damage thereto under any other policy of insurance. Contents also include property belonging to Your welfare, sports and social clubs. When the word Contents is used in the Schedule to describe a Property Insured, it is agreed that We accept the designations used in Your books and records.

Where You are a tenant at the Situation, Contents shall also mean:

- a. property owner's fixtures and fittings, window blinds, floor coverings and Glass for which You are liable under the terms of a lease or similar agreement; and
- b. property comprising alterations and/or additions to the Situation by the landlord for Your use in the Business where the cost of reinstatement is Your responsibility in the event of loss or Damage.

Damage(d) means any physical loss of, destruction of or damage to the Property Insured so as to lessen its value or any physical loss.

Debris means the residue of Damaged Property Insured but does not mean material that is itself a Pollutant or contaminant and is deposited beyond the boundaries of the Situation.

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.

Endorsement means an individual clause that We give You that attaches to and forms part of Your Schedule. An Endorsement varies the terms and conditions of Your Policy.

Excess means either the amount of money specified in the Schedule or otherwise stated in the Policy for each applicable Section that You must contribute as the first payment for all claims arising out of one event, or the period of time specified in the Schedule or otherwise stated in the Policy for which no payment will be made by Us.

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

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.

Glass means Internal Glass or External Glass.

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

Insured means the person(s) shown as the Insured on the Schedule.

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

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

Money does not include collectable items (for example coin or

stamp collections) or anticipated revenue.

North America means:

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

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

Period of Insurance means the Period of Insurance shown in the Schedule or any subsequent period for which We have agreed to renew or extend the cover. Any subsequent period is a separate period to any prior period.

Policy means this Product Disclosure Statement (PDS), the Schedule and any other documents We agree with You that form part of the terms and conditions of Our contract with You (such as a Supplementary PDS or any special conditions or Endorsements issued to You in written form).

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

Premium means the amount(s) shown in the Schedule that You have to pay inclusive of all charges for the cover We provide.

Property Insured means all tangible property both real and personal shown as insured on the Schedule in respect of each Section and not otherwise excluded which belongs to You, or for which You are legally responsible, or have assumed responsibility to insure prior to the occurrence of any Damage.

Proposal means the application for insurance completed by You or on Your behalf by which You provided the information upon which We relied to enter into the Policy.

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

Schedule means the schedule document that We give You that attaches to and forms part of Your Policy.

Sealed Surface means ground surface areas that are packed or plugged to prevent percolation or the passage of fluids.

Seasonal Increase Periods means

- a. 60 days prior to and including Christmas Day;
- b. 20 days after and including Boxing Day;
- c. 40 days prior to and including Easter Tuesday;
- d. 7 days after but not including Easter Tuesday;
- e. 40 days prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas

or Easter) where You can reasonably demonstrate that the Stock levels during that period have risen by more than 20% above standard levels and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event; and

- f. 7 days after the same festive, religious or ethnic event or celebration referred to in e. above

unless replaced Seasonal Increase Periods are specified in the Schedule.

Section means the individual coverage that We give You that attaches to and forms part of Your Policy when this is shown in the Schedule, for example Theft Section or Glass Section.

Situation means the situation(s) stated in the Schedule.

Stock means:

- a. stock in trade, merchandise or raw materials, including the value of work done, containers and packaging materials; or
- b. customers' goods including goods and/or merchandise and other items held in trust or on commission for which You are liable.

Strongroom means a burglar-resistant room that has been designed to resist fire and attack by hand-held or poweroperated tools and has been specifically designed for the storage of Money and valuables.

Sum Insured means the Sum Insured shown in the Schedule.

We, Us, Our and **TIO** means Allianz Australia Insurance Limited, ABN 15 000 122 850, AFS Licence No. 234708 of 24 Mitchell Street, Darwin, NT, 0800 trading as Territory Insurance Office (TIO).

You, Your, Yours and **Yourself** means either:

- a. the Insured; or
- b. all subsidiary companies, organisations and entities domiciled in Australia in which the Insured named in the Schedule has a controlling interest but only to the extent that each of them is engaged in carrying on the Business 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.

General exclusions

1. War, nuclear, lawful seizure, wilful acts and territorial limits

The Policy does not cover loss, destruction, liability, Sickness or Injury (as defined in Personal Accident and Sickness Section), or Damage directly or indirectly:

a. War

caused by, contributed to by or arising from any war, whether war be declared or not, hostilities or rebellion, civil war, revolution, insurrection, military or usurped power, invasion or act of foreign enemy;

b. Nuclear

caused by, contributed to by or arising from ionising radiation or contamination by radioactivity from:

- i. any nuclear fuel or from any nuclear waste;
- ii. the combustion of nuclear fuel (including any self-sustaining process of nuclear fission); or
- iii. nuclear weapons material;

c. Lawful seizure

caused by, contributed to by or arising from the lawful seizure, detention, confiscation, nationalisation or requisition of the Property Insured;

d. Wilful acts

caused by, contributed to by or arising from any actual or alleged:

- i. dishonest, fraudulent, criminal or malicious act;
- ii. wilful breach of any statute, contract or duty; or
- iii. conduct intended to cause loss or Damage or with reckless disregard for the consequences,

carried out by You or any person acting with Your knowledge, consent or connivance,

e. Territorial limits

occurring outside Australia except as specifically stated otherwise in the appropriate Section.

2. Consequential Loss

Except as specifically provided otherwise, the Policy does not cover:

- i. Consequential Loss of any kind;
- ii. legal liability to pay compensation or damages; or
- iii. Damage caused by, contributed to by or arising from faults or defects known to You or any employee whose knowledge in law would be deemed to be Yours and not disclosed to Us at the time the Policy was entered into.

3. Computer technology

The Policy does not cover any 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).

4. Terrorism

Notwithstanding any provision to the contrary within the Policy or any Endorsement thereto, the Policy excludes and does not cover death, injury, illness, loss, Damage, cost or expense, directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with, any Act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the death, injury, illness, loss, Damage, cost or expense.

The Policy also excludes and does not cover death, injury, illness, loss, Damage, cost or expense, directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with, any action in controlling, preventing, suppressing, retaliating against or responding to any Act of Terrorism.

This exclusion will not apply to the Theft, Money, General Property and Glass Sections. This exclusion will apply to the other Sections of the Policy.

5. Electronic Data

a. Electronic Data – Part 1

This Electronic Data exclusion is applicable to the following Sections of the Policy:

- Material Damage Section
- Business Interruption Section
- Theft Section
- Money Section
- General Property Section
- Glass Section
- Transit Section
- Management Liability Section – Part C – Crime and Part D – Tax Audit

I. These Sections do not insure any Damage of whatsoever kind directly or indirectly caused by, contributed to by or arising from:

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

II. However, in the event that any of the matters described in paragraph I. above is caused by a peril listed below (being a peril insured by the relevant Sections but for this exclusion) then the relevant Sections, subject to all their 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 the Policy.

Accidental Damage other than non-physical Damage, fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact by Aircraft or aerial object dropped therefrom, impact by road vehicle or animal, sonic boom, theft of Electronic Data solely where such theft is a consequence of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such Electronic Data, 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, storm and/or tempest and/or rainwater and/or wind and/or hail, water and other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or pipes at the Situation.

- III. For the purposes of the Basis of Settlement provision in these Sections, computer systems records include Electronic Data.

Any terrorism exclusion in these Sections or any Endorsement thereto prevails over this exclusion.

b. Electronic Data – Part 2

This Electronic Data exclusion is applicable to the following Sections of the Policy:

- Machinery Breakdown Section
- Electronic Equipment Section

These Sections do not cover any Damage of whatsoever kind directly or indirectly caused by, contributed to by or arising from:

- I. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data;
- II. error in creating, amending, entering, deleting or using Electronic Data;
- III. total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all; or
- IV. any business interruption losses resulting therefrom,

regardless of any other contributing cause or event whenever it may occur, unless such Damage is a direct consequence of otherwise insured physical Damage and provided that "Cost of Restoring Data" and/or "Increase in cost of working" is insured by these Sections.

Any terrorism exclusion in these Sections or any Endorsement thereto prevails over this exclusion.

6. Acquisition of Companies

The Policy does not cover loss, destruction, liability, Sickness or Injury (as defined in Personal Accident and Sickness Section), or Damage directly or indirectly, caused by, contributed to by or arising from:

- a. any company or other legal entity acquired by You during the Period of Insurance; or

- b. any property or liability associated with such company or any other legal entity or business undertaking or operation, except as stated below.

Provided that We have been notified in writing within 60 days of any acquisition, and the business is of a similar Business to that stated in the Schedule, We will agree to provide cover subject to Your acceptance of Our terms and undertaking to pay the additional Premium We may require. Our liability shall not exceed the Limit of Indemnity, Sum Insured or any sublimit of liability applicable under the relevant Sections making up Your Policy for the Property Insured.

7. Unoccupied Buildings

Except for loss or Damage to Property Insured caused by:

- a. lightning, earthquake and subterranean fire; or
- b. impact by any road vehicle or their loads, animals, trees or branches, meteorite, Aircraft or other aerial devices or articles dropped from them, sonic boom or space debris, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof which do not belong to You,

the Policy does not provide any cover at a Building after the Building has been Unoccupied for more than 60 consecutive days.

Unoccupied means left vacant by You or any other authorised person whether furniture or other Contents remain or not.

Provided that:

- i. cover will apply at an Unoccupied Building if We have specifically agreed to this in writing;
- ii. cover will resume when that Building is again occupied by authorised persons; and
- iii. You agree to pay Us any additional Premium that We may require.

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

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

Claims procedure and conditions

1. Claims procedure

- a. As soon as You become aware of anything happening which may result in a claim under the Policy You must, at Your own expense (unless the expense is covered under "2. Claims preparation expenses" below):
 - i. immediately inform the police of any malicious Damage, theft, attempted theft or loss of property;
 - ii. advise Us as soon as possible, telling Us how the Damage, Injury or Sickness (as defined in Personal Accident and Sickness Section), or liability occurred;
 - iii. take all reasonable action to recover lost or stolen property and minimise the claim;
 - iv. as far as possible preserve any products, appliances, plant or other items which might prove necessary or useful as evidence until We have had an opportunity for inspection;
 - v. give Us all the information, proof and assistance We may require to prosecute, defend or settle Your claim including details of any other insurance effected by You or on Your behalf;
 - vi. as soon as is reasonably practicable after the loss, Damage, Injury or Sickness (as defined in Personal Accident and Sickness Section) (or any further time which We may allow in writing) deliver to Us a written claim containing as detailed an account as is reasonably practicable of the circumstances surrounding the loss, Damage, Injury or Sickness and the amount claimed. If We ask You to provide Us with a Statutory Declaration You must provide it;
 - vii. immediately send Us any claim, writ, summons, or full details of other relevant legal or other proceedings such as an impending prosecution or inquest You receive or become aware of; and
 - viii. at all times give Us all the information and assistance We may reasonably require.
- b. You MUST NOT:
 - i. admit liability for, or offer, or agree to settle any claim without Our prior written consent; or
 - ii. authorise the repair or replacement of anything without Our prior written consent unless for safety reasons or to minimise or prevent further imminent Damage, liability or Injury (as defined in Personal Accident and Sickness Section).
- c. After You have advised Us of any loss, Damage, Injury or Sickness (as defined in Personal Accident and Sickness Section) as set out in this condition:
 - i. You must comply with all the terms of the Policy including the general conditions and claims conditions before We will meet any claim under the Policy;
 - ii. We have the right to recover from any person against whom You may be able to claim any money paid by Us. We will have full discretion in the conduct, settlement or defence of any claim in Your name. The amount recovered will be applied in accordance with the General terms and conditions – 2. Allocation of subrogation proceedings;
 - iii. We may take over and conduct, in Your name, the defence or settlement of any claim and We will have full discretion in the conduct of any proceedings in connection with the claim; and
- iv. We may pay You the Sum Insured or Limit of Indemnity or other sub-limit under the applicable Section or any lesser amount for which a claim or claims under that Section may reasonably be settled. After We have paid You, We will no longer be liable for the claim(s) (or future conduct of the claim(s)) except for costs and expenses incurred up until the time We agreed to pay.
- d. Payment of unpaid Premium following a total loss claim
If We accept Your claim and pay You the Sum Insured or Limit of Indemnity for Your Property Insured as a total loss claim:
 - i. the amount of any unpaid Premium for the Period of Insurance will be deducted from the amount payable to You; or
 - ii. if We replace or rebuild the Property Insured, You must pay Us the balance of any unpaid Premium or instalments for the Period of Insurance.
- e. If You recover or find any lost or stolen Property Insured for which We have paid a claim, You must:
 - i. tell Us immediately; and
 - ii. give Us the recovered or found Property Insured if We request You to do so.
- f. If You advise Us of loss or Damage to Property Insured, as set out in this condition:
 - i. We may, or anybody We appoint may:
 1. enter, take or keep possession of the Buildings where destruction or Damage has happened;
 2. take or keep possession of the Property Insured for the purposes of Our investigations; and
 3. if We accept liability for the loss, sell such Property Insured or dispose of it in a reasonable manner,but, You are not entitled to abandon such Buildings or Property Insured to Us. If We enter, take or keep possession of the Buildings or the Property Insured it will not be an admission of liability nor will it affect any of Your obligations under the Policy;
 - ii. if We elect or become bound to reinstate or replace any Property Insured, You must at Your own expense produce and give Us all such plans, documents, books and information as We may reasonably require; and
 - iii. We will not be bound to reinstate exactly or completely, but only in a reasonable manner given the circumstances. In no case will We be bound to pay, in respect of any of the Property Insured, more than the Sum Insured or Limit of Indemnity or other sub-limit specified in the Schedule or the Policy.

2. Claims preparation expenses

We will pay for costs necessarily and reasonably incurred for the preparation of a valid claim under the Policy. The most We will pay is \$25,000 or 25% of the claim amount otherwise payable, whichever is lesser, in addition to the specified amount within the applicable Section.

1. Actions of parties other than You

The acts or omissions of:

- a. a tenant of Yours; or
- b. the owner of, or another tenant in, the Building;

which breach any provision of the Policy will not affect Your entitlement to cover provided that:

- the act or omission was committed without Your prior knowledge or complicity, and
- You notify Us of the happening or existence of the act or omission as soon as You become aware of it, and
- You pay any reasonable extra Premium which We require.

2. Allocation of subrogation proceedings

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

- a. firstly to You to the extent of Your uninsured loss in respect of a claim paid under a Section of the Policy, (disregarding the amount of any Excess applicable);
- b. secondly to Us in reimbursement of the amount paid to You in respect of that claim under that Section and Our legal expenses incurred in the recovery; and
- c. thirdly to You in satisfaction of any Excess amount applicable.

Any other monies remaining after these allocations will be retained by Us.

Nothing in this condition shall prevent You and Us entering into a "Subrogation Agreement" following a loss agreeing to a different basis of sharing costs and expenses and the allocation of monies recovered.

3. Alteration to Risk

If You become aware of any changes to the facts or circumstances which existed when this insurance commenced that change the nature of the risk (for example, the nature of Your Business, or other circumstances that affect the Situation or Property Insured) in a way that would increase the risk of loss or Damage You must notify Us in writing. If We agree to the change We will do so in writing and You must pay Us any additional Premium We require.

4. Bankruptcy or Insolvency

In the event that You should become bankrupt or insolvent, We shall not be relieved thereby of the payment of any claims under any Section because of such bankruptcy or insolvency. In case of execution against You of any final judgment covered by the Policy being returned "unsatisfied" by reason of such bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against Us in the same manner, and to the same extent as You but not in excess of the relevant Sum Insured or Limit of Indemnity or other sub-limit applicable under the relevant Section(s) making up Your Policy.

5. Cancellation rights

- a. In addition to the "Cooling off period" detailed earlier, the Insured may cancel and return the Policy at any time by telephoning Us.

- b. We have the right to cancel the Policy where permitted by law. For example, We may cancel:

- if You failed to comply with Your duty of disclosure; or
- where You have made a misrepresentation to Us during negotiations prior to the issue of the Policy; or
- where You have failed to comply with a provision of the Policy, including the term relating to payment of Premium; or
- where You have made a fraudulent claim under the Policy or under some other contract of insurance that provides cover during the same period of time that the Policy covers You,

and We may do so by giving You at least three days' notice in writing of the date from which the Policy will be cancelled.

- c. Subject to d., if the Insured or We cancel the Policy We may deduct a pro rata proportion of the Premium for time on risk, reasonable administrative costs related to the acquisition and termination of the Policy We incur and any government taxes or duties We cannot recover.
- d. In the event that You have made a claim under the Policy and We have agreed to pay the full Sum Insured for Your Property Insured or Limit of Indemnity, no return of Premium will be made for any unused portion of the Premium.

6. Changing Your Policy

If You want to make a change to the Policy, the change becomes effective when:

- a. We agree to it; and
- b. We give You a new Schedule detailing the change provided You pay or agree to pay any additional Premium We may require.

7. Fraudulent Claims

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

8. Governing Law and Jurisdiction

The Policy is governed by the laws of Australia. Any dispute relating to the Policy shall be submitted to the exclusive jurisdiction of an Australian Court within the State or Territory in which the Policy was issued.

9. Interests of Other Parties

The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties having a legal interest or charge over the Property Insured and who are specifically noted in Your records, shall be automatically included to the limited extent of their insurable interest only as provided under s49 of the Insurance Contracts Act without notification or specification. The nature and extent of such interest is to be disclosed to Us in the event of any claim covered by the Policy. Any other people not in this category or not named on the Schedule are not covered and cannot make a claim except to the extent permitted by law.

Where the separate interests of more than one party in the Property Insured are insured under the Policy, any act or neglect of one party will not prejudice the rights of the remaining

party or parties provided that the remaining parties are entirely innocent of and have no prior knowledge of any such act or neglect and shall, within a reasonable time after becoming aware of any act or neglect whereby the risk of Damage or destruction has increased, give notice in writing to Us and shall on demand pay such reasonable additional Premium as We may require.

You cannot transfer the Policy into someone else's name without Our written consent.

All persons (including third party beneficiaries) entitled to claim under the Policy are bound by and comply with the terms and conditions of the Policy.

10. Non-imputation

Where this insurance is arranged in joint names, it is hereby declared and agreed that:

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

However, the above does not have the effect of applying the Sum Insured, Limit of Indemnity and sub-limits of liability individually to each such insured.

11. Non-payment of Premium by instalments – right to refuse a claim

Where You pay Your Premium by instalments, You must ensure that they are paid on time because if an instalment has remained unpaid for a period of at least 14 days, We may refuse to pay a claim. We will notify You if an instalment has not been paid.

12. Authorisation and Notifications

By acceptance of the Policy, the Insured agrees to act on behalf of You as well as itself with respect to the giving and receiving of notice of claim or cancellation, the payment of Premiums and the receiving of any return Premium due under the Policy, the negotiation, agreement to and acceptance of Endorsements, and the giving and receiving of any notice provided in the Policy, and You agree that the Insured shall act on Your behalf.

Neither We nor the Insured hold anything on trust for, or for the benefit or on behalf of You under this insurance arrangement. The Insured does not:

- act on behalf of the Insurer or an eligible persons in relation to the insurance;
- is not authorised to provide any financial product advice, recommendations or opinions about the insurance; and
- receive any remuneration or other benefits from Us.

Any person who may be insured under the Policy should consider obtaining advice as to whether the benefits are appropriate or useful for their personal needs from a person who is licensed to give such advice. No advice is provided by Us or the Insured that the benefits are appropriate or useful for any

person's needs. Nothing prevents such persons from entering into other arrangements regarding insurance.

We will send all notices in relation to the Policy to:

- a. the Insured's nominated insurance intermediary until We received written notice to the contrary from the Insured; or
- b. if there is no nominated intermediary, the Insured, acting on the behalf of You.

Any notice We give the Insured will be in writing, and it will be effective:

- a. if it is delivered to the Insured or their agent personally; or
- b. if it is delivered or sent to the Insured's address or the Insured's Agent's address last known to Us.

It is important for the Insured to tell Us of any change of address as soon as possible.

13. One event for earthquake

Only for the purpose of the application of any Excess, all loss or Damage resulting from earthquake occurring during each period of 72 consecutive hours will be considered as one event, whether the earthquake is continuous or sporadic in its sweep and/or scope and the Damage was due to the same seismological conditions. Each event will be considered to have commenced on the first happening of Damage, not within the period of any previous event.

14. Other Insurance and Contribution

When a claim is made under the Policy that may also be recoverable under another policy or policies, You agree to provide Us with details of such policies that may pay or partially pay that claim, so that We may seek contribution.

15. Payment of Excess

When You have a claim under a Section of Your Policy You must pay the Excess amount in accordance with the terms and conditions applicable to that Section. Limits and sub-limits of liability and Sums Insured shall apply in addition to, and shall not be reduced by, the amount of any applicable Excess.

Should a single event result in You claiming under more than one Section of Your Policy, then only the single highest Excess will apply to all claims that arise out of the one event.

Provided that this shall not apply to claims arising from loss or Damage claimable under the optional benefit "Deterioration of Stock" under Machinery Breakdown Section.

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

16. Progress Payments

If We have agreed that a claim is covered by Your Policy, We will make reasonable progress payments.

17. Reasonable care and maintenance

You must take all reasonable care:

- a. to prevent Injury and Sickness (as defined in Personal Accident and Sickness Section), loss, Damage or legal liability;
 - b. to maintain the Property Insured in sound condition, in particular to minimise or avoid theft, loss, Damage or liability;
 - c. to comply with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements;
 - d. to minimise any loss or Damage; and
 - e. to only employ competent employees and ensure they adhere to the requirements specified in a. – d. above.
- i. any co-insured (including directors, officers and employees);
 - ii. any corporation or entity (including directors, officers and employees) owned or controlled by You; or
 - iii. any co-owner of the Property Insured.
- b. You may without prejudicing Your position under the Policy:
 - i. release any statutory governmental, semigovernmental or municipal authority from any liability if required at law, including by contractual agreement, to do so;
 - ii. agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause; or
 - iii. agree to enter into a lease for occupancy of any 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.

18. Reinstatement of Sum Insured

In the event of Damage insured under Material Damage Section, Business Interruption Section, Theft Section, Money Section, Glass Section, General Property Section and Transit Section of the Policy, the amount by which the Sum Insured or Limit of Indemnity is reduced as a consequence of the loss or Damage will be automatically reinstated from the date of loss or Damage provided that:

- a. there is no written request from You or written notice by Us to the contrary;
- b. the Section is an operative Section of the Policy; and
- c. You pay the Premium which We require for the reinstatement.

We will not reinstate the Sum Insured on Material Damage Section or Business Interruption Section if We have paid a total loss under either of these Sections.

We will only reinstate the Sum Insured once in any Period of Insurance in relation to the Theft Section and Money Section and the maximum amount We will pay in any one Period of Insurance is therefore limited to twice the Sum Insured under those Sections.

Limited reinstatements are also available under the Management Liability Section – Part A – Directors and Officers Liability and Part C – Crime. For full details refer to the Management Liability Section.

19. Single Occurrence

We will not pay for loss or Damage to Property Insured covered by the Policy under more than one Section of the Policy in respect of the same item and occurrence unless a relevant insured amount has been paid out in full and You have not been fully indemnified, less any applicable Excess, for the loss or Damage.

20. Waiver of subrogation rights

We will not be liable to pay any benefits under the Policy for loss, Damage, Injury or Sickness (as defined in Personal Accident and Sickness Section) or liability if You agree or have agreed to limit or exclude any right of recovery against any third party who would be liable to compensate You with respect to that loss, Damage, Injury, Sickness or liability. However:

- a. We shall waive any rights and remedies or relief to which We are or may become entitled by subrogation against:

Material Damage Section

The cover

Except as otherwise specified, We will pay up to the applicable Sum Insured or sublimit specified herein, subject to a maximum total amount per claim up to the Limit of Indemnity, in accordance with the Basis of Settlement for Property Insured that is accidentally Damaged at the Situation during the Period of Insurance.

Definitions applicable to this Section

Breakdown means the actual breaking, seizing, deformation or melting of any part of the Property Insured while it is in use that is caused by mechanical, electrical or electronic defect that results in sudden and total loss of operation that requires repair or replacement before the Property Insured can resume normal operation.

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

Increased Building Costs means the difference between the cost of Reinstatement actually incurred in accordance with the Basis of Settlement provisions of this Section and the cost of Reinstatement that would have applied had the catastrophe event not occurred.

Indemnity means to reinstate, replace or repair the Property Insured to a condition substantially the same as but not better or more extensive than its condition at the time of the Damage, loss or destruction, taking into consideration age, condition, depreciation and remaining useful life.

Limit of Indemnity means the amount shown in the Schedule as the Limit of Indemnity for a specific Situation. Provided that this is the maximum amount that We will pay for all loss or Damage that arises out of any one source or original cause at such Situation unless it is specifically stated in this Section that payments are made in addition to this amount.

Major Loss means the cost of Reinstatement of Your Building in accordance with the Basis of Settlement provisions of this Section exceeds 70% of the Replacement of Your Building immediately prior to the event.

Reinstatement means to restore that part of:

1. the Property Insured that is Damaged; and
2. any undamaged Property Insured which has been dismantled to enable the restoration of the Damaged Property Insured,

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

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

Sea means all oceans, seas, bays, ports or tidal waters.

Sum Insured means the individual Sum Insured shown in the Schedule calculated in accordance with the Basis of Settlement that applies to the Property Insured at a specific Situation.

Specified Item means the item of Property Insured that is specifically described on the Schedule for this Section.

Basis of Settlement applicable to this Section

When Property Insured shown in the Schedule is Damaged during the Period of Insurance the following Basis of Settlement will apply at each of the Situations:

1.

a. Rewriting of records

- i. for Damage to Business books, plans, computer records, patterns and other Business records, We will pay the cost of re-creating the documents that are Damaged; and
- ii. for Damage to business records of Your customers at the Situation or Your Business records off-site,

We will pay up to a maximum of \$25,000 any one event.

b. Old Plant and Equipment

Unless specifically insured otherwise, for those items kept as spare parts and for any old item kept for use as a backup in an emergency, We will pay the cost of repairs or the second hand replacement value of a similar part of the same age and condition, whichever is less.

c. Branded Goods

Any salvage of branded goods and/or merchandise owned by You or for which You are legally liable and/or goods sold but not delivered shall not be disposed of by sale without Your consent. If such salvage is not disposed of by sale, the goods may be retained by You and disposed of as You see fit, provided a reasonable salvage allowance is agreed with Us for the value of goods and this allowance is to be deducted from the claim settlement.

d. Undamaged Foundations

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

e. Output replacement

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

- i. if Property Insured is to be replaced by an item which has the same or lesser total function, capability or output, the amount We will pay is the new installed cost of such replacement item or items;
- ii. if Property Insured is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is

no greater than the cost of Reinstatement of the Damaged Property Insured, We will pay the new installed costs of the item or items replaced; or

- iii. if Property Insured is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the Replacement of the Damaged Property Insured, the amount We will pay is the lesser of the cost of Reinstatement or that proportion of the new installed cost of the replacement item or items which the output of the Damaged Property Insured bears to the output of the replacement item or items.

f. Stock

For Damage to Stock We will at Our option:

- i. replace or repair the Damaged Stock with property or materials of equal quality, standard and specification unless the Stock is Obsolete Stock;
- ii. where the Stock is Obsolete Stock at the time of the Damage, We will pay You its value as Obsolete Stock but no more than its original cost to You; or
- iii. if You request a cash settlement and Reinstatement or repair is not carried out, and the Stock is not Obsolete Stock, We will pay the original cost to You of the Stock that is Damaged beyond repair and an amount commensurate with the cost of repairing Damaged Stock that can be repaired, if any, but not exceeding its value prior to when the Damage took place.

g. Heritage Buildings

For Damage to any Building that is subject to any heritage listing or protection and You choose to rebuild, replace or repair the Building at the same location, We will pay the additional costs of repairing, replacing or reinstating the Building, that are related to obtaining special materials or employing specialised labour to match up or reproduce unique or distinctive ornamental or architectural features of the Building to comply with standards imposed by any lawful heritage protection authority.

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

h. Electronic Equipment and Software

For Damage to electronic equipment and software, We will pay the costs incurred in the repair, restoration and reinstallation of Electronic Data, to replicate the operational capability of the system to a level commensurate with that existing prior to the Damage.

i. Works of art, antiques and curios

For all works of art, antiques and curios, We will pay

- i. the cost of restoring and repairing to a condition substantially the same as before the Damage plus any reduction in market value caused by the Damage; or
- ii. if restoration or repair is not possible, the amount of a valuation by the Auctioneers and Valuers Association of

Australia or an independent expert for the individual item Damaged, immediately before the Damage.

j. All other Property Insured that is Damaged

For all other Property Insured that is Damaged We will pay for the Reinstatement or Replacement unless "Indemnity" is shown in the Schedule or You wish Us to pay the Indemnity cost for all or any of the Damaged Property Insured as the Basis of Settlement.

2. Rebuilding at another location

Following Damage to a Building that is insured by this Section You have the option of rebuilding at the location where the Damage happened or at any other location in Australia. Provided that:

- a. We will not pay more than the cost that would have been incurred if Reinstatement of the Building that is Damaged had taken place at the location where the Damage happened; and
- b. if the actual cost of rebuilding is less than the cost of Reinstatement at the location where the Damage happened then Our payment is limited to the actual cost of rebuilding.

Limitations of cover applicable to this Section

1. Directors' and employees' personal property

Accidental Damage to the personal property of directors, partners and employees of Your Business happening at the Situation is limited to a maximum of \$5,000 any one person and \$15,000 any one event. This means that if as a result of one event a number of directors, partners and employees of Your Business suffer Accidental Damage to their personal property, We will pay each on a proportional basis (based on the value of loss incurred) up to a maximum combined total of \$15,000.

2. Earthquake

Cover for Damage to Property Insured at the Situation caused by earthquake, volcanic eruption, subterranean fire or tsunami. An Excess of \$20,000 or 1% of the Limit of Indemnity (whichever is lower amount) applies to each claim.

3. Excess

You are liable for the Excess for each and every event that results in Damage.

4. Limit of Indemnity

We will not pay more than the Limit of Indemnity that applies to the specific Situation per event where the Damage happens unless We have stated otherwise elsewhere in this Section.

The Limit of Indemnity for a specific Situation will be reduced by any payment made or due to be made by Us following Damage covered by this Section at that Situation.

