



# **COMBINED BUSINESS INSURANCE**

## **POLICY WORDING**

### **IMPORTANT NOTICE TO THE INSURED**

This insurance is a legal contract. Please read it carefully to ensure that it is in accordance with your requirements and that you understand its terms and conditions. The Insurance Broker or other intermediary who arranged this insurance should be contacted immediately if any correction is necessary.

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**Insurer**

The policy is underwritten by Millennium Underwriting Agencies Pty Ltd (ABN: 38 079 194 095) through arrangement with Certain Underwriters at Lloyd's.

**About Millennium Underwriting Agencies Pty Ltd**

Millennium Underwriting Agencies Pty Limited ABN 38 079 194 095, AFS Licence Number 246721 T/As Millennium General Insurance is part of the MGA Whittles Group of Companies. Established in 1998, Millennium General Insurance is an insurance claims and underwriting facility offering market leading policies.

**Association with an Insurance Broker**

We have an association with MGA Insurance Brokers Pty Ltd (ABN 29 008 096 277). MGA Insurance Brokers Pty Ltd and Millennium Underwriting Agencies Pty Ltd have some common directors and a proportion of the shares of each Company have common ownership.

MGA Insurance Brokers Pty Ltd are members of the Austbroker Group and Austbrokers have an equity interest in their business.

**The cost of this insurance policy**

The total premium is the amount we charge you for this insurance policy. It includes the amount which we have calculated will cover the risk, and any taxes and government charges. The premium and any taxes and government charges will be shown on your policy schedule.

When calculating your premium we take a range of factors into account. These factors, and the degree to which they affect your premium, will depend upon the information you provide to us.

**Duty of Disclosure**

Under the Insurance Contracts Act 1984 (the Act), you have a Duty of Disclosure. You are required before you enter into, renew, vary, extend or reinstate your Policy, to tell us everything you know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure you, and anyone else to be insured under the Policy, and if so, on what terms.

- **You do not have to tell us about any matter**

- that diminishes the risk
- that is of common knowledge
- that we know or should know in the ordinary course of our business as an insurer, or
- which we indicate we do not want to know

- **If you do not tell us**

If you do not comply with your Duty of Disclosure we may reduce or refuse to pay a claim or cancel your Policy. If your non-disclosure is fraudulent we may treat this Policy as never having worked.

**Privacy**

We are covered by the Federal Privacy Act and its National Privacy Principles (NPPs), which set out standards for the collection, use, disclosure and handling of personal information.

We endeavour to protect any personal information that we hold from misuse and loss, and to protect it from unauthorised access, modification and disclosure.

For our complete Privacy Policy or for further information please contact our Privacy Officer during normal business hours on (08) 8291 2300.

**The General Insurance Code of Practice**

Underwriters at Lloyd's and Millennium Underwriting Agencies Pty Ltd proudly support the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry.

**Dispute Resolution**

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention.

Any enquiry or complaint relating to this Insurance should be referred to the Complaints Officer at Millennium Underwriting Agencies in the first instance.

If this does not resolve the matter or you are not satisfied with the way a complaint has been dealt with, you should contact Peter Fryer at:

Lloyd's Australia Limited  
Suite 2, Level 21  
Angel Place  
123 Pitt Street  
Sydney NSW 2000

Telephone Number: (02) 9223 1433  
Facsimile Number: (02) 9223 1466  
Email: [peter@lloydsaustralia.com.au](mailto:peter@lloydsaustralia.com.au)

Following receipt of your dispute, you will be advised whether your dispute will be handled by either Lloyd's Australia or the Policyholder & Market Assistance Department at Lloyd's in London.

If your dispute is not resolved in a manner satisfactory to you, they will then provide retail clients eligible for referral to the Financial Ombudsman Service (FOS) with details of that body. FOS is an independent body that operates nationally in Australia and aims to resolve disputes between you and your insurer.

Retail clients not eligible for referral to the FOS, and wholesale clients, may be eligible for referral to the Financial Ombudsman Service (UK).

**Evidence of Value**

Please retain receipts of purchase or proof of value of all property insured by this Policy so that you can prove the amount of any loss if you have to claim under this policy.

**Full Insurance – Protect your Assets**

If you have elected to insure your building and contents for reinstatement and replacement costs (excluding stock), the sum insured should represent the full replacement value at new costs and if this is not done, losses may not be paid in full. It is your responsibility to ensure adequacy of sums insured and you should re-assess these sums insured during the currency of the policy and prior to renewal each year.

**Cooling-off Information**

You have a cooling-off period. During the cooling-off period, you may return your policy to your Financial Services Provider to obtain a refund.

You may do this by notifying your Financial Services Provider in writing or electronically.

You may only exercise this right during the period of 14 days starting earlier of:

- The time you received confirmation of this insurance transaction, or
- The end of the 5<sup>th</sup> day after the day on which the policy was issued to you.

You cannot exercise this right at any time after:

- You have exercised a right or power under your Policy (e.g. you have made a claim), or
- Your rights or powers under the policy have ended.

If your policy is for an event that will start and finish within the 14 day cooling-off period, you can only exercise your right before the event starts or the expiry of the cooling-off period, whichever is the earlier. For example, for travel insurance, the commencement of the journey is the event.

If you exercise your right to return this policy then it is terminated with effect from that time.

Your Financial Services Provider will give you a pro rata refund. Your Financial Services provider may deduct from the refund:

- Any tax which we have been paid or must be paid and which is not refundable, and
- Any reasonable administration and transaction costs.

**Third Party Interests**

You must inform us of the interests of all third parties (e.g. financiers, lessors) to be covered by this insurance. We will protect their interests only if you have informed us of them and we have noted them on the Certificate.

**Our agreement with you**

This Policy is a legal contract between you and us. You pay us the premium, and we provide you with the cover you have chosen as set out in the Policy, occurring during the period of insurance shown on your Policy Schedule or any renewal period.

**Your Policy**

Your Commercial Insurance Policy consists of the Policy Terms and Conditions in this document and the Policy Schedule we give you.

Please read your Policy carefully, and satisfy yourself that it provides the cover you require.

If you want more information about any part of your Policy, please ask us, or your Insurance Broker or Intermediary.

You should keep your Policy Document and Policy Schedule together in a safe and convenient place for future reference.

**Preventing our right of recovery**

If you have agreed not to seek compensation from another person who is liable to compensate you for any loss, damage or liability which is covered by this Policy, we will not cover you under this Policy for that loss, damage or liability.

**How Goods and Services Tax affects payments we make**

We will reduce the GST amount we pay for by the amount of any input tax credits to which you are or would be entitled if you made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through your Business Activity Statement (BAS).

You must advise us of your correct Australian Business Number and Taxable Percentage

**Approved Claim Preparation Costs**

In addition to the amount of cover provided by each cover section we will pay up to \$25,000 for reasonable professional fees and such other expenses incurred by you for the preparation of a claim under a cover section. Provided that before you incur these claim preparation costs you obtain our written approval to incur these costs.

**Emergency Mitigation Costs**

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

**Repairs to Damage by You**

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

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

**Act of terrorism**

means an act including, but not limited to, the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

**Australia**

means the Commonwealth of Australia and all of its States and Territories including all external Territories, all referred to in this policy as Australia.

**Building**

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

- carports, pergolas and canopies;
- barns and outbuildings;
- storage sheds and tanks;
- walls, fences, gates and letterboxes;
- all permanent fittings and fixtures to any building;
- external fixed items;
- swimming pools, saunas and spas;
- gangways between buildings;
- lights and signs;
- air conditioning units;
- flag poles;
- communications masts, aerials, antennae and dishes;
- fixed floor coverings;
- paths and driveways;
- foundations of any building;
- structural improvements to any building;
- underground and above ground services connected to any building; and
- piers and jetties.

**Business**

means the business described in the schedule, including the ownership of any premises shown in the schedule.

**Contents**

means all contents at the premises, including property (other than buildings and stock) of others, and when the word contents is used in the schedule to describe a category of property insured, it is agreed that we accept the designations used in your books and records.

**Cover 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 Burglary Section or Glass Section.

**Endorsement**

means an individual endorsement document that we give you that attaches to and forms part of your policy. This document varies the terms and conditions of your policy.

**Excess**

means the first amount of each claim. The amount of the excess is shown in the schedule.

**Flood**

means the covering of normally dry land with water released or that has escaped from the normal confines of:

- any watercourse, whether natural or altered;
- any lake, whether natural or altered; or
- any reservoir, canal or dam.

**Insured amount**

means the insured amount shown in the schedule declared for each category of property insured under cover sections applying to this policy.

**Money**

means coins, bank notes or negotiable instruments such as, but not limited to, cheques, stamps, money orders, vouchers and tickets being the property of the business.

**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.

**Pollutants**

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

**Premises**

means the premises at the location shown in the schedule.

**Premium**

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

**Schedule**

means the schedule document that we give you that attaches to and forms part of your policy.

**Stock**

means all stock at the premises, including work in progress and property of others held on consignment, and when the word stock is used in the schedule to describe a category of property insured, it is agreed that we accept the designations used in your books and records.

**Year**

means a period of 365 consecutive days or 366 consecutive days in a leap year.

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

### General Exclusions

The following General Exclusions apply to your policy:

#### War, Act of Terrorism, Confiscation, Radioactivity, Nuclear Perils

Your policy does not cover loss, damage, costs or expense, personal injury, illness or liability directly or indirectly caused by, resulting from or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence thereto:

- any war, hostilities whether war is declared or not, acts of foreign enemies, rebellion, revolution, civil war, invasion, insurrection or the use of military or usurped power;
- any act of terrorism or any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism;
- any order of any Government, Public or Local Authority involving the confiscation, nationalisation, requisition, damage or destruction of any property unless such destruction was undertaken to reduce the spread of fire;
- radioactivity or any radioactive substances; or
- nuclear fission or nuclear fusion.

#### Alteration of Risk

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

- you did not know of the alteration; or
- you have notified us of the alteration and we have agreed to accept the alteration to the risk.

#### Acquisition of Companies

Your policy does not cover:

- any company or other legal entity acquired during the period of insurance; or
- 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 30 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 Liability, Insured amount or any Sub-limit of Liability applicable under the relevant cover sections making up your policy for each category of property.

