



My Business Pack

Policy Wording



My Business Pack

Contents

Introduction	2
General Definitions	5
General Policy Conditions applicable to all sections	9
General Policy Exclusions applicable to all sections	12
Policy Section 1 – Property Damage	14
Policy Section 2 – Business Interruption	22
Policy Section 3 – Public and Products Liability	27
Policy Section 4 – Theft	36
Policy Section 5 – Money	40
Policy Section 6 – Glass	43
Policy Section 7 – General Property	44
Policy Section 8 – Equipment Breakdown	45
Policy Section 9 – Marine Transit	49
Policy Section 10 – Management Liability	
PrivateEdge® Lite	52

Introduction

About AIG

This insurance is issued by:

AIG Australia Limited (AIG)
ABN 93 004 727 753 AFSL 381686

About Steadfast

Steadfast Group Limited (Steadfast) is a public company. It includes a large network of insurance brokerages who operate in Australia as Steadfast Brokers. This Policy is available exclusively to You through a Steadfast broker. Steadfast Group Limited does not issue, guarantee or underwrite this Policy.

Steadfast is not an agent of AIG.

Important information about Steadfast's advice

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

Before You make any decisions about whether to acquire this Policy it is recommend You should read this Insurance Policy.

About Your Policy

Your Policy is made up of this document, the Schedule and any Endorsements and they should all be read as one document.

If You think that any details contained in these documents are not correct or if You need to change anything, You should ask Your insurance intermediary to tell us.

Words that are emphasised by the use of capitalisation have the meaning given to them in the General Definitions or the definitions applying to a particular Policy Section. The words "we", "us", and "our", have the meaning given to them in the General Definitions or the applicable Policy Section even if they are not emphasised by the use of capitalisation.

Your Policy is a legal contract between You and AIG.

Based on the information provided by You when You applied for this insurance and subject to You having paid the required premium, we agree to insure You during the Period of Cover.

You are only insured for those Policy Sections that are shown as insured on the Schedule.

There are specific conditions, specific exclusions and specific definitions that only apply to a specific Policy Section. In addition, there are general conditions, general exclusions, general claims conditions and general definitions that are part of this Policy and apply to each Policy Section.

Your Duty of Disclosure

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

You have the same duty to disclose those matters to us before You renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require You to disclose a matter:

- that diminishes the risk to be undertaken by us;
- that is of common knowledge;
- that we know or, in the ordinary course of our business, ought to know;
- as to which compliance with Your duty is waived by us.

Non-disclosure

If You fail to comply with Your duty of disclosure:

(a) we may be entitled to reduce our liability under the contract in respect of a claim; or

(b) we may cancel the contract.

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

If You fail to provide information we request when You apply for this insurance, we may decline cover or reduce the level of cover we might otherwise have given You.

Cooling off period

Once cover has commenced You have 21 days to decide whether the Policy meets Your needs. This is called the "cooling off period".

If during this time, You decide You aren't completely satisfied with Your Policy, and provided You have not made a claim, You can cancel Your Policy by notifying us in writing. We will refund in full any premium You have paid.

Privacy Notice

This notice sets out how AIG collects, uses and discloses personal information about:

- You, if an individual; and
- other individuals You provide information about.

Further information about our Privacy Policy is available at www.aig.com.au or by contacting us at australia.privacy.manager@aig.com or on 1300 030 886.

How we collect Your personal information

AIG usually collects personal information from You or Your agents.

Introduction

AIG may also collect personal information from:

- our agents and service providers;
- other insurers;
- people who are involved in a claim or assist us in investigating or processing claims, including third parties claiming under Your Policy, witnesses and medical practitioners;
- third parties who may be arranging insurance cover for a group that You are a part of;
- providers of marketing lists and industry databases; and
- publically available sources.

Why We collect Your personal information

AIG collects information necessary to:

- underwrite and administer Your insurance cover;
- maintain and improve customer service; and
- advise You of our and other products and services that may interest You.

You have a legal obligation under the Insurance Contracts Act 1984 to disclose certain information. Failure to disclose information required may result in AIG declining cover, cancelling Your insurance cover or reducing the level of cover, or declining claims.

To whom we disclose Your personal information

In the course of underwriting and administering Your Policy we may disclose Your information to:

- entities to which AIG is related, reinsurers, contractors or third party providers providing services related to the administration of Your Policy;
- banks and financial institutions for Policy payments;
- assessors, third party administrators, emergency providers, retailers, medical providers, travel carriers, in the event of a claim;
- other entities to enable them to offer their products or services to You; and
- government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

AIG is likely to disclose information to some of these entities located overseas, including in the following countries: United States of America, United Kingdom, Singapore, Malaysia, the Philippines, India, Hong Kong, New Zealand as well as any country in which You have a claim and such other countries as may be notified in our Privacy Policy from time to time.

You may request not to receive direct marketing communications from AIG.

Access to Your personal information

Our Privacy Policy contains information about how You may access and seek correction of personal information we hold about You. In summary, You may gain access to Your personal information by submitting a written request to AIG.

In some circumstances permitted under the Privacy Act 1988, AIG may not permit access to Your personal information. Circumstances where access may be denied include where it would have an unreasonable impact on the privacy of other individuals, or where it would be unlawful.

Complaints

Our Privacy Policy also contains information about how You may complain about a breach of the applicable privacy principles and how we will deal with such a complaint.

Consent

If applicable, Your application includes a consent that You and any other individuals You provide information about consent to the collection, use and disclosure of personal information as set out in this notice.

Dispute and Complaints Process

We are committed to handling any complaints about our products or services efficiently and fairly.

If You have a complaint:

- You (or Your broker) can contact us on our dedicated complaints line – 1800 339 669 and/or in writing to:
Head of Compliance
AIG
Level 12, 717 Bourke Street
Docklands VIC 3008
- If Your complaint is not satisfactorily resolved, You (or Your broker) may request that the matter be reviewed by our Internal Dispute Resolution Committee ('Committee') by writing to the person who signed the response letter or alternatively, You (or Your broker) can contact us on our dedicated complaints line – 1800 339 669 and request to be referred to the Chairperson of IDRC. We will respond to You with the Committee's findings within 15 working days. You can also write directly to the Chairperson of the IDRC:
The Chairperson IDRC
AIG
Level 12, 717 Bourke Street
Docklands VIC 3008
- If You are not satisfied with the finding of the Committee, You may be able to take Your matter to an independent dispute resolution body, Financial Ombudsman Service (FOS). This external dispute resolution body can make decisions with which AIG are obliged to comply. Contact details are:
Financial Ombudsman Service
Phone: 1300 78 08 08 (local call free applies)
Email: info@fos.org.au
Internet: <http://www.fos.org.au>
GPO Box 3, Melbourne, VIC 3001

Introduction

General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice. This aims to raise the standards of practice and service in the insurance industry, improve the way that claims and complaints are handled and help people better understand how general insurance works. Information brochures on the Code are available upon request.