5. Under-insurance

If there is a claim for Damage to Property Insured at the Situation covered by the Policy that exceeds 10% of the applicable Limit of Indemnity at that Situation, We will pay that proportion of any claim calculated in accordance with the Basis of Settlement, that the total Sum Insured for all Property Insured at the Situation at the commencement of the Period of

Insurance bears to 80% of the cost of reinstating Damage to all Property Insured calculated at the commencement date of the Period of Insurance in accordance with the Basis of Settlement.

Provided that any additional costs incurred when You comply with the requirements of any lawful authority will be omitted from the calculation of Our proportion.

Additional benefits applicable to this Section

When Damage to Property Insured at the specific Situation is covered by this Section, then provided that We do not pay more in the aggregate than the Limit of Indemnity shown for that Situation, in addition to any allowance for any increase provided under additional benefit 2 – Catastrophe cover, We will pay for the following costs that are incurred as a result of that Damage:

1. Capital additions

Reasonable costs incurred by You in the aggregate, up to \$500,000 or 20% of the Limit of Indemnity shown in the Schedule, whichever is the lesser, for that Situation during the Period of Insurance for the Reinstatement of:

- a. alterations to Buildings; and
- b. other capital additions;

that have been made at the specific Situation during the Period of Insurance.

2. Catastrophe cover

If Your Building suffers Damage from an event covered by this Section and We classify the Damage as a Major Loss and the event giving rise to the Damage has led to the declaration by the relevant authority of a state of emergency affecting the area in which Building is situated, We will:

- a. increase the Limit of Indemnity under this Section by up to 20% of the Sum Insured for the Building if Your Building is rebuilt; and
- b. also increase the limits on the amounts We will pay under additional benefit 1. Capital additions and 10. Prevention of imminent Damage by 20%;

to cover Increased Building Costs for labour and material supplies and other increased costs applying after the event.

We will not pay more than the Increased Building Costs actually incurred by You.

We will not pay any amount under this additional benefit until You have incurred costs exceeding the Limit of Indemnity under this Section. In all other aspects, the normal terms and conditions of the Policy shall apply.

3. Demolition and Debris removal

The reasonable costs incurred by You for:

- a. the demolition and removal of Property Insured that is Damaged;
- b. the demolition and removal of any Property Insured that is necessary to allow Reinstatement of Property Insured that has been Damaged; and
- c. the cleaning up, removing, storing and disposing of Damaged Property Insured at or from:
 - i. the Situation; and

- ii. any other location that You are legally required to remove Debris from or clean up, provided that You do not own Property Insured at this other location and Your liability did not result from an agreement made after the start of the Period of Insurance unless this liability would have existed anyway.

4. Discharge of mortgage cost

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

Provided that this additional benefit is limited to \$25,000 any one event.

5. Exploratory expenses

The reasonable cost incurred by You to detect the point of bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems, during the Period of Insurance, at the Situation used to hold or carry liquid or gas provided that the bursting, leaking, discharging or overflowing has caused or may reasonably be expected to cause Damage to Property Insured. We will not cover the repair or Replacement of such apparatus, appliances, tanks, pipes of other systems, unless Damaged by a peril or event insured under this Section.

Provided that this additional benefit is limited to \$25,000 any one event.

6. Fees and costs

Fees and costs such as, but not limited to, local authority permit and approval charges, architects, engineers and other consultants, including those involving inquiries, necessarily and reasonably incurred in Reinstatement of Property Insured that is Damaged.

7. Firefighting and authority costs

The cost of refilling fire-fighting appliances used in putting out a fire at or adjoining the Situation threatening Property Insured and any additional cost payable by You to a fire brigade, fire-fighting authority or an authorised government authority for attendance at a fire or chemical emergency involving the Property Insured.

Provided that the wages of any full-time members of a works fire brigade are not covered by this additional benefit and this additional benefit is limited to \$25,000 in total, any one event.

8. Floor space ratio index

When the cost of rebuilding a Building that is Damaged costs more than 50% of the Replacement of the entire Building, and rebuilding is only permissible subject to a reduced floor space to land area ratio or index, then We will also pay the difference between:

- a. the estimated cost of reinstatement at the time of Damage had the reduced floor space ratio index (plot ratio) not applied, and
- b. the actual costs incurred in reinstatement subject to the reduced floor space ratio index (plot ratio).

The above amounts shall include the additional costs incurred to meet the requirements of any lawful authority.

9. Make safe and temporary repair expenses

The cost incurred to make the Property Insured or surrounding areas of the Situation safe following Damage, including temporary repairs, shoring up, propping and/or underpinning Property Insured.

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

10. Prevention of imminent Damage

The necessary costs reasonably incurred by You to protect the Property Insured during the Period of Insurance:

- a. to extinguish a fire on or in the vicinity of Your Situation which causes or threatens loss or Damage to Property Insured;
- b. to prevent or diminish imminent Damage to Property Insured; and
- c. for the temporary protection and safety of Property Insured at the Situation, following a specific advice by police or state emergency services, including the employment of security services.

Provided that this additional benefit is limited to \$5,000 any one event and in total for all claims during any one Period of Insurance.

11. Removal of trees and branches

We will pay the reasonable costs incurred by You to remove and dispose of any branch or tree that has fallen causing impact Damage to Property Insured. We will also pay cost of stump removal when required.

12. Seasonal increase

The Limit of Indemnity for the specific Situation is increased by 50% of the Sum Insured for Stock for losses occurring during Seasonal Increase Periods.

If Your Sum Insured on Stock is included on another item on Your current Schedule, We will only apply the increased cover to the portion of the Sum Insured that relates to Stock.

Provided that this additional benefit will not extend the insurance beyond the Period of Insurance noted in the Schedule.

13. Temporary removal to other premises

We will extend the cover provided by this Section to Property Insured while it is temporarily removed from any Situation shown in the Schedule to some other premises in Australia for any period up to 60 days.

Provided that:

- a. this additional benefit is not provided to Property Insured whilst in transit;
- b. this additional benefit is only available to Contents and/or Stock or Specified Items that have a Sum Insured shown for the Situation at which this Property Insured is normally located;

- c. if Property Insured comprising parts of the Building or the landlords premises is temporarily removed for service or repair then specific exclusion 4.a. of this Section does not apply for that item or items whilst at the other premises for this purpose; and
- d. the most We will pay under this additional benefit is 10% of the Sum Insured that applies to this Property Insured at the Situation at which the Property Insured is normally located.

Extra covers applicable to this Section

1. Disposal of salvage

We will not sell or dispose of any salvage without giving You the opportunity to retain it at its salvage value, but this extra cover does not allow You to abandon Property Insured to Us.

2. Indexation at renewal

We automatically increase the Sum(s) Insured at each renewal according to the most appropriate price indices, as determined by Us. The Premium and relevant government charges You pay will be based on the adjusted amounts shown in the Schedule.

This automatic Sum Insured adjustment at renewal does not replace Your responsibility for reviewing the Sum Insured at renewal. You are not required to accept the revised Sums Insured and can ask Us to amend them at any time.

3. Minimisation of Damage

We will pay for the reasonable cost of removing Property Insured from the Situation, and any Damage resulting from the removal, if the Situation is threatened by Damage covered under this Section and the purpose of the removal was to prevent or minimise Damage insured under this Section.

4. New premises – temporary cover

We will temporarily extend the cover provided by this Section to Property Insured at any premises that are used by Your Business for the first time during the Period of Insurance. Provided that:

- a. this temporary cover is limited to a period of 90 consecutive days from the day that You first use new premises;
- b. this temporary cover is not available to Property Insured that is not shown as insured in the Schedule;
- c. for each of the Property Insured shown in the Schedule this temporary cover is limited to 50% of the Sum Insured for that Property Insured; or
- d. if more than one Situation is shown in the Schedule then this 50% limitation will apply to the highest Sum Insured that applies to a specific type of Property Insured; and
- e. the new premises have building and security features that are similar to those at one of the Situations shown in the Schedule, having the same occupation.

If You request and We agree to cover the Property Insured at the new premises beyond the 90 consecutive day period, You must provide Us with full details of the new premises and You must pay any additional Premium We ask for.

Optional benefit applicable to this Section

1. Flood

When "Flood" cover is shown in the current Schedule as covered, We will cover loss of or Damage to Property Insured caused by Flood and the Specific exclusion applicable to this Section 3.n. is deleted.

Specific exclusions applicable to this Section

1. We will not cover You for Damage insurable under any other Section or Sections of the Policy. This exclusion does not apply to any Damage which would only be insurable under any other Section or Sections because it fell within an extra cover or additional benefits in that Section;

2. We will not pay loss or Damage to

- a. furs, jewellery, gold, silver, platinum, pearls, diamonds, sapphires, rubies and other precious stones unless they are within the Building at the Situation and then limited to an amount not exceeding \$2,000 in total any one Period of Insurance unless these items are Stock and Stock is shown in the Schedule as being insured;
- b. curios, antiques or works of art unless they are within the Building at the Situation at the time of the Damage and then limited to an amount not exceeding \$2,000 for any one item and \$10,000 in total any one Period of Insurance unless expressly stated otherwise in the Schedule as a Specified Item;
- c. Money;
- d. Glass, unless such Glass is directly Damaged by:
 - fire, lighting, explosion, impact, storm and tempest or earthquake.
 - Flood, if optional benefit 1. – Flood is shown as covered on Your Schedule;
 - riot, civil commotion, persons taking part in industrial disputes; or
 - persons acting maliciously, other than where such Glass is cracked or Broken through its entire thickness,

Provided that when reinstating Damage to Glass under this clause, We will, when necessary, also reinstate Damage to frames, signwriting, coatings and alarm tapes;

- e. Property Insured in transit outside of the Situation other than:
 - i. during incidental movement of Property Insured within Situations occupied by You, and/or
 - ii. as provided under additional benefit 13. Temporary removal to other premises;
- f. Aircraft, locomotives, rolling stock, watercraft whilst in water;
- g. motor vehicles or trailers, caravans or motorcycles all while registered or licensed to travel on a public road, provided that this does not apply to:
 - i. mobile plant and equipment (excluding cars, sedans, panel vans and trucks) not otherwise insured;

- ii. motor vehicles or trailers, caravans or motorcycles, that are Stock of Your Business;

- h. animals;
- i. canals, dams, tunnels, reservoirs other than tanks and their contents;
- j. docks, wharves and piers not forming part of any Building;
- k. standing timber, growing crops, plants, land including top soil and fill, landscaping, gardens and pastures.

Provided that:

- i. when reinstating Damage to a Building, landscaping, plants and gardens are Property Insured; or
- ii. potted plants are Property Insured when insured as Contents;

when they are used to restore landscaping, plants, potted plants and gardens to a condition similar to that immediately prior to the Damage;

- l. property being constructed, built, erected, altered or dismantled, including all associated materials or supplies, provided that this does not apply to additional benefit 1. Capital additions or to that portion of the Building or part of any Property Insured that is not directly affected by such work;
 - m. mining property and any equipment located beneath the surface of the ground, unless shown as a Specified Item on the Schedule provided that this exclusion does not apply to underground services connected to a Building;
 - n. any pressure vessel (including a boiler) not used solely for domestic purposes, that has a value of more than \$250,000, and where the Damage is directly caused by the explosion or implosion of such pressure vessel; and
 - o. landlord's fixtures and fittings unless these are included as part of the Sum Insured for Buildings.
3. We will not cover You for Damage caused by:
- a. wear and tear, gradual deterioration, fading, developing flaws, scratching, marring, normal upkeep or any gradual cause;
 - b. Breakdown, failure, malfunction;
 - c. corrosion, rust, oxidation, any form of fungus, wet or dry rot, dampness of atmosphere, variation in temperature, evaporation, shrinkage;
 - d. change in colour, flavour, texture or finish;
 - e. inherent vice or latent defect;
 - f. loss of weight or exposure to light;
 - g. creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in Buildings, pavements, roads, car parks and the like;
 - h.
 - i. error or omission in design, plan or specification or failure during testing;
 - ii. faulty materials or workmanship;

provided that this Exclusion 3.h. shall not apply to subsequent loss or Damage to Your Property Insured (not otherwise excluded) resulting from an event referred to in this exclusion;

- i. infidelity, dishonesty, embezzlement, misappropriation or fraud including forgery, erasure, counterfeiting by You or any of Your employees;
 - j. loading or unloading;
 - k. erosion, subsidence, landslide or mudslide or any other earth movement but We will cover loss or Damage caused by a landslide or subsidence that occurs within 72 hours of, and directly because of, a storm, earthquake, subterranean fire, volcanic eruption or water escaping from a water main owned by a water supply authority;
 - l. demolition ordered by any lawful authority as a result of failure by You to comply with any lawful requirement;
 - m. the action of the Sea or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance;
 - n. Flood, however We will pay if optional benefit 1 – Flood is shown as covered on Your Schedule;
 - o. faults or defects known to You or any of Your employees whose knowledge in law would be deemed to be Your knowledge and not disclosed to Us at the time this insurance was arranged, extended, varied or renewed;
 - p. the cessation of work (whether total or partial), interruption or retarding of any process or operation as a result of any industrial dispute;
 - q. data processing or media failure or Breakdown or malfunction of a processing system including operator entry or omission;
 - r. deliberate and unauthorised corruption, amendment or erasure of data by You or Your directors, partners, employees, officers or any other person who has an interest in the Property Insured whether acting alone or in collusion with any other person;
 - s. Computer Virus;
 - t. the gaining of unauthorised access to Your computer via any communication system by any person other than You or Your directors, partners, employees, officers or any other person who has an interest in the property;
 - u. an electrical device (including wiring) caused by a surge in electrical current;
 - v. the operation or presence of any computer program that alters or erases data or programs in a manner that is undesired by You;
 - w. the actual breaking, seizing, deformation or melting of any part of the Property Insured while it is in use that is caused by mechanical, electrical or electronic defect that results in sudden and total loss of operation that requires repair or replacement before the property can resume normal operation;
 - x. explosion or implosion of any pressure vessels (including any boilers):
 - i. where the load on the safety valve upon the particular pressure equipment was in excess of the manufacturer's specification at the time of any Damage; or
 - ii. where any safety valve limiting pressure was removed or rendered inoperative; or
 - iii. due to failure of the supply of water, gas, electricity or fuel.
- Provided that We will pay for any Damage to Property Insured that is not otherwise excluded that results from Damage caused directly by or arising directly from any of these causes.

4. We will not cover Damage caused by or arising from:

- a. theft other than physical Damage to Property Insured at the Situation during theft or any attempted theft and/or theft of parts of the Building when Buildings are insured;
- b. any legal liability You have other than the legal liability that is covered by the additional benefit 3. Demolition and Debris removal;
- c. the incorrect siting of Buildings as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any lawful authority;
- d. any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods; or
- e. Contamination, pollution, smoke or smut except where caused directly by fire, lightning, explosion, impact by any road vehicle or animal, Aircraft or other aerial devices or articles dropped by them, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, Flood (if optional benefit 1. – Flood is shown as covered on Your Schedule), earthquake, storm, the bursting, overflowing or discharge of tanks, apparatus or pipes containing water or liquid of any kind, or sprinkler leakage.

Theft Section

The cover

We will pay You in accordance with the Basis of Settlement for the cost of replacing or repairing Property Insured following Theft from the Situation happening during the Period of Insurance by:

1. visible, forcible and violent entry into or exit from Buildings at the Situation;
2. a person hiding in the Building at the Situation during normal operating hours until the Building is closed and locked up;
3. an actual, attempted or threatened armed hold up at the Situation;
4. an actual, attempted or threatened assault or violent act at the Situation; or
5. an actual visible, forcible violent entry into any locked cabinet, counter or showcase which is located at the Situation.

Definitions applicable to this Section

The following definitions shall apply to the words used in this Section.

Stock means:

- a. stock in trade, merchandise or raw materials, including the value of work done, containers and packaging materials;
- b. customer's goods including goods and/or merchandise and other items held in trust or on commission for which You are liable.

However, for the purpose of this Section Stock does not include Tobacco.

Theft means Damage by theft or attempted theft.

Tobacco means cigarettes, cigars and tobacco.

Basis of Settlement applicable to this Section

At Our option, We will with respect to:

1. Stock and Tobacco:

- a. pay You the market value of the Stock and Tobacco at the time of the Theft;
- b. pay You the value of Obsolete Stock or its purchase price, whichever is the lesser, but no more than the original cost to You;
- c. replace or repair the Stock with property or materials equal to or of a similar standard and specification as the Stock before the Theft; or
- d. pay the cost of repair or replacement of the Stock.

2. Contents:

- a. repair or replace the Contents; or
- b. pay You the cost of repair or replacement of the Contents.

Limitations of cover applicable to this Section

1. Sum Insured

- a. for each specific type of Property Insured We will only pay

up to the Sum Insured that applies to that specific type of Property Insured as shown in the Schedule;

- b. following Theft covered by this Section We will reduce the Sum Insured for the specific Property Insured that is affected by the Theft by an amount equal to any payments made or due to be made by Us.

2. Excess

You are liable for the Excess for each and every event that results from Theft.

Additional benefits applicable to this Section

1. Clothing and personal effects

If clothing or personal effects are Damaged during a Theft, We will pay in addition to the Sum Insured, the cost of replacing these items.

Provided that the total amount payable under this additional benefit is limited to \$2,000 any one person and \$5,000 in total, any one event. This means that if as a result of one event a number of persons personal effects are Damaged, We will pay each on a proportional basis (based on the value of loss incurred) up to a maximum combined total of \$10,000.

If You are also insured under the Money Section, the benefits payable under additional benefits "1. Clothing and personal effects" shall not be cumulative.

2. Damage to Building

We will pay in addition to the Sum Insured the cost of repairing Buildings that are physically Damaged during Theft at that Situation. Provided that the maximum amount We will pay is limited to \$10,000 in total any one event or any higher amount as amended by Endorsement and shown in the Schedule.

3. Death following assault

If any person is injured while protecting or attempting to protect the Property Insured from Theft during the Period of Insurance and death results from this injury within 12 months, We will pay \$10,000 in addition to the Sum Insured, to the estate of that person.

If You are also insured under the Money Section, the benefits payable under additional benefits "2. Death following assault" shall not be cumulative.

4. Disposal of Damaged property

We will also pay in addition to the Sum Insured the costs necessarily incurred by You to dispose of damaged Property Insured which has no salvage value.

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

5. Key, locks and combinations

If during the Period of Insurance any locks, keys, magnetic keys or cards or similar devices and combinations used at the Situation are accidentally lost, stolen or there are reasonable grounds to believe these have been duplicated or known to any unauthorised person, We will pay in addition to the Sum Insured:

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

Provided that the maximum amount that We will pay is limited to \$5,000 in total, for any one Period of Insurance. If You are also insured under the Money Section, the benefits payable under additional benefits "3. Keys, locks and combinations" shall not be cumulative.

6. Rewriting of records

Following a Theft which is covered by this Section We will pay in addition to the Sum Insured the costs necessarily incurred by You to re-create Business books, plans, computer system records, patterns, security deeds and other records.

Provided the maximum amount that We will pay during the Period of Insurance is limited to \$25,000.

7. Seasonal increase

The Sum Insured for Stock excluding Tobacco, is increased by 50% for losses occurring during the Seasonal Increase Periods.

Provided that this additional benefit will not extend the insurance beyond the Period of Insurance noted in the Schedule.

8. Temporary protection and watchmen

Following a Theft that is covered by this Section We will pay in addition to the Sum Insured the costs necessarily incurred by You to safeguard the premises such as temporary repairs and the employment of watchmen or guards.

Provided that the maximum amount that We will pay is limited to \$5,000 in total, any one event. If You are also insured under the Money Section, benefits payable under additional benefits "5. Temporary protection and watchmen" shall not be cumulative.

9. Temporary removal to other premises

We will also cover Your Property Insured while temporarily removed to any other premises within Australia.

Provided that:

- a. Damage occurs as a consequence of Theft of Property Insured during the Period of Insurance;
- b. We will not cover Tobacco or alcoholic beverages;
- c. We will not cover Property Insured that is on consignment to other parties unless it is owned by You or is Property Insured for which You are responsible;
- d. the maximum amount We will pay for this additional benefit will be 20% of the Sum Insured; and
- e. this additional benefit will not apply to any Property Insured, which has been removed for a period greater than 60 days without Our prior written consent.

10. Tenanted Situation

We will also pay in addition to the Sum Insured for Property Insured, the cost of repairing or replacing Your landlords premises or property (other than Glass) for which You are liable under the terms of Your lease or rental agreement arising from Theft at the Situation.

Provided that the maximum amount We will pay is limited to \$1,000 in total for any one event.

11. Theft in open air

We will cover Theft during the Period of Insurance without forcible and violent entry of Property Insured in the open air but within the boundaries of the Situation or contained in an unlocked Building up to \$500 in total any one event. An Excess of \$500 applies to each event that results in a claim under this additional benefit.

Provided that We will not pay for:

- a. Theft involving shoplifting;
- b. Theft by You or any of Your employees;
- c. Consequential Loss of any kind; or
- d. Theft of Property Insured in open air unless the premises after hours are fully enclosed by a locked cyclone fence with padlocks with a security rating under AS4145.4 (or any subsequent amendment).

12. Theft without forcible entry

We will cover loss or Damage to Property Insured caused by Theft from the Situation during the Period of Insurance even if there is no visible forcible and violent entry.

Provided that We will not pay for:

- a. Theft involving shoplifting;
- b. Theft by You or any of Your employees; or
- c. Consequential Loss of any kind.

Specific exclusions applicable to this Section "1. Theft from any open-sided structure" does not apply to this additional benefit.

The maximum amount that We will pay in total for any one event is \$2,000.

Extra cover applicable to this Section

1. New premises – temporary cover

We will temporarily extend the cover provided by this Section to Property Insured at any situation that is used by Your Business for the first time during the Period of Insurance.

Provided that:

- a. this temporary cover is limited to a period of 60 consecutive days from the day that You first use the new premises;
- b. this temporary cover is not available to property that cannot be designated to a specific type of Property Insured that is shown as insured in the Schedule;
- c. for each specific type of Property Insured shown in the Schedule this temporary cover is limited to 50% of the Sum Insured for that specific Property Insured; or

- d. if more than one Situation is shown in the Schedule then this 50% limitation will apply to the highest Sum Insured that applies to a specific type of Property Insured; and
- e. the new premises have building and security features that are similar to those at one of the Situation(s) shown in the Schedule, having the same occupation.

If You request and We agree to cover the Property Insured at the new premises beyond the 60 consecutive day period, You must provide Us with full details of the new premises and pay any additional Premium We ask for.

Specific exclusions applicable to this Section

We will not pay for:

1. Theft from any open-sided structure such as, but not limited to, verandas, yards or other open spaces whether they are partially or fully enclosed by a building or not, except as provided under additional benefits 11. Theft in open air and 12. Theft without forcible entry;
2. Theft when entry has been made using keys or security codes;
3. Theft of Money including negotiable instruments such as but not limited to cheques, stamps, money orders, vouchers and tickets exceeding \$100 in total;
4. Theft of motorised vehicles and/or watercraft;
5. unexplained disappearances or unexplained shortages whether resulting from clerical or accounting errors or shortages in the supply of materials to or by You;
6. Consequential Loss of any kind;
7. the dishonest manipulation of any database or computer system; or
8. Damage to Glass (including washbasins, sinks, toilet pans or cisterns, or cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to Broken Glass) unless it is Stock.

The cover

We will pay, in accordance with Basis of Settlement, up to the Sum Insured shown in the Schedule for Loss of Money during the Period of Insurance for the following events:

a. Money in Transit

Money in Transit or in a nightsafe or automatic teller machine until removed by a Financial Service Provider employee. Provided that this cover only applies up until the close of business on the next bank trading day from the time the Transit commenced.

b. Money on the Situation during Business Hours

Money on the Situation during Business Hours when not contained in a Locked Safe or Locked Strongroom.

c. Money on the Situation outside Business Hours

Money on the Situation outside Business Hours when not contained in a Locked Safe or Locked Strongroom.

d. Money in a Locked Safe or Locked Strongroom

Money contained in a Locked Safe or Locked Strongroom.

e. Money in private residence

Money in Your personal custody or the personal custody of an authorised person while in a private residence until the closing time on next business day when the Money can be deposited with a Financial Service Provider.

We will also pay up to the Sum Insured shown in the Schedule for Damage to Safes or Strongrooms.

Definitions applicable to this Section

The following definitions shall apply to the words used in this Section.

Business Hours means Your Business and office hours including overtime hours when You or Your employees are on the Situation for Business purposes.

Financial Service Provider means a bank, building society or credit union or an agency for any of these that is in the business of providing banking services to the public.

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

Loss and Lost means accidental loss, Damage or destruction.

Money, for the purpose of this Section only, is extended to include Money held in trust or of which You are responsible and which is not otherwise insured and shall also include any cash carrying bag used with the Transit.

Transit means Money in Your personal custody or in the custody of persons authorised by You whilst in Transit within Australia. The Transit shall be deemed to have commenced immediately after the Safe or Strongroom is unlocked for the purpose of removing and immediately transporting the Money from the Situation. Money in Transit includes Money while contained in the night Safe, night depository chute or automatic teller machine of any Financial Services Provider. Our liability ceases at the time Your Financial Service Provider ceases trading on the next business day following the deposit therein.

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

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

Basis of Settlement applicable to this Section

If We agree to pay a claim for Loss of Money (other than certificates of stock, bonds, coupons and all other types of securities or travellers cheques) We will pay the amount of Money Lost.

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

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

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

Losses sustained in currencies other than Australian dollars will be calculated by converting the amount of Loss to Australian dollars at the market rate at the time of settlement of the Loss or such other rates as may have been expressly agreed with Us. If there is no market price or value on the relevant day, then the value shall be agreed between You and Us, or in default, We and You shall submit to mediation and be bound by the decision of the mediator.

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

In the case of "Damage to Safes or Strongrooms", We will, at Our option:

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

- e. pay You the Sum Insured for Damage to Safes or Strongrooms.

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

Limitations of cover applicable to this Section

1. Excess

You are liable for the Excess for each and every event that results in a claim for Loss.

2. Sum Insured

The maximum amount We will pay is the Sum Insured shown on the Schedule for the specific cover taken unless We have stated otherwise elsewhere in this Section.

Additional benefits applicable to this Section

In addition to the Sum Insured:

1. Clothing and personal effects

If during a theft or attempted theft of Money, clothing and personal effects are Lost, then We will pay to repair or replace these items.

Provided that the total amount payable under this additional benefit is limited to \$2,000 any one person and \$5,000 in total, any one event. This means that if as a result of one event a number of persons personal effects are stolen, We will pay each on a proportional basis (based on the value of loss incurred) up to a maximum combined total of \$5,000.

If You are also insured under the Theft Section, the benefits payable under additional benefit 1. "Clothing and personal effects" shall not be cumulative.

2. Death following assault

If any person is injured while protecting or attempting to protect Money from theft or attempted theft during the Period of Insurance and death results from this injury within 12 months We will pay \$10,000 to the estate of that person.

If You are also insured under the Theft Section, the benefits payable under the additional benefit "3. Death following assault" shall not be cumulative.

3. Keys, locks and combinations

If Money in a Locked Safe or Locked Strongroom is shown in the Schedule as insured then We will pay:

- a. to replace locks, keys, magnetic keys or cards or similar devices, or to change the sequence of numbers or letters, or numbers and letters to any Safe or Strongroom if:
 - i. as a result of Loss, keys or combinations are stolen or there are reasonable grounds to believe that keys have been duplicated;
 - ii. keys, magnetic keys or cards or similar devices are accidentally Lost;
 - iii. the sequence of numbers or letters, or numbers and letters becomes known by any unauthorised person or are accidentally Lost; or

- iv. circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices;

- b. the cost of opening Safes and Strongrooms following Loss of keys, magnetic keys or cards or similar devices.

Provided that the total amount payable under this additional benefit is limited to \$5,000 in total, for any one Period of Insurance. If You are also insured under the Theft Section, the benefits payable under the additional benefit "5. Keys, locks and combinations" shall not be cumulative.

4. Seasonal increase

The Sum Insured for Money is increased by 50% for Loss occurring during the Seasonal Increase Periods.

Provided that this additional benefit:

- a. will not extend the insurance beyond the Period of Insurance noted in the Schedule; and
- b. does not apply to Money on the Situation outside of Business Hours; and
- c. will not apply to the individual days mentioned under the extra cover "1. Bank or public holiday increase".

5. Temporary protection and watchmen

We will pay for costs necessarily incurred by You to safeguard the Situation following Loss that is covered by this Section, including but not limited to temporary repairs or the employment of watchmen or guards.

Provided that the total amount payable is limited to \$5,000 in total, any one event. If You are also insured under the Theft Section, the benefits payable under the additional benefit "8. Temporary protection and watchmen" shall not be cumulative.

6. Theft, fraud or dishonesty by Your employees

Theft, fraud or dishonesty by Your employees provided that:

- i. the maximum amount payable under this additional benefit will not exceed \$1,000 in total during any one Period of Insurance; and
- ii. the Loss must be discovered within 21 days of its occurrence.

Extra covers applicable to this Section

1. Bank or public holiday increase

The Sum(s) Insured shown in the Schedule are increased by 100% or \$75,000 whichever is lesser on days that are bank or public holidays. This increase shall continue to apply up until the closing time of the first bank trading day after such holiday.

Provided that this extra cover does not apply to:

- a. Damage to Safes and Strongrooms; and
- b. Money on the Situation outside Business Hours; and
- c. is not cumulative with additional benefit "4. Seasonal Increase".

2. Counterfeit currency

We will pay for Loss of Money due to Your acceptance of counterfeit Australian currency for goods or services supplied by You in connection with Your Business.

Provided that the total amount payable under this extra cover is limited to \$500 in total, any one Period of Insurance.

3. New premises – temporary cover

We will cover You for Loss of Money as insured by this Section for a period of 90 consecutive days from the date You first occupy new premises, provided that:

- a. the Money is the property of the Business shown in the Schedule;
- b. cover is limited to 50% of the Sum Insured for each specified cover taken;
- c. the Loss of Money occurs within the Period of Insurance;
- d. the new premises have building and security features that are similar to those at one of the Situations shown in the Schedule.

If You request and We agree to cover the Money at the new premises beyond the 90 consecutive day period, You must provide Us with full details of the new premises and pay any additional Premium We ask for.