#### Unoccupied Buildings & Premises

Excepting for loss or damage to insured property by Lightning, Earthquake and Subterranean Fire, your policy does not provide any cover at a building or premises after the building or that premises has been unoccupied for more than 90 consecutive days. Unoccupied means left vacant by you or any other authorised person whether furniture or other contents remain or not.

Provided that:

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

**Electronic Date Recognition**

Your policy does not cover claims arising directly or indirectly out of, or caused by, through or in connection with any software or device not being Electronic Date Compliant.

Electronic Date Compliant means that neither performance nor functionality is affected by dates prior to, and after the year 2000 and in particular:

- no date value (including the current date) will cause any interruption in operation;
- date based functionality must behave consistently for dates prior to, during and after the year 2000;
- in all interfaces, output, display and data storage, the century in any date must be recognised as a leap year;
- all leap years and non-leap years must be correctly recognised;
- no particular date value is treated otherwise than as a date or used for special meanings;
- all information involving dates is correctly stored, retrieved, processed, recognised, calculated, sequenced, compared, managed, manipulated and presented including formulas involving dates in one century or in multiple centuries;
- the relevant software or device must correctly interface and inter-operate with any related software or device and date or date related information from them in accordance with the other requirements of this definition of Electronic Date Compliant.

For the purpose of this Exclusion, date includes a period of time. Software or device means any software, computer, hardware, equipment, media, microchip, integrated circuit, embedded system or similar device, whether your property or not.

**Pollution**

Your policy does not cover:

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

Exclusion 1 & 3 above shall not apply where the claim arises from a sudden identifiable, unintended and unexpected event which takes place in its entirety at a specific time and place and occurs outside of North America, however, the total aggregate during any one period of insurance shall not exceed the insured amount stated in the schedule.

**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.

**Obsolete or Redundant Plant & Equipment**

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

**Introduction**

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

**Definitions**

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

**Breakdown**

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

**Category or categories**

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

- Building(s);
- Stock;
- Contents; or
- Specified Items; where Specified Items are any items of property that are specified in the schedule.

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

**Damage or damaged**

means accidental physical damage, destruction or loss.

**Excluded property**

means the following items unless they are shown in the schedule as being covered:

- furs, jewellery, gold, silver, platinum, pearls, diamonds, sapphires, rubies and other precious stones unless these items are stock and stock is shown in the schedule as being insured;
- money;
- glass, unless such glass is directly damaged by:
  - fire, lighting, explosion, impact, storm and tempest or earthquake;
  - 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;
- property in transit outside of the premises other than property that is covered by Extension of Cover – Restricted Transit;
- aircraft, locomotives, rolling stock, watercraft whilst in water;
- registered motor vehicles including, but not limited to, motorcycles, caravans and trailers;
- animals, other than animals contained within a building and owned as stock if damaged by fire, lightning, explosion, impact, storm and tempest;
- bridges, docks, roadways, tunnels and wharfs;
- canals, dams, reservoirs other than tanks and their contents;

- standing timber, growing crops, plants, land including top soil and fill, landscaping, gardens and pastures, provided that when the cost of reinstatement of damage to a building, landscaping, plants and gardens are not excluded property when they are used to restore landscaping and gardens to a condition similar to that immediately prior to the damage;
- property being constructed, built, erected, altered or dismantled, including all associated materials or supplies, provided that this does not apply to:
  - such property if the total cost of this work is less than \$500,000 or 20% of the limit of liability for the premises concerned, whichever is the lesser; or
  - that portion of the building or part of any property that is not directly affected by such work;
- mining property and any equipment located beneath the surface of the ground, provided that this exclusion does not apply to underground services connected to a building;
- any pressure vessel (including a boiler) not used solely for domestic purposes, that has a value of more than \$200,000, and where the damage is directly caused by the explosion or implosion of such pressure vessel; and
- landlord's fixtures and fittings unless these are included as part of the insured amount for buildings.

#### **Limit of liability**

means 120% of the total of the insured amounts shown in the schedule for a specific premises, or the amount shown in the schedule whichever is the lesser, provided that this is the maximum amount that we will pay for all damage that arises out of any one source or original cause at such premises unless it is specifically stated in this cover section that payments are made in addition to this amount.

#### **Pollution or Contamination**

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

#### **Pre-Damage Value**

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

#### **Property**

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

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

#### **Reinstatement**

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

**Replacement Cost**

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

**Cover**

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

**Basis of Settlement**

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

## 1. (a) Business Records

- 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
- for damage to business records of your customers at the premises or your business records stored off-site, we will pay up to a maximum of \$25,000 any one loss unless a higher amount is specified in the schedule.

## (b) Old Plant &amp; Equipment

Unless specifically insured otherwise:

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

## (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 then the damage will be assessed at the market value of the goods after brands, labels or names have been removed by you or on your behalf.

## (d) All Other Property that is Damaged

For all other property that is damaged we will pay for the cost of reinstatement.

## (e) Output Replacement

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

- If property is to be replaced by an item which has the same or lesser total function, capability or output, the amount we will pay is the new installed cost of such replacement item or items.
- If property is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the cost of reinstatement of the damaged property, we will pay the new installed costs of the item or items replaced.

- If property is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the replacement cost of the property damaged, the amount we will pay is the lesser of the cost of reinstatement or that proportion of the new installed cost of the replacement item or items which the output of the property damaged bears to the output of the replacement item or items.

#### 2. Rebuilding at Another Location

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

Provided that:

- 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
- 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

#### Categories of Property

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

#### Limit of Liability

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

#### Delay in Reinstatement or Re-creation of Documents

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

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

#### Cash Settlement

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

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

In assessing the application of Limitation of Cover, Under-insurance, the basis of the calculation will be the value of property and not its replacement cost.

#### Directors & Employees Property

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

**Storm, Rainwater, Wind, Hail or Snow**

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

**Under-insurance**

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

Provided that any additional costs incurred when you comply with the requirements of any lawful authority (as described in Extensions of Cover - Extra Cost of Reinstatement), will be omitted from the calculation of our proportion.

**Excess**

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

An Excess of \$20,000 or one per cent (1%) of the total Sum Insured at the Situation, whichever is the lesser, applies in respect of damage to property caused by earthquake, subterranean fire, volcanic eruption, tsunami, or fire occasioned by or happening through or in consequence of earthquake, subterranean fire or volcanic eruption or tsunami, occurring during any period of 72 consecutive hours.

**Exclusions**

- We will not pay for property while it is undergoing any process where damage results from it being processed.
- We will not pay for any damage to any building that is vacant awaiting or undergoing demolition, and this Exclusion shall apply to all contents, fittings, plant and machinery associated with such property unless we have agreed otherwise.
- We will not pay for damage caused by or arising from:
  - theft, other than physical damage to property at the premises during theft or any attempted theft and/or theft of parts of the building when buildings are insured;
  - any legal liability that you have other than the legal liability that is covered within Demolition and Debris Removal clause, that forms part of the extensions of cover that are shown under the heading Extensions of Cover – A;
  - 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;
  - demolition ordered by any lawful authority as a result of failure by you to comply with any lawful requirement;
  - any unexplained shortage or inventory shortage or disappearance of property;
  - pollution or contamination of property, except when caused directly by fire, lightning, explosion, impact by any road vehicle or animal, aircraft or other aerial devices or articles dropped from them, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing or discharging of tanks, apparatus or pipes containing water or liquid of any kind, or sprinkler leakage;
  - flood;
  - the action of the sea or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance; or

- erosion, landslide, mudslide, rockslide, subsidence, settling, seepage, shrinkage or expansion of earth, vibration or other earth movement, unless caused by or arising from a direct consequence of an earthquake, subterranean fire, volcanic eruption or water escaping from a water main owned by a water supply authority.
- We will not pay for consequential loss of any kind;
- We will not pay for damage caused directly by or arising directly from:
  - breakdown;
  - gradually operating causes such as, but not limited to, wear and tear, mildew, mould, corrosion, disease, oxidation, fading, tree roots, evaporation, change in flavour, colour, temperature or texture;
  - vermin, insects, termites;
  - latent defect, inherent defects, faulty workmanship, faulty material, structural defects or faulty design;
  - faults or defects known to you or any employee whose knowledge in law would be deemed to be your knowledge and not disclosed to us at the time this insurance was arranged, extended, varied or renewed;
  - the cessation of work whether total or partial or cessation, interruption or retarding of any process or operation as a result of any industrial dispute;
- fraud or dishonesty by you or your directors, partners, employees, officers or any other persons who have an interest in the property;
- deliberate and unauthorised corruption, amendment or erasure of data by you or your directors, partners, employees, officers or any other person who has an interest in the property whether acting alone or in collusion with any other person;
- the gaining of unauthorised access to your computer via any communication system that is used by your computer system by any person other than you or your directors, partners, employees, officers or any other person who has an interest in the property;
- the operation or presence of any computer program that alters or erases data or programs in a manner that is undesired by you;
- computer virus, being an executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained, and which destroys or alters the host program or other computer code or data, causing undesired program or computer system operation;
- explosion or implosion of any pressure vessels (including any boilers):
  - 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
  - where any safety valve limiting pressure was removed or rendered inoperative;
- scratching, denting, chipping or defacing, except when caused directly by fire, lightning, explosion, impact by any road vehicle or animal, aircraft or other aerial devices or articles dropped from them, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing or discharging of tanks, apparatus or pipes containing water or liquid of any kind, or sprinkler leakage.

Provided that we will pay for any damage to property that is not otherwise excluded that results from damage caused directly by or arising directly from any of these causes.

#### **Extensions of Cover – A**

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

**Catastrophe**

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

- increase the limit of liability under this cover section by up to 20% of the insured amount for the building if your building is rebuilt; and
- we will also increase the limits on the amounts we will pay under Extensions of Cover - Temporary Protection & Watchmen, and Capital Additions by 20%;

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

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

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

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

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

Major Loss will be deemed to have occurred when the cost of reinstating your building in accordance with the Basis of Settlement provisions of this cover section exceeds 80% of the replacement cost of your building immediately prior to the event.

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

**Extra Cost of Reinstatement**

The additional costs incurred by you to reinstate your insured property in complying with the requirements of any lawful authority that are imposed after the damage.