Goods and Services Tax (GST)

The amount of premium payable for this Policy also includes an amount on account of GST.

The sums insured under this Policy exclude GST.

When we make a payment under this Policy for the acquisition of goods, services or other supplies we will reduce the payment by the amount of any Input Tax Credit that You are or would have been entitled to if You made a relevant acquisition.

Where this Policy insures Business Interruption, we will take into account the GST exclusive amount of any supply made by Your Business which is relevant to Your claim.

Where Your Insured Amount is not sufficient to cover Your loss, we will only pay an amount for GST that relates to our proportion of the loss.

Where You are registered for GST You must tell us Your correct Input Tax Credit entitlement. Any fines or penalties arising from Your incorrect advice are payable by You.

Headings

Headings are included for ease of reference but are not part of the Policy.

General Definitions

Some words have special meaning wherever they appear in this Policy. These words and their meanings are listed below:

Aircraft means any craft or object designed to travel through air or space, other than model aircraft or unmanned inflatable balloons used for advertising or promotional purposes.

Buildings includes:

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

Buildings does not include:

- (k) plant and machinery;
- (l) Stock;
- (m) Contents;
- (n) property undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one Situation exceeds \$500,000 or 20% of the total Insured Amount on Buildings and Contents, whichever is the lesser provided that this limit shall apply only to the portion of the Situation or Property Insured which is the subject of any such work and not to any other portion of the Property Insured; and

- (o) land, unsealed driveways and paths, dams, topsoil and fill, bridges, canals, roadways, tunnels, railway tracks and roadways (not at the Situation).

Business means the usual activities and operations of the Insured as described in the Policy Schedule as 'Business Activity'.

Business Hours means when You or any of Your Employees are at the Situation for the purpose of conducting Your Business.

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

Contents means all property at the Situation, belonging to You or for which You are responsible. Contents includes:

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

General Definitions

Contents does not include:

- (m) Buildings;
- (n) Stock if it is shown as a separate item on the Policy Schedule;
- (o) growing crops, trees or plants other than pot-plants;
- (p) animals, livestock, fish, birds and any other living organism except laboratory cultures;
- (q) motor Vehicles or trailers, caravans or motorcycles all while registered or licensed to travel on a public road provided that this limitation will not apply to:
 - (i) mobile plant and equipment (excluding cars, sedans, panel vans, and trucks) not otherwise insured; and
 - (ii) motor Vehicles or trailers, caravans or motorcycles that are Stock in trade of Your Business;
- (r) jewellery, furs, bullion, articles containing gold and silver which are not Stock and which exceed \$10,000 for any one item.
- (s) Contents undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one Situation exceeds \$500,000 or 20% of the total Insured Amount on Buildings and Contents, whichever is the lesser, provided that this limit shall apply only to the portion of the Situation or Property Insured which is the subject of any such work and not to any other portion of the Situation;
- (t) land, dams, bridges, canals, roadways, tunnels, railway tracks (not at the Situation), wharves, docks and piers; and
- (u) Watercraft, Aircraft or any accessories, equipment or spare parts whilst contained in or on these items unless they are Stock and are on Your Situation at the time of any loss or damage.

Customers' Goods means:

- (a) goods that belong to Your customers that are in Your physical or legal control because the Business repairs, services, maintains, or stores those goods before or after it repairs, services, maintains the goods.
- (b) goods that have been purchased by a customer but are in Your physical or legal control awaiting delivery.

Customer's Goods includes items of property at the Situation under a 'sales or return' consignment agreement.

Customer's Goods do not include consigned items of property under an 'agency' arrangement where You make a commission on a sale.

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

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

Employee includes:

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

Employee does not include:

- (c) any broker, factor, consignee or contractor;
- (d) any member of Your Family, unless that person is also an Employee; or
- (e) any partner, director or trustee unless that person is also Your Employee.

Endorsement means documentary evidence of an alteration to the Policy which forms part of the Policy.

Excess means the amount, or the loss applicable to a specified period of time, expressed as an Excess on the current Policy Schedule or elsewhere in the Policy. This is the first amount of any loss that You must pay before we pay Your claim.

Family means any member of Your family who lives permanently with You, including Your partner.

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

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

Glass means:

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

Glass includes External Glass, Internal Glass and Specified Glass as defined in the Glass Policy Section.

Government Authority means any government or any governmental, semi governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity: it includes any self-regulatory organisation established under statute and any stock exchange;

General Definitions

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

Input Tax Credit means the amount You are entitled to claim as a credit against GST that You have paid.

Insured has the same meaning as You/Your/Yourself.

Insured Amount means the maximum amount that will be paid under each section of cover selected. The Insured Amount will vary depending upon Your requirements in relation to each Policy Section.

Limit/Limit of Liability means the maximum amount we will pay under any section of the Policy and may be expressed 'per accident', 'per occurrence', 'per annum' as the case may be in the section of the Policy in question.

Money means current coins, bank notes, currency notes, cheques, credit card sales vouchers, securities, postal orders, money orders, negotiable and non-negotiable securities and other like documents of value, phone cards and/or stored value cards, unused postage and revenue stamps, public transport tickets, private transport tickets (excluding airline tickets), bridge or highway tokens, car wash tokens, lottery tickets, authorised gift vouchers from external parties, discount vouchers, Contents of franking machines and includes cash boxes, alarm bags, or any other portable container used to convey money all belonging to You or for which You are legally responsible or have assumed a responsibility to insure but does not mean any of these in the possession of or carried by professional money carriers, professional carriers or common carriers.

North America means:

- (a) the United States of America and Canada;
- (b) any state, territory or protectorate incorporated in, or administered by, the United States of America or Canada; and
- (c) any country or territory subject to the laws of the United States of America or Canada.

Period of Cover means the time cover commenced to the time cover expires. The dates are shown on the current Policy Schedule. Unless stated otherwise, cover shall expire at 4.00pm local time at the place where You arranged the cover.