Specific exclusions applicable to this Section

We will not pay for:

1. theft from an unattended Vehicle that is not Locked;
2. theft from a Safe or Strongroom when the locking device is opened by:
 - a. a key, a magnetic key or card, or similar device;
 - b. a sequence of numbers or letters, or numbers and letters; or
 - c. any combination of the security devices shown in 2.a. and 2.b. above, when these security devices are left unsecured at the Situation;
3. theft from a Safe or Strongroom that is not Locked during non-Business Hours;
4. shortage due to error or omission;
5. Loss due to fraudulent or dishonest acts by You or Your family members or Your employees.

Provided that this exclusion does not apply to:

- a. theft by Your employees following visible, forcible and violent entry; or
- b. the cover provided under additional benefit 6. Theft, fraud or dishonesty by Your employees;
6. Loss due to the dishonest manipulation of any database or computer system;
7. Loss of Money while professional money carriers, professional carriers or common carriers are carrying it;
8. Consequential Loss of any kind; or
9. Loss of Money occurring outside of the Australia.

Glass Section

The cover

We will pay You for the actual cost of replacing and fixing the Glass in its frame or in its location with Glass of a similar type and quality to the Glass that is Broken due to accidental Breakage of Glass at the Situation occurring during the Period of Insurance.

Additional Cost:

We will pay any additional costs incurred by You:

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

Limitations of cover applicable to this Section

1. Types of Glass

We will only pay for Internal or External Glass if shown as insured in the Schedule.

2. Excess

You are liable for the Excess for each and every event that results in a claim for Breakage of Glass.

Additional benefits applicable to this Section

1. Additional benefits

We will pay the costs that are necessarily incurred by You to:

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

Provided that the total of all payments under this additional benefit is limited to \$10,000 any one event or any higher limit shown in the Schedule.

2. Damaged Stock by Glass

If Glass shown as insured in the Schedule is Broken, We will pay to repair or replace Stock that is Damaged by such Broken Glass.

Provided this additional benefit is limited to \$1,000 during the Period of Insurance or the amount shown in the Schedule for "Damaged Stock by Glass", whichever is the greater.

3. Illuminated/Advertising Signs

We will pay for Breakage of Illuminated/Advertising Signs occurring during the Period of Insurance.

Provided that the total of all payments under this additional benefit is limited to \$2,500 during the Period of Insurance or the amount shown in the Schedule for "Illuminated/ Advertising Signs", whichever is the greater.

Specific exclusions applicable to this Section

We will not pay for Damage to:

1. other property during installation or removal of Glass;
2. Glass that is Stock or merchandise;
3. Glass that is only scratched, chipped or discoloured; or
4. Glass forming part of shade houses, fibreglass houses or glasshouses, other than a conservatory or atrium.

The cover

We will pay You in accordance with the Basis of Settlement for Breakdown to Machinery occurring at the Situation during the Period of Insurance.

Definitions applicable to this Section

The following definitions shall apply to the words used in this Section.

Blanket Machinery means all machinery at the Situation other than Specified Machinery and Excluded Machinery up to the amount stated as the Sum Insured Limit any one Breakdown in the Schedule.

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

Excluded Machinery means:

1. computers, Electronic Data processing equipment;
2. communications equipment including, but not limited to, telecommunication transmitting and receiving equipment;
3. audio visual, amplification, burglar alarms, monitoring systems and surveillance equipment;
4. lighting facilities;
5. research, diagnostic and electro-medical equipment;
6. lifts, escalators, office machines;
7. coin or card-operated machines;
8. storage tanks and vats;
9. any container used to contain explosive or inflammable gases and liquids;
10. mobile machinery;
11. vehicle, watercraft or Aircraft;
12. Building ducts, reticulating electrical wiring, water and gas piping;
13. refrigeration or display cabinet housing;
14. portable hand-held tools other than vacuum cleaners; and
15. hot water systems used for heating up to 500 litres of water to a temperature below one hundred degrees Celsius (100°C).

Machinery means Blanket Machinery and/or Specified Machinery of the following defined types of machinery:

1. electrical and mechanical machinery;
2. boilers and pressure vessels; and
3. pressure pipe systems.

Specified Machinery means Machinery shown in the Schedule as Specified Machinery up to the amount stated as the Sum Insured any one Breakdown in the Schedule.

Basis of Settlement applicable to this Section

When Machinery shown in the Schedule suffers a Breakdown during the Period of Insurance We will pay for the costs of repairing or, at Our option, replacing the Machinery.

If We agree that You can carry out the repairs at the Situation or at a workshop owned or operated by You, We will pay the actual costs of material and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

Limitations of cover applicable to this Section

1. Excess

You are liable for the Excess for each and every event that results in a claim for Breakdown.

2. Improvements

If an item of Machinery cannot be repaired without improving the output, capacity or efficiency of that item, then Our payment will be limited to the cost of replacing that item less an amount equal to the value of any such improvement(s).

3. Maintenance agreements

We will not pay for the repair or replacement of Machinery when any party other than You has responsibility to repair or replace such Machinery.

4. Obsolete parts of the Machinery

If it is necessary to replace parts of the Machinery which have become unavailable or obsolete We will not pay more than the estimated cost of replacing those parts with similar parts for similar types of machinery which are currently available.

5. Part immediately affected

Where Damage is confined to a part of the Machinery, We will pay the cost of repairing or, at Our option, replacing that part plus the dismantling or rebuilding costs that are necessarily incurred to repair or replace that part.

6. Sum Insured

We will not pay more than the applicable Sum Insured for any one Machinery item, apart from where We expressly state the payment is in addition to the Sum Insured under some additional benefits.

7. Under-insurance

If the Sum Insured for a Specified Machinery item is less than 80% of the value of the Specified Machinery item at the Situation at the time of commencement of the Period of Insurance and there is a claim for Breakdown to Specified Machinery We will pay for no greater proportion of the claim that the Sum Insured bears to 80% of the reinstatement or replacement cost of the Specified Machinery on the day of commencement of the Period of Insurance.

Under-insurance will not apply if the amount of the claim is less than 5% of the Sum Insured.

Every Specified Machinery item is separately subject to this clause.

Additional benefits applicable to this Section

1. Additional extra cost of reinstatement

Where You incur extra expense, in complying with the requirements of any Act of Parliament or Regulation made thereunder or any By-law or Regulation of any Municipal or other Statutory Authority, in the course of effecting repair or replacement of the Machinery, We will pay You for such extra expense in addition to the Sum Insured.

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

2. Hire of temporary machinery and expediting costs

Following Breakdown covered by this Section We will pay for:

- a. the cost of hiring temporary machinery;
- b. the cost of temporary repairs;
- c. the extra cost of expediting permanent repairs including:
 - i. charges for overtime and work on public holidays where necessary and reasonably incurred;
 - ii. freight within Australia by any recognised schedule service;
 - iii. overseas airfreight by any recognised schedule service and/or overseas labour.

Provided Our written approval for all these additional costs has first been obtained. We will not pay more an additional 50% of the normal repair costs for Blanket Machinery or 25% of the Sum Insured for the Specified Machinery.

3. Insulating oil and refrigerant gas or liquid

When We have agreed to pay a claim, We will also pay the reasonable cost of cleaning, storing, recycling and replacing:

- a. insulating oil in transformers, capacitors or switch gear; and
- b. refrigerant gas or liquid in air-conditioning or refrigeration units.

The maximum amount We will pay for this additional benefit will be 50% of the normal cost of the repair of the Damaged Machinery.

4. Removal of Debris

Following Breakdown to Machinery that is covered by this Section, We will pay for the costs of cleaning up and removing, storing or disposing of Debris.

Our payment will be in addition to the Sum Insured and is limited to \$25,000 any one event.

5. Temporary cover

We will provide temporary cover for a period of up to 90 consecutive days for additional Machinery that, during the Period of Insurance, is installed or brought into use at the Situation.

Provided that:

- a. You must give Us notice in writing within the 90 days of it coming into Your possession;
- b. We will not cover Breakdown resulting from existing defects in such additional Machinery at the time when it comes into Your possession;

- c. this temporary cover shall not commence until the additional Machinery has worked satisfactorily for eight (8) hours and has been handed over after commissioning;
- d. the Sum Insured and Excess for the additional Machinery will be that specified for a similar Machinery in the Schedule.
- e. You pay the Premium that We require for this additional Machinery calculated from the date of installation or bringing into use.

Optional benefits applicable to this Section

1. Deterioration of Stock

I. Cover

If the Optional Benefit "Deterioration of Stock" is operative We will pay You for deterioration or putrefaction of goods during the Period of Insurance in cold storage which are cooled by a refrigeration Machinery insured under this Section, or additional Machinery as per additional benefit "6. Temporary cover" at the Situation for a period not exceeding 90 consecutive days. Provided this deterioration or putrefaction results from:

- a. a change in temperature solely caused by:
 - i. Breakdown that is covered by this Section;
 - ii. operation or failure of thermostats, pressure controls or limiting devices, that is not due to an error when operating or setting these items;
 - iii. the accidental failure of the public electricity supply service;
 - iv. the public electricity supply service intentionally interfering with the service, but only to the extent that this is necessary to safeguard life or any part of the supply and the supply authority's interference is not caused directly or indirectly by fire, Flood, storm or any other natural cause; or
 - v. sudden leakage of refrigerant from the Machinery; or
- b. contamination of the goods directly caused by sudden leakage of refrigerant from the Machinery.

We may at Our option pay for the cost of replacement of the refrigerated goods or replace those goods.

Provided that, We will not pay for any goods which have passed their use by date, nor will We pay for the disposal costs of these goods.

II. Limitations of cover

- a. Sum Insured
the maximum amount We will pay under this benefit is the Sum Insured shown on the Schedule.
- b. Excess
You are liable for the Excess for each and every event that results in claim under this optional benefit as a result of Breakdown.

III. Additional benefit

Seasonal Increase

The Sum Insured for Deterioration of Stock is increased by 50% for Damage to Stock occurring during the Seasonal Increase Periods.

Provided that this additional benefit will not extend the insurance beyond the Period of Insurance noted in the Schedule.

IV. Exclusions

We will not pay for deterioration or putrefaction caused by:

- i. inappropriate or improper storage, Damage to packing materials or inadequate air circulation;
- ii. Damage to goods due to any rationing of the electricity supply other than accidental Damage to the generation equipment; or
- iii. Damage to goods which are alive or are of a bacterial nature.

2. Increase in Cost of Working

If the Endorsement for the optional benefit "Increase in Cost of Working" is added on the Schedule We will pay for costs that are incurred by You for the sole purpose of avoiding or diminishing a reduction in income from Your Business during the period that the Machinery is not operative due to a Breakdown. Provided that:

- a. the costs are additional to Your normal operating costs;
- b. the costs are incurred because of an interruption of Your normal Business operations that directly results from Breakdown to Machinery that is covered by this Section;
- c. You receive Our prior written approval to incur such costs;
- d. We will not pay more than the Sum Insured shown in the Endorsement for "Increase in Cost of Working";
- e. We will not pay any costs incurred once temporary Machinery has been hired; and
- f. We will not pay for any costs incurred during the Excess period shown in the Endorsement for "Increase in Cost of Working".

Specific exclusions applicable to this Section

We will not pay for:

1. any Consequential Loss;
2. Breakdown caused directly or indirectly by fire, smoke or soot, extinguishing of a fire or subsequent demolition, lightning, hail, wind, rain, storm, Flood, impact by Vehicles, watercraft, Aircraft or pressure waves created by their travelling at sonic or supersonic speed, theft or attempted theft, malicious Damage, vandalism, earthquake, subsidence, rockslide, mudslide, landslide, earth movement, subterranean fire, volcanic eruption, tsunami, storm surge or high-water, water seeping or percolating the Building from outside, water, liquids or substances discharged or other means used to extinguish a fire;
3. Breakdown or Damage to parts not normally reused or repaired or that require periodic replacement including belts, tracks, rails, ropes, wires, chains, tyres, filters, moulds, dies, exchangeable tools, patterns, gaskets, cutting edges, wear plates, crushing surfaces, engraved cylinders, fuses, sheer pins, electrical contacts, thermostats, heating elements and batteries, objects made of glass or porcelain, ceramics, refractory linings, felt sieves or fabrics, jointings or packings (including lubrication, oil, fuel, catalysts or refrigerants) and any other parts that require periodic replacements;
4. Damage to brickwork or foundations;

5. repair of any crack, chip, scratch, fracture, blister, lamination, flaw or grooving which has not penetrated completely through the entire thickness of the material of the Machinery, even though repair or renewal of the part affected may be necessary either immediately or at some future time;
6. the costs incurred in repairing wear or gradual deterioration;
7. Damage to a safety or protective device caused by the Machinery's operation;
8. the cost of the carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
9. Breakdown or Damage to any item of Machinery which was known to be defective before the Breakdown or Damage occurred;
10. Damage occurring during installation, Building or erection of Machinery unless this follows dismantling of Machinery for the purpose of cleaning, inspecting, repairing or movement within the Situation;
11. Breakdown or Damage arising out of the Machinery being subjected to tests involving abnormal stresses or arising out of the Machinery being intentionally overloaded or operated in excess of its normal designed operating specifications;
12. Breakdown or Damage arising from the raising or lowering operation in which a single load is shared between more than one item of Machinery (including but not limited to cranes), whether such item is insured under this Section or not;
13. Breakdown or Damage caused by any deliberate act or negligence by You or on Your behalf; or
14. any costs associated with the removal or installation of submersible pumps, bore pumps or well casings.

Specific conditions applicable to this Section

1. Inspection

Our representatives will have the right to inspect and examine any Machinery at any reasonable time during the Period of Insurance and You will properly prepare the Machinery at Your expense for such inspection.

Provided that any inspection by Us is for Our purposes only and does not warrant that the Machinery is safe or that it is free from defects.

2. Claims procedure

In the event of any Breakdown which might give rise to a claim under this Section You must preserve the parts affected and make them available for inspection by Us or Our representative.

We will not be liable to make any payment under this Section unless You have produced to Our reasonable satisfaction all accounts, estimates, invoices, receipts and other documentation showing that repairs have been effected or replacement has taken place, as the case may be.

3. Unrepaired Breakdown

Our liability shall cease for any Machinery that has suffered a Breakdown and is operated without having been repaired in a manner consistent with the generally accepted rules of engineering practice.

Electronic Equipment Section

The cover

We will pay You in accordance with the Basis of Settlement for Breakdown to Property Insured occurring at the Situation during the Period of Insurance.

Definitions applicable to this Section

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

Computer means any electronic device that is capable to processing and store information according to a set of instructions stored with the device. Computer includes any computer that can easily be carried by hand and does not exceed 5 kgs.

Electronic Equipment means any of the following equipment:

1. any electronic machine, device or instrument used for research, diagnosis or medical treatment;
2. telecommunication transmission and receiving equipment;
3. lighting facilities, audio visual, amplification and surveillance equipment; and
4. office machines.

Electronic Equipment does not include Computers.

Property Insured means:

1. Electronic Equipment; and
2. Computers

if shown as insured in the Schedule.

Basis of Settlement applicable to this Section

On happening of a Breakdown to the Property Insured shown in the Schedule as insured during the Period of Insurance We will pay for the costs of repairing or, at Our option, replacing the Property Insured.

If We agree that You can carry out the repairs at the Situation or at a workshop owned or operated by You, We will pay the actual costs of material and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

Limitations of cover applicable to this Section

1. Excess

You are liable for the Excess that results in a claim following a Breakdown.

2. Maintenance agreements

We will not pay for the repair or replacement of Property Insured when any party other than You has responsibility to repair or replace such Property Insured.

3. Obsolete parts of the Property Insured

If it is necessary to replace parts of the Property Insured which have become unavailable or obsolete We will not pay more

than the estimated cost of replacing those parts with similar parts for similar types of Property Insured which are currently available.

4. Sum Insured

We will not pay more than the applicable Sum Insured for any one loss or series of losses arising out of the one event for a specified item of Property Insured, except where We state the payment or extra expense is in addition to the Sum Insured as provided under some additional benefits.

5. Under-insurance

If the Sum Insured for the Property Insured at the Situation is less than 80% of the value of the Property Insured at the Situation at the time of commencement of the Period of Insurance and there is a claim for a Breakdown occurring to the Property Insured We will pay for no greater proportion of the claim that the Sum Insured of specific Property Insured bears to 80% of the reinstatement or replacement cost of the Property Insured on the day of commencement of the Period of Insurance.

Under-insurance will not apply if the amount of the claim is less than 5% of the Sum Insured.

6. Unrepaired Damage

Our liability shall cease for any Property Insured that has suffered a Breakdown and is operated without having been repaired in a manner consistent with the generally accepted rules of engineering practice

Additional benefits applicable this Section

1. Hire of temporary equipment and expediting costs

Following a Breakdown to Property Insured covered by this Section We will pay You up to an additional 50% of the normal repair costs for:

- a. the cost of hiring temporary equipment;
- b. the cost of temporary repairs;
- c. the extra cost of expediting permanent repairs including:
 - i. charges for overtime and work on public holidays where necessary and reasonably incurred;
 - ii. freight within Australia by any recognised schedule service;
 - iii. overseas airfreight by any recognised schedule service and/or overseas labour.

Provided Our written approval for all these additional costs has first been obtained. We will not pay more than 25% of the Sum Insured for the specific Property Insured.

2. Removal of Debris

Following a Breakdown to Property Insured that is covered by this Section, We will pay for costs of cleaning up and removing, storing or disposing Debris.

Our payment will be in addition to the Sum Insured and limited to 10% of the Sum Insured stated in the Schedule for the removal, storage and/or disposal of Debris of the specific Property Insured up to a maximum of \$25,000 any one event.

3. Temporary cover

We will provide temporary cover for a period of up to 90 consecutive days for Breakdown of additional Property Insured that, during the Period of Insurance, is installed or brought into use.

Provided that:

- a. You must give Us notice in writing within the 90 consecutive days of it coming into Your possession;
- b. We will not cover Breakdown resulting from existing defects in such additional Property Insured at the time when it comes into Your possession;
- c. this temporary cover shall not commence until the additional Property Insured has worked satisfactorily for eight (8) hours and has been handed over after commissioning;
- d. the Sum Insured and Excess for the additional Property Insured will be that specified for a similar Property Insured in the Schedule.
- e. You pay the Premium that We require for this additional Property Insured calculated from the date of installation or bringing into use.

4. Temporary removal

We will provide cover for Breakdown that occurs during the Period of Insurance and anywhere in Australia to Property Insured that is covered by this Section while it is temporarily removed from the Situation, provided that there is no cover for Property Insured:

- a. while in storage or while being transported for storage;
- b. during permanent removal from the Situation;
- c. if stolen from an unlocked vehicle;
- d. while left unattended in the open air; or
- e. while in transit as checked baggage or cargo on any Aircraft or other public transport.

Optional benefits applicable to this Section

Cost of restoring data

1. Cover

If the optional benefit 'Cost of Restoring Data' is operative We will pay You up to the Sum Insured shown in the Schedule, following a claim being admitted under this Section, for the costs incurred for the purpose of restoring Electronic Data lost solely as the result of a Breakdown occurring to Property Insured covered under this Section, provided those costs are incurred within 90 days following the happening of a Breakdown.

We will extend cover under this optional benefit to include restoration of Electronic Data lost on an Electronic Data processing system which is not owned by You and which You are not responsible to insure but which is being used by You at the time of happening of the Breakdown to that system occurs in circumstances which would give rise to indemnity under this Section if it was insured under this Section.

2. Specific condition applying to this optional benefit

We will not pay any amount under this optional benefit unless You have duplicate back up copies of updated Electronic Data stored off site at alternative premises.

Increase in cost of working

1. Cover

If the optional benefit 'Increase in cost of working' is shown as operative in the Schedule, We will pay You for costs that are incurred by You for the sole purpose of operating Your Business and directly result from interruption or interference to Your Business but only if:

- a. the costs are additional to Your normal operating costs;
- b. the costs incurred are because of an interruption or interference that is as a result of a Breakdown occurring to the Property Insured covered under this Section;
- c. You receive Our prior written approval to incur such costs;
- d. We will not pay more than the Sum Insured shown in the Schedule for this optional benefit "Increase in cost of working"; and
- e. We will not pay for any costs incurred during the Excess period shown in the Schedule for this optional benefit "Increase in cost of working"

2. Additional benefit

To the extent that the Sum Insured for this optional benefit is not otherwise exhausted, We will also pay for reasonable professional fees of accountants or auditors and any necessary and reasonable expenses payable by You for preparation and proving a valid claim.

3. Limitations of cover

Excess

We will not pay any increased costs under this optional benefit during the Excess period shown in the Schedule, immediately following the occurrence of a Breakdown.

4. Specific exclusions applicable to this optional benefit

We will not pay for:

- a. the costs incurred during:
 - i. periods of interruption due to the carrying out of alterations, additions or improvements to Property Insured; or
 - ii. periods of interruption due to the carrying out of cleaning, adjustment, inspection or maintenance of Property Insured.
- b. additional costs incurred where the period of interruption otherwise applicable is increased beyond four (4) weeks due to delay in the repair or replacement of items manufactured outside Australia where such delay results from:
 - i. measures, restrictions or regulations imposed by any government, public or local authority;

- ii. the time required to obtain replacement parts or complete items overseas;
- iii. the time required to transport or ship component parts or complete items between the Situation and any overseas place of repair or replacement; or
- iv. the time required to engage and transport overseas specialists or consultants to assist in or supervise local repairs.

Specific exclusions applicable to this Section

We will not pay for:

1. Damage other than Breakdown;
 1. any Consequential Loss;
 2. Breakdown of coin or card operated machines, audio compact disc players, video players and television receivers;
 3. Breakdown of Property Insured which You knew or reasonably should have known to be defective before the Breakdown;
 4. Breakdown caused directly or indirectly by fire, smoke or soot, spontaneous combustion, extinguishing of a fire or subsequent demolition, lightning, hail, wind, rain, storm, Flood, impact by vehicles, watercraft, Aircraft or pressure waves created by their travelling at sonic or supersonic speed, theft or attempted theft, malicious Damage, vandalism, earthquake, subsidence, rockslide, mudslide, landslide, earth movement, subterranean fire, volcanic eruption, tsunami, storm surge or high-water, water seeping or percolating the Building from outside, water, liquids or substances discharged or other means used to extinguish a fire;
 5. Breakdown to parts not normally reused or repaired or that require periodic replacement including belts, tracks, rails, ropes, wires, chains, tyres, filters, moulds, dies, exchangeable tools, patterns, gaskets, cutting edges, wear plates, crushing surfaces, engraved cylinders, fuses, sheer pins, electrical contacts, thermostats, heating elements and batteries, objects made of glass or porcelain, ceramics, refractory linings, felt sieves or fabrics, jointings or packings (including lubrication, oil, fuel, catalysts or refrigerants) and any other parts that require periodic replacements;
 6. theft of Property Insured;
 7. repair of any crack, chip, scratch, fracture, blister, lamination, flaw or grooving which has not penetrated completely through the entire thickness of the material of the Property Insured, even though repair or renewal of the part affected may be necessary either immediately or at some future time;
 8. the costs incurred in repairing wear or gradual deterioration;
 9. Breakdown to a safety or protective device caused by the operation of the Property Insured;

10. the cost of the carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments; or
11. Breakdown caused by any deliberate act or negligence by You or on Your behalf.

Specific conditions applicable to this Section

1. Claims procedure

In the event of a Breakdown which might give rise to a claim under this Section You must preserve the parts affected and make them available for inspection by Us or Our representative.

We will not be liable to make any payment under this Section unless You have produced to Our reasonable satisfaction all accounts, estimates, invoices, receipts and other documentation showing that repairs have been effected or replacement has taken place, as the case may be.

2. Inspection

Our representatives will have the right to inspect and examine any Property Insured at any reasonable time during the Period of Insurance and You will properly prepare the Property Insured at Your expense for such inspection.

Provided that any inspection by Us is for Our purposes only and does not warrant that the Property Insured is safe or that it is free from defects.

The cover

We will pay You Compensation in accordance with the Basis of Settlement on the happening of a Defined Event to an Insured Person during the Period of Insurance.

Definitions applicable to this Section

Accident/Accidental means any unexpected or unforeseen incident.

Average Weekly Income

- a. for a wage earning or salaried Insured Person means the average gross weekly income excluding overtime, bonuses, commission and any other allowances or payments; or
- b. for a self-employed Insured Person means the average gross weekly income derived by personal exertion after the deduction of all expenses necessarily incurred in earning an income;

earned during the 12 months immediately preceding any Injury or Sickness for which a claim is made. If the Insured Person has derived an income as defined above for less than 12 months, the Average Weekly Income will be calculated over such shorter period.

Benefit Period means the number of weeks stated in the Schedule.

Business Expenses mean the expenses You reasonably incur in running Your Business including:

- a. employees wages and on-costs (for example, superannuation, premiums for Accidents or workers' compensation, pay roll tax, amounts payable under awards and regulations);
- b. rent, property rates;
- c. electricity, water, gas or telephone charges;
- d. laundry and cleaning expenses;
- e. leasing payment on equipment or motor vehicles;
- f. other expenses that are usual for Your type of Business and that would be considered Business expenses for tax purposes.

Business Expenses does not mean:

- a. payment of Your personal accounts;
- b. any withdrawals You make for personal use;
- c. wages or salary fees for:
 - i. You and Your replacement,
 - ii. a replacement for any person who is not Your employee;
- d. the cost of Stock or merchandise.

Capital Sum Insured means the sum shown for an Insured Person as the Capital Sum Insured in the Schedule.

Compensation

- a. the percentage of the Capital Sum Insured shown against the applicable Defined Event 1. to 20.; or
- b. the Weekly Benefit shown in the Schedule or Average Weekly Income, whichever is the lesser, for the applicable Defined Event 21. to 23.

Death means cessation of all vital functions.

Defined Event means those events occasioned by Injury or Sickness and listed under the heading "Defined Events applicable to this Section".

Excess Period means the period shown in the Schedule commencing from the first date of disablement of the Insured Person and is the period of either Temporary Total Disablement or Temporary Partial Disablement during which We will not pay Compensation.

Injury means bodily injury caused solely and directly by Accidental, violent, external and visible means, including exposure to the elements caused by them which first occurs during the Period of Insurance and does not include a Sickness.

Insured Person means the person or persons shown in the Schedule as the Insured Person under this Personal Accident and Sickness Section.

Insured Person's Occupation means the Insured Person's usual occupation or profession that they perform on Your behalf in relation to Your Business immediately prior to an Injury or Sickness.

Limb means an arm, a leg, the whole of a hand commencing at the wrist or the whole of a foot commencing at the ankle.

Loss means loss by physical severance or total and irrecoverable Permanent loss of use.

Partial Disablement means disablement that prevents the Insured Person from substantially attending to the Insured Person's occupation as certified by a legally qualified medical practitioner.

Permanent means lasting in excess of 12 calendar months from the commencement of Total Disablement and at the end of that period being considered unlikely to improve and will continue for an indefinite period.

Pre-Existing Medical Condition means any:

- a. bodily injury, physical defect, condition, sickness, illness and/or disease (including any side-effect or symptoms of a condition); or
- b. congenital or degenerative condition; or
- c. medically documented chronic or ongoing (whether chronic or otherwise) medical or dental condition, sickness, illness and/or disease

suffered by an Insured Person of which:

- a. the Insured Person was aware; or
- b. a reasonable person in the circumstances could be expected to have been aware; or
- c. for which the Insured Person has received or sought treatment, medication or advice (including investigations and/or testing) by a medical or dental practitioner,

prior to:

- a. subject to b. below, the time of commencement of the cover for the Insured Person for the relevant Defined Events occasioned by Sickness or Injury (as applicable) being claimed for, under this Policy; or

- b. where the Insured Person has been continuously insured with Us prior to the commencement of their cover under this Policy under any other preceding policy issued by Us on the same or similar terms, the time of the original commencement of that continuous cover for the Insured Person for the relevant Defined Events occasioned by Sickness or Injury (as applicable) being claimed for.

Sickness means illness and/or disease first manifesting itself during the Period of Insurance that results, solely and directly and independently of any other cause, in Temporary Total Disablement, but does not mean illness and/or disease contracted and commencing during the first 28 days after the Insured Person's effective date of cover under this Section or an Injury.

Defined Events applicable to this Section

[A] Injury by Accident causing:

Defined Events by Injury	The Compensation
1. Death	100.0%
2. Permanent Total Disablement	100.0%
3. Permanent and incurable paralysis of all Limbs	100.0%
4. Permanent total Loss of sight of both eyes	100.0%
5. Permanent total Loss of sight of one eye	100.0%
6. Permanent total Loss of use of two Limbs	100.0%
7. Permanent total Loss of use of one Limb	100.0%
8. Permanent and incurable major brain damage	100.0%
9. Permanent total Loss of hearing in:	
a. both ears	100.0%
b. one ear	25.0%
10. Permanent total Loss of the lens of one or both eyes	60.0%
11. Permanent total Loss of use of four fingers and thumb of either hand	75.0%
12. Permanent total Loss of use of four fingers of either hand	50.0%
13. Permanent total Loss of use of one thumb of either hand:	
a. both joints	35.0%
b. one joint	20.0%
14. Permanent total Loss of use of any finger of either hand:	
a. three joints	12.5%
b. two joints	10.0%
c. one joint	7.5%
15. Permanent total Loss of use of toes of either foot:	
a. all – one foot	15.0%
b. great – both joints	7.5%
c. great – one joint	5.0%
d. other than great, each toe	2.5%
16. Permanent total Loss of speech	75.0%
17. Fractured leg or patella with established non-union	10.0%
18. Shortening of leg by at least 5 cm	7.5%
19. Permanent disfigurement from burns	
a. to more than 50% of the surface area of the head and neck	30.0%
b. to more than 50% of the surface area of the remainder of the body	20.0%
20. Permanent and total Loss of the use of some part of the Insured Person's body not described in Events 19.	An amount We think is appropriate for the Injury, taking account of the benefits We pay in Defined Events 2–19 but no more than 100%.
21. Temporary Total Disablement	The Weekly Benefit shown in the Schedule or Average Weekly Income, whichever is the lesser.
22. Temporary Partial Disablement	25% of the Compensation shown under Defined Event 21.

Sum Insured means the maximum amount of Compensation that We will pay being either the Capital Sum Insured and/or the Weekly Benefit or Average Weekly Income, whichever is lesser, as the case may be, arising out of any one Injury or Sickness in respect of a Defined Event.

Temporary means not Permanent.

Total Disablement means disablement that entirely prevents the Insured Person from carrying out all the normal duties of the Insured Person's Occupation, as certified by a legally qualified medical practitioner.

Weekly Benefit means the weekly amount shown in the Schedule for an Insured Person.