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

**Temporary Repairs**

The cost of temporary repairs to property that is damaged, including, but not limited to, the cost of dismantling, shoring up, propping and underpinning property.

**Demolition & Debris Removal**

The reasonable costs incurred by you for:

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

**Fees & Costs**

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

**Loss of Land Value**

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

Provided that:

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

**Floor Space Ratio or Index**

When the cost of rebuilding a building that is damaged, costs more than 50% of the replacement cost of the entire building, and rebuilding is only permissible subject to a reduced floor space to land area ratio or index, then we will also pay the cost of rebuilding that would have been incurred had a reduced floor space ratio or index not been applicable, less the actual incurred cost of rebuilding in accordance with the reduced floor space ratio or index, including the additional costs incurred to meet the requirements of any lawful authority as described in Extensions of Cover – A, Extra Cost of Reinstatement.

**Undamaged Foundations**

When a building that is damaged has to be rebuilt at a location other than the premises because the requirements of any lawful authority prevent the reinstatement of the building at the premises, and that building's foundations are not damaged to such an extent that prevents them from being re-used, then we shall allow in the actual rebuilding costs an amount for foundations that is equal to the value of the damaged building's foundations at the premises.

Provided that:

- we will not pay more than the actual cost of foundations necessary to support the new building at the new location; and
- if the resale value of the land at the premises with such foundations is greater than the land value of the premises without such foundations, then we will deduct the difference between these values from the amount otherwise payable by this Extension of Cover.

**Unpacking Expenses**

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

**Extensions of Cover - B**

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

**Fire Fighting Costs**

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

Provided that the wages of any full-time members of a works fire brigade are not covered by this Extension of Cover and this Extension of Cover is limited to \$50,000 in total, any one event.

**Exploratory Costs**

The reasonable cost incurred by you to find the source of a leak when liquids have caused damage to property.

Provided that this Extension of Cover is limited to \$25,000 any one event.

**Temporary Protection & Watchmen**

The costs reasonably incurred by you to protect the property including the cost of temporary repairs, the hiring of watchmen or the removal of insured property to a place of safe storage pending the repair or reinstatement of your premises and the additional cost of such storage if not otherwise insured.

Provided that this Extension of Cover is limited to \$25,000 any one event.

**Capital Additions**

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

- alterations to buildings; and
- other capital additions;

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

Provided that this Extension of Cover does not apply to:

- property that cannot be correctly designated to a category that has a declared value shown in the schedule for that premises;
- property that can be categorised as stock.

**Discharge of Mortgage Cost**

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

Provided that this Extension of Cover is limited to \$25,000 any one event.

**Extensions of Cover – C****Restricted Transit**

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

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

Provided that the most we will pay under this Extension of Cover is the lesser of \$50,000 or 10% of the insured amount for that category of property.

**New Premises – Temporary Cover**

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

Provided that:

- this temporary cover is limited to a period of 60 consecutive days from the day that you first use the new premises;
- this temporary cover is not available to property that cannot be correctly designated to one of the categories of property that has an insured amount shown in the schedule;

- this temporary cover is only available to property that is of a similar type to that insured by this cover section;
- for each specific category of property shown in the schedule this temporary cover is limited to 50% of the insured amount for that category, or if more than one premises is shown in the schedule, then this 50% limitation will apply to the lowest insured amount that applies to a specific category of property;
- the new premises have building, fire protection and security features that are similar to those at one of the premises shown in the schedule; and
- you provide us with full details of the new premises within 60 days of you first using the new premises.

**Automatic Reinstatement**

At each premises, when the insured amount is reduced following damage covered by this cover section, we will automatically increase this reduced limit to its value immediately before the damage, provided that you pay or agree to pay the additional premium that we require.

**Disposal of Salvage**

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

**Other Parties/Waiver of Subrogation**

We automatically extend cover to include all other parties that have an insurable interest in the property including lessors, financiers, trustees, mortgagees, owners and others who are specifically noted in your records; and We waive any rights and remedies or relief that we are entitled to by way of subrogation against any of these parties.

**Stock Seasonal or Festive Increase**

The insured amount for stock is increased by 50% for losses occurring during the days specified in the schedule under the heading 'Seasonal or Festive Increase', up to a maximum of 116 days or, if no days are specified, this increased cover for stock will apply to:

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

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

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

**Temporary Removal to Other Premises**

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

Provided that:

- this Extension of Cover is not provided to property in transit;

- this Extension of Cover is only available to property that can be correctly designated to a category that has a declared value shown for the premises at which this property is normally located;
- the most we will pay under this Extension of Cover is 20% of the insured amount that applies to this property at the premises at which the property is normally located.

### **Minimisation of Damage**

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

### **Taxation Audit Costs**

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

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

### **Taxation Audit Costs - Exclusions**

We shall not be liable under this additional benefit:

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

### **Taxation Audit Costs - Special Conditions**

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

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

In the event of a claim arising:

- you must at all times keep us fully and continually informed of all material developments in relation to the claim and in relation to any audit;

- you must take all necessary and reasonable steps to minimise any delays and the amount of any costs incurred or likely to be incurred in connection with any audit;
- we or our duly appointed agent may make our own investigation into any matter which is or may be the subject of a claim; and

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

#### **Optional Extensions of Cover**

If shown in the schedule the following extensions shall apply:

#### **Transit – Fire & Specified Perils, Theft, Collision and Overturning**

When Transit is shown in the schedule we will provide cover for damage to property specified in the schedule under this cover section while in transit within Australia that is caused by:

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

Provided that this Extension of Cover is limited to the amount shown in the schedule for Transit.

#### **Flood**

When flood is shown in the schedule, the word 'Flood' is deleted from the Exclusions.

**Introduction**

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

**Definitions**

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

**Additional Uninsured Working Expenses**

means those expenses that are shown as Additional Uninsured Working Expenses in the schedule for this Business Interruption cover section.

**Damage or Damaged**

means accidental physical damage, destruction or loss. Damaged has a corresponding meaning to damage.

**Income**

means:

- income received from the renting or leasing of any part of the premises including monies paid by the lessee as outgoings under the terms of the rental or leasing agreement; and
- income from your business at the premises for goods sold, work done or services rendered, less:
  - working expenses for freight, packing, bad debts, and the purchase of goods, materials, components, or stock;
  - any other additional uninsured working expenses shown in the schedule; and
  - payroll if this is shown in the schedule.

**Indemnity Period**

means the period that starts on the date of the damage and ends not later than the number of weeks or months stated in the schedule after the date of the damage during which the productivity of your business is affected as a consequence of the damage.

**Insured Damage**

means:

- In relation to your property, insured damage means damage to your property when both the property that is damaged and the cause of the damage are covered by your policy under one or more of the following cover sections:
  - Fire;
  - Burglary;
  - Money;
  - Glass;
  - Business Special Risks; or

another insurance policy that insures your property and names you as the Insured.

Provided that:

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

- In relation to property referred to in this cover section under the heading Extensions of Cover, insured damage means damage to such property located in Australia; and
- in relation to property referred to in this cover section under the Optional Extensions of Cover, insured damage means damage to property located in Australia at the premises of the specified customers and specified suppliers who are shown in the schedule of this cover section.

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

**Interruption**

means interruption or interference.

**Loss of Income**

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

**Payroll**

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

**Cover**

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

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

**Basis of Settlement****Loss of Income**

Loss of income will be calculated by subtracting the income earned during the indemnity period from the income you would have earned during the indemnity period had the damage not occurred.

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

- will be calculated by reference to the income for:
  - a period of the same duration as the indemnity period that starts a year prior to the date of the damage; or
  - a period of your normal business operations that corresponds most closely to the indemnity period if your business has operated for less than a year at the start of the indemnity period; and
- will be adjusted to take into account any:
  - trends of the business and other influences that would vary the income;
  - changes to how stock, materials, finished goods or partially finished goods are used, purchased or sold including salvage sales of stock following insured damage; and
  - savings made during the indemnity period that reduce the normal cost of running your business.

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

**Additional Expenditure**

We will also pay for additional expenditure necessarily incurred for the sole purpose of reducing loss of income that is covered by this cover section.

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

**Payroll**

When payroll is specifically covered and an insured amount shown, we will pay the percentage shown in the schedule of your normal payroll costs during the indemnity period.

Provided that our payment is limited to your actual payroll costs during the indemnity period or the insured amount shown in the schedule whichever is the lesser.

**Auditors & Accountants**

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

**Departmental Clause**

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

**Accumulated Stocks Clause**

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

**Limitations of Cover****Insured Amount**

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

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

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

**Closure of Your Business**

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

Nothing in this clause shall affect your right to an equitable adjustment where the decision to close the business is taken with our approval in the interest of all parties and directly arises from the interruption of your business that is caused by insured damage that happens at the premises.

**Under-insurance**

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

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

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

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

**Excess**

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

**Extensions of Cover**

Provided that the total insured amount shown in the schedule for this cover section is not exceeded.

**Public Utilities**

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

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

**Landlord's Property and Other Non-Owned Property used by You at the Premises**

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

**Other Premises and Property**

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

- **Unspecified Suppliers**  
Property at the premises of any of:
  - your suppliers; or
  - manufacturers of products utilised or sold by the business; or
  - repairers or processors of materials, components, or goods.
- **Unspecified Customers**  
Property at the premises of any of your customers and clients.
- **Documents**  
Documents and electronic data files belonging to or held in trust by you while in transit or while at premises not occupied by you.
- **Storage Sites**  
Your property stored at any premises not occupied by you, including freight forwarders.
- **Transit**  
Your property while in transit outside of the premises occupied by you.
- **Roads, Bridges & Railway Lines**  
Roads, bridges and railway lines over which stock, components and materials are conveyed to and from the premises. Provided that damage by flood is excluded.
- **Computer Data**  
Computer installations including ancillary equipment and data processing media utilised by you.

**Registered Motor Vehicles**

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

**Prevention of Access**

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

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

**Prevention of Access by a Public Authority**

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

**Murder, Suicide & Infectious Disease**

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

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

**Explosion of Boilers & Pressure Vessels**

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

**Fines, Damages & Penalties**

We will also pay up to 20% of the insured amount for income, any amounts for which you are liable, resulting from an interruption of your business caused by insured damage to your property or non-owned property used by you at the premises for:

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

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

**Automatic Reinstatement**

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

Provided that you pay or agree to pay the additional premium required by us.