Policy means this document, the Policy Schedule and any attachment or memoranda affixed and any future documents issued to You which amends the Policy wording or Policy Schedule.

Policy Section means any part of this Policy numbered and described as a Policy Section.

Policy Schedule means the most current schedule of insurance or any future renewal schedule, including any Endorsements issued by us in connection with this Policy.

Pollutant means any solid, liquid, gaseous, biological, radiological or thermal irritant, toxic or hazardous substance, or contaminant, whether occurring naturally or otherwise including, but not limited to, asbestos, lead, smoke, vapour, dust, fibres, mould, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. Such waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

Pressure Vessel means a vessel which, in normal use, is subject to generated or applied fluid pressure.

Product Disclosure Statement (PDS) is the name of this document and it contains the terms of Your insurance cover. It tells You what cover we provide, details of costs and excesses and other important information. It should be read together with Your Schedule, any Endorsements and any SPDS that we may give You.

Property Insured means the property as described on the Schedule in respect of each Policy Section. It includes Buildings, Contents, Stock and items listed on the current Schedule and used in Your Business or for which You are legally responsible.

Safe or Strongroom means a container or structure which has been specifically designed for the safe storage of Money or valuables and is designed to resist unauthorised opening by hand-held or power operated tools. A Safe or Strongroom includes an Automatic Teller Machine that is bolted or similarly secured to the wall or floor of the Building. A Safe or Strongroom is not:

- (a) a cash tin;
- (b) a locked drawer in a filing cabinet or desk; or
- (c) a burglary resistant container weighing less than 20 kilograms that is not fixed by dynabolts to the wall or floor of the Situation.

Seasonal Increase Period means any period of time during the Period of Cover that has turnover, sales or level of Stock at least 20% higher than the average turnover, sales or level of Stock at other times during the Period of Cover.

The total number of days we will allow as seasonal increase periods is 120 days in total during any one Period of Cover. You do not have to tell us what the dates of the periods are, but if You claim under a Policy Section which has the seasonal increase cover, then Your financial records over at least the previous 2 years must substantiate the period as a Seasonal Increase Period. If Your Business is less than 2 years old, we will use the financial records of Your Business from the date of commencement until the date of the loss or damage to substantiate Your claim.

You can nominate different Stock Increase Period(s) or higher percentage increases of Stock. If You do they will be shown on Your Schedule and must pay any additional premium that applies.

Schedule has the same meaning as Policy Schedule.

General Definitions

Situation means the Situation(s) specified in the Policy Schedule. Where there are multiple Situations, each shall be treated as a separate Situation for the purposes of this Policy, particularly in relation to the Limits of Liability and any Excess.

Stock means:

- (a) stock, merchandise, promotional or raw materials, including the value of work in progress, containers or packaging materials used in the Business, and precious metals and minerals up to \$5,000 in total; and
- (b) Customers' Goods including goods and/or merchandise and other items held on trust or on commission for which You are legally responsible.

Under the Theft Policy Section, Stock does not include tobacco, products containing tobacco, cigars or cigarettes unless they are specified on the current Policy Schedule.

Supplementary Product Disclosure Statement (SPDS) means a document which updates or adds to the information in the PDS.

Terrorism or an act of Terrorism means an act, or preparation in respect of action or threat of action designed to influence any government of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purpose to intimidate the public or a section of the public of any nation by any person or groups of persons whether acting alone or on behalf of or in connection with any organisations or governments and which:

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

An act of Terrorism also includes any act which is verified or recognised as such by the government of any country in which the insured operates or exports products into.

Vehicle means any type of machine on wheels or on self laid tracks made or intended to be propelled by other than manual or animal power, and any trailer or other attachment to be utilised in conjunction with or drawn by any such machine.

Watercraft means any vessel, craft or thing made or intended to float on or in or travel through water, other than model boats.

We/us/our means AIG Australia Insurance Limited, ABN 93 004 727 753 AFSL 381686.

You/Your/Yourself means for all Policy Sections other than the Public and Products Liability Policy Section, any person, company or legal entity shown on the Schedule as the insured.

In this Policy, unless a contrary indication appears or is expressed the singular includes the plural and the plural includes the singular.

General Policy Conditions applicable to all sections

The following general conditions apply to all sections of this Policy:

1. Accountancy records

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

2. Alteration of Risk

If You become aware of any changes to the facts or circumstances which existed at the start of this Policy, You must notify us in writing within 30 days.

If we agree to the change we will do so in writing and You must pay us any additional premium we require.

Examples of changes You should tell us about include but are not limited to:

- (a) a change in the type of or nature of Your Business;
- (b) other circumstances that affect the Situation or Property Insured in a way that increases the risk;
- (c) of damage or losses; or
- (d) the Business is wound up or carried on by an insolvency practitioner or permanently discontinued.

Your failure to notify us of the change could result in us declining a claim and/or cancelling or avoiding the Policy.

3. Assignment

This Policy, the proceeds under the Policy and any rights hereunder cannot be assigned without our prior written consent.

4. Authority to act on behalf of multiple Insured

It is agreed that the Insured is authorised to act on behalf of all other persons who may be an Insured under the Policy with respect to the exercise of all their rights and the discharge of all their duties in respect of this Policy.

5. Bankruptcy or insolvency

In the event that You should become bankrupt or insolvent, we shall not be relieved thereby of the payment of any claims hereunder because of such bankruptcy or insolvency.

In case of execution against You of any final judgment covered by this Policy being returned 'unsatisfied' by reason of such bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against us in the same manner, and to the same extent as You but not in excess of the Limit of Liability.

6. Breach or Error without Your knowledge

Breach of a condition or warranty without Your knowledge or consent or error in name, description or Situation of property will not prejudice Your rights under this Policy provided notice in writing is given to us when such breach or error comes to Your knowledge. Reasonable extra premiums shall be paid if required, from the date of such breach or error.

7. Changes in this Policy

No change in this Policy will be valid unless agreed in writing by us nor shall the requirements of this Policy be waived unless we have agreed in writing.

8. Conduct of claims and subrogation

We shall:

- (a) have the right to conduct, and full discretion in the conduct of, any legal proceedings and the negotiation and settlement of any claim; and
- (b) have the right to take action or institute legal proceedings in Your name against another person or organisation, to recover any payment we have made, regardless of whether we have paid Your claim or You have been fully compensated for Your loss.

Any such amount recovered will first be applied to pay Your Excess and secondly to reimburse us for any payments made by us. Any amounts in excess of our total payment will be paid to You.