[B] Where cover for Sickness is stated in the Schedule:

Defined Event by Sickness	The Compensation
23. Temporary Total Disablement by Sickness	The Weekly Benefit shown in the Schedule or Average Weekly Income, whichever is the lesser.

Basis of Settlement applicable to this Section

We will pay Compensation under this Section for the happening of a Defined Event to an Insured Person as follows:

1. For Defined Events 1. to 20., the Compensation percentage of the Capital Sum Insured shown against the Defined Events, provided that:
 - a. the aggregate total of all payments under Defined Events 1. to 20. inclusive will not exceed 100% of the Capital Sum Insured stated in the Schedule in any one Period of Insurance;
 - b. any Compensation paid or payable for Defined Events 1. to 20. will be reduced by any sum already paid for Defined Event 21. and/or 22. in respect of the same Injury;
 - c. if there is no Capital Sum Insured under this Section, no amount will be payable for these Defined Events.
2. For Defined Events 21. and 23., We will pay the Weekly Benefit shown in the Schedule and for Defined Event 22., We will pay the percentage of the Weekly Benefit shown in the Schedule, provided that:
 - a. We will not pay for more than one of these Defined Events at the same time;
 - b. We will not make payment for longer in aggregate than the number of weeks of the Benefit Period shown in the Schedule for any one Injury or Sickness giving rise to a claim;
 - c. the Compensation payable to You under Defined Events 21. or 23. will be limited to the Weekly Benefit or the Insured Person's Average Weekly Income, whichever is the lesser.
 - d. if the Insured Person is entitled to receive benefits under any Workers' Compensation or similar legislation or other policy of insurance, then the Compensation payable for Defined Events 21., 22. or 23. will be reduced by the amount necessary to limit the total of all such payments and/or Compensation to the amount of the Insured Person's Average Weekly Income or Weekly Benefit shown in the Schedule, whichever is the lesser;
 - e. We will not pay for any Sickness that does not continue for a minimum of 7 days.
3. After the occurrence of any one of Defined Events 2. to 8. and 9.a. there will be no further liability under this Section in respect of the Insured Person for Injury sustained after that time.
4. If, as a result of Injury or Sickness, Compensation is payable under this Section and the Insured Person suffers a recurrence of Total Disablement or Partial Disablement

while this Section is in force and as a result of the same or a related cause or causes, any subsequent period of Total Disablement or Partial Disablement will be deemed to be a continuation of the prior period unless between such periods the Insured Person has performed his or her normal duties of the Insured Person's Occupation on a full-time basis for at least 6 consecutive months, in which event, any such subsequent period of Total Disablement or Partial Disablement will be deemed to be the result of a new Injury and subject to a new Excess Period.

5. No Compensation is payable under this Section unless the Defined Event referred to occurs within 12 calendar months of the date of the Injury.

Limitations of cover applicable to this Section

1. Excess Period

We will not pay Compensation for the Excess Period shown in the Schedule for this Section.

Additional benefits applicable to this Section

The insurance provided by this Section also includes the following additional benefits:

1. Funeral expenses

If We agree to pay Compensation for Defined Event [A] 1. – Death, We will also pay to the estate of the Insured Person the costs reasonably and necessarily incurred for funeral or cremation expenses, including the costs of returning the remains of the Insured Person to their normal place of residence, to an amount not exceeding \$5,000 in total.

2. Rehabilitation

If the Insured Person suffers Temporary Total Disablement for a period in excess of 26 consecutive weeks as a result of Injury by Accident We will pay from the 27th week of such Temporary Total Disablement a rehabilitation benefit equal to 50% of the Compensation specified in respect of Defined Event 21. but only:

- a. if the Insured Person actively and fully participates in a rehabilitation program that is recognised and sponsored by any Federal or State Government or, if the program is not so recognised and sponsored, one that is first approved by Us in writing;
- b. if there is continuing entitlement to receive Compensation under Defined Event 21.;
- c. for the remainder of the period of Temporary Total Disablement or 52 Weeks, whichever is the lesser; and
- d. if the Insured Person is not entitled to recover the costs of such rehabilitation by virtue of any government allowance, benefit or assistance, or any other form of insurance or workers' compensation.

Any such payment will be made to the approved rehabilitation centre.

Optional benefit applicable to this Section

The following Optional Benefit is operative when included as covered in the Schedule:

1. Business Expenses

If following a Defined Event We have agreed to pay an Insured Person a Weekly Benefit under "21. Temporary Total Disablement" We will also pay You the lesser of the weekly Business Expenses:

- a. that You actually incur each week,
- b. that You incur periodically for that week (for example, if You have to pay a Business Expense every four weeks, then We will pay 1/4 of that amount for each week the Insured Person is totally disabled. If You have to pay yearly, We will pay 1/52 of that amount each week), or
- c. the amount for Business Expenses shown in the Schedule.

We will pay Your weekly Business Expenses for each week the Insured Person is totally disabled by the Sickness or Injury during the Benefit Period stated in the Schedule, for all claims You make using this option in each Period of Insurance.

We will not pay Business Expenses for any period that is within the Excess Period shown in the Schedule.

Specific exclusions applicable to this Section

1. Age

We will not pay for any claims arising out of Sickness sustained or suffered after the expiry date of the Period of Insurance in which the Insured Person reaches the age of 60 years.

We will not pay for Death or Injury sustained or suffered after the expiry date of the Period of Insurance in which the Insured Person reaches the age of 60 years unless We agree in writing, but in no case after age 65.

2. AIDS or HIV

We will not pay for any claims if the Insured Person's disability is directly or indirectly caused by acquired immune deficiency syndrome (AIDS) or human immunodeficiency virus (HIV) or by any Sickness arising from or related to acquired immune deficiency syndrome (AIDS) or human immunodeficiency virus (HIV) and/or any of their mutant derivatives or variations.

3. Air travel

We will not pay for any claims arising out of participation in any aerial flight or activity except where:

- a. the Insured Person is a passenger in an Aircraft other than a balloon, helicopter or ultralight and/or any Aircraft while crop dusting; and
- b. the Aircraft is authorised to fly under legislation that relates to the safety of Aircraft.

4. Diseases

We will not pay for any claims arising directly or indirectly out of sexually transmitted disease, drug related disease or disease

acquired directly or indirectly from the administration of any drug, where the drug is not administered or supervised by a registered medical practitioner.

5. Pre-Existing Medical Condition

We will not pay for any claims arising directly or indirectly out of or in any way connected with any Pre-Existing Medical Condition the Insured Person has. This restriction of cover will not apply to any Pre-Existing Medical Condition where We have agreed in writing to accept the additional risk and You have paid the required extra Premium. If an Injury by Accident or Sickness is aggravated or affected by any Pre- Existing Medical Condition that the Insured Person suffered from before the Injury or Sickness occurred, the amount of any Compensation payable will be the amount that would have been payable if the extent of the Injury or Sickness had not been aggravated or affected by the Pre-Existing Medical Condition.

6. Alcohol and drugs

We will not pay for any claims arising directly or indirectly out of or in any way connected with the Insured Person being rendered less capable than usual of taking care of himself or herself due to intoxicating liquor or narcotics or drugs (other than a drug taken or administered by or following the advice of a duly qualified medical practitioner).

7. Mental condition

We will not pay for any claims arising directly or indirectly out of or in any way connected with the Insured Person being rendered less capable than usual of taking care of themselves due to mental unsoundness, including any psychological, psychiatric or stress disorder.

8. Occupations/sports

We will not pay for any claims arising directly or indirectly out of or in any way connected with the Insured Person:

- a. engaging in or taking part in naval, military or air force service or operations; or
- b. engaging in motor cycling, professional sports of any kind, driving or riding in any kind of race, any form of competitive organised football, diving when using breathing apparatus, parachute jumping or hang gliding.

9. Pregnancy

We will not pay for any claims arising directly or indirectly out of or in any way connected with pregnancy, childbirth or any related complications.

10. Suicide/self-injury

We will not pay for any claims arising directly or indirectly out of or in any way connected with the Insured Person's suicide or attempted suicide or intentional self-injury.

11. Health Insurance Legislation

We will not pay for any claims that result in Us contravening the Health Insurance Act 1973 (Cth), the Private Health Insurance Act 2007 (Cth) or the National Health Act 1953 (Cth) or any other applicable legislation (whether in Australia or not).

Specific conditions applicable to this Section

The following conditions apply to this Section:

1. Change of occupation/change in health/other insurance

You must give Us immediate written notice:

- a. if there is a change in the Insured Person's Occupation involving a greater risk of a claim being made. Cover will not continue unless We have agreed in writing and You have agreed to pay any additional Premium We may require;
- b. of any accident, disability and/or sickness or like insurance held with any other insurer covering the Insured Person;
- c. if You become aware that the Insured Person has become affected by any disease or physical defect or infirmity or Sickness or Injury, You must advise Us about it, in writing, before the next renewal and each subsequent renewal of this Section following the Insured Person becoming so affected.

2. Physical examination

In the event of a claim being made under this Section, the Insured Person must undertake at Our expense such medical examinations as We may reasonably require. We may arrange an autopsy or post mortem examination if thought necessary by Us provided that We are not precluded from doing so by law.

3. Medical treatment

On the occurrence of any Injury by Accident or Sickness the Insured Person must undertake and follow treatment from a legally qualified medical practitioner as soon as possible.

Public and Products Liability Section

The cover

This Section insures all amounts which You or any Insured Person become legally liable to pay as compensation for Personal Injury, Property Damage and/or Advertising Liability happening during the Period of Insurance within the Territorial Limits as a result of an Occurrence in connection with Your Business.

Definitions applicable to this Section

The following definitions shall apply to the words used in this Section.

Advertising Liability means:

- a. any breach of the misleading or deceptive conduct provisions of the Competition and Consumer Act 2010 (Cth) or Schedule 2 to the Competition and Consumer Act 2010 (the Australian Consumer Law) or any Fair Trading or similar legislation of any Country, State or Territory; or
- b. infringement of copyright of or passing off of a title or slogan;
- c. unfair competition, piracy or idea misappropriation contrary to an implied contract; or
- d. invasion of privacy;

committed or alleged to have been committed during the Period of Insurance in any advertisement, publicity article, broadcast or telecast arising out of any advertising activities conducted by or on behalf of You, in the course of advertising Your Products.

Business for the purpose of this Section only, means all activities and operations of Your Business shown in the Schedule and shall also include:

- a. ownership or occupation of premises by You;
- b. participation in exhibitions;
- c. construction, erection, demolition, alteration and addition, not exceeding in cost the sum of \$500,000, to buildings owned by You;
- d. the provision and management of canteens, social, sports and welfare organisations primarily for the benefit of Your employees, first aid, fire and ambulance services;
- e. private work undertaken by any employee of Yours, for any of Your directors or senior executives;
- f. hire or loan of plant, equipment or goods to other parties;
- g. the erection, use and/or maintenance by You or on Your behalf of advertising and directional signs, their frames, supports and appurtenances.

Employment Practices Breach means any employment-related:

- a. discrimination on any ground including but not limited to sex, age, religion, disability, race, colour, sexual orientation, marital status or pregnancy;
- b. wrongful dismissal, discharge or termination of employment;
- c. workplace or sexual harassment;
- d. oral or written publication of material that slanders or libels an employee or violates or invades an employee's right of privacy;

- e. breach of any oral, written or implied employment contract or misrepresentations as to terms of employment;
- f. wrongful refusal to employ;
- g. demotion, failure to promote, deprivation of career opportunity, refusal of tenure, unfair evaluation or disciplinary action, in respect of an employee of You.

Excess means the amount You first bear in relation to each Occurrence. The Excess applies to all amounts payable under this Section including the indemnity provided under additional payments.

Incidental Contract means:

- a. any written agreement for the lease and/or hire of real and personal property which does not impose upon You as lessee or hirer an obligation to insure such property; or
- b. any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work performed by You or on Your behalf for such authorities or entities.
- c. any written contract with any railway authority for the loading, unloading and/or transport of Products, including contracts relating to the operation of railway sidings.

Insured Person means:

- a. any:
 - i. director, executive officer, employee or partner of You, but only while acting within the scope of their duties in such capacity; and
 - ii. shareholder of a company referred to in You, but only while acting within the scope of their capacity as shareholders of such company;
- b. any principal in respect of the liability of such principal arising out of the performance by You, of any contract or agreement for the performance of work for such principal but only to the extent required by such contract or agreement, and limited always to the extent of cover and Limit of Indemnity provided in this Section;
- c. any office bearer or member of a social and/ or sporting club, canteen, welfare or child care organisation, first aid, fire or ambulance service formed with the consent of any of the parties in You or a. above and which is incidental to Your Business; or
- d. any other person named as an Insured Person in the Schedule but only in respect of that Insured Person's liability that solely and directly results from an act or omission of You (as defined in this Section), or any Insured Person listed under a. above, that is in connection with the Business.

Limit of Indemnity means the amount(s) stated in the Schedule as the Limit of Indemnity or any lesser limit shown in the Schedule or this document. The Limit of Indemnity is inclusive of and not additional to any applicable Excess.

Medical Persons means legally qualified medical practitioners, legally qualified registered nurses, dentists and first aid attendants.

Occurrence means an event or series of events including continuous or repeated exposure to substantially the same general conditions which results in Personal Injury or Property Damage or Advertising Liability neither expected nor intended from You or the Insured Person's standpoint.

All Personal Injury or Property Damage consequent on or attributable to one source or original cause or to the same general conditions shall be deemed to be one Occurrence.

With respect to Advertising Liability all damages involving the same injurious material or act, regardless of the frequency or repetition thereof, the number and kind of media used and the number of claimants shall be deemed to arise out of one Occurrence.

Personal Injury means:

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

Products means anything (after it has ceased to be in Your possession or under Your control) which is or is deemed to have been manufactured, grown, extracted, produced, processed, imported, exported, constructed, assembled, erected, installed, repaired, serviced, renovated, treated, sold, supplied or distributed by You or on Your behalf (including Your predecessors in Your Business) including labels, packaging or any container thereof the design, specification or formula of the products and directions, instructions or advice given or omitted to be given in connection with such products and anything which by law or otherwise You are deemed to have manufactured in the course of Your Business including discontinued products.

Property Damage means:

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

Public Liability means Your legal liability covered by the Policy, but not arising out of Your Products.

Territorial Limits means:

- a. anywhere within Australia or its external territories;
- b. elsewhere in the world but only in respect of:
 - i. travelling executives or salespeople who are normally resident in Australia and who neither undertake manual work nor supervise manual work of any kind; or
 - ii. Your Products exported to anywhere in the world except Your Products exported to North America with the knowledge of You, Your agents or employees.

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

You, Your, Yours means:

- a. the Insured shown in the Schedule;
- b. any subsidiary companies of a. above, existing at the commencement date of the Period of Insurance as shown in the Schedule, whose place of incorporation is within Australia or its external territories;
- c. any
 - i. company acquired by, and whose operations are controlled and managed by a. or b. above during the Period of Insurance as a result of consolidation, merger or purchase;
 - ii. subsidiary company that is incorporated by a. or b. above, during the Period of Insurance;

Provided that:

- i. any such acquisition or incorporation is notified to Us within 90 days thereof;
- ii. the newly acquired or incorporated company conducts the same type of business as Your Business; and
- iii. the newly acquired or incorporated company is incorporated within Australia.

Limit of Indemnity applicable to this Section

Our liability to pay compensation for Personal Injury, Property Damage or Advertising Liability as a result of an Occurrence shall not exceed the Public Liability Limit of Indemnity stated in the Schedule.

Our total aggregate liability to pay compensation in respect of or in any way related to Your Products during any one Period of Insurance shall not exceed the Products Liability Limit of Indemnity stated in the Schedule.

Additional payments applicable to this Section

In addition to the Limits of Indemnity stated in the Schedule

We will pay as additional payments all:

- a. reasonable legal costs and expenses (including the costs of representation at any coronial hearing or other official investigation into the circumstances) incurred by You or an Insured Person with Our written consent in the defence of any claim;

- b. amounts payable for:
 - i. bonds to release attachments for amounts not exceeding the applicable Limit of Indemnity, but We shall have no obligation to apply for or furnish any such bond;
 - ii. appeal bonds and/or security for costs required in any suit, but We shall have no obligation to apply for or furnish such bonds and/or security for costs;
- c. expenses incurred by You or the Insured Person for first aid to others, other than medical expenses prohibited by Section 126 of the Health Insurance Act 1973 (Cth) or any other applicable legislation;
- d. reasonable expenses incurred by You for the temporary repair or shoring up or preservation of property which has been Damaged;
- e. interest accruing after entry of judgment against You until We have paid, tendered or deposited in court such part of the judgment as does not exceed the Limit of Indemnity;

resulting from an Occurrence which is covered by this Section, provided that:

- a. if a payment exceeding the Limit of Indemnity has to be made to dispose of a claim, Our liability to pay any additional payments shall be limited to that proportion of those amounts as the Limit of Indemnity bears to the amount required to dispose of the claim;
- b. in the event of a claim covered by this Section being made against You in any Court or before any other legally instituted body in North America, the Limit of Indemnity shall apply to such claim inclusive of all additional payments; and
- c. We shall not be obligated to pay any compensation or additional payments, or judgment or to defend any suit after Our Limit of Indemnity has been exhausted by payment of claims, judgments and/or settlements.

Specific exclusions applicable to this Section

The Policy does not provide indemnity in respect of claims directly or indirectly arising from or in any way connected with:

1. Advertising Liability

Advertising Liability caused by or resulting from:

- a. failure of performance of any contract, but this exclusion does not apply to claims for unauthorised appropriation of ideas based upon breach of an implied contract; or
- b. infringement of trade mark, service mark or trade name, but this shall not relate to titles or slogans; or
- c. incorrect description of any good or Product; or d. mistake in advertised price; or
- d. any publication, utterance or testimonial used or made at Your direction and with Your knowledge of the inaccuracy or falsity of the publication, utterance or testimonial; or
- e. the failure of Your Products or services to conform with advertised performance, quality, fitness or durability; or
- f. Your Business, if Your principal Business or occupation is advertising, broadcasting, publishing or telecasting.

2. Aircraft and Hovercraft

the ownership, maintenance, operation or navigation of any Aircraft or Hovercraft.

3. Aircraft Products

any Product designed or manufactured for the purpose of controlling, guiding, propelling or other capabilities or attributes related to the mobility or direction of an Aircraft or other Products which are actually incorporated, with Your knowledge, into an Aircraft for such purposes.

4. Asbestos

asbestos or any asbestos contained in other materials regardless of the form and quantity of asbestos.

5. Assault and Battery

assault and/or battery committed by You or at Your direction.

This exclusion will not apply when such assault and/or battery is committed for the purpose of preventing or eliminating danger to persons or Damage to property.

6. Contractual Liability

any liability assumed under a contract that requires You to effect insurance over property or to be liable for Personal Injury, Property Damage or Advertising Liability regardless of fault, except where:

- a. that liability would otherwise exist at law in the absence of the contract; or
- b. the contract is an Incidental Contract and the liability does not arise by reason of an obligation to insure a leased property or an obligation to indemnify a landlord irrespective of fault.

7. Damage to Product

Property Damage to any Product resulting from or attributable to any defect therein or the harmful nature or unsuitability thereof. Provided that the application of this exclusion shall be limited to only that part of the Product which is considered defective, harmful or unsuitable.

8. Defamation, libel and slander

the publication or utterance of any libellous, slanderous, defamatory or disparaging material:

- a. made prior to the commencement of the Period of Insurance;
- b. made at Your direction or with Your authority and with knowledge of its falsity; or
- c. related to advertising, broadcasting, telecasting or publishing activities conducted by You or on Your behalf.

9. Employers Liability

any liability:

- a. in respect of which You are or would be entitled to indemnity under any fund, scheme, policy of insurance or self-insurance pursuant to or required by any legislation relating to workers' compensation whether or not such insurance has been effected; or
- b. imposed by the provisions of any industrial award or

agreement or determination where such liability would not have been imposed in the absence of such industrial award or agreement or determination; or

- c. relating to an Employment Practices Breach.

10. Faulty workmanship

Property Damage to any part of any property that must be repaired, reconditioned or replaced by reason of incorrect work performed by You or on Your behalf, or by reason of materials or equipment which are or are proved to be defective or inadequate in connection with such work. But this exclusion does not apply to Property Damage resulting from such work.

11. Fines and penalties

finer or financial penalties, punitive, exemplary, liquidated, aggravated or multiple damages whether imposed through a court of law, legislation or under a contractual arrangement or otherwise.

12. Loss of use

the loss of use of tangible property which has not been physically Damaged or destroyed resulting from:

- a. a delay in or lack of performance by You or on Your behalf of any contract; or
- b. the failure of a Product or any work performed by You or on Your behalf, to meet the level of performance, quality, fitness or durability warranted or represented by You. But this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical Damage to or destruction of the Product or work performed by You or on Your behalf after the Product or work has been put to its intended use by any person or organisation other than You.

13. Pollution

the discharge, dispersal, release, seepage, migration or escape of Pollutants, including the cost of testing, monitoring, treating, detoxifying, removing, neutralising or cleaning up Pollutants or preventing the escape of Pollutants from the Situation or any premises owned or operated by You or on which You have property or conduct Your Business.

However, other than in respect of preventing the escape of Pollutants from the Situation or any premises owned or operated by You or on which You have property or conduct Your Business, We will cover liability for Personal Injury or Property Damage otherwise excluded under this exclusion which arises from an event: which:

- a. is sudden, accidental, unintended and unexpected from Your standpoint; and
- b. has been identified to have taken place in its entirety at a specific time and place; and
- c. occurs outside of North America.

14. Product guarantee or warranty

any product guarantee or warranty given by You or on Your behalf or that You are required to provide by law. But this exclusion does not apply to legislative requirements concerning product safety and information.

15. Professional advice or service

the rendering of or failure to render professional advice or service by You. But this exclusion does not apply to:

- a. the rendering of or failure to render medical advice or service by Medical Persons employed by You to provide first aid and other medical services on Your premises to employees or to persons other than employees in the event of an emergency;
- b. Personal Injury or Property Damage arising from advice or service given gratuitously; or
- c. Personal Injury or Property Damage arising from advice given in respect of the use or storage of Your Products.

16. Property in Your care, custody or control

Property Damage to property in Your care custody or control other than:

- a. Buildings tenanted, leased or hired by You;
- b. Vehicles (other than Vehicles owned or used by You or on Your behalf) in Your care custody or control but only whilst such Vehicles are in a car park owned or operated by You other than for income or reward as a car park operator; or
- c. Your directors', employees' and visitors' clothing and personal effects; or
- d. other property (other than Vehicles) temporarily in Your care, custody or control, provided that:
 - i. no indemnity is granted for liability in respect of physical damage to, destruction of or loss of that part of any property upon which You are working and the loss arises directly from the performance of such work; and
 - ii. Our maximum liability arising out of the cover afforded by clause 16.d. shall be limited to \$250,000 each and every Occurrence and in the aggregate for the Period of Insurance, or as otherwise stated in the Schedule.

17. Property owned by You

Property Damage to property owned by You.

18. Recall and repair

the recall, inspection, repair, adjustment, removal, replacement or loss of use of any Product or any property of which Your Product forms part or work completed by You or on Your behalf.

19. Technology, information and the Internet

Your Internet Operations.

This exclusion does not apply to liability otherwise covered by this Policy which would have arisen irrespective of Your Internet Operations.

Internet Operations includes but is not limited to, the following:

- a. use of electronic mail systems by You or Your employees, including part-time and temporary staff, and others acting on Your behalf;
- b. access through Your network to the world wide web or a public internet site by You or Your employees, including part-time and temporary staff, and others acting on Your behalf;
- c. access to Your intranet (meaning internal company

information and computing resources) which is made available through the world wide web for Your customers or others outside Your organisation; or

- d. the operation and maintenance of Your website.

Nothing in this exclusion shall be construed to extend coverage under this Section to any liability which would not have been covered in the absence of this exclusion.

20. Vehicles

The use of a Vehicle owned by You or in Your physical or legal control:

- a. which is required under any legislation to be registered; or
- b. in respect of which compulsory liability insurance or statutory indemnity is required by virtue of any legislation.

But this exclusion does not apply to:

- i. a Vehicle (other than a Vehicle owned or used by or on Your behalf) whilst that Vehicle is in a car park owned or operated by You other than for income or reward as a car park operator;
- ii. Personal Injury or Property Damage occurring during the loading or unloading of a Vehicle caused by or arising from the collection or delivery of any goods from or to the Vehicle where such Personal Injury or Property Damage occurs beyond the limits of any carriageway or thoroughfare, and where applicable legislation does not require insurance against such liability;
- iii. Personal Injury or Property Damage caused by the use of any tool, plant or equipment forming part of or attached to or used in connection with any Vehicle and where applicable legislation does not require insurance against such liability; or
- iv. Personal Injury where the insurance required by virtue of any legislation does not provide indemnity, and the lack of indemnity is not due to a breach of legislation relating to Vehicles.

21. Watercraft

The ownership, operation or navigation of any watercraft exceeding 10 metres in length while on, in or under the water. But this exclusion will not apply to watercraft:

- a. which You do not own or operate; and
- b. is under the control of a licensed and qualified person for the vessel; and
- c. has been hired or otherwise engaged by You for Business entertainment purposes.

Specific conditions applicable to this Section

1. Cross liability

When You consist of more than one party, You shall be considered as a separate party as though a separate Policy had been issued to each of the said parties.

Provided that Our Limits of Indemnity and additional payments will not be increased in any way and apply as though there were no separate policies issued to each party.

2. Liability not to be admitted

You and any Insured Person shall not admit liability for or offer to or agree to settle any claim without Our written consent.

We shall be entitled to take over and defend any claim with full discretion in the conduct of that claim.

3. Reasonable care and precautions

Notwithstanding General term and conditions "17. Reasonable care and maintenance", the following is applicable for this Section.

- a. You must exercise reasonable care that only competent employees are employed and take reasonable measures to maintain all premises, fittings and plant in sound condition.
- b. You and any Insured Person shall:
 - i. take all reasonable care and precautions to prevent Personal Injury, Property Damage or Advertising Liability losses;
 - ii. take all reasonable care and precautions to prevent the manufacture, sale or supply of defective Products; and
 - iii. comply with all statutory obligations, by-laws or regulations imposed by any public authority for the safety of persons or property.
- c. You shall at Your own expense withdraw, inspect, repair, replace, trace, recall or modify any of the Products containing any defect or deficiency of which You have knowledge or have reason to suspect.

Cover type

The following cover types are available under this Section:

Part A – Business Income Protection;

Part B – Consequential Loss of Profits; or

Part C – Business Continuity.

Your cover selection will be shown in Your Schedule.

Definitions applicable to this Section

The following definitions shall apply to the words used in this Section.

Defined Event means those events under the heading “Defined Events applicable to Parts A, B and C of this Section”.

Defined Events applicable to Parts A, B and C of this Section

1. any Damage to Property Insured for which You are insured by Us:
 - a. or would have been had there not been an Excess under the Material Damage Section, Theft Section, Money Section and/or Glass Section of the Policy, or
 - b. which is insured under any other policy providing indemnity for the same cover as described in the Material Damage Section, Theft Section, Money Section and/or Glass Section of the Policy, or
 - c. that is property used but not owned by You at the Situation which is Damaged and would be covered under 1.a. had it been Your property.
2. explosion of any boiler, pressure vessel, compressor or economiser at the Situation.
3. Damage to other property, which, had it been insured under the Policy, would have resulted in an admissible claim under the Material Damage Section, Theft Section, Money Section and/or Glass Section or Defined Event 2 above and which occurs:
 - a. within a multi-tenanted retail or commercial complex in which Your Business is located that prevents or hinders the use of, or access to, Your Business;
 - b. within 20 kilometres of Your Situation which prevents the use of or access to the Situation for a continuous period of greater than 48 hours;
 - c. at the premises of Your suppliers or customers of goods or materials or at storage premises neither owned nor operated by You where You store goods or materials, all within Australia, provided that Our liability under this clause 3.c. will not exceed 20% of the Sum Insured applicable to this Section;
 - d. at any electricity station or substation, gas works, telecommunications service, water works or sewerage reticulation works of a public supply undertaking from which You obtain electric current, gas, telecommunications or water and including their pipelines and transmission lines, provided that:
 - i. where the public supply undertaking is not at or immediately adjacent to Your Situation the interruption of supply extends for greater than 48 hours; and

- ii. all of the above public supply undertakings including their pipelines and transmission lines are on shore within Australia; and
 - iii. there is no cover for failure of satellites or satellite systems.
4. a. closure or evacuation of the whole or part of the Situation by order of a competent public authority as a result of:
 - i. infectious or contagious disease in humans manifested by any person while at the Situation;
 - ii. vermin or pests or defects in the drains or other sanitary arrangements at the Situation; or
 - iii. the outbreak of a notifiable human infectious or contagious disease occurring within a 20 kilometre radius of the Situation;
 - b. poisoning directly caused by the consumption of food or drink provided on the Situation;
 - c. murder or suicide occurring in or at the Situation;

However, there is no cover under Defined Event 4.a.i. and iii. due to Highly Pathogenic Avian Influenza in Humans or any other disease declared to be a quarantinable disease under the Quarantine Act 1908 (including amendments).

The maximum amount We will pay for loss arising from this Defined Event 4. is \$200,000 during any one Period of Insurance.

5. Damage to roads, bridges and/or railway lines within Australia over which raw materials and Stock are conveyed to or from Your Situation, which, had it been insured under the Policy, would have resulted in an admissible claim under the Material Damage Section. Provided that in relation to this Defined Event 5:
 - a. the maximum We will pay for a loss arising hereunder is 10% of the Sum Insured for any one event; and
 - b. We will not pay any claim under this additional benefit where:
 - i. the Damage is caused by Flood, or
 - ii. the interference or interruption to the Business is for a period of less than 48 hours.
6. Damage to Property Insured while in transit by road, rail, sea, air, parcel post or courier in Australia other than at the Situation up to a maximum of 5% of the Sum Insured provided that the claim for the Property Insured is covered under the Transit Section of the Policy.
7. Interruption to Your Business that is caused by an order of any competent public authority which prevents or restricts access to the Situation, provided that:
 - a. the order results from damage or a threat of damage to property within a 20 kilometre radius of the Situation;
 - b. the damage or threat of damage which, had it been insured under the Policy is not otherwise excluded; and
 - c. the prevention of access or restricted access to the Situation extends for a continuous period of greater than 48 hours.