**Optional Extensions of Cover****Other Premises**

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

- Specified Customers  
Property at the premises of your customers that are shown in the schedule up to an amount calculated by applying the percentage shown in the schedule to the insured amount for income; and
- Specified Suppliers  
Property at the premises of your suppliers shown in the schedule up to an amount calculated by applying the percentage shown in the schedule to the insured amount for income.

**Additional Increase in Cost of Working**

We will pay up to the insured amount shown for Additional Increase in Cost of Working for all costs not otherwise recoverable that are necessarily incurred by you in an attempt to reduce a loss of income that is covered by this cover section.

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

**Accounts Receivable (Book Debts)**

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

- all amounts due to you that cannot be collected as a direct result of damage to your accounts receivable records; and
- debt collection costs that would not have been incurred had your accounts receivable records not been damaged.

Provided that these debt collection costs are necessarily incurred to collect amounts that otherwise would not have been collected.

Provided that we will not pay for:

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

**Additional Claims Preparation Costs**

If 'Additional Claims Preparation Costs' is shown in the schedule then we will pay for costs incurred with our written approval that are not otherwise recoverable for processing and certifying details of claims under cover sections Fire and Business Interruption, up to an amount equal to the sum insured for Additional Claims Preparation Costs.

**Cost of Goodwill**

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

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

- the building that is damaged cannot or will not be repaired or rebuilt, including:
  - any refusal by any owner or lessor other than you to repair or rebuild; and
  - any restrictions imposed by any legal authority; and

- the purchase of the business is incurred because you were unable to continue your business at the premises as a result of the damage to the buildings not being repaired; and
- the cause of the damage to the buildings would have been covered by the Fire Section of your policy had that building been insured under that cover section; and
- the business that is purchased is similar to your business.

**Introduction**

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

**Definitions**

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

**Category and Categories**

means the category into which property can be designated from the following:

- All contents;
- All contents excluding stock;
- Stock including goods for which you are responsible but excluding Cigarettes and Tobacco Goods;
- Cigarettes and Tobacco Goods; or
- Specified Items listed in the schedule.

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

**Property**

means the Property shown in the schedule as Insured Property.

**Theft**

means theft or attempted theft.

**Cover**

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

- visible forcible and violent entry into or exit from buildings at the premises;
- a person hiding on the premises during normal operating hours until the premises are closed and locked up;
- an actual, attempted or threatened armed hold up; or
- an actual, attempted or threatened assault or violent act.

Provided that the theft happens during the period of insurance.

**Limitations of Cover****Categories of Property**

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

**Insured Amount and Reinstatement of Insured Amount**

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

Provided that:

- the maximum amount we will pay in any one period of insurance is limited to twice the insured amount; and
- you pay or agree to pay the additional premium we require.
- Excess  
You are liable for the excess for each and every event that results in loss or damage.

**Exclusions**

We will not pay for:

- 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;
- theft when entry has been made using keys or security codes;
- theft of money exceeding \$250 in total;
- theft of motorised vehicles and/or watercraft, unless motorised vehicles and/or watercraft are specifically shown as insured in the schedule for this cover section;
- unexplained disappearances or unexplained shortages whether resulting from clerical or accounting errors or shortages in the supply of materials to or by you;
- consequential loss of any kind; and
- the dishonest manipulation of any database or computer system.

**Extensions of Cover****Damage to Premises**

Provided that the insured amount for specific premises is not exceeded, we will pay for the cost of repairing buildings that are physically damaged during a theft at that premises.

**New Premises – Temporary Cover**

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

Provided that:

- this temporary cover is limited to a period of 60 consecutive days from the day that you first use the new premises;
- this temporary cover is not available to property that cannot be correctly designated to one of the categories that are shown as insured in the schedule;
- this temporary cover is only available to property that is of a similar type to that insured by this cover section;
- for each specific category of property shown in the schedule this temporary cover is limited to 50% of the insured amount for that; or
- if more than one premises are shown in the schedule then this 50% limitation will apply to the lowest insured amount that applies to a specific category of property;
- the new premises have building and security features that are similar to those at one of the premises shown in the schedule, having the same occupation;
- you provide us with full details of the new premises within 60 days of you first using the new premises; and
- you pay the premium that we require for this new premises.

**Seasonal or Festive Increase**

The sum insured for stock excluding any Cigarettes or Tobacco Goods, is increased by 50% for losses occurring during the days specified in the schedule under the heading 'Seasonal or Festive Increase', up to a maximum number of 116 days, or, if no days are specified, the 50% increase for stock excluding any Cigarettes or Tobacco Goods, will apply to:

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

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

**Locks & Keys**

If during the period of insurance keys used at the premises are accidentally lost or stolen, we will pay in addition to the insured amount:

- the cost incurred to replace these keys; and
- other costs that are necessarily incurred to restore the security of the premises to the same level of security that existed prior to the loss of these keys.

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

**Temporary Protection and Watchmen**

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

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

**Security**

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

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

**Death following Assault**

If any person is injured while protecting or attempting to protect the property from theft and death results from this injury within 12 months, we will pay \$10,000 in addition to the insured amount, to the estate of that person.

**Clothing & Personal Effects**

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

Provided that the total amount payable under this Extension is limited to \$5,000 any one person and \$10,000 in total, any one event.

**Business Records**

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

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

**Employee Dishonesty**

Subject to the exclusion contained in paragraph (b) of Extension of Cover we will pay you for loss of property by theft or dishonesty by any of your employees occurring during the period of insurance, which is discovered within 30 days of its occurrence. Exclusion - dishonest manipulation of any database or computer system and Optional Extension - Theft Without Forcible Entry, proviso (b), theft by you or any of your employees, do not apply to this Extension.

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

**Theft without Forcible Entry**

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

Provided that we will not pay for:

- theft involving shoplifting;
- theft by you or any of your employees; and
- consequential loss of any kind.

Provided the maximum amount that we will pay is limited to \$5,000 in total, any one event or as noted in the schedule.

**Illegal Use of Corporate Financial Transaction Card**

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

Provided that we will not pay:

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

**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 which has no salvage value.

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

**Temporary removal**

We also cover your property while temporarily removed to any other premises within Australia.

Provided that:

- We will not cover tobacco, tobacco products, cigars, cigarettes or alcoholic beverages
- We will not cover property that is on consignment to other parties unless it is owned by you or is property for which you are responsible
- The maximum amount we will pay for this additional benefit will be 20% of the insured amount
- This additional benefit will not apply to any property, which has been removed for a period greater than 90 days without our prior written consent.

**Optional Extensions of Cover****Additional Damage to Premises Cover**

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

**Additional Theft without Forcible Entry cover**

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

**Introduction**

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

**Definitions**

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

**Business hours**

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

**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 cover section, is extended to include money held in trust or for which you are responsible and which is not otherwise insured

**Safe**

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

**Strongroom**

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

**You or Your**

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

**Cover**

We will pay up to the insured amount shown in the schedule for loss of money during the period of insurance for the following categories of money:

**Money in Transit**

Money in transit or in a nightsafe or automatic teller machine until removed by a bank employee.

Provided that this cover is only provided up until the close of business on the next bank trading day from the time the transit commenced.

**Money on the premises**

Money on the premises during business hours when not contained in a locked safe or locked strongroom.

Provided that cover during non business hours is limited to \$1,000.

**Money in a locked safe or locked strongroom**

Money in a locked safe or locked strongroom.

**Money in a private residence**

Money in your personal custody or the personal custody of a person authorised by you while in a private residence.

**Limitation of Cover****Excess**

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

**Exclusions**

We will not pay for:

- 1) theft from an unattended vehicle that is not locked;
- 2) theft from a safe or strongroom when the locking device is opened by:
  - a) a key, a magnetic key or card, or similar device;
  - b) a sequence of numbers or letters, or numbers and letters; or
  - c) any combination of the security devices shown above, when these security devices are left unsecured on the premises;
- 3) theft from a safe or strongroom that is not locked during non business hours;
- 4) shortage due to error or omission;
- 5) loss discovered more than 10 working days after such loss. Provided that this does not apply to Extension of Cover - Employee Dishonesty;
- 6) loss due to fraudulent or dishonest acts by you. Provided that this does not apply to theft by your employees following visible, forcible and violent entry;
- 7) loss due to the dishonest manipulation of any database or computer system;
- 8) consequential loss of any kind.

**Extensions of Cover****Reinstatement of Insured Amount**

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

Provided that:

- the maximum amount we will pay during the period of insurance is limited to twice the insured amount; and
- you pay or agree to pay any additional premium we require.

**Seasonal or Festive Increase**

The insured amount for money is increased by 50% for losses occurring during the days specified in the schedule under the heading 'Seasonal or Festive Increase', up to a maximum of 116 days or, if no days are specified, this increased cover will apply to:

- eight (8) weeks prior to and including Christmas Day;
- three (3) weeks after and including 26 December;
- six (6) weeks prior to and including Easter Tuesday;
- one (1) week after but not including Easter Tuesday;
- six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where you can reasonably demonstrate that the money 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
- one (1) week after the same festive, religious or ethnic event or celebration.

Provided that this Extension:

- will not extend the insurance beyond the period of insurance noted in the policy schedule; and
- does not apply to money on premises outside of business hours; and
- will not apply to the individual days mentioned under Extensions of Cover - Bank or Public Holiday Increase.

**Additional Cover**

In addition to the insured amount:

- **Damage to safes or strongrooms**  
If 'Money in safe' is shown in the schedule, then we will pay up to \$5,000 for damage to safes and strongrooms following theft or an attempted theft of money.
- **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 Extension is limited to \$5,000 any one person, and \$10,000 in total, any one event.

- **Keys, locks and combinations**
- If 'money in safe' is shown in the schedule and Exclusion 2(c) does not apply, then:
  - we will pay to replace locks, keys, magnetic keys or cards or similar devices, or to change the sequence of numbers or letters, or numbers and letters to any safe or strongroom if:
    - keys, magnetic keys or cards or similar devices are accidentally lost;
    - the sequence of numbers or letters, or numbers and letters becomes known by any unauthorised person or are accidentally lost, or;
    - circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices;
  - we will also pay the cost of opening safes and strongrooms following loss of keys, magnetic keys or cards or similar devices.
  -

Provided that the total amount payable under this Extension is limited to \$5,000 in total, any one event.