You must provide to us all reasonable assistance in investigating, defending or settling Your claim, including attending court to give evidence.

9. Designation of property

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

Provided always that this General Policy condition shall not apply to the Theft Policy Section with respect to tobacco, products containing tobacco, cigars, and/or cigarettes.

Furthermore, under the Theft Policy Section, Stock does not include tobacco, products containing tobacco, cigars, cigarettes or alcohol unless they are specified on the current Policy Schedule.

10. Excess

If more than one Excess can be applied to an occurrence, then You will only need to pay the highest applicable Excess. Sums insured, Limits and sub-limits of liability shall apply in addition to, and shall not be reduced by, the amount of any applicable Excess.

11. Cancelling Your policy

How You may cancel this Policy

You may cancel this Policy at any time by telling us in writing that You want to cancel it. You can do this by giving the notice to Your Steadfast broker.

Where 'You' involves more than one person, we will only cancel the Policy when a written agreement to cancel the Policy is received from all persons named as the Insured.

How we may cancel this Policy

We may cancel this Policy in any of the circumstances permitted by law by informing You in writing.

We will give You this notice in person or send it to Your address last known to us. Such cancellation takes effect at the earlier of the following times:

General Policy Conditions applicable to all sections

- (a) the time when another policy of insurance between You and us or some other insurer, being a policy that is intended by You to replace this Policy, is entered into; or
- (b) at 4.00 pm on the third (3rd) business day after the day on which notification was given by Us.

The premium

We will refund to You the pro rata portion of the premium for the remaining Period of Cover, less any non refundable government charges.

12. Inspections

We (or agents appointed by us) have the right to inspect and examine, by mutual appointment, any Property Insured.

13. Jurisdiction

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

14. Non-imputation

Where this insurance is arranged in the joint names of more than one Insured it is hereby declared and agreed that:

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

15. Other persons or organisations

The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties noted on the Schedule, Your business or legal records, or having a charge over the Property Insured, shall be automatically included as third party beneficiaries without notification or specification. The nature and extent of such interest is to be disclosed to us in the event of any claim covered by this Policy. Any other persons or entities not in this category or not named on the Schedule are not covered and cannot make a claim. All third party beneficiaries must comply with the terms and conditions of the Policy.

Where the separate interests of more than one party in the Property Insured are insured under this Policy, any act or neglect of one party will not prejudice the rights of the remaining party or parties provided that the remaining parties are entirely innocent of and have no prior knowledge of any such act or neglect and shall, within a reasonable time after becoming aware of any act or neglect whereby the risk of loss, damage or destruction has increased, give notice in writing to us and shall on demand pay such reasonable additional premium as we may require.

All persons entitled to claim under the Policy are bound by the terms and conditions of the Policy.

When a claim is paid under the Policy and is also recoverable under another policy or policies, You agree to provide us with details of such policies and permit us to exercise our subrogated rights and/or seek contribution from any other insurer or insurers.

16. Our maximum liability

Except as otherwise stated elsewhere in this Policy, the maximum amount we will pay will not exceed the amount stated in the Schedule as the Insured Amount or the Limit of Liability for those sections selected.

The Insured Amount and sub-limits of liability shall apply in addition to, and shall not be reduced by, the amount of any applicable Excess.

17. Progress payments

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

18. Protective Device

If You have advised us that electronic surveillance protection, fire protection systems and automatic alarm signal connected to a fire brigade station or security monitoring company are installed at the Situation You must:

- (a) ensure they are regularly tested and maintained in accordance with the manufacturer's recommendation;
- (b) take all reasonable precautions to ensure that they are operational at all times.

19. Reasonable care

You must take reasonable precautions to prevent personal injury or property damage as if You were not covered by this Policy. Such precautions include:

- (a) if You discover Your products may be defective and the defect may cause a claim under the Public and Products Liability Policy Section, at Your expense You must take reasonable steps to restrict, trace, recall, modify, replace or repair the products;
- (b) maintaining and looking after other person's or organisation's property and buildings used or occupied by You, in accordance with Your agreement with them;
- (c) if Your occupation includes digging below ground at sites away from Your Situation, the location of underground services must be obtained from the owners of the services by You or Your principal, before the work is commenced; and
- (d) using and storing all hazardous materials as required by law.

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

20. Reinstatement of Insured Amount

In the event of damage insured under one or more of the Property Damage, Business Interruption, Theft,

General Policy Conditions applicable to all sections

Money and Glass Policy Sections of this Policy, the amount by which the Insured Amount or Limit of Liability is reduced as a consequence of the loss or damage will be automatically reinstated as from the date of loss or damage provided that:

- (a) there is no written request from You or written notice by us to the contrary;
- (b) the section is an operative section of the Policy; and
- (c) You pay the premium which we require for the reinstatement.

We will not reinstate the Insured Amount for the Property Damage or Business Interruption Policy Sections if we have paid a total loss under either of these Policy Sections.

21. Sale of salvage

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

22. Single occurrence

We will not pay for loss or damage to property covered by the Policy under more than one Policy Section in respect of the same item and occurrence unless a relevant Insured Amount has been paid out in full and You have not been fully covered for the loss or damage.

23. Waiver of subrogation rights

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

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

Policy Benefits

24. Claim preparation expenses

Subject to our written approval (which approval will not be reasonably withheld), we will pay for costs necessarily and reasonably incurred for the preparation and negotiation of a claim for which we agree to indemnify You under this Policy. The most we will pay is \$25,000 in total for any one claim, unless a higher amount is included in the particular section of the Policy.

This benefit is in addition to any Insured Amount or Limit of Liability.

25. Rewards

We will pay You up to \$5,000 or any higher amount shown in the current Schedule for the reasonable cost of any reward paid by You to recover any property belonging to You or for which You are responsible that is lost, destroyed or damaged and which is insured under the Property Damage, Theft, Money or Glass Policy Sections of this Policy. However:

- (a) the terms of the reward must be agreed by us before it is offered, and
- (b) no such payment shall be made by You unless the value of the property recovered exceeds the reward.

We shall not unreasonably withhold or refuse consent to the terms of any reward payable under this General Policy Benefit.