Part A – Business Income Protection

The cover

Where Part A is shown as insured on the Schedule, We will pay You, in accordance with the Part A Basis of Settlement, for Consequential Loss resulting from the interruption of or interference with the Business that is caused by a Defined Event that occurs during the Period of Insurance.

Definitions applicable to Part A of this Section

Additional Costs of Working means the additional expenditure, limited to the Sum Insured stated by Endorsement in the Schedule (if any), not otherwise recoverable under this Section necessarily and reasonably incurred during the Indemnity Period as a consequence of the Damage caused by a Defined Event for the sole or main purpose of avoiding or diminishing reduction in Business Income and/or resuming and/or maintaining normal Business operations and/or services.

Additional Expenses means Relocation Costs, Increased Costs of Working, Additional Costs of Working, Expediting Expenses and/or Loss of Accounts Receivable.

Average Income means:

- a. the average Weekly Income maintained in the 52 weeks, immediately before the Damage to which adjustment will be made to reflect the trend of the Business and any other variable to arrive at the same result that would have been obtained had the Damage not occurred; or
- b. if the Business has been in operation for less than 52 weeks the average Weekly Income maintained from the date of commencement of the Business to the date of the Damage to which any necessary adjustment will be made to allow for the trend of the Business and any other variable to arrive at the same result that would have been obtained had the Damage not occurred.

Business Income means the money paid or payable to You for goods sold and/or services rendered and/or rent received or receivable in the course of Your Business less the purchase cost, after any discounts, of Stock.

Expediting Expenses means costs and expenses necessarily and reasonably incurred by You for express carriage rates and extra payments for overtime, night, Sunday or holiday working incurred in connection with the repair or reinstatement of the Property Insured.

Increased Costs of Working means the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Business Income, excluding expenditure incurred on the purchase of Stock.

Indemnity Period means the period beginning with the occurrence of the Damage (or a later date that has been agreed by Us in writing) and ending not later than the number of weeks stated in the Schedule during which the results of the Business are affected because of the Damage.

Loss of Accounts Receivable means the loss sustained by You in respect of all outstanding debit balances if You are unable to effect collection thereof as a direct result of Damage caused by a Defined Event to records of accounts receivable, but excluding bad debts and prior uncollectables.

Relocation Costs means actual expenditure necessarily and reasonably incurred for the relocation of the Business, excluding costs incurred by You for the acquisition of assets or property.

Shortfall in Weekly Income means the amount by which the Weekly Income, in consequence of the Damage, falls short of the Average Income.

Weekly Income means the Business Income maintained for each week the Business is in operation.

Basis of Settlement applicable to Part A of this Section

Where Part A Business Income Protection is shown as covered in the Schedule, We will pay to You:

1. Weekly Income

the percentage of the Average Income Sum Insured stated in the Schedule, that the Shortfall in Weekly Income bears to the Average Income, provided that the interference or interruption to the Business is for a period of one week or more.

We will not pay more than the sum produced by multiplying the Indemnity Period stated in the Schedule by the Average Income Sum Insured stated in the Schedule.

2. Additional Expenses

when the applicable Additional Expenses are shown to be insured on the Schedule and consequent upon a claim being admitted under this Section, We will also pay You, up to the amount shown in the Schedule for the relevant Additional Expenses, those expenses You have necessarily and reasonably incurred.

3. Claims preparation expenses

in addition to the benefit provided under Basis of Settlement applicable to Part A of this Section, 1. Weekly Income, the costs of reasonable professional fees as are payable by You, and other reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation of claims under this Section up to the Sum Insured shown for this item in the Schedule.

Limitation of cover applicable to Part A of this Section

Excess

We will not pay any claim under Part A where the interference or interruption to the Business is for a period of less than one week.

Additional benefits applicable to Part A of this Section

1. Additional premises

If You acquire or use during the Period of Insurance any other premises within Australia for the purpose of the Business, We will treat any Damage relating to those premises as covered by this Section of the Policy provided that We are advised of the use or acquisition of the premises within 30 days thereof.

2. Computer

This Section also extends to include loss (not otherwise recoverable) resulting from interruption of or interference with the Business occasioned by Damage by Defined Events 1. or 2. to computer installations, including ancillary equipment and data processing media utilised by You anywhere in Australia.

Specific conditions applicable to Part A of this Section

The following terms, conditions and limitations will apply to this Section:

1. Accumulated Stocks

If after any Defined Event giving rise to a claim under this Section of the Policy, Weekly Income is temporarily maintained from accumulated Stocks of finished goods, We will make a fair and reasonable allowance in arriving at the settlement of the loss.

2. Alterations and forfeiture

We will not pay any claim under this Section if the Business is wound up or carried on by either a liquidator, administrator or a receiver or is permanently discontinued.

3. Books of account

Any particulars or details contained in Your books of account or other Business books or documents that may be required by Us for investigating or verifying any claim made under this Section may be produced and certified by Your auditors and their certificate will be prima facie evidence of the particulars and details to which the certificate relates.

The words and expressions used in this Section will have the meanings usually attached to them in Your books and accounts unless otherwise defined in the Policy.

4. Progress claim payments

Progress payments on account of any loss recoverable under this Section will be made at intervals to be mutually agreed upon if You so require and upon production of an interim report by the loss adjuster (if one is appointed).

5. Turnover elsewhere after Damage

If during the Indemnity Period You or others on Your behalf operate the Business from a Situation other than those specified in the Schedule then the Weekly Income so earned will be brought into account when calculating the Weekly Income.

Part B – Consequential Loss of Profits

The cover

Where Part B is shown as insured on the Schedule, We will pay You, in accordance with the Part B Basis of Settlement, for Consequential Loss resulting from interruption of or interference with the Business that is caused by a Defined Event that occurs during the Period of Insurance.

Definitions applicable to Part B of this Section

Annual Turnover means the Turnover during the 12 months immediately before the date of the Damage.

Gross Profit means the amount by which the sum of the Turnover and the amount of the closing stock and work in progress exceeds the sum of the amount of the opening stock and work in progress and the amount of the Uninsured Working Expenses as set out in the Proposal. The amounts of the opening and closing stocks and work in progress will be arrived at in accordance with Your normal accountancy methods, due provision being made for depreciation.

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 are affected in consequence of the Damage.

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

Shortage in Turnover means the amount by which the Turnover during an Indemnity Period, in consequence of the Damage, falls short of the Standard Turnover for that period.

Standard Turnover means the Turnover during the period in the 12 months immediately before the date of the Damage that corresponds with the Indemnity Period.

Turnover means the money (less discounts, if any allowed) paid or payable to You for goods sold and delivered and for services rendered in the course of Business at the Situation.

Uninsured Working Expenses means those expenses You chose not to insure as shown in Your Proposal.

Calculation adjustment clause

When calculating Rate of Gross Profit, Annual Turnover, and Standard Turnover such adjustments will be made:

- as may be necessary, to provide for the trend of the Business; and
- for variations in or special circumstances affecting 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 adjusted figures represent as nearly as may be reasonably practicable the results that but for the Damage would have been obtained during the relative period after the Damage.

Basis of Settlement applicable to Part B of this Section

Where Part B Consequential Loss of Profits is shown as insured

on the Schedule, We will pay to You:

1. Gross Profit

the actual loss of Gross Profit due to reduction in Turnover and increase in cost of working, and the amount payable will be:

- in respect of reduction in Turnover: the sum produced by applying the Rate of Gross Profit to the Shortage in Turnover;
- 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 that, 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 so avoided;

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of Gross Profit that cease or are reduced in consequence of the Defined Event.

2. Claims preparation expenses

in addition to the amount payable under "Claims procedure and conditions 2. Claims preparation expenses" and clause "1. Gross Profit in the Basis of Settlement applicable to Part B of this Section" as applicable, the costs of such reasonable professional fees as may be payable by You, and such other reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation of claims under this Section.

Our liability under Part B of this Section will not exceed the Sum Insured stated against each item in the Schedule.

Additional benefits applicable to Part B of this Section

Our liability for these additional benefits will be limited to:

- the amount shown in the Schedule for the relevant additional benefit; or
- if no amount is shown then the amounts shown below, subject to the extent that the Sum Insured on Gross Profit is not otherwise exhausted.

1. Additional premises

If You acquire or use during the Period of Insurance any other premises within Australia for the purpose of the Business We will treat any Damage relating to those premises as covered by this Section of the Policy provided that We are advised of the use or acquisition of the premises within 30 days thereof.

2. Computer

This Section also extends to include loss (not otherwise recoverable) resulting from interruption of or interference with the Business occasioned by Damage; by Defined Events 1. or 2. to computer installations, including ancillary equipment and data processing media utilised by You anywhere in Australia.

3. Fines, damages and penalties

This Section also extends to include liability for:

- fines or damages for breach of contract resulting from non-completion or late completion of orders. We will not pay for exemplary, punitive or aggravated damages; or

- b. the discharge of contract purchases, cancellation notices, fines or damages for breach of contracts for the purchase of goods or services You cannot use during the Indemnity Period, less the value of these goods to You or the amount received for their sale; but only where such is due to Damage to the Property Insured which has resulted in an admissible claim under Material Damage Section or Theft Section of the Policy.

Under this additional benefit, the maximum We will pay is 5% of the Gross Profits Sum Insured of this Section within any one Period of Insurance.

4. Government incentives

The monetary loss of Gross Profit is extended to include the loss of any government-approved incentives, subsidies or market development allowances You are entitled to in relation to Your Business.

This only applies if the loss of these benefits was caused as a result of Damage to the Property Insured which has resulted in an admissible claim under Material Damage Section or Theft Section of the Policy.

Under this additional benefit, the maximum We will pay is 10% of the Gross Profits Sum Insured of this Section within any one Period of Insurance.

Optional benefits applicable to Part B of this Section

When the applicable optional benefit is shown as insured on the Schedule and consequent upon a claim being admitted under this Section, We will also pay You up to the amount shown in the Schedule for the relevant optional benefit for:

1. Additional increase in cost of working

the increase in cost of working (not otherwise recoverable under the Policy) necessarily and reasonably incurred during the Indemnity Period to resume or maintain the normal running of the Business.

2. Loss of rent

loss of rent receivable and loss of amounts due for services rendered and/or recoverable expenses. We will pay the amount by which rent and amounts for services rendered and/or recoverable expenses received or receivable during the Indemnity Period falls short of the amount that it may be reasonably estimated would have been received during that period had the Defined Event not occurred, including the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of rent and loss of amounts for services rendered and/or recoverable expenses, less any sum saved during that period in respect of the charges or expenses payable out of rent that cease or are reduced in consequence of the Defined Event.

3. Accounts receivable

all sums due to You from customers that You are unable to collect because of Damage to records of accounts receivable. We will also pay collection expenses in excess of normal collection costs made necessary because of the Damage as well as interest charges at the ruling rate of Your bank on any loan to offset impaired collections pending repayment of such sums made uncollectable by such Damage.

If You cannot accurately establish the total amount of accounts receivable outstanding as at the date of loss, the amount will be calculated as follows:

- a. determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- b. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the loss occurs, as compared with such average for the same months of the preceding year;
- c. the amount determined under a., increased or decreased by the percentage calculated under b. above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- d. the amount determined under c. above, will be increased or decreased in conformity with the normal fluctuation in the amount of accounts receivable during the fiscal month involved, consideration being given to the experience of the Business since the last day of the last fiscal month for which statements have been rendered less:
 - i. the amounts of such accounts evidenced by records not suffering Damage or otherwise established or collected by You,
 - ii. an amount to allow for probable bad debts that would normally have been uncollectable by You,
 - iii. all unearned interest and service charges, and
 - iv. settlement or term discounts normally allowed.

Specific conditions applicable to Part B of this Section

1. Accumulated Stocks

If after any Defined Event giving rise to a claim under this Section of the Policy, Turnover is temporarily maintained from accumulated Stocks of finished goods, We will make a fair and reasonable allowance in arriving at the settlement of the loss.

2. Adjustment of Premium

In the event of the Gross Profit earned (or a proportionately increased multiple of it when the Indemnity Period exceeds 52 weeks) during the accounting period of 12 months most nearly concurrent with any Period of Insurance, as certified by Your auditors, being less than the Gross Profit Sum Insured in this Section, a pro-rata return of Premium not exceeding 50% of the Premium paid on the Gross Profit Sum Insured in this Section for the Period of Insurance will be made in respect of the difference. If any Defined Event has occurred giving rise to indemnity under this Section, the return will be made in respect only of so much of that difference as is not due to that Defined Event.

3. Alterations and forfeiture

We will not pay any claim under this Section if the Business is wound up or carried on by either a liquidator, administrator or a receiver or is permanently discontinued.

4. Books of account

Any particulars or details contained in Your books of account or other Business books or documents that may be required by Us for investigating or verifying any claim made under this Section may be produced and certified by Your auditors and their certificate will be prima facie evidence of the particulars and details to which the certificate relates. The words and expressions used in this Section will have the meanings usually attached to them in Your books and accounts unless otherwise defined in the Policy.

5. Departmental clause

If Your Business is conducted in departments and the trading results of each department can be determined independently then clauses 1.a. and 1.b. of the Basis of Settlement applicable to Part B of this Section as applicable will apply separately to each department affected by the Damage.

6. Progress claim payments

Progress payments on account of any loss recoverable under this Section will be made at intervals to be mutually agreed upon if You so require and upon production of an interim report by the loss adjuster (if one is appointed).

7. New Business

In the event of Damage occurring at the Situation before the completion of the first year's trading of the Business, the terms "Rate of Gross Profit", "Annual Turnover", and "Standard Turnover" shall have the following meanings wherever they appear in this Section:

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

Annual Turnover means the actual Turnover achieved during Your first year of operations, from the commencement of the Business to the date of the Damage, converted to a 12 month equivalent figure.

Standard Turnover means the Turnover achieved between the date of commencement of the Business and the date of the Damage, converted to the selected Indemnity Period.

When calculating Rate of Gross Profit, Annual Turnover, and Standard Turnover such adjustments will be made:

- a. as may be necessary, to provide for the trend of the Business; and
- b. for variations in or special circumstances affecting the Business; and
- c. 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 adjusted figures represent as nearly as may be reasonably practicable the results that but for the Damage would have been obtained during the relative period after the Damage.

8. Salvage sale clause

If, following Damage giving rise to a claim under Part B of this Section, You hold a salvage sale during the Indemnity Period, clause 1.a. of the Basis of Settlement applicable to Part B of this Section are amended to read as follows:

- 1.a. in respect of reduction in Turnover: the sum produced by applying the Rate of Gross Profit to the Shortage in Turnover (less the Turnover for the period of the salvage sale) from which shall be deducted the Gross Profit actually earned during the period of the salvage sale.

9. Turnover/Output alternative

Where Part B Business Interruption has been selected, the term "Output" may, at Your option, be substituted for the term "Turnover" and, for the purpose of Business Interruption Section, Part B, "Output" shall mean the sale and/or invoice value of goods manufactured and/or processed by You in the course of Business at the Situation. Provided that only one such meaning shall be operative in connection with any one event involving Damage caused by a Defined Event.

If You select the cover under this clause, the clause 10. Turnover elsewhere after Damage shall be altered to read as follows:

"If during the Indemnity Period goods shall be manufactured and/or processed other than at the Situation for the benefit of the Business either by You or by others on Your behalf the sale and/or invoice value of the goods so manufactured and/or processed shall be brought into account in arriving at the Output during the Indemnity Period".

10. Turnover elsewhere after Damage

If during the Indemnity Period You or others on Your behalf operate the Business from a situation other than those specified in the Schedule then the Turnover so earned will be brought into account when calculating the Turnover.

11. Under-insurance

If the Sum Insured for Gross Profit at the commencement of each Period of Insurance is less than the sum produced by applying the Rate of Gross Profit to 80% of the Annual Turnover, (or a proportionately increased multiple of it, where the Indemnity Period exceeds 52 weeks) the amount payable under this Section will be proportionately reduced.

The cover

Where Part C is shown as insured on the Schedule, We will pay You, in accordance with the Part C Basis of Settlement, for Consequential Loss resulting from the interruption of or interference with the Business that is caused by a Defined Event that occurs during the Period of Insurance.

Definitions applicable to Part C of this Section

Business Turnover means the Business Turnover Sum Insured shown in the Schedule.

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 are affected in consequence of the Damage.

Reduction in Turnover means the amount by which the Turnover during the Indemnity Period falls short of that part of the Standard Turnover for that period in consequence of that Damage. This amount will be adjusted as necessary for trends, variations or other circumstances affecting Your Business either before or after the date of the occurrence of the Damage or which would have affected Your Business, so that the adjusted figures represent as near as possible, the result which but for the Damage would have been obtained during the Indemnity Period.

Standard Turnover means the Turnover during the period in the 12 months immediately before the date of the Damage that corresponds with the Indemnity Period.

Turnover means the money (less discounts, if any allowed) paid or payable to You for goods sold and delivered and for services rendered in the course of Business at the Situation.

Limitations of cover applicable to Part C of this Section

Excess

We will not pay any claim under Part C where the interference or interruption to the Business is for a period of less than two working days.

Basis of Settlement applicable to Part C of this Section

Where Part C Business Continuity is shown as insured on the Schedule, We will pay to You:

1. Business Turnover

- a. in respect of the Reduction in Turnover, the amount by which the Turnover during the Indemnity Period shall in consequence of the Damage fall short of the Standard Turnover, and
- b. 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 that, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the Reduction in Turnover so avoided;

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of the Turnover that cease or are reduced in consequence of the Defined Event.

2. Claims preparation expenses

We will pay up to \$5,000 or any higher amount shown in the Schedule for claims preparation expenses, in addition to the amount payable under “Claims procedure and conditions 2. Claims preparation expenses” and clause “1. Business Turnover” in the “Basis of Settlement applicable to Part C of this Section” as applicable, the costs of such reasonable professional fees as may be payable by You, and such other reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation of claims under this Section.

Our liability under Part C of this Section will not exceed the Sum Insured stated against each item in the Schedule.

Additional benefits applicable to Part C of this Section

Our liability for these additional benefits will be limited to the amounts shown below, subject to the extent that the Business Turnover is not otherwise exhausted.

1. Additional premises

If You acquire or use during the Period of Insurance any other premises within Australia for the purpose of the Business We will treat any Damage relating to those premises as covered by this Section of the Policy provided that We are advised of the use or acquisition of the premises within 30 days thereof.

2. Computer

Part C of this Section also extends to include loss (not otherwise recoverable) resulting from interruption of or interference with the Business occasioned by Damage caused by Defined Events 1. or 2. to computer installations, including ancillary equipment and data processing media utilised by You anywhere in Australia.

3. Fines, damages and penalties

Part C of this Section also extends to include liability for:

- a. fines or damages for breach of contract resulting from non-completion or late completion of orders. We will not pay for exemplary, punitive or aggravated damages; or
- b. the discharge of contract purchases, cancellation notices, fines or damages for breach of contracts for the purchase of goods or services You cannot use during the Indemnity Period, less the value of these goods to You or the amount received for their sale; but only where such is due to Damage to the Property Insured which has resulted in an admissible claim under the Material Damage Section or Theft Section of the Policy.

Under this additional benefit, the maximum We will pay is 5% of the Business Turnover within any one Period of Insurance.

4. General Property

We will cover You for interruption or interference with Your Business in consequence of Damage to Property Insured by an occurrence covered in the General Property Section.

5. Government incentives

The monetary loss of Turnover is extended to include the loss of any government-approved incentives, subsidies or market development allowances You are entitled to in relation to Your

Business. This only applies if the loss of these benefits was caused as a result of Damage to the Property Insured which has resulted in an admissible claim under the Material Damage Section or Theft Section of the Policy. Under this additional benefit, the maximum We will pay is 10% of the Business Turnover within any one Period of Insurance.

6. Additional benefits combined

Consequent upon a claim being admitted under Part C of this Section, We will also pay You \$25,000 or higher amount shown in the Schedule under "Additional benefits combined" for:

a. Additional increase in cost of working

the increase in cost of working (not otherwise recoverable under the Policy) necessarily and reasonably incurred during the Indemnity Period to resume or maintain the normal running of the Business.

b. Accounts receivable

all sums due to You from customers that You are unable to collect because of Damage to records of accounts receivable. We will also pay collection expenses in excess of normal collection costs made necessary because of the Damage as well as interest charges at the ruling rate of Your bank on any loan to offset impaired collections pending repayment of such sums made uncollectable by such Damage.

If You cannot accurately establish the total amount of accounts receivable outstanding as at the date of loss, the amount will be calculated as follows:

- i. determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- ii. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the loss occurs, as compared with such average for the same months of the preceding year;
- iii. the amount determined under i. increased or decreased by the percentage calculated under ii. above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- iv. the amount determined under iii. above, will be increased or decreased in conformity with the normal fluctuation in the amount of Accounts Receivable during the fiscal month involved, consideration being given to the experience of the Business since the last day of the last fiscal month for which statements have been rendered less:
 - a. the amounts of such accounts evidenced by records not suffering Damage or otherwise established or collected by You,
 - b. an amount to allow for probable bad debts that would normally have been uncollectable by You,
 - c. all unearned interest and service charges, and
 - d. settlement or term discounts normally allowed.

Optional benefits applicable to Part C of this Section

When the applicable optional benefit is shown as insured in the

Schedule and consequent upon a claim being admitted under Part C of this Section, We will also pay You up to the amount shown in the Schedule for the relevant optional benefit for:

1. Rent receivable

loss of rent receivable and loss of amounts due for services rendered and/or recoverable expenses. We will pay the amount by which rent and amounts for services rendered and/or recoverable expenses received or receivable during the Indemnity Period falls short of the amount that it may be reasonably estimated would have been received during that period had the Defined Event not occurred, including the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of rent and loss of amounts for services rendered and/or recoverable expenses, less any sum saved during that period in respect of the charges or expenses payable out of rent that cease or are reduced in consequence of the Defined Event.

Specific Conditions applicable to Part C of this Section

1. Accumulated Stocks

If after any Defined Event giving rise to a claim under this Section of the Policy, Turnover is temporarily maintained from accumulated Stocks of finished goods, We will make a fair and reasonable allowance in arriving at the settlement of the loss.

2. Alterations and forfeiture

We will not pay any claim under this Section if the Business is wound up or carried on by either a liquidator, administrator or a receiver or is permanently discontinued.

3. Books of account

Any particulars or details contained in Your books of account or other Business books or documents that may be required by Us for investigating or verifying any claim made under Part C of this Section may be produced and certified by Your auditors and their certificate will be prima facie evidence of the particulars and details to which the certificate relates. The words and expressions used in Part C of this Section will have the meanings usually attached to them in Your books and accounts unless otherwise defined in the Policy.

4. Departmental clause

If Your Business is conducted in departments and the trading results of each department can be determined independently then clauses 1 a. and 1 b. of the Basis of Settlement applicable to Part C of this Section as applicable will apply separately to each department affected by the Damage.

5. Fast Track Claims Settlement Option

a. Monthly Payments

Within the first two (2) months of the Indemnity Period and prior to the receipt of actual financial trading information You may elect to maintain Your cash flow by receiving monthly payments for Reduction in Turnover, calculated using industry average tables appropriate to businesses having the same classification as Your Business.

The industry average information will be applied to the monthly Reduction in Turnover experienced by Your Business.

These industry average tables exclude business costs for freight, packaging, bad debts and purchases of Stock, materials and components.

Under this option We will not make any further deduction for savings in other working expenses in the two (2) months period.

b. Extending – Fast Track Claims Settlement Option

We may at Your request extend option a. Monthly Payments beyond two (2) months by applying the industry average tables to the monthly Reduction in Turnover experienced during the Indemnity Period.

Upon receipt of the actual financial trading information We will adjust the monthly payment so that it correctly represents the costs and charges applicable to Your Business.

In making payments under this option, We will withhold amounts for savings in other working expenses identified following the damage and make an adjustment of Your entitlements in Our final payment. This adjustment will not take into account any payments made within the first two (2) months of the Indemnity Period.

6. Turnover elsewhere after Damage

If during the Indemnity Period You or others on Your behalf operate the Business from a situation other than those specified in the Schedule then the Turnover so earned will be brought into account when calculating the Turnover.

7. Under-insurance

If the Business Turnover at the commencement of each Period of Insurance is less than the sum produced by applying 80% of the annual Turnover, (or a proportionately increased multiple of it, where the Indemnity Period exceeds 52 weeks) the amount payable under this Section will be proportionately reduced.

This condition will not apply if the amount of the claim does not exceed 5% of the Business Turnover.

General Property Section

The cover

We will pay You in accordance with the Basis of Settlement up to the Sum Insured for the cost of repairing or replacing Property Insured that is Accidentally Damaged by any occurrence not otherwise excluded during the Period of Insurance.

Definitions applicable to this Section

Accident, Accidental, Accidentally means unexpected and unintended from Your standpoint.

Item or Items means an Item or Items which is a part of a group or class of Property Insured that are shown in the Schedule. The group or class described may include hand tools and hand held power tools.

Stock for the purpose of this Section only, is extended to include materials owned by You and stored on Your Situation, at contract sites or during transit.

Specified Item means the Item of Property Insured, specifically described on the Schedule for this Section with a specific Sum Insured nominated by You shown on the Schedule.

Basis of Settlement applicable to this Section

1. At Our option We will:
 - a. repair the Property Insured (including carry case and usual accessories) to a condition equal to but not better than its condition when new;
 - b. pay You the cost of repair or replace the Property Insured;
 - c. pay You the Sum Insured for a Specified Item; or
 - d. replace the Property Insured with new property that has the same features or features that are nearly the same as (but not less than) the Property Insured being replaced.
2. Obsolete property or improvements

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

Limitations of cover applicable to this Section

a. Excess

You are liable for the Excess for each and every event that results in Accidental Damage.

b. Geographical limits

Cover applies to Accidental Damage that occurs anywhere in the world, unless the geographical limits are amended by an Endorsement shown in Your Schedule.

c. Reduced Sum Insured

The Sum Insured for the Period of Insurance will be reduced by any payment made or due to be made under this Section, subject to "General terms and conditions 18. Reinstatement of Sum Insured".

d. Stock

We will not pay for Accidental Damage to Stock once Stock has been used or incorporated into any contract.

e. Unspecified Items

For unspecified Items, cover is limited to a maximum amount of \$2,500 for any one Item and up to the Sum Insured shown in the Schedule for all unspecified Items any one event.

Additional benefits applicable to this Section

1. Theft of other equipment

Any amount payable under this additional benefit shall apply in addition to the Sum Insured.

We will cover You for theft or attempted theft of any Property Insured not belonging to You but in Your physical or legal control for the purposes of Your Business occurring during the Period of Insurance anywhere in the world.

This additional benefit does not cover theft committed by any member of Your family or by any employee of Yours or committed by any person whilst lawfully at Your Situation.

We will not cover You under this additional benefit unless the Property Insured was:

- a. in a securely locked vehicle and the theft was consequent upon forcible and violent entry to the vehicle
- b. securely and permanently affixed to a building or vehicle and theft is consequent upon forcible and violent removal of the Property Insured;
- c. in a vehicle and was securely chained to that Vehicle by a steel chain having a link diameter of 10mm or greater and a padlock with a security rating under AS 4145.4 (or any subsequent amendment) of 6 (or its equivalent) or above;
- d. in Your private residence or the private residence of Your employee who has been authorised by You to have the custody and control of the Property Insured. However, We will not cover any theft by a tenant;
- e. securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building.
However, We will not cover any theft:
 - i. committed by any person while lawfully in the building; or
 - ii. of Property Insured which is unattended in areas of the building; or
- f. stolen as a consequence of armed hold-up or the threat of physical violence.

We will not cover You for more than \$2,000 in any one Period of Insurance under this additional benefit.

Specific exclusions applicable to this Section

We will not pay for

1. a. motor vehicles, caravans, trailers, motorcycles, watercraft, Hovercraft, Aircraft or aerial devices or the accessories (whether fitted or otherwise) of or to any of these;
 - b. i. Money
 - ii. glass or items of a brittle nature,
 - iii. jewellery, furs, bullion, precious metals or precious stones,

- iv. curios or works of art,
 - v. mobile phones, photographic equipment, computer equipment unless listed as Specified Items in the Schedule, or
 - vi. any guns, sporting equipment or musical instruments while they are in use;
 - c. livestock, animals, birds or fish;
 - d. standing timber, growing crops and pastures;
 - e. land
 - f. Property Insured in the open air where Accidental Damage is caused by Flood, wind, rainwater or hail unless such property is designed to function without the protection of walls or roofs; or
 - g. Stock including consumables unless shown in the Schedule;
2. Consequential Loss of any kind;
3. theft other than:
- a. as provided under Additional benefits applicable to this Section – 1. Theft of other equipment;
 - b. theft resulting from forcible and violent entry evidenced by visible Accidental Damage to the securely locked portion of any building or the securely locked portion of any vehicle, caravan or trailer containing the Property Insured;
 - c. theft by armed hold-up; or
 - d. theft following assault or violence or threat of immediate assault or violence to You, Your employee or Your customers.
4. theft of property in the open air;
5. Accidental Damage caused by or arising from:
- a. the actual breaking, seizing, deformation or melting of any part of any Item while that Item is in use that is caused by mechanical, electrical or electronic defect within the Item that causes sudden malfunction that requires repair or replacement before the Item can resume normal operation;
 - b. gradually operating causes such as, but not limited to wear and tear, scratching or marring, chipping and denting, gradual deterioration, developing flaws, normal up keeping or making good, atmospheric conditions, mildew, corrosion, disease, fading, rusting or other forms of oxidisation;
 - c. data processing or media failure or breakdown, or malfunction of a processing system, including operator error or omission, or Computer Virus;
 - d. moths, termites, or other insects, vermin, rust or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of colour, dampness, light, variations in or extremes of temperature, evaporation, disease, inherent vice, latent defect, change in flavour, texture or finish, or smut or smoke from industrial operations; or
 - e. Flood, other than for Accidental Damage to Property Insured from Flood when contained in a motor vehicle.

Management Liability Section

Important Notice: 'Claims made and notified' Cover

Part A & B of this Section provide a 'Claims made and notified' cover and will only respond to Claims first made against You or an Insured Person during the Period of Insurance and notified to Us during the Period of Insurance.

To the extent permitted by law, We will not pay for any Claim that You notify Us of after the Period of Insurance has expired.

Cover types

The following cover options are available under this Section:

Part A – Directors and Officers Liability

Part B – Employment Practices Liability

Part C – Crime

Part D – Tax Audit

Definitions applicable to Part A & B of this Section

Claim(s) means:

- a writ, statement of claim, summons, application or other originating legal or arbitral process, cross claim, counter claim or third or similar party notice for compensation or non-monetary relief;
- a written assertion of a right to, or a demand for, compensation or non-monetary relief;
- a formal administrative or regulatory proceeding including any arbitration, mediation, conciliation or alternative dispute resolution proceeding; or
- any criminal proceeding.