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

Provided that the total amount payable under this Extension is limited to \$5,000 in total, any one event.

- **Death following assault**  
If any person is injured while protecting or attempting to protect money from theft or attempted theft and death results from this injury within 12 months we will pay \$10,000 in addition to the insured amount, to the estate of that person.
- **Temporary Protection and Watchmen**  
We will pay for costs necessarily incurred by you to safeguard the premises following theft or attempted theft that is covered by this cover section, including but not limited to temporary repairs or the employment of watchmen or guards.

Provided that the total amount payable under your policy is limited to \$5,000 in total, any one event.

- Security

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

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

**Bank or Public Holiday Increase**

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

Provided that this Extension of Cover does not apply to:

- damage to safes and strongrooms; and
- money on premises outside business hours; and
- is not cumulative with Extension of Cover- Seasonal or Festive Increase.

**Employee Dishonesty**

We will pay you for loss of money by theft or dishonesty by any of your employees occurring during the period of insurance, which is discovered within 30 days of its occurrence. Exclusions 6 and 7, so far as they relate to loss due to fraudulent or dishonest acts by you and loss due to the dishonest manipulation of any database or computer system, do not apply to this Extension.

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

**Optional Extension of Cover****Additional Damage to Safes and Strongrooms**

When 'Additional Damage to Safes and Strongrooms' is shown in the schedule then the \$5,000 limit for Extension of Cover - Damage to Safes and Strongrooms is increased to the limit shown in the schedule.

**Introduction**

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

**Definitions**

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

**Advertising (or identification) signs**

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

**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 laminate, plastic or perspex.

**Glass**

means internal glass or external glass.

**External Glass**

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

**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.

**Cover**

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

We will pay any additional costs incurred by you to comply with current building regulations that relate to the glass that is broken, when applicable.

**Limitations of Cover****Types of Glass**

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

**Excess**

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

**Exclusions**

We will not pay for damage to:

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

**Extensions of Cover****Additional Benefits**

If glass shown in the schedule is broken during the period of insurance then we will pay the costs that are necessarily incurred by you to:

- effect temporary repairs, install shuttering and employ watchmen or guards;
- repair or replace:
  - frames, sign-writing, alarm tapes, coatings; or
  - fittings;that are damaged as a result of glass breakage;
- remove and refit fixtures and tiles to allow the repair or replacement of broken glass; and
- arrange after hours services, express delivery and labour at overtime rates in relation to the repair and replacement of broken glass.

Provided that the total of all payments under this Extension of Cover is limited to \$8,000 during the period of insurance.

**Reinstatement of Additional Benefits**

Following a claim under Extension of Cover – Additional Benefit, if you pay or agree to pay an additional premium, we will return the limit to the full \$8,000.

**Advertising (or Identification) Signs**

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

Provided that the total of all payments under this Extension of Cover is limited to \$8,000 during the period of insurance.

**Damaged Stock**

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

Provided this Extension of Cover is limited to \$8,000 during the period of insurance.

**Optional Extensions of Cover****Increased Cover on Advertising (or Identification) Signs**

If 'Increased Cover on Advertising (or Identification) Signs' is shown in the schedule then the total for all payments provided under Extensions of Cover – Advertising (or Identification) Signs is increased to the limit shown in the schedule.

**Increased Cover on Damaged Stock**

If 'Increased Cover on Damaged Stock' is shown in the schedule then the total for all payments provided under Extensions of Cover – Damaged Stock is increased to the limit shown in the schedule.

**Increased Additional Benefits**

If increased Additional Benefits are shown in the schedule then the total for all payments provided under Extensions of Cover – Additional Benefits is increased to the limit shown in the schedule.

**Introduction**

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

**Definitions**

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

**Damage or Damaged**

means accidental physical damage, destruction or loss.

**Item or Items**

means an Item or Items that are shown in the schedule.

**Cover**

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

**Limitations of Cover****Geographical Limits**

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

**Excess**

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

**Obsolete Items or Improvements**

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

**Unspecified Items**

When cover is shown in the schedule for Unspecified Items, cover is limited to a maximum amount of \$2,000 for any one item.

Provided that we will not pay for Excluded Items.

**Reduced Insured Amount**

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

**Exclusions****Excluded Causes**

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

- 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;
- corruption or loss of data;
- vermin or insects;
- scratching, denting, chipping or other aesthetic defects that do not affect the operation or function of the item;

- gradually operating causes such as, but not limited to, wear and tear, atmospheric conditions, mildew, corrosion, disease, fading, rusting or other forms of oxidisation; or
- faulty materials, faulty workmanship or latent defect.

**Excluded Items**

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

- mobile plant, motorised vehicles, watercraft, video equipment;
- stock;
- mobile telephones and radios, sporting equipment, aerial devices;
- computers, electronic diaries, organisers or their accessories;
- firearms; and
- money.

**Consequential Loss**

We will not pay for consequential loss of any kind.

**Optional Limitations****Restricted Cover**

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

- fire, storm, water, explosion, impact by a vehicle;
- earthquake, aircraft, malicious damage, but not theft;
- collision or overturning of a vehicle; and
- theft following visible, forcible and violent entry to locked vehicles or locked premises.

**Fire Excluded**

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

**Introduction**

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

**Definitions**

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

**Boilers and unfired pressure plant**

means any structure that is subject to internal steam, gas or other fluid pressure other than normal atmospheric pressure and shall include:

- fittings and direct attachments that are connected to the structure without any intervening valve, cock or tap; and
- supports for the structure and operating equipment such as furnace doors, access doors, combustion chambers, smoke boxes and casings.

Provided that this does not include:

- internal combustion engines;
- rotating, reciprocating or electrical devices; and
- pressure pipe systems.

**Damage or Damaged**

means any sudden unforeseen physical damage to or destruction of any part of the plant that prevents the plant from operating normally and requires repair or replacement of the plant before normal operation can be resumed.

**Electrical, electronic and mechanical plant**

means all integral parts of the plant that are not boilers and unfired pressure plant or pressure pipe systems.

**Excluded plant**

means:

- computers, electronic data processing equipment;
- communications equipment including, but not limited to, telecommunication transmitting and receiving equipment;
- audio visual, amplification, burglar alarms, monitoring systems and surveillance equipment;
- lighting facilities;
- research, diagnostic and electro-medical-equipment;
- lifts, escalators, office machines;
- coin or card-operated machines;
- storage tanks and vats;
- any container used to contain explosive or inflammable gases and liquids;
- mobile machinery;
- building ducts, reticulating electrical wiring, water and gas piping;
- hot water systems used for heating up to 500 litres of water to a temperature below one hundred degrees Celsius (100°C); and
- property not owned by you or not at the premises.

**Expendable items**

means items and parts that are not normally re-used or repaired or any item or part that requires periodic or frequent replacement including but not limited to:

- electrical and electronic glass bulbs, tubes, x-ray tubes;
- electrical contacts, heating elements, batteries;
- wear plates, cutting edges, tools, dies, moulds, patterns, impression rollers, engraved cylinders;
- fuses, shear pins and other safety or protective devices that require a replacement after they have performed or attempted to perform their designed function;
- tyres, tracks, conveyer belts, ropes; and
- glass and ceramic components.

**Explosion**

means the sudden, unforeseen and violent rending of any boiler and unfired pressure plant or pressure pipe systems by force of internal steam gas or fluid pressure or the pressure of ignited flue gases.

**Plant**

means the following defined types of plant:

- electrical, electronic and mechanical plant;
- boilers and unfired pressure plant; and
- pressure pipe systems.

The word plant shall apply to any or all items shown in the schedule as well as any or all components or parts of these items.

Unless specifically shown in the schedule, plant does not include excluded plant.

**Pressure pipe systems**

means:

- for boilers and unfired pressure plant, any pipe systems with valves, fittings, traps and separators that contain steam, condensate, gas or other fluids that are pressurised by the plant, including any piping between the boilers and feed water pumps or injectors; and
- for refrigeration and air-conditioning equipment specified in the schedule, the interconnecting pipes and coils that contain a heat transfer medium.

**Wear or Gradual deterioration**

means:

- the wearing or wearing out of plant or property as a result of its normal operation;
- the wearing or wasting away of material as a result of the normal operation of plant or property;
- mildew, disease, fading, erosion, corrosion, rust or other forms of oxidisation;
- damage resulting from atmospheric conditions; or
- slowly developing deformation or distortion.

**Cover**

We will pay for the cost of repairing or, at our option, replacing:

- plant that is damaged; and
- property that is hit by flying fragments of plant that has disintegrated following damage to that plant, provided that you are responsible for the property that is hit and this property is owned by you or in your custody or control.

Provided that the damage to the plant occurs during the period of insurance.

**Limitations of Cover****Excess**

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

**Maintenance Agreements**

We will not pay for the repair or replacement of plant and other property when any party other than you has responsibility to repair or replace such plant or other property.

**Part Immediately Affected**

Where damage is confined to a part of the plant or other property, 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.

**Insured Amount**

We will not pay more than the applicable insured amount for any one event.

**Improvements**

If an item of plant or property 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).

**Conversion to Non-CFC Refrigerant Operation**

We will not pay for any costs that are associated with the conversion or alteration of plant or property that is undertaken to assist the plant to operate with a non CFC (Chlorofluorocarbon) type of refrigerant.

**Obsolete Items**

If it is necessary to replace parts of plant 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 plant which are currently available.

**Exclusions**

Other than where specifically provided for in the policy schedule:

- You are not insured for the cost of repair or replacement of expendable items.
- Except where the repair or replacement is made necessary by damage to other parts of the plant:
  - we will not pay for the repair or replacement of joints, gaskets or seams, drive belts, filters, chains, brickwork, foundations or refractories, seals, shaft seals, flexible drives or flexible pipes, soft rollers, replacement of refrigerant, brine or any transfer media;
  - we will not pay for repair of any crack, fracture, blister, lamination, flaw or grooving which has not penetrated completely through the entire thickness of the material of the plant, even though repair or renewal of the part affected may be necessary either immediately or at some future time.
- We will not pay for the costs incurred in repairing wear or gradual deterioration including:
  - damage to a safety or protective device caused by its own operation;
  - the chipping or scratching of painted or polished surfaces.
- We will not pay for the cost of the carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments.
- We will not pay for damage to any item of plant which was known to be defective before the damage occurred.
- We will not pay any loss of use or consequential loss of any kind.