Claims

26. What You must do after loss, damage or accident:

- (a) protect Yourself from any danger present.
- (b) assist other people within Your capabilities if required.
- (c) take reasonable steps to prevent further loss, damage, injury or liability.
- (d) notify the police immediately if any of Your property is lost, stolen, or maliciously damaged and provide the police with all assistance to apprehend the offending party.
- (e) advise us of the claim as soon as practicable and then supply us with full written details by completing our claim form. You or someone acting on Your behalf must complete a claim form within a reasonable time of an occurrence. If You do not, we may reduce the amount we pay if the delay causes increased costs or prevents us investigating the claim.
- (f) any invoices, bills, demands letters or notices You receive from other people involved in the loss, damage or accident must be sent to us as soon as possible.

27. What You must not do after a loss or accident:

- (a) You must not admit fault or agree to pay for damage without our consent. Do not make an offer, settle, or attempt to settle any claim against You. If You do we may not pay all or part of the claim.
- (b) You must not incur any costs or expenses or authorise repairs (other than necessary temporary repairs) without our agreement.

General Policy Exclusions applicable to all sections

The following General exclusions apply to all sections of this Policy.

This Policy does not cover any loss, damage, injury, destruction or liability, cost or expense directly or indirectly caused by, or in connection with, or contributed to or arising from:

1. Confiscation

Confiscation, nationalisation, requisition, embargo or destruction of or damage to property by order of any Government Authority unless the order is given for the purpose of controlling fire or another event which is covered by this Policy.

2. Consequential loss

This Policy does not cover loss of use, loss resulting from delay or lack of performance, depreciation of Stock and any other kind of consequential or indirect loss including but not limited to loss of profit, penalties (civil or criminal), loss of revenue, or loss of market save where any consequential losses are explicitly covered under the Business Interruption Policy Section.

3. Data

- (a) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Data;
- (b) error in creating, amending, entering deleting or using Data; or
- (c) total or partial inability or failure to receive, send, access or use Data for any time or at all,

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

Where an event listed in paragraphs (f), (g) and (h) below (being an event insured under the Property Damage, Business Interruption, Theft, Money, Glass, General Property and Marine Transit Policy Sections but for this exclusion) is caused by any of the matters described in paragraphs (a), (b) or (c) above, then these Policy Sections will insure:

- (d) physical loss of or damage to Property Insured directly caused by the event, and/or
- (e) consequential loss insured by this Policy.

This Policy subject to all of its terms, conditions and exclusions, will provide cover for loss of Data caused by the following events:

- (f) fire, explosion, earthquake, subterranean fire, volcanic eruption, tsunami, lightning, storm including rain, hail, snow and wind, leakage of water or liquid, malicious damage by persons taking part in industrial disputes or riots, civil commotions or labour disturbances, impact by Vehicles, Aircraft or anything dropped from them, satellites, space debris or sonic boom, communication masts or towers, aerials, antennae, satellite dishes, falling trees or branches;

- (g) Breakage of Glass;
- (h) theft of Data solely where the theft is accompanied by theft of the computer hardware, firmware, microchip, or integrated circuit or similar device containing such Data.

This exclusion does not apply to the 'Data and media restoration' Additional Benefit in the Equipment Breakdown Policy Section.

4. Geographical limitations

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

5. Intentional acts

Any:

- (a) intentional, reckless or wilful act or omission; or
- (b) fraudulent or dishonest acts;

Committed by You or any person acting with Your knowledge, consent or connivance.

6. Known defects

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

7. Nuclear

- (a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- (b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- (c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- (d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes; or
- (e) any chemical, biological, bio-chemical or electromagnetic weapon;

General Policy Exclusions applicable to all sections

8. Pollution

- (a) Pollutants directly or indirectly caused by or contributed to by or arising from the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or Pollutants into or upon land, the atmosphere or any watercourse or body of water;
- (b) the cost of removing, monitoring, testing, containing, treating, detoxifying, neutralising, nullifying or cleaning up smoke vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or Pollutants discharged, dispersed, released or escaped into or upon land, the atmosphere or any watercourse or body of water;
- (c) fines, penalties, punitive, exemplary or multiple damages relating to the circumstances detailed in (a) above; and
- (d) the cost of preventing the escape of Pollutants.

Exclusions (8)(a) and (8)(b) above shall not apply where the claim or legal proceeding arises from a sudden identifiable, unintended and unexpected event that takes place in its entirety at a specific time and place and occurs outside of North America.

9. Terrorism

Any:

- (a) act of Terrorism; or
- (b) action in controlling, preventing, suppressing, retaliating against or responding to or in any way relating to Terrorism.

Regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

10. Unoccupancy

The Situation being unoccupied for more than 90 consecutive days.

This exclusion will not apply if:

- (a) You notify us that the Situation will be unoccupied for more than 90 consecutive days; and
- (b) we agree in writing to continue Your cover and You agree to:
 - (i) pay us any additional premium that we may require; and
 - (ii) changes in Policy terms and conditions we may require.

This exclusion does not apply to damage caused by:

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

This exclusion will not apply if the Situation is partly occupied.

11. War

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.

- 12. In addition to the above general exclusions if, by virtue of any law or regulation which is applicable to Us, Our parent company or its ultimate controlling entity, at the inception of this Policy or at any time thereafter, providing coverage to You is or would be unlawful because it breaches an applicable embargo or sanction, We shall provide no coverage and have no liability whatsoever nor provide any defense to You or make any payment of defense costs or provide any form of security on Your behalf, to the extent that it would be in breach of such embargo or sanction.

Policy Section 1 – Property Damage

1.1 Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

Increase In Building Costs means the difference between the cost of reinstatement actually incurred in accordance with the Method of Settlement provisions of this Policy Section and the cost of reinstatement that would have applied had the catastrophe not occurred.

Market Value means the estimated amount for which the Property Insured should exchange immediately before the damage, between a willing buyer and a willing seller in an arms-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

Rewriting of Records means the cost of restoration of computer records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description.

Specified Items (for the purposes of this Policy Section only) means each item of property that is specifically described on the Schedule for this Policy Section.

Your insurance cover under this section

1.2 What You are covered for

You are covered for accidental physical loss or damage to Your Property Insured. We will pay You up to the Insured Amount for the loss or damage to Your Property Insured at the Situation during the Period of Cover.

The maximum we will pay for any one claim, other than a claim for a Specified Item, under this Policy Section is the amount shown on the Schedule or adjusted in accordance with this Policy Section, whichever is the higher.

The maximum we will pay for each Specified Item is the Insured Amount shown in the Schedule for that item.