Defence Costs means the reasonable legal costs and expenses (other than regular or overtime wages, salaries or fees of Directors, Officers or Employees of You) necessarily incurred by You or on Your behalf (with Our written consent) or by Us, in the investigation, defence and/or settlement of a Claim covered by Part A of this Section. Defence Costs are part of and not in addition to the Limit of Indemnity.

Director means any natural person who is, now is, was or becomes during the Period of Insurance a director of Your Business as defined in the Corporations Act 2001 (Cth), or the equivalent legislation in any other jurisdiction, including for the avoidance of doubt, a de facto director or a shadow director of Your Business.

Discovery Period means the period of time after the end of the Period of Insurance where You may continue to notify Us of a Claim but only in relation to Management Wrongful Acts or Employment Practices Breaches committed prior to or during the Period of Insurance.

Employee means any natural person who is a past present or prospective employee of You, including any full time, part time, casual, secondee or volunteer.

Provided that the term "Employee" shall not mean independent contractors, consultants, or agents of You or their respective employees, including employees of labour hire companies.

Employment Practices Breach means any employment-related:

- discrimination on any ground including but not limited to

sex, age, religion, disability, race, colour, sexual orientation, marital status or pregnancy;

- wrongful dismissal, discharge or termination of employment;
- workplace or sexual harassment;
- oral or written publication of material that slanders or libels an Employee or violates or invades an Employee's right of privacy;
- breach of any oral, written or implied employment contract or misrepresentations as to terms of employment;
- wrongful refusal to employ; or
- demotion, failure to promote, deprivation of career opportunity, refusal of tenure, unfair evaluation or disciplinary action, in respect of an Employee of You.

Insured Person means:

- any natural person who is, now is or will be a Director, secretary, Officer or Employee of You, or any person who was or now is or may hereafter become a trustee of a superannuation fund established for the benefit of Your Employees and whether or not validly appointed to occupy or duly authorised to act in such position;
- any person who by virtue of any applicable legislation or law is deemed to be a Director of You. Provided that the term "Insured Person" shall not include:
 - any externally appointed officers such as administrators, receivers, statutory managers, liquidators, mortgagees in possession, or the like; or
 - any registered company or corporation.

Management Wrongful Act(s) means any actual or alleged breach of duty, breach of trust, act, error, omission, neglect, misstatement, misleading statement or breach of warranty of authority. It does not include an Employment Practices Breach committed by an Insured Person while acting in their capacity as an Insured Person of You.

Officer means any of Your Employees who are concerned in, or take part in, the management of the Your Business, regardless of the name that is given to their position, including the company secretary.

Official Inquiry means any official investigation, examination, inquiry ordered or commissioned by a statutory body or institution, and:

- which the Insured Person is legally compelled to attend; and
- which has as its subject matter the affairs of You or the conduct of an Insured Person in that capacity, or the conduct of the Business; and
- notice of which is first served on the Insured Person and notified to Us during the Period of Insurance.

Securities means any shares, preference shares, stocks, debentures, warrants, options, bonds, promissory notes or other equity or debt security.

Senior Counsel means a barrister in active practice who is entitled to use the post nominals QC or SC in any superior court in Australia.

Third Party means any natural person or entity other than You. For the sake of clarity, a Third Party can include a client.

Specific exclusions applicable to Part A & B of this Section

We shall not be liable under Part A & B of this Section for any Loss for any Claim:

1. Bodily Injury & Property Damage

for physical injury, sickness, death, disease or mental injury or anguish, nervous shock or emotional distress of any person or destruction of or damage to tangible property including the loss of use thereof.

This exclusion does not apply to any Claim based on an Employment Practices Breach to the extent it alleges mental injury, mental anguish or emotional distress, or to the additional benefit to Part A of this Section "5. Workplace Health and Safety Laws".

2. Geographical limits

arising from, attributable to or in any way connected with any conduct occurring, in whole or part outside of Australia.

3. Insolvency

arising from, attributable to or in any way connected with You:

- a. going into bankruptcy, administration, receivership, liquidation, or insolvency; or
- b. entering into a scheme of arrangement, a debt agreement or other agreement or arrangement with creditors; or
- c. being unable to pay Your debts as and when they fall due.

4. Jurisdiction

brought in a court outside Australia, or brought in a court within Australia, to enforce a judgement handed down in a court outside Australia.

5. Known, prior or pending Claims

arising from, attributable to or in any way connected with:

- a. any facts, circumstances or occurrences:
 - i. noted on the Proposal for the current Period of Insurance or on any previous proposal to any insurer or of which notice had been given to any insurer under any previous policy, however expressed; or
 - ii. of which You were aware prior to the commencement of the Period of Insurance and knew (or ought reasonably to have realised) may give rise to a Claim; or
- b. any intimation, complaint or allegation of any conduct or Management Wrongful Act or an Employment Practices Breach that might give rise to any relief, in any way known to You prior to the commencement of the Period of Insurance; or
- c. any written notice of an Official Inquiry of which You were aware of prior to the Period of Insurance; or
- d. any civil, criminal, administrative or regulatory proceeding, investigation, arbitration or adjudication of which You were aware prior to the Period of Insurance, or derived from essentially the same facts.

6. Pollution

arising from, attributable to or in any way connected with the actual, alleged or threatened dispersal, release or escape of Pollutants into or upon real or personal property, the atmosphere, any water course or body of water, including but not limited to any enforcement action or proceeding in connection with the containment, clean up, removal, treatment or monitoring of such Pollutants, or seepage, pollution or contamination howsoever occurring.

7. Securities offering

arising from, attributable to or in any way connected with a public offering, solicitation, sale, distribution or issuance of Securities, whether or not a disclosure document has been issued.

Specific conditions applicable to Part A & B of this Section

1. Allocation of Loss

- a. Where any liability or amount has been jointly, or jointly and severally, incurred as between You and any other uninsured person or entity, Our liability under the Policy shall be the proportion of that liability or amount which represents a fair and equitable allocation between You and the other uninsured person or entity, taking into account the relative legal and financial exposures of, and the relative benefits obtained in any settlement by, You and the other person or entity in or as a result of the Claim or Official Inquiry.
- b. Where any liability or amount is incurred in respect of any Claim or Official Inquiry which arises from both matters covered and matters not covered by the Policy, Our liability under the Policy is limited to the proportion of that liability or amount which represents a fair and equitable allocation taking into account the relative legal and financial exposures attributable to covered matters and matters not covered under the Policy.
- c. If the parties are unable to agree on a fair and equitable allocation, then such allocation is to be determined by a Senior Counsel (to be mutually agreed upon by parties, or in the absence of agreement, to be appointed by the President of the Bar Association, or equivalent organisation, in the jurisdiction in which the liability or amount was incurred).
- d. We may at Our sole discretion, pay Loss pending Senior Counsel determination. The costs of the Senior Counsel shall be borne by Us and do not form part of Defence Costs.
- e. The Senior Counsel is:
 - i. to determine the fair and equitable allocation as an expert, not as arbitrators. We and You may make submissions to the Senior Counsel.
 - ii. not limited to a consideration of such submission and is to determine the fair and equitable allocation in his or her own judgment and opinion. Such determination shall be final and binding.
- f. While the proportion of Defence Costs to be advanced under the Policy remains disputed and undetermined, We shall advance that proportion of Defence Costs which We consider represents a fair and equitable allocation. The allocation

finally agreed or determined shall be applied retrospectively to any Defence Costs incurred prior to agreement or determination but shall not be a presumption as to other Loss covered by the Policy.

2. Alteration to risk

You must notify Us as soon as practicable of any material alteration to risk during the Period of Insurance including but not limited to:

- a. You consolidating with or merging into or selling all or substantially all of Your assets to any other person or entity or group of persons and/or entities acting in concert; or
- b. any person or entity, whether individually or together with any other person or persons, entity or entities becomes entitled to exercise more than 50% of the rights to vote at general meetings of You or control the appointment of Directors who are able to exercise a majority of votes at board meetings of You; or
- c. You going into voluntary bankruptcy, receivership, liquidation or administration; or
- d. You entering into a scheme arrangement, debt agreement or arrangement with creditors; or
- e. any public offering of Your Securities; or
- f. the cancellation or suspension of, or the imposing of specific conditions upon, any statutory licence or registration You or an Insured Person is required to hold at law in order to conduct Your Business.

3. Assignment

You must not assign the Policy, or any rights under the Policy, without Our prior written consent by way of Endorsement to the Policy.

4. Claim settlement

If You disagree with a Claim settlement recommended by Us, You may elect to contest such Claim. However, Our liability in respect of the Claim shall not exceed the amount for which the Claim could have been so settled plus the Defence Costs and any other covered Loss incurred up to the date of such election.

5. Conduct of defence/settlement

- a. Unless otherwise agreed, We shall be entitled at any time to take over and conduct in the name of You the investigation, defence and/or settlement of any Claim or legal representation at an Official Inquiry.
- b. You shall not, without Our prior written consent:
 - i. make any offer or admit liability for or settle any Claim or Official Inquiry; or
 - ii. incur any Defence Costs or legal representation costs; or
 - iii. assume any liability or obligation for any Loss for which indemnity is sought under the Policy; or
 - iv. forego, waive, exclude or limit any rights of indemnity or recovery;
- c. We shall not be liable for any Loss, settlement or other liability assumed, or costs and expenses incurred by You without Our written consent and any offer, payment, admission, Loss, settlement made or costs or expenses

incurred without such consent shall not be considered a Loss.

- d. If We assume the conduct of the defence of a Claim or representation at an Official Inquiry and We carry out any investigation regarding such Claim or Official Inquiry without prejudice to the question of indemnity until sufficient facts and information are available to make a decision on the question of indemnity, this does not:
 - i. indicate an Insured is entitled to indemnity under the Policy, or
 - ii. waive or prejudice Our rights (if any) under the Policy.

6. Confidentiality

You or an Insured Person may not disclose to any other party that You have paid, or agreed to pay, a Premium for the Policy. You or an Insured Person must not otherwise disclose to any other party any terms of the Policy, including but not limited to the Limit of Indemnity, the Cover and the Exclusions except to the extent that:

- a. disclosure of the terms of the Policy is required by law;
- b. disclosure is to legal advisors for the purposes of You obtaining Policy Claims advice; or
- c. We may consent in writing to disclosure of the terms of the Policy.

7. Co-Operation/mitigation

- a. You shall, at Your own cost, immediately provide Us such assistance and information as We may reasonably require to enable Us to determine whether or not You are entitled to an indemnity under the Policy, and to enable Us to investigate and defend any Claim, including representation of You or any Insured Person at an Official Inquiry, or investigate any other Claim for indemnity under the Policy.
- b. You shall, at Your own cost, diligently do all things reasonably practicable to avoid or minimise any Loss hereunder.

8. Senior Counsel

If a dispute arises between Us and You and/or an Insured Person as to whether or not to contest any Claim, neither We nor You and/or an Insured Person shall be required to contest such Claim unless a Senior Counsel (to be mutually agreed upon by Us and You or an Insured Person or, failing agreement, the President of the Law Society or equivalent body in the State where Claim is being heard or defended) shall advise that such Claim should be contested. Senior Counsel shall advise having regard to the economics of the matter, the damages and costs which are likely to be recovered against You and/or an Insured Person and the likely Defence Costs that will be incurred in defending the Claim and the prospects of successfully defending the Claim. The costs of Senior Counsel shall be borne by Us. However, no Excess shall apply to those Defence Costs.

9. Notification

You must notify Us of any Claim made against You or Official Inquiry notified to You, during the Period of Insurance as soon as practicable and during the Period of Insurance or Discovery Period, if applicable.

You must give notice of any Claim or Official Inquiry, or other matter in writing, and send it to the TIO Claims Manager, TIO, 24 Mitchell Street, Darwin, NT, 0800.

The cover

1. Individual cover

We will pay to or on behalf of the Insured Person all Loss resulting from a Claim against the Insured Person for any Management Wrongful Act, except to the extent that You are not legally permitted and have not agreed to indemnify the Insured Person. This cover only applies where the Claim is first made during the Period of Insurance and reported to Us in the Period of Insurance, or Discovery Period if applicable.

2. Your reimbursement

We will pay to You or on Your behalf all Loss resulting from a Claim against the Insured Person for any Management Wrongful Act to the extent that You are legally permitted and have agreed to indemnify the Insured Person. This cover only applies where the Claim is first made during the Period of Insurance and reported to Us in the Period of Insurance, or Discovery Period if applicable.

3. Your Liability Cover

We will pay to or on Your behalf all Loss resulting from a Claim against You for any Management Wrongful Act. This cover only applies where the Claim is first made during the Period of Insurance and reported to Us in the Period of Insurance, or Discovery Period if applicable.

4. Legal representation costs

In respect of any Official Inquiry, We will pay legal representation costs of the Insured Person to or on behalf of:

- a. the Insured Person, where You are not legally permitted and have not agreed to indemnify the Insured Person for such legal representation costs; or
- b. You where You are legally permitted and have agreed to indemnify the Insured Person for such legal representation costs.

This cover only applies where the notice compelling the Insured Person's attendance at the Official Inquiry is first served on the Insured Person in the Period of Insurance, or Discovery Period, if applicable.

5. Excess of Limit of Indemnity for all Insured Persons

In the event that the Limit of Indemnity and all other indemnification available to an Insured Person is exhausted, We will automatically extend cover under this Policy for Part A Insuring Clauses 1., 2. and 4. up to the "Excess of Limit of Indemnity" as outlined below.

This cover is only available where:

- a. there is/are no other source or sources of indemnification available to the Insured Person; and
- b. the "Excess of Limit of Indemnity" is up to a maximum of \$1,000,000 in the aggregate for all Insured Persons during the Period of Insurance.

Definitions applicable to Part A of this Section

Bail and Civil Bond Expenses means the premium (but not collateral) for a bond or other financial instrument to guarantee the contingent obligation of an Insured Person for a specified amount required by a court hearing a Claim.

Crisis means any of the following unforeseen events where, in the reasonable opinion of Your managing Director (or equivalent) the event has the potential to cause an immediate and serious effect on the Business of greater than 20% of Your total annual consolidated revenues, if left unmanaged:

- a. the sudden, unexpected death or disability of any Director or Officer;
- b. the sudden loss of a major customer, contract or credit facility;
- c. Employee workplace violence;
- d. the first apparent unauthorised intrusion into Your computer facilities;
- e. a recall or boycott of any product;
- f. a man made disaster; or
- g. any criminal or fraud investigation.

Crisis is not an event that affects generally the industry in which You conduct Your Business.

Joint Venture means any unincorporated enterprise undertaken jointly by You with a Third Party.

Loss means the amount You and/or an Insured Person is legally liable to pay including but not limited to damages, judgments, interest, claimant's costs and expenses and settlements entered into with Our prior written consent.

Media Costs means reasonable fees and expenses of a public relations firm which You and/or an Insured Person engages with Our prior written consent (not to be unreasonably withheld) for the purpose of preventing or limiting potential adverse or negative publicity in respect of a covered Claim or Official Inquiry.

Non-Executive Director means:

- a. any natural person who was or is or during the Period of Insurance becomes a member of Your board; and
- b. who within the last three years:
 - i. has not served as an executive Director for You; and
 - ii. has not been one of Your Employees; and
 - iii. has not received, either directly or indirectly from You, money or benefits of any kind for services given in any capacity except as a Director of You.

Retired Director or Officer means a Director or Officer of Your Business who has ceased to hold any such office prior to the expiry of the Period of Insurance, for any reason other than disqualification, and who has not assumed any similar office with You.

Spouse means any lawful spouse, civil partner or person deriving a similar status by reason of statute or common law.

Transaction is where:

- a. You consolidate with or merge into or sell all or substantially all of Your assets to any other person or entity or group of persons and/or entities acting in concert; or
- b. any person or entity, whether individually or together with any other person or persons, entity or entities becomes entitled to exercise more than 50% of the rights to vote

at Your general meetings or control the appointment of Directors who are able to exercise a majority of votes at Your Board meetings.

Limitations of cover applicable to Part A of this Section

1. Excess

- a. Our liability under Part A of this Section shall apply only to that part of each Loss, which exceeds the Excess as set out in the Schedule for Part A of this Section. Such Excess shall be borne by You and shall remain uninsured.
- b. The Excess with respect to a Claim is inclusive of Defence Costs.
- c. Where We make a payment in respect of a Claim, including for Defence Costs, which includes payment of part or all of the Excess, You shall within 30 days of being notified by Us, reimburse Us for the amount of the Excess paid by Us on behalf of You.

2. Limit of Indemnity

Our total liability for all Claims under Part A of this Section shall not exceed the Limit of Indemnity stated in the Schedule.

For the purpose of this clause, an Official Inquiry is deemed to be a Claim, even if there is no Management Wrongful Act alleged.

Any number of Claims against, or Official Inquiries involving, You and/or an Insured Person which arose out of or are attributable to or connected in any way with a single Management Wrongful Act or the same conduct or a series of the same, related, interconnected or continuous Management Wrongful Acts or conduct shall constitute a single Claim or Official Inquiry for the purpose of Part A of this Section.

Where there is more than one such Claim, all such Claims shall be deemed first made when the earliest such Claim was first made.

Additional benefits to Part A of this Section

1. Automatic Reinstatement of the Limit of Indemnity for Non-Executive Directors

In the event the Limit of Indemnity and all other indemnification available to a Non-Executive Director is exhausted We will reinstate the Limit of Indemnity once, provided that this provision is only available to an Insured Person to the extent an Insured Person is a Non-Executive Director of You.

2. Bail and Civil Bond Expenses

We agree to pay to You or on Your behalf the Bail and Civil Bond Expenses for a period not exceeding 12 months. You must obtain Our prior written consent, which shall not be unreasonably withheld. Our maximum liability, for all such Loss for all Insured Persons, is sub-limited to \$100,000 in the aggregate in any one Period of Insurance.

No Excess applies to this additional benefit.

3. Spousal liability

If a Claim against an Insured Person includes a Claim against an Insured Person's Spouse solely by reason of:

- a. their legal status as a Spouse of an Insured Person; or
- b. ownership or interest in property which the claimant seeks as recovery for alleged Management Wrongful Acts of an Insured Person then:

- i. all Loss which such Spouse becomes legally obligated to pay by reason of such Claim will be treated for purposes of Part A of this Section as Loss which an Insured Person becomes legally obligated to pay on account of the Claim made against an Insured Person;
- ii. all terms and conditions of Part A of this Section, including without limitation the Excess if any, applicable to Loss incurred by an Insured Person in the Claim will also apply to such spousal Loss; and
- iii. the cover provided by this additional benefit does not apply to the extent the Claim alleges any act or omission by an Insured Person's Spouse.

4. Retired Director or Officer

We agree to indemnify any Retired Director or Officer for Claims made against, or Official Inquiries involving, such persons during the 84 months immediately following the expiry of this Period of Insurance, provided that:

- a. the Policy is not renewed or replaced with any other policy affording Directors and Officers or management liability cover; and
- b. a Discovery Period (other than the 30 day automatic Discovery Period) is not invoked.

5. Workplace Health and Safety Laws

Notwithstanding Specific Exclusion 1. "Bodily Injury & Property Damage", under Specific exclusions applicable to Part A and B of this Section, We will pay Defence Costs in respect of any Claim for a Management Wrongful Act, or legal representation costs in respect of an Official Inquiry, involving conduct which, if established, would constitute a breach of Workplace Health and Safety legislation.

For the sake of clarity this additional benefit does not apply to workers' compensation claims.

Extra covers to Part A of this Section

1. Advancement of Defence Costs

We shall advance Defence Costs for a Claim or costs for an Official Inquiry, as incurred with Our prior written consent, within a reasonable time of receipt by Us of an invoice from defence counsel and prior to final disposition or adjudication.

If it is not possible for You and/or an Insured Person to obtain Our consent prior to incurring of Defence Costs or costs for an Official Inquiry, We will waive prior consent as long as Our consent is obtained within 15 days of such costs or expenses first being incurred.

If at any time a Claim or Official Inquiry, or part thereof, is determined by Us to be outside the scope of indemnity provided by Part A of this Section, including as determined pursuant to Specific conditions applicable to Part A & B of this Section "1. Allocation of Loss", We reserve the right to recover any Defence Costs or costs for an Official Inquiry paid under this extra cover from You to the extent that is established by final adjudication, that You were not entitled to indemnity under Part A of this Section.

However, if and to the extent that You and/or an Insured Person are not entitled to cover for Loss under the terms of Part A of this Section, then We will cease to make any such advances and

any amounts previously advanced shall be repaid to Us by You and/or an Insured Person, according to Your and/or an Insured Person's respective rights and interests.

If a Claim alleges a Management Wrongful Act, or illegal or improper conduct, as described in the Specific exclusions applicable to Part A of this Section "3. Dishonesty or Improper Conduct", then We will advance Defence Costs in respect of such Claim until an admission by You, a final judgment or other final adjudication that You did in fact commit such Management Wrongful Act or engage in such conduct.

2. Continuous cover

Notwithstanding Specific exclusions applicable to Part A & B of this Section "5. Known, prior or pending Claims", We will provide cover under this Section Part A for Loss from Claims arising from facts known to You and/or an Insured Person prior to the Period of Insurance, provided that:

- a. You and/or an Insured Person first became aware of the facts that gave rise to the Claim prior to Period of Insurance; and
- b. You and/or an Insured Person have maintained uninterrupted coverage with Us since You first became aware of the fact that gives rise to the Claim; and
- c. Part A of this Section of the Policy is a replacement or renewal of the policy You and/or an Insured Person held with Us when You and/or an Insured Person first became aware of the fact that gave rise to the Claim in accordance with clause a. above; and
- d. there has been no fraudulent non-disclosure or fraudulent misrepresentation by You and/or an Insured Person; and
- e. the cover provided under this extra cover will be in accordance with the terms of Part A of this Section of the Policy.

3. Court Attendance Reimbursement

Where an Insured Person is legally compelled to attend Court to give evidence in connection with a Claim covered by the Policy, We agree to pay a daily amount of \$250 in respect of that Insured Person's attendance. The sub-limit of indemnity for all payments in the aggregate under this extra cover is \$100,000 for all Insured Persons in any one Period of Insurance.

No Excess applies to this extra cover.

4. Crisis Management Costs

We agree to pay to You or on Your behalf the reasonable costs and expenses paid by You for external crisis management services provided in response to a Crisis within the first 30 days after the Crisis. The entity or person providing the services, and their fees and expenses, must first be approved by Us. We are not liable for any fees and expenses incurred by You without our prior approval, not to be unreasonably withheld.

The sub-limit of indemnity for this extra cover for all such costs and expenses in respect of all Crises, is \$100,000 in any one Period of Insurance.

No Excess applies to this extra cover.

5. Fines & Penalties Cover

We agree to cover as Loss, to the extent permitted by law, any fines and penalties imposed upon You and/or the Insured Person in the jurisdictions of, and under the laws of, Australia on account of any Claim, with the exception of fines and penalties:

- a. which are uninsurable at law or are imposed in respect of conduct the insurance of which is against public policy; or
- b. arising directly or indirectly from a requirement to pay taxes, duties, rates, levies, charges, fees or any other revenue raising measure; or
- c. imposed where You and/or the Insured Person knew, or where a reasonable person ought reasonably to have known, prior to the Period of Insurance that You and/or the Insured Person had committed an offence under law; or
- d. imposed pursuant to any law regulating air, marine or vehicular traffic; or
- e. imposed by reason of conduct that is established by final adjudication to have been reckless, grossly negligent or a knowing violation of any law or regulation.

In the event of any conflict between this extra cover and the Specific exclusions applicable to Part A & B of this Section "1. Bodily Injury & Property Damage", "2. Geographical limits" and "6. Pollution" and the Additional benefits to Part A of this Section "5. Workplace Health and Safety Laws this additional benefit shall apply.

The total payable under this extra cover shall not exceed \$250,000 in the aggregate combined for You and all Insured Persons in any one Period of Insurance.

6. Joint Venture Liability

We agree to extend cover to Claims resulting from Your participation in any Joint Venture,

Provided that:

- a. the cover given will only relate to Your proportion of any liability incurred by such Joint Venture; and
- b. Your income derived from participation in such Joint Venture shall have been included in the calculation of income furnished by You for the purposes of calculating the premium for this Policy.

7. Media Costs

We agree to pay Media Costs of You or any Insured Person against which or whom a Claim is made and which is covered by the Policy. The sub-limit of indemnity for all payments under this extra cover is \$100,000 in the aggregate for all Claims combined for You and all Insured Persons in any one Period of Insurance.

No Excess applies to this additional benefit.

8. Discovery Period

An automatic Discovery Period of 30 days is provided in some circumstance. Refer to Optional benefits applicable to Part A of this Section "1. Discovery Period" below for details of the circumstances, terms and conditions applicable to this extra cover.

Optional benefits applicable to Part A of this Section

1. Discovery Period

If We refuse to offer any renewal terms for the Policy at the end of the Period of Insurance for any reason other than non-payment of premium or fraudulent nondisclosure or misrepresentation, then You shall be entitled to:

- a. an automatic Discovery Period of 30 days with no additional premium payable; or
- b. purchase a Discovery Period of 12 months, upon Your written request to do so within 30 days following the end of the Period of Insurance at an additional Premium determined by Us.

If a Transaction occurs, You may purchase a Discovery Period of up to 72 months. This is at Our discretion, and conditional upon:

- a. Your written request to do so within 30 days following the end of the Period of Insurance or the effective date of the Transaction, whichever is the earlier; and
- b. payment of the additional premium determined by Us within 30 days of Our request for the additional premium; and
- c. the Policy not being replaced by any other policy or policies affording substantially the same cover as the Policy.

If a Discovery Period is effected, We will issue You with an Endorsement confirming the applicable Discovery Period and any additional premium payable. If a Discovery Period is effected, the Limit of Indemnity shall not be increased in any way. A Discovery Period may not be cancelled by You and the additional premium for a Discovery Period is not refundable.

Specific exclusions applicable to Part A of this Section

We shall not be liable under this Part A of this Section for any Loss for any Claim:

1. Asbestos

directly or indirectly arising out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

2. Consensual Claims

made, brought or maintained by or on behalf of any person or entity with the solicitation, co-operation or assistance of any Insured Person.

3. Dishonesty or Improper Conduct

which involves You and/or the Insured Person:

- a. committing or permitting any criminal, fraudulent, dishonest or malicious act;
- b. knowingly, wilfully or recklessly violating any obligation, contract, law or regulation;
- c. gaining any personal profit or advantage to which You and/or the Insured Person were was not legally entitled;
- d. having been improperly involved in any Securities transaction by using information that is/was not available to other sellers or purchasers of such Securities.

- e. having been improperly involved in any Securities transaction by using information that is/was not available to other sellers or purchasers of such Securities; or
- f. engaging in any conduct, breach or contravention which is subject to the prohibition in Section 199B of the Corporations Act 2001 (Cth).

This exclusion will only apply where the conduct in question has been established by admission, court judgment or other final adjudication. No fact pertaining to conduct of, or knowledge possessed by, You and/or an Insured Person will be imputed to any other Insured Person and/or You to determine whether any part of this exclusion applies.

This exclusion shall not apply in relation to Defence Costs, or legal representation costs, in respect of additional benefit of Part A of this Section "5. Workplace Health and Safety Laws" or Extra Covers to Part A of this Section "1. Advancement of Defence Costs".

4. Employment Practice Breaches

arising from, attributable to or in any way connected with an Employment Practices Breach.

5. Restrictive Trade Practices

resulting from Claims against You and/or an Insured Person arising directly or indirectly from or in respect of any alleged or actual restrictive trade practices including but not limited to, Part IV of the Competition and Consumer Act 2010 (Cth) or tortious interference with any other party's business or contractual relationship.

6. You versus Insured Person

brought or maintained by You. This exclusion does not apply to:

- a. Defence Costs of any Insured Person; or
- b. any Claim:
 - i. by a liquidator, administrator or receiver; or
 - ii. arising from a shareholder derivative action, which has been brought or maintained without the solicitation or participation of any Insured Person.

7. Breach of Professional Duty

arising from:

- a. the rendering or failure to render professional services and/or professional advice; or
- b. a breach or alleged breach of any contract for the provision of professional services and/or professional advice.

8. Major Shareholders

directly or indirectly brought or maintained by or on behalf of any shareholder of You:

- a. where, at the time of the Management Wrongful Act, such shareholder held (20%) or more of Your issued share capital either directly or beneficially; or
- b. where, at the time of the Management Wrongful Act, the shareholder had any representation on Your board of Directors.

Specific exclusions relating to Cover Clause 3 – Your Liability Cover

In addition to the Specific exclusions applicable to Part A of this Section, We will not pay for any Loss under Cover Clause 3 “Your Liability Cover” in respect of any Claim directly or indirectly:

- a. arising from or attributable or related to any actual or alleged breach of any law, whether statutory, regulatory or common law, relating to any trust, business competition, price fixing, unfair or restrictive trade practice or tortious interference in any other party’s business or contractual relationships;
- b. in respect of any actual or alleged misappropriation, plagiarism or infringement of any trade mark, trade secret, patent, copyright or any other intellectual property rights;
- c. arising out of any actual or alleged violation of any responsibilities, obligations or duties protecting or regulating any superannuation, pension or similar fund;
- d. arising from, attributable to or in any way connected with any actual or alleged trading or business debt incurred by You or any guarantee given by an Insured Person for any debt;
- e. arising from, attributable to or in any way connected with any duty, obligation or liability assumed by You under any contract, warranty, guarantee or indemnity, unless such duty, obligation or liability would have existed in the absence of such assumption;
- f. arising from or attributable or related to any actual or alleged obligation pursuant to any law, regulation, industrial agreement in respect of workers compensation, workplace health and safety, disability benefits, unemployment benefits or compensation, retirement benefits, social security benefits or any similar law or regulation whatsoever; or
- g. arising from or attributable or related to any actual or alleged breach of any environmental protection legislation or regulation whatsoever.

Part B – Employment Practices Liability

The cover

1. Employment Practices Breach

We will pay to You or on Your behalf all Loss resulting from a Claim against You for any Employment Practices Breach. This cover only applies where the Claim is first made during the Period of Insurance and reported to Us in the Period of Insurance.