- We will not pay for damage caused directly or indirectly by:
  - fire, smoke or soot, extinguishing of a fire or subsequent demolition, lightning, hail, wind, rain, storm, flood, impact by land-borne vehicles or waterborne craft, aircraft or other aerial devices or pressure waves created by their travelling at sonic or supersonic speed, theft or attempted theft, malicious damage, earthquake, subsidence, rockslide, mudslide, landslide, earth movement, subterranean fire, volcanic eruption;
  - explosion other than as defined
  - the use or application of any tool or process to the plant in the course of maintenance, inspection, repair, alteration, modification or overhaul (including but not limited to damage caused while machining a crankshaft or while applying heat to case harden or weld an item);
  - or occurring during installation, building or erection of plant unless this follows dismantling of plant for the purpose of cleaning, inspecting, repairing or movement within the premises;
  - loss or damage arising out of:
    - the plant being subjected to tests involving abnormal stresses or arising out of the plant being intentionally overloaded or operated in excess of its normal designed operating specifications;
    - any raising or lowering operation in which a single load is shared between more than one item of plant (including but not limited to cranes), whether such item is insured under this cover section or not;
  - any deliberate act or negligence by you or on your behalf;
- In the event of loss or damage to the plant giving rise to a claim under this cover section, we will not be liable for any costs associated with altering or modifying the plant to enable it to operate with a more ozone-friendly refrigerant gas as required by the UNEP.

For the purpose of last Exclusion above, the following definition applies:

UNEP means United Nations Environment Policy Montreal protocol with respect to substances which deplete the ozone layer.

### Extensions of Cover

#### Hire of Temporary Plant & Costs of Temporary Repairs

Following damage that is covered by this cover section we will pay up to an additional 50% of the normal repair costs for:

- the cost of hiring temporary plant;
- the cost of temporary repairs;
- the extra cost of expediting permanent repairs including:
  - charges for overtime and work on public holidays where necessary and reasonably incurred;
  - freight within Australia by any recognised schedule service;
  - overseas airfreight by any recognised schedule service and/or overseas labour; and
- consultants fees.

Provided our written approval for all these additional costs has first been obtained. We will not pay more in total than the insured amount shown in the schedule.

#### Temporary Cover

We will provide temporary cover for a period of up to 90 days for additional plant that, during the period of insurance, is installed or brought into use.

Provided that:

- you must give us notice in writing within the 90 day period and pay to us any additional premium we may require calculated from the date of installation or bringing into use;

- the additional plant is free from known defects and must comply with all statutory requirements;
- this temporary cover shall not commence until the additional plant has worked satisfactorily for eight (8) hours and has been handed over after commissioning;
- this temporary cover shall only apply to plant which is of a similar kind to the plant which is insured under this cover section;
- the insured amount and excess for the additional plant will be that specified for a similar item or group of items of plant in the schedule.

**Special Condition****Examinations**

You will permit our representatives to inspect the plant at any reasonable time during the period of insurance and you will properly prepare the plant at your expense for such inspection.

Provided that any inspection by us is for our purposes only and does not warrant that the plant is safe or that it is free from defects.

**Optional Extension of Cover – Deterioration of Stock****Cover**

If 'Deterioration of Stock' is shown in the schedule then we will pay for deterioration or putrefaction of goods in cold storage which are cooled by refrigeration plant shown in the schedule.

Provided this deterioration or putrefaction occurs during the period of insurance and results from:

- a change in temperature solely caused by:
  - damage that is covered by this cover section;
  - operation or failure of thermostats, pressure controls or limiting devices, that is not due to an error when operating or setting these items;
  - the accidental failure of the public electricity supply service; or
  - sudden leakage of refrigerant from the plant; or
- contamination of the goods directly caused by sudden leakage of refrigerant from the plant.

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.

**Extension of Cover**

Stock Seasonal or Festive Increase

The insured amount for stock applying to Optional Extension of Cover - Deterioration of Stock, is increased by 50% for losses occurring during the days specified in the schedule under the heading 'Seasonal or Festive Increase', up to a maximum of 116 days or, if no days are specified, this increased cover for stock will apply to:

- eight (8) weeks prior to and including Christmas Day;
- three (3) weeks after and including 26 December;
- six (6) weeks prior to and including Easter Tuesday;
- one (1) week after but not including Easter Tuesday;

- six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where you can reasonably demonstrate that the stock levels during that period have risen by more than 20% above standard levels and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event; and
- one (1) week after the same festive, religious or ethnic event or celebration.

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

**Exclusions**

The following exclusions shall apply to this Optional Extension of Cover – Deterioration of Stock.

We will not pay for deterioration or putrefaction caused by:

- the interruption of the electricity supply as a result of any deliberate act by the supply or generating authority or company, unless that act is performed specifically to protect life or any part of the electricity supply system and this act is not caused directly or indirectly by fire, flood, storm or any other natural cause;
- inappropriate or improper storage, damage to packing materials or inadequate air circulation;
- damage to goods due to any rationing of the electricity supply other than accidental damage to the generation equipment; and
- damage to goods which are alive or are of a bacterial nature.

**Introduction**

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

**Definitions**

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

**Breakdown**

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

**Computer**

means any electronic device that is used to:

- store or process data; or
- control machinery.

**Computer virus**

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

**Damage or Damaged**

means physical damage, destruction or loss and in relation to data, software and media material includes corruption of data or software.

**Data**

means any facts, information or records that are stored on media material.

**Expendable items**

means items and parts that are normally not re-used and require frequent or periodic replacement.

**Insured damage**

means any sudden or unforeseen physical damage or destruction to any part of the insured plant which requires repair or replacement before normal operation can be resumed.

**Insured plant**

means Plant that is shown in the schedule.

**Insured property**

means the insured property that is shown in the schedule.

**Media material**

means any optical discs or any magnetic medium that can be used to store data or software such as, but not limited to, tapes, discs or cards.

**Software**

means any instructions used to control the operation of a computer provided that these instructions are recorded on media material.

**Cover**

When Electronic Equipment Breakdown or Computer Breakdown is shown in the schedule, we will pay up to the insured amount for the cost of repairing or, at our option, replacing insured property which occurs during the period of insurance.

**Limitations of Cover**

All insured property that can be repaired must be repaired, however, where the cost of repair is deemed to be uneconomical due to the extent of insured damage, settlement shall be as follows:

- We will at our option:
  - supply a replacement of the same type model capacity and condition to replace the damaged item as it was immediately before the insured damage; or
  - if such a replacement item is not available we will supply a similar item of no lesser capacity than the damaged item; or
  - if the item was manufactured more than six (6) years prior to the date of loss, we will pay no more than the estimated cost of similar parts for similar type of plant currently available in addition to estimated labour costs to effect the repair.
- We will not pay more than the sum insured for any one event.
- You are liable for the excess for each and every event that results in damage.
- Where insured damage is confined to a part of the plant or other property, 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.
- If an item of insured property 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 such improvement(s).
- If it is necessary to replace parts that are unavailable or obsolete we will not pay more than the estimated cost of similar parts for similar type of plant currently available.
- In the event of damage, we will not be liable for more than the proportion of the damage which the insured amount bears to 80% of the total new replacement value of the insured property at the commencement date of the period of insurance.

**Exclusions**

- We will not pay for the repair or replacement of:
  - glass or ceramic components other than when used as electrical insulation;
  - the chipping or scratching of painted or polished surfaces or other aesthetic defects that do not affect the function of the insured property;
  - fuses and other devices designed for safety or protection that are damaged through their normal operation;
  - the wearing or wasting away of material caused by normal wear and tear, atmospheric conditions, mildew, fading, rust, corrosion or other forms of oxidation;
  - any alterations, additions, cleaning, adjustments, inspections or maintenance of insured property;
  - electrical and electronic glass bulbs, tubes, X-ray tubes, laser tubes, heating elements, lighting facilities and electrical contacts;
  - expendable items such as, but not limited to, belts, batteries, photosensitive cartridges, print heads, tapes, ribbons;
  - coin or card-operated machines, portable equipment such as, but not limited to, computers, communication equipment;
  - plant not owned by you or used at the premises.

- We will not pay for damage caused directly or indirectly by:
  - fire, smoke, soot, extinguishing of a fire or subsequent demolition;
  - lightning, hail, wind, rain, flood, snow, storm, earthquake, subsidence, landslide, earth movement, subterranean fire and volcanic eruption;
  - impact by:
    - aircraft or other aerial devices or pressure waves created by their travelling at sonic or supersonic speed;
    - impact by land-borne vehicles or waterborne craft;
  - malicious damage, theft or attempted theft;
  - the application of any tool or process to the plant in the course of maintenance, inspection, repair, alteration, modification or overhaul;
  - the installation, construction or erection of insured property other than dismantling movement and re-erection for the purpose of cleaning, inspection and repair;
  - the insured property being subject to testing or intentionally overloaded or operated in excess of its normal designed operating specification; or
  - a deliberate act or omission or neglect on your part.

### Optional Extensions to Cover

If shown in the schedule the following extensions shall apply following breakdown of Computer equipment:

#### The Cost of Restoring Data

If 'Restoration of Data' is shown in the schedule then cover under this cover section is extended to include the costs incurred in restoring data and software that are damaged as a result of insured damage, up to the amount shown in the schedule for this Optional Extension.

Provided that we will not pay for damage:

- to data, software or media material caused by a failure or defect in the media material;
- to data that was generated, altered or processed more than five (5) working days prior to the date of damage;
- caused by an error in processing data or error in the use of software;
- caused by erasure, deletion or overwriting of any data or software;
- caused by unauthorised access being gained to any operating system that is used by any part of the insured property via any communications system; or
- caused by the operation or presence of a computer virus that alters or erases data or software in a manner that is undesired by you.

#### Increase in Cost of Working

If "Increased Costs of Working" is shown in the schedule we will pay for the costs that are in excess of your normal total computer operating costs.