For Contents that are works of art, antiques or curios we will only pay the value of the item up to a maximum of \$10,000 for any one item and a maximum of \$50,000 in any one Period of Cover, unless they are a Specified Item.

For any item of Contents or for any Specified Item that is part of a pair or set, the limit applies to the pair or set.

There are two methods of paying Your valid claims. They are 'reinstatement or replacement value' and 'indemnity value'.

1.3 Method of Settlement – Reinstatement or replacement value

Unless the Schedule shows You are insured for 'Indemnity value' then, when Buildings, Specified Items, Contents are lost or destroyed we will, at our option:

- (a) rebuild the Buildings at the Situation shown on Your Schedule or at another site;
- (b) replace Business Contents, or Specified items with similar property;
- (c) pay You the amount shown on the proof of purchase for Specified items;
- (d) pay You the amount of a valuation by the Auctioneers and Valuers Association of Australia for Specified Items of works of art, antiques and curios; or
- (e) pay the cost of rebuilding or replacing the Buildings, Specified Items, or Business Contents.

If the Buildings, Specified Items, or Contents are damaged, then we will, at our option:

- (f) repair or replace the Buildings, Specified Items, or Business Contents; or
- (g) pay the cost of repairing or replacing the Buildings, Specified Items, or Business Contents.

Reinstatement or replacement is subject to the following conditions:

- (h) You must commence to rebuild, replace or repair within a reasonable time of the loss or damage, after our consent has been obtained. If You do not, we will pay no more than the cost that would have been incurred if the work of rebuilding, replacement or reinstatement had been commenced and carried out with reasonable dispatch.
- (i) Property Insured may be rebuilt or erected at another location and in a manner suitable to You provided You pay any additional costs to build or erect elsewhere.
- (j) when any Property Insured is damaged, but not destroyed, we will not pay more than the amount that we could have been called upon to pay for if that property had been destroyed;
- (k) we will pay the cost of rebuilding, replacing or repairing any damaged part of Your Property Insured to the same condition when new or, where appropriate, in accordance with the 'Output replacement' clause set out below.

1.4 Method of settlement – Indemnity value

If the basis of settlement is shown in the Policy Schedule as Indemnity, then for any loss or damage to a Building or to Contents, we will, at our option:

- (a) reinstate or replace the Building or Contents;
- (b) pay You the Market Value of the Building or Contents at the time of its loss or damage; or
- (c) pay the cost to repair or replace the Building or Contents.

In all cases, where appropriate, we will reduce the amount we pay by an equitable amount for age, wear, tear, depreciation and will make an adjustment for the general condition and remaining useful life of the individual item or components that are damaged.

Policy Section 1 – Property Damage

1.5 Limitation of Cover

(a) Earthquake

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

(b) Excess

The excess that applies is shown on the Schedule.

(c) 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.

1.6 Branded goods

In the event of a claim, any salvage of branded goods or merchandise owned by You or held by You in trust or on commission and any 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 basis of settlement of the claim shall be the Market Value of the goods after brands, labels or names have been removed by You or on Your behalf.

1.7 Extra cost of reinstatement

This basis is applicable to Buildings, machinery and plant.

Where 'Reinstatement or Replacement' is the basis of settlement, we will also pay the extra cost of reinstatement (including demolition or dismantling) or replacement of damaged Property Insured which is necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made under an Act or By-law or the Regulation of any Government Authority other than those relating to the heritage status of a Building.

The following conditions apply:

- (a) the work of reinstatement, must be commenced and carried out within a reasonable period, failing which we will not pay more than the amount which would have been payable under the Policy if the work of reinstatement had been commenced and carried out with reasonable dispatch;
- (b) the work of reinstatement may be carried out wholly or partly upon any other site, if the requirements of the Act, Regulation or By-law necessitate it, subject to our liability not being increased;
- (c) the amount recoverable shall not include the additional costs incurred in complying with any such Act, Regulation or By-law or requirement with which You have been required to comply prior to the happening of the damage.

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

- (d) the sub Limit of Liability shown in the current Policy Schedule for 'Extra cost of reinstatement' which shall be in addition to the Insured Amount;
- (e) 10% of the limit of the total Insured Amount for this Policy Section; or
- (f) the balance of the Insured Amount for this Policy Section;

whichever is the greater.

The underinsurance condition of this Policy Section will not apply to the amount payable under this clause.

1.8 Floor space ratio index (Plot ratio)

If a Building insured under this Policy Section on a 'Reinstatement' or 'Replacement' basis can only be rebuilt with a reduced floor space as a result of:

- (a) any Act of Parliament or regulation thereunder, or
- (b) any by-law or regulation of any Government Authority,

We shall pay, in addition to the amount payable on reinstatement of such Buildings, the difference between:

- (c) the actual cost of rebuilding the Building with the reduced floor space; and
- (d) the estimated cost of rebuilding the Building with the floor space it had at the time it was damaged.

Provided that our total liability for reinstatement or replacement value, additional costs of compliance and under this 'Floor space ratio index (Plot ratio)' clause shall not exceed the Insured Amount in respect of the Buildings which are the subject of the claim.

1.9 Output replacement

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

- (a) where any Property Insured is to be replaced with any item or items which have the same or a lesser total function, capability or output, then the basis of settlement is the new installed cost of such replacement item or items as would give the same total function, capability or output as the Property Insured.
- (b) where any Property Insured is to be replaced with an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of that Property Insured, then the basis of settlement is the new installed cost of the item or items so replaced.
- (c) where any Property Insured is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is

Policy Section 1 – Property Damage

greater than the replacement value of the Property Insured, then the basis of settlement is the lesser of the reinstatement value or that proportion of the new installed cost of the replacement item or items which the output of the Property Insured damaged bears to the output of the replacement item or items. If the reinstatement value of the damaged Property Insured is not ascertainable then the basis of settlement is the new installed cost of the replacement item or items.

Additional Benefits applicable to this section

When damage to Property Insured is covered by this Policy Section, we will pay for the following costs that are incurred as a result of that damage.

Unless stated otherwise below, any amounts payable under these Additional Benefits apply in addition to the Insured Amount.

1.10 Capital Additions

If Buildings or Contents are insured and:

- (a) Buildings, or part of them, are in the process of being constructed, erected, altered or added to; or
- (b) Contents are in the process of being installed or modified;

we will pay, for loss or damage to the new additions or installations, up to an additional:

- (c) \$500,000; or
- (d) 20% of the total Insured Amount on Buildings and Contents;

whichever is the lesser amount.