2. Third Party Discrimination and Sexual Harassment Cover

We will pay to You or on behalf of You all Loss resulting from a Claim made by a Third Party against You for Discrimination or Sexual Harassment, up to the sub limit of \$50,000 in the aggregate for all Claims during the Period of Insurance.

This cover only applies where the Claim is first made during the Period of Insurance and reported to Us in the Period of Insurance.

Definitions applicable to Part B of this Section

Discrimination means discrimination as a result of race, religion, sex, marital status, age, intellectual impairment, disability or otherwise (unless insurance thereof is prohibited by law).

Employment Benefits means, but is not limited to:

- a. non-monetary benefits to the allocation of a company car, travel allowance, mobile or landline telephone, medical or life insurance expenses, education and training allowances, and equipment allowances;
- b. stock, shares, stock options, share options or any entitlement or right under any employee plan of any description;
- c. participation in any stock, share option or share option plan, or participation in any employee plan of any description;
- d. severance or redundancy payments or entitlements;
- e. any benefit, payment or entitlement of any kind in respect of paid or unpaid leave;
- f. bonus or incentive payments, or any entitlement or right under a bonus or incentive plan (which, for the avoidance of doubt, does not include any payments, entitlement or right under any commission scheme);
- g. payments or contributions in respect of any provident, benefit, superannuation, pension or retirement fund, or any other account, fund, scheme or plan intended to provide benefits, in whole or in part, at retirement or a particular age, or on the happening of a particular event; or
- h. any amount You pay or are ordered to pay pursuant to any determination or settlement in respect of an allegedly unfair contract, notwithstanding that You acted in accordance with the terms of the employment contract.

Loss means any amount which You become legally obligated to pay on account of any Claim made during the Period of Insurance. Such Claim must be made against You for an Employment Practices Breach or Discrimination or Sexual Harassment for which cover applies, including, but not limited to damages, judgments settlements and Defence Costs.

Loss does not include:

- a. any amount for which You are absolved from payment;
- b. taxes, fines or penalties imposed by law;
- c. the multiple portion of any multiplies damage award or punitive or exemplary damages; or
- d. any other amount which is uninsurable under the law pursuant in relation to the cover provided buy Part B of this Section.

Sexual Harassment means any unwelcome sexual conduct, advances, contact or communications including requests for sexual favours.

Limitations of cover applicable to Part B of this Section

1. Excess

- a. Our liability under Part B of this Section shall apply only to that part of each Loss, which exceeds the Excess as set out in the Schedule for Part B of this Section. Such Excess shall be borne by You and shall remain uninsured.
- b. The Excess with respect to a Claim is inclusive of Defence Costs.
- c. Where We make a payment in respect of a Claim, including for Defence Costs, which includes payment of part or all of the Excess, You shall within 30 days of being notified by Us, reimburse Us for the amount of the Excess paid by Us on behalf of You.

2. Limit of Indemnity

Our total liability for all Claims under Part B of this Section shall not exceed Limit of Indemnity stated in the Schedule.

For the purpose of this clause, an Official Inquiry is deemed to be a Claim, even if there is no Employment Practices Breach or Discrimination or Sexual Harassment alleged.

Any number of Claims against, or Official Inquiries involving, You and/or an Insured Person which arose out of or are attributable to or connected in any way with a single Employment Practices Breach or Discrimination or Sexual Harassment or the same conduct or a series of the same, related, interconnected or continuous Employment Practices Breaches or Discriminations or Sexual Harassments or conduct shall constitute a single Claim or Official Inquiry for the purpose of Part B of this Section.

Where there is more than one such Claim, all such Claims shall be deemed first made when the earliest such Claim was first made.

Optional benefits applicable to Part B of this Section

1. Discovery Period

If We refuse to offer any renewal terms for the Policy at the end of the Period of Insurance for any reason other than non-payment of premium or fraudulent nondisclosure or misrepresentation, then You shall be entitled to:

- a. an automatic Discovery Period of 30 days with no additional premium payable; or
- b. purchase a Discovery Period of 12 months, upon Your written request to do so within 30 days following the end of the Period of Insurance at an additional Premium determined by Us.

If a Discovery Period is effected, We will issue You with an Endorsement confirming the applicable Discovery Period and any additional premium payable. If a Discovery Period is effected, the Limit of Indemnity shall not be increased in any way. A Discovery Period may not be cancelled by You and the additional premium for a Discovery Period is not refundable.

Specific exclusions application to Part B of this Section

We shall not be liable under this Part B of this Section for any Loss for any Claim:

1. Employment Benefits

in connection with Employment Benefits.

2. Industrial Action

- a. involving a lockout, strike, picket line, stand down, related worker replacement(s) or other similar actions resulting from industrial disputes or negotiations; or
- b. involving industrial disputes other than industrial disputes relating to an unfair dismissal comprising an application by an Employee on the basis that termination of employment is harsh, unjust or unreasonable.

3. Compliance/Non-Compliance

- a. for or in connection with the cost of complying with any injunctive or other non-monetary relief or any agreement to provide any such relief; or
- b. for non-compliance with any judgment, award, determination or demand against You issued or published by any court or statutory body.

4. Workplace changes

for any costs incurred arising from any requirement for physical modifications to Your premises, fixtures, fittings, plant or equipment or changes to Your usual Business operations.

5. Unfair Contract

for or in connection with an allegedly unfair contract of employment.

Part C – Crime

The cover

We will pay You in accordance with the Basis of Settlement for any loss of Property caused by Employee Dishonesty, provided that:

- a. the loss happens during the Period of Insurance;
- b. the loss is discovered not later than 12 months after the expiry of the Period of Insurance or not later than 12 months after the termination of the employment of the Employee, whichever occurs first;
- c. the Sum Insured shown in the Schedule under this Section will be reduced by the total of any claims payable by Us for losses resulting from the fraudulent or dishonest conduct of that Employee in any period before the current Period of Insurance; and
- d. We will not be liable for more than the Sum Insured for shown in the Schedule in respect of all losses suffered during the Period of Insurance.

Definitions applicable to Part C of this Section

Employee means any person who is employed by You in the Business who You compensate by salary, wages, commission or other benefit and have the right at all times to govern, control and direct in the performance of their work. An Employee does not include:

- a. a partner, director or trustee unless they are acting in their capacity as an employee; or
- b. any broker, factor, consignee or contractor.

Employee Dishonesty means the unlawful taking of Property by Your Employee, whether acting alone or in collusion with others, with the intent to:

- a. cause loss to You; or
- b. benefit any person or organisation other than You.

Property means any property, including Money, that belongs to You or which You are legally responsible for.

Basis of Settlement applicable to Part C of this Section

The Basis of Settlement will be:

1. for Property other than Money, We will at Our option:
 - a. pay to You the amount of the loss of Property; or
 - b. reinstate or replace the Property, so that the function, output and construction are similar to the Property when it was new, by repairing it or at Our option replacing that part of the Property with similar new property;
2. for Money, We will pay to You the amount of Your loss. Provided that:
 - a. We will not pay more than the Sum Insured shown in the Schedule for in respect of all losses suffered during the Period of Insurance;
 - b. for Property other than Money, after payment for or replacement of any lost Property, that Property, if recovered will belong to Us subject to Your right to reclaim it upon repayment of any amount paid by Us; and

- c. for Money, any recovery made either by You or by Us after settlement of the claim will first be applied to any uninsured loss borne by You.

Limitations of cover applicable to Part C of this Section

1. Excess

We will not pay the amount of the Excess shown in the Schedule for this Section.

2. Accumulation of Sum Insured

Any amount payable to You under this Section will not accumulate with any other cover that may be available for the same loss under Theft and/or Money Sections of the Policy.

Additional benefits applicable to Part C of this Section

Consequent upon a claim being admitted, We will also:

1. Automatic reinstatement

reinstate the Sum Insured to the original amount immediately preceding such claim subject to the payment of any extra premium We may require, provided that We will not be liable more than once for the Sum Insured stated in the Schedule for any loss that arises out of the act or acts of any one Employee or for which that Employee is concerned or implicated by acting in concert with any other person.

2. Cost of recovery

pay up to an additional 20% of the Sum Insured for costs and expenses You have reasonably incurred with Our permission in an attempt to recover Property that has been lost as a result of Employee Dishonesty. We may withhold Our consent for recovery if, in Our opinion, the attempted recovery is not economically viable.

Specific exclusions applicable to Part C of this Section

We will not pay for:

1. any loss or part of a loss the proof or quantification of which depends upon any shortage revealed by or inconsistency in any accounting records, an inventory computation or enumeration, a comparison of inventory records with an actual physical count, or a profit and loss computation;
2. any loss arising from the conduct of an Employee after You have knowledge or information of any prior act of fraud or dishonesty by that Employee;
3. any loss arising from a failure to make payment of or default under any loan or credit transaction obtained from or made by You whether authorised or unauthorised unless there is fraud or dishonesty by an Employee;
4. any loss arising out of a change or variation in the method of conducting the Business that results in information furnished to Us in any Proposal or application for this insurance or any supporting documentation being different in some material degree.
 5. a. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data,
 - b. error in creating, amending, entering, deleting or using Electronic Data; or

- c. total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all, from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

Specific conditions applicable to Part C this Section

If You do not meet the following conditions, We may reduce or refuse to pay a claim.

1. Checks and precautions

You must perform all checks or precautions described by You in any Proposal for this insurance or any documentation supporting the Proposal.

2. Change in Business arrangements

You must inform Us immediately in writing and obtain Our written consent if there has been any change in the ownership of the Business without Our prior written consent.

3. Claims against Employee

In the event of any loss being discovered You must, to the extent allowed by law, retain all salary, commission moneys or assets that are the property of the Employee in respect of whose conduct a claim is made and which are or may come within Your control and You must apply them towards making good the amount of the loss.

4. Dishonest Employee

You must give to Us written notice immediately upon the discovery of any conduct that is fraudulent or dishonest by any Employee or of reasonable cause for suspicion as to any such conduct or of any lack of integrity by an Employee whether giving rise to a claim or not. We will not pay for any loss occurring after the date of discovery of such conduct.

Part D – Tax Audit

The cover

We will insure You for the Professional Fees reasonably and necessarily incurred within Australia in connection with an Audit which commences during the Period of Insurance.

We will not pay You more than the Sum Insured shown in the Schedule for this Section Part D – Tax Audit during any one Period of Insurance.

Definitions applicable to Part D of this Section

Audit means the investigation of Your Business' current and prior years' financial affairs by an Australian statutory authority following lodgement of Your return and the making of an assessment (including a self-assessment) regarding Your obligation to pay:

- a. income tax;
- b. fringe benefits tax;
- c. capital gains tax;
- d. wholesale and sales tax;
- e. payroll tax;
- f. goods & services tax; or
- g. superannuation contributions tax.

For the purpose of Part D of this Section, the Audit commences at the time You first receive notice that the Auditor proposes to conduct an Audit, and is completed when the Auditor:

- a. has given written notice to You to that effect;
- b. notifies You that they have made findings in connection to an Audit and notified You of those findings and/or the actions the Auditor proposes to take in connection with those findings; or
- c. has issued an assessment or amended assessment as to Your liability to pay an amount under any relevant legislation.

Auditor means an officer of a statutory authority who is properly authorised to conduct the Audit.

Professional Fees means:

- a. fees paid to registered tax agents, financial advisers, company auditors, accountants and solicitors who are not Your employees, for the preparation of evidence to be submitted to the Auditor;
- b. fees charged to You for preparation of evidence by Your financial service providers;
- c. overtime paid by You to Your employees to prepare for or represent You in any Audit; and
- d. travelling and accommodation expenses incurred by You or Your employees in order to attend an Audit.

Excess

You will bear as an uninsured contribution of the greater 10% of all Professional Fees incurred or the amount shown in the Schedule in respect of each claim under Part D of this Section. All payments of Professional Fees made by Us in settlement of a claim under Part D of this Section will be exclusive of Your

contribution which is to be paid by You directly to the supplier(s) of the service for which Professional Fees are payable.

Specific exclusions applicable to Part D of this Section

We will not pay:

- a. for any legal liability, court costs, fines, penalties, tax, penalty tax or interest;
- b. for any routine enquiries or enquiries made by an Auditor which are not identified as being either preliminary to or relating to an Audit;
- c. for Professional Fees incurred:
 - i. prior to the commencement of the Audit;
 - ii. after the Audit has been completed;
 - iii. due to Your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by an Auditor. Refusal or failure to comply will not be deemed to be improper, unwarranted or unjustified if You refuse or fail to comply upon the written advice of Your accountant or solicitor;
 - iv. from Audits or investigations under customs legislation;
 - v. from Audits which You were notified of or knew of prior to the Period of Insurance;
 - vi. from Audits of income received or earned, or where the source of income is, outside Australia or where the service giving rise to the claim are performed by people or entities ordinarily resident outside Australia;
 - vii. from any fraudulent act or omission committed by You or on Your behalf or by Your employee(s);
 - viii. which are ordinarily associated with the maintenance and upkeep of Your Business accounts, returns, taxation and financial records and the preparation prior to lodgement of Your accounts, returns, taxation and financial records as required by any relevant legislation;
 - ix. more than twelve (12) months after the commencement of the Audit, unless You can show that completion of the Audit has been delayed as a result of the conduct of the Auditor;
- d. if the return in relation to which the Audit is proposed to be conducted was not reviewed by an accountant prior to dispatch;
- e. if the final assessment of Your taxable income for the period being Audited is more than 20% higher than the taxable income which You originally declare; or
- f. if You have not maintained all records that You are required to maintain or should or would maintain in the ordinary course of Your Business.

Specific conditions applicable to Part D of this Section

1. Errors

If You or any person acting on Your behalf becomes aware of any error in any return of income or other documents supplied to a statutory authority, You must notify the statutory authority without delay.

2. Conduct during the Audit

You agree to:

- a. keep Us fully informed of all material matters in relation to the Audit;
- b. send Us copies of all correspondence in relation to the Audit within five (5) working days of receiving them;
- c. instruct Your accountants and solicitors to provide Us with all relevant documents and information in relation to the Audit; and
- d. permit Us, when necessary, to instruct Your accountants and solicitors in matters relating to the Audit. When We do this, the Professional Fees will include the fees payable to Your accountants and solicitors arising from Our instructions of them. This does not mean We will take over or represent You in the Audit or investigation.

3. Income disclosure

You must make full and complete disclosure of all income (including capital gains), turnover and expenses required by any tax legislation. If the final assessment of Your taxable income for the period being audited is more than 20% higher than the taxable income which You originally declare, We will not pay any of Your claim.

4. Tax returns

You must submit all returns and documents within the time limits prescribed by all relevant statutes or regulations or within any extensions of time as lawfully granted by the relevant statutory authority.

We or Our duly appointed agent may conduct Our own investigation in to any matter which is or may be the subject of a claim under Part D of this Section the Policy.

The cover

We will pay You in accordance with the Basis of Settlement if Property Insured for the applicable cover type shown in the Schedule under this Section is Damaged during the Period of Insurance, whilst in Transit anywhere in Australia.

Cover types

Part A

Where "Part A – Fire, collision and overturning" is shown as insured on the Schedule, the cover will be:

Damage to any Property Insured following fire, Flood, lightning, earthquake, riots, strikes, civil commotion, collision and/or overturning of the Conveyance.

Part B

Where "Part B – Fire, collision and overturning and theft" is shown as insured on the Schedule, the cover will be:

Damage to any Property Insured following fire, Flood, lightning, earthquake, riots, strikes, civil commotion, collision and/or overturning of the Conveyance or theft from a locked vehicle following forcible and violent entry.

Part C

Where "Part C – All Risks not excluded" is shown as insured on the Schedule, the cover will be:

Loss or Damage (not otherwise excluded in this Section under "Specific exclusions" or under "General exclusions" applicable to all Sections of Your Policy), including general average and salvage charges adjusted or determined according to the contract of affreightment and/or governing law or practice.

Definitions applicable to this Section

Conveyance means the vehicle, vessel, Aircraft or train by which the Property Insured is being transported.

Transit means the period commencing when the Property Insured is first moved from a place of storage for the specific purpose of loading onto the Conveyance and continues during the ordinary course of transit within Australia and terminates when:

- a. the Property Insured is last moved when being delivered to the intended destination or such other place as You may instruct; or
- b. the normal course of transport is interrupted at Your (or the seller/purchaser's) election for the purposes of storage, allocation or distribution.

Transit includes any transit to or from and while the Property Insured is at any premises for the purpose of packing or preparation for shipment for a period of up to one month prior to shipment. Transit excludes any period of dismantling, erection, commissioning or installation prior to or post transit as defined above.

Basis of Settlement applicable to this Section

Subject to the proviso below, the Basis of Settlement will be:

1. where Property Insured has been Damaged and cannot be economically repaired, We will pay:

- a. for goods sold – Your invoice value;
 - b. for goods purchased – the purchase price as shown on the invoice;
 - c. for market produce – the average price of the particular produce at the intended market on the intended date of sale plus the costs of freight for which You are liable; or
 - d. for all other Property Insured, the cost necessary to reinstate or replace the Damaged Property Insured less depreciation taking into consideration its age, condition, and remaining useful life.
2. Where Property Insured has been Damaged and can be economically repaired, We will pay the cost necessary to reinstate or repair the Damaged Property Insured to a condition substantially the same as, but not better or more extensive than, its condition at the time of the Damage.

For each category of Property Insured in 1. or 2., We will also pay the cost of freight where that cost has not already been included in the calculated settlement values.

Branded Goods

Any salvage of branded goods and/or merchandise owned by You or for which You are legally liable and/or goods sold but not delivered shall not be disposed of by sale without Your consent. If such salvage is not disposed of by sale, the goods may be retained by You and disposed of as You see fit provided a reasonable salvage allowance is agreed with Us for the value of goods and this allowance to be deducted from the claim settlement.

Labelled Goods

In the case Damage affecting labels and/ or capsules and/or wrappers of the Property Insured, the loss is to be limited to an amount sufficient to pay the cost of new capsules, and the cost of re-labelling, rewrapping and reconditioning the Property Insured, provided that the loss or Damage amounts to a claim under the terms of this Section. In no case shall We be liable for more than the insured value of the Damaged goods.

Limitations of cover applicable to this Section

1. Per Conveyance Limit

We will not pay more than the "Per Conveyance Limit" shown in the Schedule for any one event.

2. Excess

You are liable for the Excess for each and every event that results in Damage.

Specific exclusions applicable to this Section

We will not pay for any Damage or expense arising directly or indirectly out of or in any way connected with:

1. Transit of Property Insured other than Transit within Australia or where applicable, sea or air passages within Australian Territorial Waters or airspace between Australian ports or places;
2. Perils exclusions
 - a. Your wilful misconduct;

- b. ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the Property Insured;
- c. insufficiency or unsuitability of packing or preparation of the Property Insured (including stowage in a container or lift-van, but only when such stowage is carried out prior to the commencement of cover under this Section by You or Your employees);
- d. inherent vice or nature of the Property Insured;
- e. delay, (including delays caused by an event insured for the selected Cover type, other than expenses payable for general average and salvage charges), loss of market, depreciation or deterioration;
- f. insolvency or financial default of the owners, managers, charterers, or operators of the Conveyance;
- g.
 - i. unseaworthiness of the vessel or craft; or
 - ii. unfitness of any other Conveyance, container or liftvan for the safe carriage of the Property Insured.

We will pay if You are able to prove that You or Your employees did not know of the unseaworthiness or unfitness of the Conveyance, at the time the Transit commenced;
- h. capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempted threat;
- i. the Conveyance being driven by any person whose faculties are impaired by any drug or intoxicating liquor or by any person who is convicted of driving, at the time the Damage occurs, under the influence of intoxicating liquor or any drug by any person with a percentage of alcohol or drugs in their breath or blood in excess of the percentage permitted by law. However, We will pay if You are able to prove that You did not know that the driver of the Conveyance was so affected;
- j. theft unless there has been visible proof of forcible and violent entry;
- k. any unexplained shortage or disappearance; or
- l. any loss from an unattended vehicle:
 - i. left overnight unless within securely locked premises;
 - ii. otherwise unless securely locked;

3. Property exclusions

- a. Money, jewellery, watches, furs, antiques, paintings, works of art, precious metals, precious stones or articles composed of any of them, explosives, petroleum products in bulk or gas in bulk, livestock, cigarettes, tobacco, wines, spirits or other alcoholic beverages, unless specifically covered in the Schedule; or
- b. goods carried by You for payment or reward.

Specific conditions applicable to this Section

The following specific conditions apply to this Section in addition to the General Terms and Conditions. In the event of Damage to Property Insured under this Section You and Your agents must:

1. Claims Procedure

- a. claim immediately on the carrier;
- b. give immediate notice to Us or Our agents;
- c. not give clean receipts where goods are in doubtful condition, except under written protest; and
- d.
 - i. take such measures as may be reasonable for the purpose of averting or minimising such loss; and
 - ii. ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised.

2. Pairs and sets

in the event of Damage to Property Insured forming part of a pair or set, We will not pay any more than the value of the part which is lost or Damaged;

3. No cover for carrier

cover will not be provided for the benefit of the carrier or other bailee;

4. Waiver

measures taken by You or by Us with the object of saving, protecting or recovering the Property Insured will not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party;

5. Action within reasonable time

You will act within a reasonable time with regard to all circumstances within Your control;

6. Records

You will keep an accurate record of sales turnover and allow Us reasonable access to inspect those records; and

7. Constructive Total Loss

We will not pay Your claim for constructive total loss unless the Property Insured is reasonably abandoned:

- a. due to their actual total loss appearing to be unavoidable; or
- b. the cost of completing the Transit of the Property Insured (including recovery, reconditioning and forwarding) would exceed the value of the Property Insured on arrival.

Commercial Motor Section

Summary of covers

Summary of covers available	Benefits of cover available
Comprehensive	Part A – Loss or Damage to Your Vehicle Part C – Third Party Property Damage
Fire and Theft	Part B – Fire and Theft Part C – Third Party Property Damage
Third Party Property Damage only	Part C – Third Party Property Damage

The above is a limited summary only and as such does not form part of the terms of Your insurance. All cover is subject to the applicable sum insured, limit of indemnity, other limits and sub-limits and terms, conditions, exclusions and limitations that are not listed in the summary. You should read the Policy carefully to fully understand the extent of cover provided.

Definitions applicable to this Section

Accident and Accidental means a sudden event which is an unintended, unforeseen or unexpected happening that is unintentional from Your or the driver of Your Vehicle's standpoint. It includes a series of Accidents arising out of the same Accident.

Agreed Value means the amount shown in Your Schedule for which We agree to cover Your Vehicle and applies to comprehensive cover of sedans or station wagons, four wheel drives, vans or utilities.

This amount includes standard accessories, aftermarket accessories and modifications, specified in the Schedule, that the manufacturer supplies as standard equipment with Your Vehicle.

Caravan or Trailer means the registered caravan or trailer shown in Your Schedule.

Caravan or trailer does not include:

- a caravan permanently on site or which is used as a permanent residence, or
- a motorised caravan, campervan, or motor home.

Damage(d) means physical loss or destruction.

Dangerous Goods means substances which are shown in the Australian Dangerous Goods Code (or equivalent or replacement thereof).

Employee(s) means a person(s):

- employed by You;
- apprenticed to You;
- deemed to be Your employee by any applicable law;
- hired or seconded from another party by You; or
- an executive director or officer of Your Business.

Excess means the amount shown in Your Schedule which You must pay when You make a claim under Your Policy. The basic excess will apply separately to each vehicle and each claim on the vehicle.

Family means:

- Your spouse or de facto spouse, and

- Your children or the children of Your spouse or de facto spouse, who ordinarily live with You. A "de facto spouse" means a person whether of the same sex or not, who ordinarily lives with You in a genuine personal and domestic relationship similar to the relationship of husband and wife.

Gross Vehicle Mass means the maximum legally allowed weight of Your Vehicle and the goods it can legally carry.

Malicious Damage means intentional Damage done to Your Vehicle by someone else without Your consent.

Market Value means the value We determine as being the amount of money it would cost to buy a vehicle of the same make, model, age and condition of Your Vehicle immediately prior to the loss or Damage but excluding costs and charges for vehicle registration, compulsory third party insurance, stamp duty transfer, dealer warranty costs, allowance for dealer profit or transfer fees.

This amount includes standard accessories, aftermarket accessories and modifications, specified in Your Schedule, that the manufacturer supplies as standard equipment with Your Vehicle.

Personal Property means personal items designed to be worn or carried, but not:

- cheques, money, credit cards or negotiable instruments, or
- firearms, or
- tools or items used in connection with a business or occupation, or
- mobile phones.

Substitute Vehicle means a vehicle not belonging to You which is used by You with the consent of the owner whilst Your Vehicle cannot be used because it is undergoing repair or service.

Total Loss means Your Vehicle is so badly Damaged that it would not, in Our sole opinion, be either safe or economical for Us to repair.

We will not treat a vehicle as uneconomical to repair if the salvage value to Us plus the cost of repairs to Us is less than the:

- replacement value – where a total loss gives You the right to a replacement Vehicle under the Policy, or
- Agreed Value – if Your Vehicle is insured for an Agreed Value, or
- Market Value – if Your Vehicle is insured for Market Value, or
- Sum Insured or Market Value – if Your Vehicle is insured for the Sum Insured value, unless otherwise notified to You by Us in writing.

Vehicle means the motor vehicle(s), mobile machine(s) and/or Trailer(s):

- described on Your Schedule or other documents forming the Policy; or
- otherwise specifically covered by the Policy, and;
- any manufacturers' tools, accessories, equipment and options fitted to them as standard by the manufacturer; including built in entertainment or multimedia audio or satellite navigation equipment attached to or within Your Vehicle; and

- any agreed non-manufacturer accessories or equipment fitted to them which are noted on Your Schedule or otherwise specifically covered by the Policy.

Part A – Loss or Damage to Your Vehicle (Comprehensive)

The cover

If during the Period of Insurance Your Vehicle:

- suffers Accidental Damage, including Damage caused by fire, hail, Flood, storm or earthquake; or
- is lost by theft and not found; or
- suffers Malicious Damage.

We will, at Our option:

- replace, reinstate or repair Your Vehicle; or
- pay You the reasonable cost to repair Your Vehicle to its condition before it was Damaged; or
- if Your Vehicle is a Total Loss, and Your Schedule shows that Your Vehicle is insured for Market Value or Sum Insured, We will pay You the Market Value or the Sum Insured whichever is the lesser.
- If Your Vehicle is a Total Loss, and Your Schedule shows that Your Vehicle is insured for Agreed Value, then We will pay You the Agreed Value as shown in Your Schedule.

Additional benefits applicable to Part A of this Section (Loss or Damage to Your Vehicle (Comprehensive))

We will pay You the additional benefits following loss or Damage to Your Vehicle insured under Part A during the Period of Insurance of this Policy, providing the loss or Damage exceeds the relevant Excesses payable by You.

a. Accommodation and travelling expenses

If Your Vehicle is on a journey and:

- is Damaged in an Accident and unable to be driven; or
- is lost through theft and not found within a reasonable time, We will pay the reasonable cost for essential temporary accommodation or travelling expenses incurred by You to complete the journey or return to the point of departure, up to a maximum of \$3,000 for any one event.

b. Additional accessories

We will pay for claims for Damage to any equipment and apparatus of the Vehicle as maintained by You, including built in entertainment or multimedia audio or satellite navigation equipment attached to or within Your Vehicle (but excluding mobile phones) up to a maximum of \$5,000 for any one event.

c. Automatic Additions and Deletions

We will cover any replacement or additional registered Vehicles acquired by You during the Period of Insurance provided that:

- such Vehicles are of a similar type to Vehicles insured by You at the commencement of the Period of Insurance;
- You notify Us within 30 days of purchasing or leasing any Vehicle;

- cover will not exceed a maximum Sum Insured of \$150,000 any one Vehicle unless notified to Us in writing; and
- You pay Us any additional premium We require.

d. Automatic Trailer Cover

We will pay for any Damage to any two wheeled or box Trailer owned by You which weighs less than 2 tonne and which occurs while it is attached to Your Vehicle. The maximum We will pay in respect of any one Accident is the lesser of the Market Value of the Trailer at the time of the Accident or \$1,000.

e. Chains, gates, ropes and tarpaulins

We will pay for claims for theft of any chains, gates, ropes or tarpaulins which are attached to or within Your Vehicle when they are lost following theft of Your Vehicle up to maximum of \$5,000 any one event.

f. Emergency car hire

Where Your Vehicle is a sedan, station wagon, four wheel drive, panel van or utility and Your Vehicle is Damaged in an Accident and cannot be driven, or is Damaged by an attempted theft and cannot be driven, We will pay You the cost of a hire vehicle up to \$100 a day for up to two consecutive days when the loss is reported to Us within 48 hours of occurrence.

Any such rental will be arranged through Our preferred suppliers when the loss is reported. Additional charges incurred, other than the daily rental rate, for any such rental are excluded.

g. Emergency repairs

We will reimburse You, up to maximum \$1,000 any one Accident for the cost of emergency repairs which may be necessary to enable You to drive Your Vehicle to point of departure after it is involved in an Accident, suffers Malicious Damage, or is stolen and recovered in a Damaged condition.

h. Finance payout – Total Loss

Where Your Vehicle is subject to any lease hire agreement or financial agreement through a financial institution and suffers a Total Loss, We will cover You or the finance provider for the difference between the residual value under the contract and the Market Value of the Vehicle to a maximum of 25% of the Market Value less any payments and interest in arrears at the time of loss, and less any discount in respect of finance charges and/or interest for the unexpired term of the lease hire agreement or financial agreement. However, We will not pay if We are not required to do so by the finance provider.

i. Fire Brigade & Emergency Services cover

Following an Accident, We will pay up to \$20,000 for Your liability for charges imposed by the Fire Brigade, Police or any other authority.

j. Funeral expenses

We will pay for funeral expenses associated with:

- burial and cremation, and
- the travel costs of any immediate Family members of the driver to attend the funeral,

following the death of the driver of Your Vehicle which is caused as a direct result of the Accident up to a maximum of \$10,000

for any one event less any amount payable by any accident compensation authority or medical fund.

k. Hire car costs following fire and theft

Where Your Vehicle is a sedan, station wagon, four wheel drive, panel van or utility and the Damage is caused by fire or theft, and provided the theft or fire has been reported to Us and to the police. We will assist You in paying the cost of a hire vehicle:

- until recovery of the Vehicle; or
- until the Vehicle is repaired.