Provided that:

- these costs are incurred as a result of insured damage of insured property that is covered by this cover section;
- these costs were reasonably incurred in order that your business may operate in a manner that is as close as possible to your normal business operations;
- these costs are limited to the amount shown in the schedule
- we will not pay for any expenditure incurred:
  - after a period of 90 days following the damage; and
  - during the first 24 hours immediately following the damage; and
  - resulting from, or caused by the operation or presence of a computer virus that alters or erases data or software in a manner that is undesired by you.

**Special Condition****Examinations**

You will permit our representatives to inspect the insured property at any reasonable time during the period of insurance and you will prepare the insured plant at your expense for such an inspection.

Provided that any inspection by us is for our purposes only and does not warrant that the insured property is safe or that it is free of defects.

**Additional Benefits****Additional Costs**

Following insured damage to insured property that is covered by this cover section, we will reimburse you for reasonable costs of the following items if necessarily incurred:

- the cost of hiring temporary plant;
- the cost of temporary repairs;
- the extra cost of expediting permanent repairs;
- charges for overtime and work on public holidays where necessary and reasonably incurred;
- freight within Australia by any recognised schedule service; and
- overseas airfreight by any recognised schedule service and/or overseas labour; and
- consultants fees approved by us.

Provided that the total additional cost for any one breakdown does not exceed 50% of the normal cost of repair.

We will not pay more than the sum insured shown in the schedule.

**Temporary Cover**

We will provide temporary cover for a period of up to 90 days for additional plant which is installed or brought into use during the period of insurance.

Provided that:

- this plant is of a similar type to the plant that is shown in the schedule;
- the additional plant is free from defects;
- the additional plant will not be covered until it has worked satisfactorily for eight (8) hours and has become your responsibility;
- you supply details of any additional plant to us in writing within 90 days that immediately follow installation of this plant;
- the sum insured and excess for the additional plant will be that specified for a similar item or group of items of plant in the schedule; and
- you pay the premium that we require for this additional plant.

**Introduction**

This cover section only forms part of your policy when “Liability” shown in the schedule under ‘What’s covered’ and is limited to the period of insurance indicated.

**Definitions**

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

**Aircraft**

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

**Business**

means the business described in the Schedule including the provision and management of canteens, social, sports and welfare organisations for the benefit of Your employees, first aid, fire and ambulance services and the maintenance of Your premises.

**Deductible**

means The amount You first bear in relation to each Occurrence. The Deductible applies to all amounts payable under this Policy.

**Limit of Liability**

means the applicable Limit of Liability specified in the Schedule.

**Medical Persons**

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

**Occurrence**

means an event which results in Personal Injury or Property Damage, neither expected nor intended from Your standpoint. All Personal Injury or Property Damage arising out of continuous or repeated exposure to substantially the same general conditions shall be construed as arising out of one Occurrence.

**Period of Insurance**

means the period specified in the Schedule.

**Personal Injury**

means:

- bodily injury (and this expression includes death and illness), disability, shock, fright, mental anguish, mental injury;
- false arrest, wrongful detention, false imprisonment or malicious prosecution;
- wrongful entry or eviction;
- a publication or utterance of a libel or slander or other defamatory or disparaging material;
- assault and battery not committed by You or at Your direction unless reasonably committed for the purpose of preventing or eliminating danger to persons or property.

**Policy**

means this document and each memorandum issued by Us attached, or intended to be attached, to it.

**Pollutants**

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

**Property Damage**

means

- physical damage to or loss or destruction of tangible property including any resulting loss of use of that property, or
- loss of use of tangible property which has not been physically damaged, lost or destroyed provided such loss of use is caused by an Occurrence.

**Schedule**

means the most current memorandum or memoranda issued by Us in connection with this Policy.

**Territorial Limits**

means anywhere in the world subject to Exclusions – Territorial Limits & Exports to the USA or Canada.

**Vehicle**

means any type of machine on wheels or self laid track made or intended to be propelled by other than manual or animal power and any trailer or other attachment made or intended to be drawn by any such machine.

**Watercraft**

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

**You/Your**

means:

- 1) The Insured named in the Schedule including as if they were You;
- 2) all the subsidiary companies (now or subsequently constituted) of the named Insured specified in the Schedule provided their places of incorporation are within Australia or any Territory of Australia;
- 3) Every director, executive officer, employee, partner or shareholder of one of the Insured designated in the first two paragraphs above but only whilst acting within the scope of their duties in such capacity;
- 4) every principal, in respect of that principal's liability for one of the Insureds designated in the first two paragraphs above caused by the performance of work for that principal, but subject always to the extent of coverage and the Limit of Liability provided by this Policy;
- 5) every office bearer or member of social and sporting clubs, canteen and welfare organisations and first aid, fire and ambulance services formed with Your consent (other than an Insured designated in the 4<sup>th</sup> & 5<sup>th</sup> paragraph above in respect of claims arising from their duties connected with the activities of any such club, organisation or service. This Insurance shall not apply to Personal Injury to or Property Damage of any participants of any game, match, race, practice or trial;
- 6) each partner, joint venturer, co-venturer or joint lessee of the Insured named in the Schedule but only;
  - with respect to liability incurred as the partnership, joint venture, co-venture, joint lease, and
  - provided the partnership, joint venture or co-venture or joint lease has been notified to Us within 60 days of formation and has been endorsed on the Schedule;
- 7) any director or senior executive of the Insured in respect of private work undertaken by Your employees for such director or senior executive. "You/Your" does not include the interest of any other person other than as described in paragraph 1 and 6 above.

**Your Products**

means any goods, products and property (after they have ceased to be in Your possession or under Your control), which are or is deemed to have been manufactured, grown, extracted, produced, processed, constructed, erected, installed, repaired, serviced, treated, sold, supplied or distributed by You (including any container thereof other than a vehicle).

**Cover**

In consideration of the payment to Us of the amounts payable for this insurance, We will indemnify You in accordance with this Policy.

**Liability**

We will pay in respect of Personal Injury or Property Damage happening during the Period of Insurance and caused by an Occurrence within the Territorial Limits in connection with Your Business.

**Defence of claims**

With respect to the indemnity provided by this Policy We will:

- defend in Your name and on Your behalf any claim or legal action against You seeking damages on account of Personal Injury or Property Damage even if the action is groundless, false or fraudulent, and We will investigate, negotiate and settle any claim or legal action as We see fit;
- pay all legal costs and expenses incurred by Us and all interest accruing after entry of judgment until We have paid, tendered or deposited in court such part of the judgment as does not exceed the Limit of Liability;
- reimburse You for all reasonable expenses, other than loss of earnings, incurred in connection with the defence of a claim or legal action with Our consent.
- pay reasonable expenses incurred by You for first aid to others at the time of Personal Injury caused by an Occurrence (other than medical expenses prohibited by Section 126 of the Health Insurance Act 1973).

Provided that:

- We will not be obliged to pay any claim or judgment or to defend any claim or legal action after the Limit of Liability has been exhausted by payment of judgments or settlements;
- if a payment exceeding the Limit of Liability has to be made to dispose of a claim, Our liability to pay any costs, expenses and interest will be limited to that proportion of those costs, expenses and interest as the Limit of Liability bears to the amount paid to dispose of the claim.

The amounts thus incurred, except payments in settlement of claims, suits and all costs awarded against You, are payable by Us in addition to the Limit of Liability.

**Limit of Liability**

- Our maximum liability in respect of any claim or any series of claims for Personal Injury or Property Damage caused by or arising out of one Occurrence shall not exceed the Limit of Liability.
- Our total aggregate liability during any one Period of Insurance for all claims arising out of Your Products shall not exceed the Limit of Liability.

**Exclusions**

This Policy does not cover liability in respect of:

**Employment Liability**

- Personal Injury to any employee arising directly or indirectly out of or in the course of their employment in Your Business, providing this exclusion does not apply in respect of liabilities for injuries which are not compensated under the workers compensation legislation in Queensland where employment is not the major significant factor causing the injury;
- any claim or claims arising out of the provisions of any workers' compensation legislation or any industrial award, agreement or determination;

- which You are or would have been entitled to seek indemnity under any policy of insurance required to be taken out pursuant to any legislation relating to workers' or workmens compensation including any legislation of any State or Territory (whether insurance is effected or not).

For the purpose of this Exclusion employees shall mean any person engaged under a contract of service or apprenticeship with You but does not include any person employed under such a contract who is excluded from the definition of worker under any workers compensation legislation.

**Property in custody or control**

Property Damage to:

- property owned by or leased or rented to You, or
- property in Your physical or legal control.

But this exclusion does not apply to liability for Property Damage to:

- premises (including landlords fixtures and fittings) which are leased or rented to You.
- premises (or their contents) not owned, leased or rented by You but temporarily occupied by You for work therein;
- Vehicles (not belonging to or used by You) in Your physical or legal control where the Property Damage occurs while the vehicles are in a car park owned or operated by You, unless You own or operate the car park for reward;
- the property of an employee of one of You;
- property (excluding any Vehicle which is registered or which is required under any legislation to be registered) in Your physical or legal control for the purpose of repair, service, maintenance or alteration or which is on temporary hire or loan to You, subject to a maximum indemnity of AUD \$50,000 for any one Occurrence.

**Product defect**

Property Damage to Your products if the damage is attributed to any defect in them or to their harmful nature or unsuitability.

**Loss of use**

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

- a delay in or lack of performance by or on Your behalf of any agreement;
- the failure of Your Products to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by You, but this exclusion does not apply to the loss of use of other tangible property resulting from the sudden and accidental physical damage to or loss or destruction of Your Products after they have been put to use by any person or organisation other than one of You.

**Product recall**

Claims arising out of or resulting from the withdrawal, inspection, repair, replacement or loss of use of Your Products or of any property of which they form a part, if such Products or property are withdrawn from the market or from use because of any known or suspected defect or deficiency in them.

**Aircraft, aircraft products and watercraft**

Claims arising out of

- the ownership, maintenance, operation or use by You of:
  - any Aircraft, or
  - any Watercraft exceeding 10 metres in length, except where such watercraft are owned or operated by
  - others and used by You for business entertainment.

- Your Products that are Aircraft component parts used for maintaining an Aircraft in flight or moving upon the ground or used in the construction of an Aircraft hull or machinery which to Your knowledge are incorporated in an Aircraft.