1.11 Catastrophe Escalation Cost

If:

- (a) any of Your Buildings are destroyed or damaged by any event insured against by this Policy Section, and
- (b) the event giving rise to the destruction or damage has resulted in any Government Authority declaring a state of emergency affecting the area in which Your Building is situated;

we will:

- (c) increase the Insured Amount applicable to such Buildings under this Policy Section by up to 20% provided that Your Building is rebuilt, and
- (d) increase the amounts payable under the 'Capital Additions' Additional Benefit (relating to Buildings only), 'Prevention of imminent damage' Additional Benefit and the 'Temporary protection and security guards' Additional Benefit of this Policy Section by 20%;

to cover any Increase In Building Costs for labour and materials and any other additional costs which may apply after the catastrophe. Provided that:

- (e) we shall not pay more than the increased building costs which are actually incurred by You as a direct result of the catastrophe;
- (f) we will not pay any amount under this Additional Benefit until You have incurred costs exceeding the Insured Amount applicable to such building under this Policy Section;
- (g) we will not pay any claim under this Additional Benefit if You choose not to rebuild the Buildings (or any part of them) at the Situation shown on Your Schedule.

1.12 Directors and Employees personal property

We will pay for loss or damage to personal property of directors and Employees of Your Business whilst at the Situation if the person to whom the personal effects belong is not named as an Insured.

Cover is limited to \$5,000 for any one director or Employee as the case may be. Any amount we pay for this Additional Benefit will not be in addition to the Contents Insured Amount.

1.13 Discharge of mortgages

We will pay the reasonable legal costs of discharge of a mortgage or mortgages on Buildings, Contents or Stock following settlement of a claim under this Policy on a total loss basis. We will pay up to the amount of \$25,000.

1.14 Fire Brigade attendance fees

We will pay up to \$100,000 for any statutory charges payable by You to a fire brigade or firefighting authority for attendance at a fire or chemical emergency involving Property Insured and for the cost of refilling Your fire fighting appliances used in putting out a fire at or adjoining the Situation threatening the Property Insured. This Additional Benefit is in addition to Your Insured Amount.

1.15 Floating Stock

Where we pay a claim for loss of or damage to Stock at the Situation, we will pay more than the Stock Insured Amount at that Situation to account for the temporary transfer of Stock between Situations provided that:

- (a) there are at least two Situations specified on the Schedule and an Insured Amount has been separately specified on the Schedule for Stock at each Situation insured under this Policy Section, including the affected Situation; and
- (b) You transfer the Stock between Situations as a usual business practice.

We will not pay a claim under this Additional Benefit where Stock levels in excess of the Insured Amount at a Situation have been temporarily located at that Situation for a period exceeding 90 days and where we have not agreed in writing to an extended period.

We will not pay more than the total of the Stock Insured Amounts for all Situations.

Policy Section 1 – Property Damage

1.16 Government fees

If any of Your Property Insured is destroyed or damaged, we will pay any fee, contribution or other impost payable to any other Government Authority where payment of the fee, contribution or impost is necessary to the obtaining of consent to reinstate any Property Insured provided that we will not be liable for payment of any fines and/or penalties imposed upon You by any such authorities.

The cost of government fees is included in the Insured Amount for Buildings, Contents or Stock. If the Insured Amount is exhausted, the most we will pay under this Additional Benefit is \$10,000.

1.17 Landscaping

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

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

We will not pay more than \$50,000 or 20% of the Insured Amount at the Situation in respect of any one event, whichever is the lesser. This Additional Benefit is included in the Insured Amount for the Buildings.

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

1.18 Limited transit

We will cover You for loss of or damage to Stock or Contents (excluding Stock or Contents which are portable electronic equipment), during the Period of Cover whilst in transit in any Vehicle within the Commonwealth of Australia, caused by:

- (a) fire, lightning or explosion;
- (b) collision, overturning of the conveying Vehicle;
- (c) malicious damage; or
- (d) theft resulting from forcible and violent entry, evidenced by visible damage to the Vehicle containing the Stock or Contents.

We will not pay under this Additional Benefit for:

- (e) personal effects of You, a director of Your Business or Employee of Your Business; or
- (f) cover provided under the Marine Transit Policy Section.

The maximum amount we will pay for this Additional Benefit will be \$25,000 any one claim and a maximum of \$50,000 in any Period of Cover.

1.19 Loss of land value

If we pay for a claim for loss or damage to a Building at the Situation, we will pay for any reduction in land value that results from the requirements of any Government Authority that does not allow rebuilding (or only partial rebuilding) at the Situation following loss or damage covered by this section.

We will not pay more than \$100,000 or 20% of the Buildings Insured Amount shown on the Schedule, which ever is the lesser. 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.

The underinsurance condition does not apply to this Additional Benefit, which is in addition to the Insured Amount.

1.20 Playing surfaces

We will pay, up to the greater of \$50,000 or the amount shown in the current Schedule for playing surfaces, for the cost of repairing damage to outdoor playing surfaces at the Situation, caused by:

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

This Additional Benefit is in addition to the Insured Amount.

1.21 Prevention of imminent damage

We will pay up to \$50,000 for necessary costs You incur to extinguish a fire on or in the vicinity of Your Situation which causes or threatens property damage or for necessary costs to prevent or diminish imminent damage to Your property by any other insured peril.

We will not pay under this Additional Benefit for:

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

This Additional Benefit is in addition to Your Insured Amount.

1.22 Professional fees

If Property Insured has been damaged and the damage is covered by this Policy Section, we will pay the reasonable professional fees incurred to rebuild or repair Your Buildings and Contents. The cost of professional fees and legal costs are included in the Insured Amount of the property lost or damaged. If the Insured Amount has been exhausted, we will pay up to \$5,000.

Policy Section 1 – Property Damage

1.23 Removal and disposal of trees

If damage to Property Insured is caused by impact from trees or branches of trees, we will pay the reasonable costs associated with the removal and disposal of the tree or branches, which caused the damage.

1.24 Removal of debris including necessary temporary repairs

If Property Insured has been damaged or destroyed and is covered by this Policy Section, we will pay the reasonable costs incurred for the demolition, dismantling, temporary repairs and other measures necessary to:

- (a) secure the property;
- (b) make the property safe;
- (c) make the property suitable for continued use; and/or
- (d) cleaning up and/or remove, store and dispose debris from the Situation.

We will also pay for Your legal liability for the cost of removal of debris from adjoining premises, property, services, roadways and waterways as well as on the site.