Up to a maximum of \$3,000 each Vehicle in the Period of Insurance Additional charges incurred, other than the daily rental rate, for any such rental are excluded.

l. Modification to Vehicle

We will pay for costs incurred to modify Your Vehicle if its driver is permanently disabled as a direct result of injuries received in the Accident up to a maximum of \$5,000 each event less any amount payable by any accident compensation authority or medical fund.

m. Personal Property

We will pay, up to a maximum of \$1,000 any one Accident or theft, for Personal Property belonging to the custodian of the Vehicle which is:

- Damaged in a collision involving Your Vehicle,
- stolen from Your locked Vehicle, or
- stolen at the same time as Your Vehicle.

Any payment will be subject to due allowance for depreciation, age and wear and tear.

n. Re-keying and re-coding

If the keys to Your Vehicle are stolen or there are reasonable grounds to believe the keys have been illegally duplicated, We will pay for the replacement of Your Vehicle's keys and the necessary re-coding of Your Vehicle's locks.

The maximum amount We will pay is:

- the amount by which the cost to re-key and/or re-code Your Vehicle exceeds the basic Excess payable for the claim, up to a maximum amount of \$1,000 per Vehicle, or \$10,000 per event.

This benefit will only apply if:

- the theft of Your keys has been reported to the police, and the keys have not been stolen by an employee, Family member, invitee or person who resides with You, and
- You are not entitled to cover under any other policy.

o. Recovery cost – No Damage

We will pay, up to maximum \$5,000 any one Period of Insurance, for the costs of recovery or removal of Your Vehicle following it becoming unintentionally immobilised on a work site or other situation whilst being used as part of Your normal Business operations.

We will not pay where immobilisation occurs as a result of electronic, electric or mechanical failure or malfunction or normal wear and tear.

p. Removal of basic Excess for windscreen claims

If the windscreen or window glass in Your Vehicle is accidentally broken We will not apply an Excess to Your claim.

This only applies:

- a. if the fracture extends through the entire thickness of the glass or, in the case of laminated windscreens, a fracture extends through all layers of the windscreen;
- b. if the broken windscreen or window glass is the only Damage to Your Vehicle; and
- c. if Your Vehicle is a sedan, station wagon, four wheel drive, panel van, utility or goods carrying Vehicle under 5 tonne Gross Vehicle Mass.

q. Removal of debris

We will pay You, up to maximum of \$10,000 any one event, You for costs incurred for the clean-up and removal of Your Vehicle debris resulting from goods falling or leaking.

r. Replacement vehicle

Where Your Vehicle is a sedan, station wagon, four wheel drive, panel van, utility or goods carrying Vehicle under 5 tonne Gross Vehicle Mass and it is declared a Total Loss within two years of its first registration We will at Your option (and with the consent of any financier where applicable) replace the Vehicle with a new Vehicle of the same make, model, series and accessories (subject to local availability). If a replacement Vehicle is not currently available, We will pay You either the Market Value or Agreed Value of Your Vehicle, whichever is shown in Your Schedule, less any applicable Excesses.

s. Sign writing

We will pay for any loss of or Damage to fixed advertising or material forming a permanent part of Your Vehicle where reinstatement is required. The maximum We will pay for each event is \$5,000.

t. Tools of trade

We will pay for Damage to Your tools of trade, trade Stock and material following an Accident.

The maximum We will pay for each event is \$1,000. This benefit will only apply to:

- a. tools of trade, trade Stock or materials that are stolen via forcible and violent entry to Your securely locked Vehicle and/or tool box, permanently fixed to Your Vehicle; or
- b. tools of trade, trade Stock or materials that are Damaged as a result of a collision to Your Vehicle.

u. Towing

Following an Accident or theft of Your Vehicle, We will pay up to a maximum of \$5,000 for the cost of protection, removal and towing of Your Vehicle to the nearest repairer, place of safety or any other place which We agree to.

v. Vehicle return

Where Your Vehicle is a sedan, station wagon, four wheel drive, panel van or utility and is Damaged in an Accident and unable to be driven We will pay up to a maximum of \$5,000 each event for:

- a. removing and relocating Your Vehicle to the nearest repairer approved by Us; and
- b. delivering Your Vehicle to Your usual place of garaging after repair or recovery.

Optional benefit available under Part A of this Section

Your Schedule will show if the Policy option is applicable. The following option is only available following loss or Damage to Your Vehicle insured under Part A of this Policy, providing the loss or Damage exceeds the relevant Excesses payable by You.

Hire car costs following an Accident

Where Your Vehicle is a sedan, station wagon, four wheel drive, panel van or utility and the loss or Damage is caused by an Accident during the Period of Insurance, We will assist You in paying the cost of a hire vehicle for:

- a. up to 42 days rental of a sedan, station wagon or utility where We arrange the rental; or
- b. up to a maximum of \$3,000 each Vehicle per claim where We are unable to arrange such rental.

Additional charges incurred, other than the daily rental rate, for any such rental are excluded.

Part B – Fire and Theft

The cover

Where Your Vehicle is a sedan, station wagon, four wheel drive, panel van or utility and Your Schedule shows that Third Party Fire and Theft cover applies, We will cover You under Part B of this Section for loss or Damage that occurs during the Period of Insurance caused by:

- a. fire, lightning, explosion, theft or illegal conversion; or
- b. an Accident caused by an uninsured third party. This benefit will only apply for an Accident if:
 - i. You satisfy Us that the Accident which gave rise to the claim was the fault of the driver of the other vehicle; and
 - ii. You can supply the name, address and registration of that driver; and
 - iii. the other vehicle was uninsured.

We will, at Our option:

- a. replace, reinstate or repair Your Vehicle; or
- b. pay You the reasonable cost to repair Your Vehicle to its condition before it was Damaged; or
- c. if Your Vehicle is a Total Loss pay You the lesser of the Market Value of Your Vehicle or \$5,000.

The maximum amount We will pay under Part B of this Section is the lesser of the Market Value of Your Vehicle or \$5,000.

Specific exclusions applicable to Part A and Part B of this Section

Under Part A and Part B We will not pay for:

a. Loss of use

loss of or Damage or consequential loss suffered because You cannot use Your Vehicle.

b. Wear and tear and breakdown

loss of or Damage caused by wear and tear, rust, corrosion, depreciation, or mechanical, structural, electrical or computer failures, malfunctions or non-performance.

c. Tyres

loss of or Damage to tyres or wheel rims caused by braking, road punctures, cuts or bursts.

d. Old Damage

The costs of repairing:

- i. any pre-existing damage; or
- ii. the costs of fixing faulty repairs which were done before the commencement of the Policy

e. Intentional Damage

loss of or Damage intentionally caused by You or a person acting with Your express or implied consent.

f. Safeguard of Vehicle

loss of or further Damage to Your Vehicle following a loss or Accident, unless reasonable steps were taken to protect or safeguard Your Vehicle.

g. Incorrect fuel

loss of or Damage to Your Vehicle caused by the use of any incorrect fuel, coolant or additive.

Part C – Third Party Property Damage

Cover for damage to other people's property (legal liability)

Where Your Vehicle is registered or licensed as required by law for use on public roads, We will cover You for any amount for which You become legally liable to pay as compensation in respect of loss or Damage to someone else's property caused by a motor vehicle Accident during the Period of Insurance, which is partly or fully Your fault up to the limit of indemnity shown below.

This cover will apply only if Your legal liability for loss or Damage to someone else's property arises out of the use of Your Vehicle and is subject to the applicable Excess/es, conditions, exclusions and limit of indemnity.

The most We will pay arising out of any one motor vehicle Accident is the limit of indemnity.

We also cover in accordance with this Section:

- a. any person who is driving, using or in charge of Your Vehicle with Your permission;
- b. a passenger travelling in Your Vehicle or who is getting into or out of Your Vehicle;
- c. Your employer, principal or partner, arising from Your use of Your Vehicle.

Limit of indemnity

The maximum We will pay in respect of all claims arising from one Accident or series of Accidents resulting from the one original cause will not exceed the following limits of indemnity:

- a. \$30,000,000 for all losses, excluding any claim(s) arising

from the transportation of Dangerous Goods including clean-up, contamination or restitution of any land or waterway; or

- b. \$5,000,000 for all losses, arising from the transportation of Dangerous Goods including clean-up, contamination or restitution of any land or waterway, provided:

We will not cover, unless agreed by Us in writing, Your liability for any claim arising from the transportation of:

- a. explosives or radioactive goods; or
- b. gases in containers larger than 500 litres; or
- c. all other Dangerous Goods in containers larger than 400 kg for solids or 450 litres for liquid or pastes; or
- d. all Dangerous Goods where transport does not comply with Australian Dangerous Goods Code (or any equivalent or replacement thereof) or any other applicable legislation and regulations.

Additional benefits applicable to Part C this Section

We will also cover You for the following additional benefits under Part C of this Section. The maximum We will pay under the additional benefits are included in and not in addition to the limit of indemnity applicable.

Bodily injury (CTP gap liability)

We will also cover You, or a currently licensed driver of Your Vehicle driving the Vehicle with Your consent, for legal liability for death or bodily injury caused by or arising out of the use of Your Vehicle, if Your Vehicle is registered for use on a public road.

We will not pay:

- a. if the event or series of related events that gives rise to the legal liability or any part of it is covered or indemnified in any way by any:
 - i. statutory or compulsory insurance policy or any statutory or compulsory insurance, or
 - ii. compensation scheme or fund, even if the amount recoverable is nil.
- b. any amount of a claim over that recoverable under any:
 - i. statutory or compulsory insurance policy or any statutory or compulsory insurance, or
 - ii. compensation scheme or fund.
- c. if the legal liability would have been covered or indemnified in any way if You had not failed to:
 - i. insure Your Vehicle;
 - ii. register Your Vehicle; or
 - iii. comply with the requirements of any statutory or compulsory insurance policy or any statutory or compulsory insurance or compensation scheme or fund.
- d. for legal liability to any:
 - i. person driving or in charge of Your Vehicle
 - ii. of Your Employees, or
 - iii. member of Your Family.

- e. for legal liability in respect of any psychological or psychiatric injury (other than to the extent that it is directly caused by or arises from serious physical bodily injury of the person who suffers the psychological or psychiatric injury).

- f. unless You or the person claiming under Part C of this Section have notified Us of a claim under Part C of this Section within 6 months of You or that person first becoming aware of an intention to make a claim against You or that person.

- g. for legal liability caused by or arising from an intentional act by You or any other person.

- h. any amount of exemplary, punitive or aggravated damages.

- i. if Your Vehicle is outside of Australia at the time of loss or Accident.

Substitute Vehicle

We will cover You for Accidental Damage to someone else's property caused by Your driving Substitute Vehicle not belonging to You (with the consent of the owner) whilst Your Vehicle cannot be used because it is undergoing repair or services. But We will not pay if the Vehicle is subject to a selfdrive hire agreement, or for Damage to the Substitute Vehicle You are driving.

Uninsured motorists

We will cover You for up to \$5,000 less any applicable Excesses for Damage to Your Vehicle caused in an Accident with another vehicle during the Period of Insurance if:

- a. the driver of the other vehicle was at fault;
- b. the other vehicle was uninsured; and
- c. You can tell Us who the other driver was and identify the other vehicle.

This additional benefit is not applicable where You have Part A or Part B cover under this Section.

Specific exclusions applicable to Part C of this Section

The following exclusions apply to Part C of this Section:

a. Unregistered Vehicles

We will not pay if Your Vehicle is unregistered at the time of the event giving rise to the claim. However, We will cover Your liability in respect of the unregistered Vehicle in a place that requires registration, provided:

- i. You have complied with the appropriate statutory requirements and obtained necessary permits to move the unregistered Vehicle, or
- ii. Your Vehicle is being towed for which registration is not required by law.

b. Underground pipes and cables

We will not pay for liability for Damage to underground services, pipes, cables or the like caused by or arising out of the use of Your Vehicle, or liability in respect of Damage to any land or fixed property arising howsoever from vibration or from the removal or weakening of or interference with support to land, buildings or any other property, arising out of the use of Your Vehicle.

If Your Vehicle comes into direct contact with overhead cables, wires or conduits, We will pay only for the repair of the direct Damage so caused, up to a maximum of \$100,000 each event.

c. Trailers

We will not pay for Damage caused or contributed to by more than the legally permitted number of Trailers attached to Your Vehicle.

d. Personal property/property in Your custody

We will not pay for Damage to property belonging to or in the custody of You or any person entitled to cover under Part C of this Section. This exclusion shall not apply to Employees or visitor's vehicles whilst contained within a car park owned or operated by You.

e. Fines, penalties, punitive damages

We will not pay for any fines, penalties, or aggravated, exemplary or punitive damages.

f. Radioactive materials

We will not pay if Your Vehicle is being used for or is attached to or is towing a Vehicle, mobile machine and/or Trailer, for the commercial transport of radioactive materials.

g. Vehicle used on rails

We will not pay if Your Vehicle is used on rails or tracks at the time of Accident.

h. Hooks and hoists

We will not pay for claims caused by goods falling from the hook or hoisting apparatus of any crane or similar lifting equipment.

i. Aircraft Liability

We will not pay for liability for loss or Damage to any Aircraft resulting from an Accident caused by or arising from the use of Your Vehicle.

Specific exclusions applicable to this Section

We will not pay if:

1. Driving under the influence of drugs/alcohol

the Damage, loss or injury is caused while Your Vehicle (or any other vehicle to which cover is extended) is being driven by any person impaired by or under the influence of any drug or alcohol, or by any person with a percentage of drug or alcohol in their breath or blood in excess of that allowed by law.

However, if You can prove You did not know that the driver of Your Vehicle (or any other vehicle to which cover is extended) was so affected, We will cover You but not the driver of Your Vehicle.

This exclusion shall not apply if it contravenes the law of the state in which the Policy was issued.

2. Submitting to test

the driver of Your Vehicle (or any other vehicle to which cover is extended) refuses a request from a person with legal authority to take a breath, blood or other test to determine the percentage of drugs or alcohol in the person's breath or blood.

However, if You can prove You did not know that the driver of Your Vehicle (or any other vehicle to which cover is extended) refused to submit to the test, We will cover You but not the driver of Your Vehicle.

This exclusion shall not apply if it contravenes the law of the state in which the Policy was issued.

3. Unlicensed drivers

the Damage is caused while Your Vehicle (or any other vehicle to which cover is extended) is being driven (with Your consent) by any person who is not licensed under any relevant law to drive such a Vehicle (or any other vehicle to which cover is extended).

However, if You can prove the driver's licence was fraudulently produced or had unintentionally lapsed or was cancelled unknown to You as a result of unpaid parking fines and the driver was the holder of a licence in the 12 months immediately prior to the lapsing or cancellation of the licence and You allow Us to use all remedies available to recover all costs associated with any Damage occasioned or liability incurred by the driver of the Vehicle (or any other vehicle to which cover is extended) We will cover You.

4. Overloaded Vehicle

Your Vehicle is (or any other vehicle to which cover is extended) used to carry or tow a load or carry passengers greater than that for which Your Vehicle (or any other vehicle to which cover is extended) was constructed.

5. Approved fuel systems

loss or Damage is caused by a fuel system which does not comply with the relevant Australian Standard.

6. Tests

Your Vehicle (or any other vehicle to which cover is extended) is being tested other than in connection with service or repair by a person who is qualified to carry out the service or repair or who is acting under the supervision of such a person.

7. Motor sports events

Your Vehicle (or any other vehicle to which cover is extended) is used in connection with a race, trial, test, contest or other sports event.

8. Experiments

Your Vehicle (or any other vehicle to which cover is extended) is used in connection with the motor trade for experiment, test, trial, demonstration or towing.

9. Hire or reward

Your Vehicle (or any other vehicle to which cover is extended) is used for carrying passengers for hire or reward, except for a private pooling arrangement including private courtesy bus arrangements or when You receive a travelling allowance from Your full time employer.

10. Hire for Your Vehicle

Your Vehicle (or any other vehicle to which cover is extended) is being used or let for hire.

11. Stock in trade

Your Vehicle (or any other vehicle to which cover is extended) is in the possession of another person for the purpose of sale.

12. Seizure of Vehicle

Your legal interest in Your Vehicle (or any other vehicle to which cover is extended) ceases, or Your Vehicle (or any other vehicle to which cover is extended) is seized or taken possession of by any persons lawfully entitled to do so.

13. Illegal purpose

Your Vehicle (or any other vehicle to which cover is extended) is used for any illegal purpose with Your consent.

14. Geographical limitation

The loss or Damage occurred while Your Vehicle (or any other vehicle to which cover is extended) was not in Australia.

15. Bitumen and/or Concrete Setting

Loss or Damage for the settling or hardening of any concrete, bitumen, cement products or similar products or their derivatives.

16. Caravans

In respect of Caravans where:

- a. any loss or Damage to awnings or annexes caused by storm, hail or wind;
- b. liability at law by way of damages in respect of death or bodily injury, or Damage to property of any person in the Caravan, or entering alighting therefrom;
- c. contents of the Caravan other than the permanent fixtures, fittings, furniture, furnishings and bottled gas equipment contained in or on Your Caravan and which would normally be sold with it;
- d. theft or burglary unless due to forcible and violent entry to the locked caravan.

17. Cranes and Lifting Devices

loss or Damage arising out of the operation of any crane or lifting device insured by the Policy whilst:

- a. loaded in excess of the safe working load specified by the responsible statutory authority and/or manufacturers; or
- b. being used in any raising, carrying or lowering operation in which a single load is shared by two or more cranes or lifting devices unless Our prior consent has been obtained in writing.

18. Asbestos

Notwithstanding any provision to the contrary within the Policy or any Endorsement thereto, it is agreed that the Policy shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

19. Financial loss

For any financial loss occurring because:

- a. You cannot use Your Vehicle;
- b. Your Vehicle's value was less after being repaired; or
- c. Your Vehicle's working life has been reduced.

20. Underground mining

Your Vehicle (or any other vehicle to which cover is extended) was being used for:

- a. drilling or tunneling whilst underground; or
- b. driven in an underground mine or mining shaft when the loss or Damage occurred.

21. Unroadworthy condition

Your Vehicle (or any other vehicle to which cover is extended) is used in an unroadworthy or unsafe condition. However, We will cover You if You can prove that the condition could not reasonably have been detected by You or that the loss, Damage or liability was not caused by or contributed to by the unroadworthy or unsafe condition.

Specific conditions applicable to this Section

1. Cross liability

We agree that each person comprising You is considered as if You were the only party, and We waive Our rights of subrogation against any of other parties of Yours. The Limits of Indemnity stated elsewhere in this Section are not affected or increased as a consequence of this condition.

2. Joint insured

A claim lodged by any one person covered by the Section is considered to be a claim by all persons covered by this Section.

3. Acquired companies

We will cover any company or subsidiary company formed, purchased or otherwise acquired by You during the Period of Insurance as if they were You provided that You:

- a. hold a controlling interest in the company;
- b. advise Us of Your interest in the company no later than 14 days from the date of acquisition;
- c. advise Us the number of additional Vehicles insured; and
- d. pay Us any additional Premium required.

4. Keeping evidence of the value of the insured property

You should keep evidence of the value of all property covered under the Policy. You should also keep evidence of the amount of any Accidental Damage.

5. Prevention of loss or Damage

We may not pay Your claim if You do not take all reasonable precautions to prevent injury, loss or Damage, including securing Your Vehicle (or any other vehicle to which cover is extended) against unauthorised entry when it is unattended. This includes removing Your keys and locking the Vehicle (or any other vehicle to which cover is extended). It is a condition of this Section that Your Vehicle be kept in good repair.

What You must do

We may not pay Your claim if You do not act as follows:

1. Do not admit liability

You must not:

- a. admit guilt or liability, or make a promise or offer of payment in connection with any claim; or
- b. offer or agree to settle any claim, without Our written consent.

We are entitled to take over and conduct the defence of any claim made against You for damages by a third party. We have full discretion in conducting any negotiations, proceedings and the settlement of claims.

If the claim is for legal liability, You may make a written request to Us to agree that You are covered in respect of the claim.

2. Prevent further Damage

You must take all reasonable precautions to prevent any further loss, Damage or liability.

3. Contact the police

Depending on the laws of the State or Territory in which the Accident occurs, You must:

- a. contact the police if any person was injured as a result of the Accident;
- b. request the police to attend the scene of the Accident;
- c. go to the local police station to complete a "Self Reporting Collision Form" if the police inform You that it is not necessary for them to attend the scene of the Accident.

You must contact the police immediately if Your car is stolen or maliciously Damaged.

4. Contact Us as soon as possible

If there is any Accidental loss, Damage or liability which is likely to result in a claim, You must give Us immediate notice with the full details of any Accidental loss, Damage or anticipated or alleged liability.

You or Your representative must give Us full details in the manner We request which will be either:

- a. verbally; or
- b. in writing by completing Our claim form which will be supplied to You when You contact Us. The process for authorising repairs to Your Vehicle is explained under "Authorising repairs".

Any correspondence You receive regarding the Accident or event must be sent to Us immediately. You must advise Us immediately of:

- a. any notice of impending prosecution;
- b. details of any inquest or official enquiry.

What happens after You make a claim

1. Excess

You must pay the Excess when You make a claim under this Section unless We state an Excess does not apply. The payment of an Excess helps to keep the cost of Your Premium down by reducing the number of small claims.

There are different types of Excess which may apply to You or the driver of Your Vehicle at the time of the claim.

These are:

a. Basic Excess

The basic Excess is the first amount You must pay on each claim. The amount of the basic Excess will be shown on Your Schedule beside the heading "Basic Excess".

b. Additional Excesses

If You make a claim for an Accident when Your Vehicle was being driven by or was in the charge of a driver:

- i. up to the age of 21 years,
- ii. aged between 21 and 25 years,
- iii. greater than 25 years but have held their Australian driver licence for less than 2 years,

You must pay the additional Excess shown by Endorsement in Your Schedule in addition to the basic Excess.

You will not have to pay additional Excess shown in Your Schedule if You are claiming for any of the following:

- i. windscreen or window glass Damage only;
- ii. theft;
- iii. hail, storm or Flood Damage;
- iv. Malicious Damage; or
- v. Damage to Your Vehicle while parked.

c. Tipping Excess

An additional Excess of \$1,000 will apply if Your Vehicle is a rigid body tipper or a tipping Trailer and the event which gives rise to a claim occurs whilst the tipping hoist is fully or partially elevated.

2. Faultless Excess

You will not be required to pay the basic or additional Excess if:

- a. You satisfy Us that the Accident which gave rise to the claim was the fault of the driver of the other vehicle; and
- b. You can supply the name and address of that driver; and
- c. You can supply the registration number of the other vehicle; and
- d. Your Vehicle was a sedan, station wagon, four wheel drive, panel van, utility or goods carrying Vehicle under 5 tonne Gross Vehicle Mass; and
- e. The amount of the claim exceeds Your basic and additional Excess under this Section and is not a claim for windscreen Damage.

In the event that the fault of the Accident which gave rise to the claim is in dispute You will be required to pay the applicable Excess(es) and the Excess(es) will be refunded if We are successful in establishing the fault of the other driver.

3. Deciding who is at fault

We will be solely responsible for deciding whether You contributed to the cause of an Accident.

4. Choice of repairer

TIO can assist You in selecting a suitable repairer to repair the Damage to Your Vehicle; however You also have the right to choose Your own repairer. In both instances We will work closely with the repairer to strive to achieve the best repair outcome for You however We may require a second quotation from a repairer chosen by Us. We will then choose (subject to any relevant Policy limits) to:

- a. authorise the repairs at Your repairer of choice;
- b. pay You the reasonable cost of repairing Your Vehicle; or
- c. move Your Vehicle to a repairer We both agree will repair Your Vehicle. In the instance that We both agree to move Your Vehicle We will provide You with a rental car for up to 3 days in addition to any other benefit provided under Your Policy.

5. Authorising repairs

- a. Where You have cover under Part A of this Section You may only authorise emergency repairs as detailed under Additional benefits applicable to Part A of this Section – g. Emergency repairs”. You cannot authorise further repairs to Your Vehicle without Our prior consent.
- b. Before We make a decision regarding Your claim and repairs to Your Vehicle, We may need to inspect Your Vehicle. A motor vehicle assessor will be appointed by Us. We or Our assessor will make the necessary arrangements with You.

6. Parts, extras and accessories

If We are unable to repair the part We use new, recycled or reconditioned parts that meet the requirements of Australian Design Rules (ADR). If such parts are not available or appropriate, parts from alternative distribution channels may be used.

We will not pay any amount greater than the maker’s last list price in Australia (together with a reasonable charge for fitting) for the supply of any part, extra or accessory.

In the event that any part, extra or accessory cannot be obtained immediately, We may choose to pay You the value of the part, extra or accessory (together with a reasonable charge for fitting) rather than supply the part, extra or accessory.

7. Sublet repairs

If Your Vehicle requires Us to engage the services of a specific specialist repairer and/or supplier We may sublet that component to such repairer or supplier.

8. Guarantee and warranty

We guarantee materials and workmanship on repairs We authorise for as long as You own or lease Your Vehicle. This guarantee is not transferable.

9. Assist Us with Your claim

You must assist Us with Your claim. This means give Us all the information and assistance with Your claim which We may reasonably require. If You do not We may not pay Your claim or provide cover.

If We have the right to recover any amount payable under this Section from any other person, You must co-operate with Us in any action We may take.

10. Our rights of recovery

We have the right to recover from any person, in Your name, the amount of any claim paid under this Section and We have full discretion in the conduct, settlement or defence of any claim in Your name. If We recover more than the amount We have paid to You or on Your behalf, We will pay You the balance.

11. Salvage of Your Vehicle when it is a Total Loss

If Your Vehicle is a Total Loss and We have agreed to replace Your Vehicle, We pay the Market Value, Sum Insured or Agreed Value for Your Vehicle:

- a. the wreckage of Your Vehicle will become Our property, and
- b. We will keep the proceeds of any salvage sale.

12. Payment of unpaid Premium when Your Vehicle is a Total Loss

If Your Vehicle is a Total Loss:

- a. and We have agreed to pay the Market Value, Sum Insured or Agreed Value for Your Vehicle, the amount of any unpaid Premium for the Period of Insurance will be deducted from the amount payable to You; or
- b. and We are replacing Your Vehicle, You must pay Us the balance of any unpaid Premium or instalments for the Period of Insurance.

13. GST

We will adjust Your claims payment in accordance with the GST provision noted under “Introduction” section, “GST Notice” on page 3.

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For enquiries
call 131 846
visit tiofi.com.au





Supplementary Product Disclosure Statement (“SPDS”)

Preparation date: 30 August 2020

This document is a SPDS that updates and amends the TIO Small Business Advantage Pack Product Disclosure Statement and Policy Document (**PDS**) (**POL1023 TIO 05/19**) dated **16 June 2019** issued by Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234708 of 2 Market Street Sydney NSW 2000 trading as Territory Insurance Office (**TIO**).

This SPDS is issued by TIO and must be read together with the above PDS and any other SPDS that you are given which updates or amends that PDS.

This SPDS amends the PDS as follows:

1. GST Notice

The GST Notice in the Introduction section of the PDS is deleted and replaced with the following

GST Notice

The Policy has a GST provision in relation to Premium and Our payment to You for claims. It may have an impact on how You determine the amount of insurance You need. Please read carefully. Seek professional advice if You have any queries about GST and Your insurance.

Sums Insured

All monetary limits in the Policy may be adjusted for GST in some circumstances (see below).

Claim settlements – Where We agree to pay

When We calculate the amount We will pay You, We will have regard to the items below:

Acquisition of goods, services or repairs

Where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim (such as services to repair a Damaged item insured under the Policy) We will pay the GST amount.

We will pay the GST amount in addition to the Sum Insured or Limit of Indemnity or other limits shown in the Policy or in the Schedule (unless We state GST is included in Sum Insured or Limit of Indemnity).

If Your Sum Insured or Limit of Indemnity is not sufficient to cover Your loss, We will only pay the GST amount that relates to Our settlement of Your claim.

We will reduce the GST amount We pay by the amount of any input tax credits to which You are or would be entitled.

Payment as compensation

Where We make a payment under the Policy as compensation instead of payment for a relevant acquisition, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to had the payment been applied to a relevant acquisition.

Where the Policy insures business interruption, We will (where relevant) pay You on Your claim by reference to the GST exclusive amount of any supply made by Your Business that is relevant to Your claim.

Disclosure – Input tax credit entitlement

If You register, or are registered, for GST You are required to tell Us Your entitlement to an input tax credit on Your Premium. If You fail to disclose or You understate Your entitlement, You may be liable for GST on a claim We may pay. The Policy does not cover You for this GST liability, or for any fine, penalty or charge for which You may be liable.

2. Business Interruption Section

1. In the Business Interruption Section, the following is added:

Definitions applicable to Parts A, B and C

Defined Event(s) for the purpose of this Section means events listed under “Defined Events applicable to Parts A, B and C of this Section”

2. In the Business Interruption Section, the Defined Event 4. under “Defined Events applicable to Parts A, B and C of this Section” is deleted and replaced with the following:

4. closure or evacuation of the whole or part of the Situation during the Period of Insurance:

- a) 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, occurring at the Situation;
- b) by order of a competent government, public or statutory authority as a result of the outbreak of a notifiable human infectious or contagious disease occurring within a 20 kilometre radius of the Situation;
- c) 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 supplied at or from the Situation during the Period of Insurance; or
- d) as a result of murder or suicide occurring at the Situation.

However, there is no cover under this Defined Event 4 a., b. or c. due to any disease declared to be a listed human disease under the Biosecurity Act 2015 (Cth) (including amendments) or listed under successor Commonwealth legislation dealing with quarantine or biosecurity matters (including delegated legislation).

The maximum We will pay for loss arising from this Defined Event 4. is \$200,000 during any one Period of Insurance.

3. Personal Accident and Sickness

1. Unless your current Schedule shows that you are covered for Personal Accident and Sickness, that Section and all references to its availability are removed from the PDS.
2. If your current Schedule shows that you are covered for Personal Accident and Sickness then under the sub section headed “Specific exclusions applicable to this Section” on page 38, the following paragraph is deleted:

“7. Mental condition

We will not pay for any claims arising directly or indirectly out of or in any way connected with the Insured Person being rendered less capable than usual of taking care of themselves due to mental unsoundness, including any psychological, psychiatric or stress disorder.”

3. In the Personal Accident and Sickness Section, insert at the end of the sub section headed "Specific exclusions applicable to this Section" on page 38, the following paragraph:

"These exclusions and the terms of the policy apply to the extent permitted by law. In the event any portion of an exclusion is found to be invalid or unenforceable or contrary to law, the remainder shall remain in full force and effect."