### **Vehicles**

Personal Injury or Property Damage arising out of the ownership, possession, operation, maintenance or use by You of any Vehicle:

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

The above do not apply to:

- Personal Injury where:
  - that compulsory liability insurance or statutory indemnity does not provide indemnity and
  - the reason or reasons why that compulsory liability insurance or statutory indemnity does not provide Indemnity do not involve a breach by You of legislation relating to Vehicles.
- Property Damage arising out of and during the loading or unloading of goods to or from any Vehicle.
- Property Damage caused by or arising from the operation or use of any Vehicle which is designed primarily for lifting, lowering, loading, unloading, whilst being operated or used by You or on Your behalf within the confines of Your premises.
- Property Damage caused by the use of any tool or plant forming part of or attached to or used in connection with any Vehicle (excluding whilst the vehicle is traveling, transporting or carting goods) at any work site.

### **Contractual liability**

Any obligation assumed by You under any agreement or contract except to the extent that:

- the liability would have been implied by law;
- the liability arises from a provision in a contract for lease of real or personal property other than a provision which obliges You to effect insurance or provide indemnity in respect of the subject matter of that contract;
- the liability is assumed by You under a warranty of fitness or quality as regards to Your Products;
- the obligation is assumed under those agreements specified in the Schedule.

### **Professional liability**

The rendering of or failure to render professional advice or service by You or any related error or omission but this exclusion does not apply to:

- the rendering of or the failure to render professional medical advice by Medical Persons employed by You to provide first aid and other medical services on Your premises, or
- Personal Injury or Property Damage arising therefrom providing such professional advice or service is not given for a fee.

### **Libel and Slander**

The publication or utterance of a libel or slander:

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

### **Radioactivity**

Personal Injury or Property Damage directly or indirectly caused by, contributing to or arising from:

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

**War**

Any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, or expropriation including lawful seizure, resumption, confiscation, nationalisation, destruction or damage to property by or under the order of any Government or public or local authority.

**Pollution**

- Personal Injury or Property Damage caused by or arising out of the discharge, dispersal, release or escape of Pollutants into or upon land, the atmosphere, or any water course or body of water, but this exclusion does not apply if the discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place;
- Any costs and expenses incurred in the prevention, removing, nullifying or clean-up of such contamination or pollution but this exclusion does not apply to cleanup, removal or nullifying expenses only, which are consequent upon a sudden, identifiable, unexpected, unintended happening taking place in its entirety at a specific time and place which results in Personal Injury and/or Property Damage.

Our Liability under the above clauses in respect of any one discharge, dispersal, release, escape and for all discharges, dispersals, releases and escape of Pollutants during any one Period of Insurance shall not exceed the Limit of Liability.

**Territorial limits**

- Claims made and actions instituted within the United States of America or Canada or any other territory coming within the jurisdiction of the courts of the United States of America or Canada.
- Claims and actions to which the laws of the United States of America or Canada apply.

Provided that:

- the above Exclusions do not apply to claims and actions arising from the presence outside Australia of any person who is normally resident in Australia and who is not undertaking manual work or supervision of work of any kind whilst in the United States of America or Canada;
- the Limit of Liability in respect of coverage provided under the above paragraph is inclusive of all costs, expenses and interest.

**Exports to the USA or Canada**

Claims in respect of Personal Injury or Property Damage caused by or arising out of Your Products knowingly exported by You, or Your agents or servants, to the United States of America or Canada.

**Asbestos**

Personal Injury or Property Damage (including loss of use of property) directly or indirectly caused by or arising from:

- the mining, processing, transportation, distribution and/or storage of asbestos;
- the manufacture of asbestos products or processing of materials containing asbestos;
- any process of decontamination, treatment, removal or control of asbestos. This exclusion applies only to those claims arising in consequence of inhalation of asbestos fibre or damage to or loss of use of property due to the presence of asbestos.

**Faulty workmanship**

Property Damage to that part of any property upon which You are or have been working where the Property Damage arises from Your work or the cost of performing, correcting or improving any work undertaken by You.

**Fines, Penalties**

Fines, penalties or liquidated damages.

**Punitive damages**

Punitive damages, exemplary damages, aggravated damages and any additional damages resulting from the multiplication of compensatory damages.

**Assault and battery**

Personal Injury or Property Damage caused by or arising from assault and battery committed by You or at Your direction unless reasonably necessary for the protection of persons or property.

**Terrorism**

Personal Injury or Property Damage of whatsoever nature directly or indirectly caused by, resulting from or in connection with any:

- Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the Personal Injury or Property Damage; or
- action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism.

**NMA1331 – Cancellation Clause**

Notwithstanding anything contained in this Insurance to the contrary this Insurance may be cancelled by the Assured at any time by written notice or by surrender of this contract of insurance. The Insurance may also be cancelled by or on behalf of the Underwriters by delivering to the Assured or by mailing to the Assured, by registered, certified or other first class mail, at the Assureds address as shown in this Insurance, written notice stating when, not less than 30 days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Insurance shall terminate at the date and hour specified in such notice.

If this Insurance shall be cancelled by the Assured the Underwriters shall retain the customary short rate proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the earned premium hereon whichever is greater.

If this Insurance shall be cancelled by or on behalf of the Underwriters the Underwriters shall retain the pro rata proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the earned premium hereon or the pro rata proportion of any minimum premium stipulated herein whichever is greater.

Payment or tender of any unearned premium by the Underwriters shall not be a condition precedent to the effectiveness of Cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period limitation permitted by such law.

**NMA2918 – Terrorism Exclusion Endorsement**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

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

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) or persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

**NMA2915 – Electronic Data Endorsement B**

## 1. Electronic Data Exclusion

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

(a) This policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

Electronic Data means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Computer Virus means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

(b) However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, this Policy, subject to all its items, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

\* Listed Perils/Fire/Explosion

## 2. Electronic Data Processing Media Valuation

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

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the Electronic Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such Electronic Data. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such Electronic Data to the Assured or any other party, even if such Electronic Data cannot be recreated, gathered or assembled.

**NMA2962 – Biological or Chemical Materials Exclusion**

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

**NMA464 – War and Civil War Exclusion Clause**

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

**NMA1622 – Radioactive Contamination and Explosive Nuclear Assemblies Exclusions Clause**

This Policy does not cover

- (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- (b) any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
  - (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - (ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

**NMA2802 – Electronic Data Recognition Exclusion (EDRE)**

This policy does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- (a) the calculation, comparison, differentiation sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not; or
- (b) any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

**NMA2951 – Terrorism Exclusion Endorsement**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes liability for loss, injury, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, or any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, injury, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, injury, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

#### **NMA2984 – Australia Terrorism Insurance Act 2003 Notice**

The Underwriters have treated this Insurance (or part of it) as an Insurance to which the Australia Terrorism Insurance Act 2003 (ATIA) applies.

ATIA and the supporting regulations made under the Act deem cover into certain policies and provide that the Terrorism exclusion to which this Insurance is subject shall not apply to any "eligible terrorism loss" as defined in ATIA.

Any coverage established by ATIA is only in respect of any "eligible terrorism loss" resulting from a "terrorist act" which is a "declared terrorist incident" as defined in ATIA. The Terrorism exclusion to which this Insurance is subject applies in full force and effect to any other loss and any act or event that is not a "declared terrorist incident".

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged.

If any or all of the Underwriters have reinsured this Insurance with the Australian Reinsurance Pool Corporation, then any such Underwriters will not be liable for any amounts for which they are not responsible under the terms of ATIA due to the application of a "reduction percentage" as defined in ATIA which results in a cap on the Underwriter's liability for payment for "eligible terrorism losses".

#### **Asbestos Exclusions**

It is hereby understood and agreed that this Policy shall not indemnify the Insured for any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of, or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to Asbestos or materials or products containing Asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

It is hereby understood and agreed that this Policy shall not indemnify the Insured for any claim arising in connection with the recall of any Products due to an asbestos health hazard.

**ALL OTHER TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS REMAIN UNALTERED.**

#### **Prevention of Ingress/Egress**

This insurance is extended to cover the actual loss sustained by the Assured as covered hereunder during the period of time, not to exceed four (4) weeks, when as a result of a covered peril herein, ingress to or egress from any premises, not just those owned or occupied by the Assured, is prevented from any cause whatsoever where there existed prior to that destruction a by-law, law, ordinance or any other decree of civil authority (hereinafter referred to as law) which regulates the use and/or the construction of and/or the building materials permitted to be used at the site of such destruction, irrespective of whether the premises or property of the Assured shall have damage.

**Ingress Egress (Including Civil or Military Authority)**

It is hereby noted and agreed that this Policy is extended to insure the extra expense as covered hereunder incurred during the period of time not exceeding 30 days or AUD\$500,000 whichever the lesser when as a direct result of a peril insured by this Policy ingress to or egress from property insured by this Policy (including when access to property insured by this Policy is prohibited by the order of civil or military authority as a direct result of a peril insured by this Policy) is thereby prevented.

**Service of Suit**

The Underwriter hereon agree that:

- (i) In the event of a dispute arising under this insurance, the Underwriters at the request of the Assured will submit to the jurisdiction of any competent Court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such Court.
- (ii) Any summons notice or process to be served upon the Underwriters may be served upon:

Lloyd's Underwriters' General Representative in Australia  
Suite 2, Level 21  
Angel Place  
123 Pitt Street  
Sydney NSW 2000

who has authority to accept service and to enter an appearance on the Underwriters' behalf, and who is directed at the request of the Assured to give a written undertaking to the Assured that he will enter an appearance on the Underwriters' behalf.

- (iii) If a suit is instituted against any one of the Underwriters, all Underwriters hereon will abide by the final decision of such Court or any competent Appellate Court.

**Millennium Underwriting Agencies Pty Ltd**

AFS Licence No. 246721

**South Australia**

PO Box 309, Kent Town, SA, 5071  
176 Fullarton Road, Dulwich, SA, 5065  
Ph: (08) 8291 2300  
Fax: (08) 8333 0034

**New South Wales**

PO Box 833, Artarmon, NSW, 1570  
Level 1, Suite 19, 401 Pacific Highway, Artarmon, NSW 2064  
Ph: 1300 789 642  
Fax: 1800 654 642