We will pay You up to \$100,000 or 20% of the Insured Amount, whichever is greater; or the amount shown in the current Policy Schedule for removal of debris. If this is insufficient and You have not exhausted Your Insured Amount on the damaged items requiring demolition and/or removal of debris, we will pay up to the remaining balance of the Insured Amount.

1.25 Rewriting of Records

We will pay You, in addition to Your Insured Amount, up to \$25,000 or any higher amount shown in the current Schedule for Rewriting of Records, for clerical and professional costs incurred by You to re-write Your necessary business records if they are lost, destroyed or damaged, whilst located at Your Situation or offsite anywhere in the Commonwealth of Australia (if the records lost, destroyed or damaged were stored offsite anywhere in the Commonwealth of Australia, it is not necessary that the Property Insured be lost destroyed or damaged). We will not pay You for any financial loss caused by the loss of Your records under this Additional Benefit.

1.26 Seasonal increase in Stock

We will automatically increase the Insured Amount in respect of Stock by 50% during the Seasonal Increase Period.

1.27 Taking Inventory

We will pay the costs and expenses incurred by You in taking inventory (including unpacking, repacking and restacking) to identify, quantify and value any Property Insured damaged during the Period of Cover including examination of Property Insured not belonging to You but in Your care, custody or control.

1.28 Temporary cover for new premises

We will temporarily extend cover provided by this section to property at any new Situation first occupied by You during the Period of Cover provided that:

- (a) this temporary cover period is limited to the earliest of:
 - (i) 60 days from the date You acquire or commence using the premises; or
 - (ii) the expiry date of the current Period of Cover; or
 - (iii) the date on which the property ceases to belong to You;
- (b) the property is used for the Business described in the Policy Schedule;
- (c) the property is of similar type to that already insured under this Policy Section;
- (d) the new premises comprise buildings of similar construction, fire and burglary protection as featured in any premises currently described in the Policy Schedule; and
- (e) You must provide to us full details of the new premises within 60 days of the commencement of this temporary cover. If we agree to continue the cover You must pay any additional premium that we may require.

The maximum we will pay for this Additional Benefit is 50% of the highest Insured Amount shown on the Policy Schedule for each item of property.

1.29 Temporary protection and security guards

If Property Insured has been lost or damaged, we will pay:

- (a) for the cost of temporary protection and safety of Your Property Insured at the Situation including employment of security guards; and
- (b) to remove Property Insured from the Situation if the purpose of the removal was to prevent or minimise damage insured under this Policy Section. We will also cover any damage resulting from the removal.

We will not pay more than \$50,000 for all claims under this Additional Benefit during any one Period of Cover. We will not pay for any fines, penalties, or liability incurred by You.

If an occurrence results in a claim being paid under this Policy Section and another Policy Section of the Policy, only the highest single Limit of Liability under the relevant Policy Sections shall apply. The benefit of this clause shall not be cumulative under this Policy.

1.30 Temporary removal of Stock and Contents

We also cover Your insured Contents and Stock while temporarily removed to any other premises within the Commonwealth of Australia.

We will not pay for loss of or damage to:

- (a) Vehicles or trailers, Watercraft, Hovercraft, caravans or motorcycles unless they are:
 - (i) Stock in trade of Your Business; or

Policy Section 1 – Property Damage

- (ii) forklift trucks or similar appliances that are normally used for hauling or lifting goods at Your Situation.
- (b) Stock in trade that is on consignment to other parties unless it is owned by You or is property for which You are responsible.
- (c) any Property Insured, which has been removed for a period greater than 90 days without our prior written consent.
- (d) personal effects of You or a director or Employee of Your Business.

The maximum amount we will pay for this Additional Benefit will be 20% of the Insured Amount on Stock and Contents shown on the Schedule.

1.31 Theft of external property

If You own but do not occupy a Building shown as insured under this Policy Section at a Situation, we will cover You for the theft in the Period of Cover of plant and equipment which are securely attached (by means other than the connection to a power point) to the building structure.

We will not cover You for more than \$5,000 in the aggregate during the Period of Cover for all claims under this Additional Benefit.

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

We will not pay any claims under this Additional Benefit if You are covered under the Theft Policy Section.

1.32 Trace and Access

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

1.33 Undamaged foundations

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

Optional benefit

The following optional benefit will be provided when You request it, pay an additional premium and when shown in the current Policy Schedule.

1.34 Flood

When 'Flood' is shown in the current Policy Schedule, we will cover loss of or damage to Property Insured caused by Flood.

Conditions applicable to this section

1.35 Indexation

We automatically adjust the Insured Amount each year according to the most appropriate price indices (as determined by us).

The premium You pay will be based on the adjusted Insured Amount.

1.36 Leased building

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

1.37 Release

Without prejudicing Your position under this Policy Section, You may release any railways, other transportation companies, Government Authority from any liability if required by any contract to do so.

1.38 Storage premises

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

1.39 Tenants' Actions

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

- (a) You have taken all reasonable actions, as soon as You become aware of conditions causing the breach, to have the tenant comply with the terms;
- (b) You notify us within a reasonable amount of time of becoming aware of the breach; and
- (c) You agree to pay a reasonable increase in premium for the additional risk.

1.40 Underinsurance/average

For each occurrence under this Policy Section, we will not be liable for more than that proportion of damage which in respect of Buildings, Contents, Stock and Specified Items, the total Insured Amount for Buildings, Contents, Stock and Specified Items at the Situation, at the time of the commencement of each Period of Cover bears to eighty percent (80%) of the full insurable value of such Buildings, Contents, Stock and Specified Items. This is subject to the following conditions:

- (a) our liability is limited to the Insured Amount at the Situation as shown in the Schedule.
- (b) this clause will not apply if the amount of any damage does not exceed ten percent (10%) of the Insured Amount at the Situation.

Policy Section 1 – Property Damage

Example:

Total value \$200,000

80% of value = \$160,000

Insured Amount \$144,000

Therefore if a \$100,000 loss occurs, we would pay
($\$144,000/\$160,000$) \times $\$100,000 = \$90,000$

We would pay \$90,000.

Any additional costs incurred to comply with the requirements of any Government Authority, by-laws or regulations shall be omitted from the calculation of our proportion.

Exclusions applicable to this section

1.41 We will not cover You for loss or damage which would have been covered under any other Policy Section or Policy Sections of this Policy irrespective of whether You have elected to take out such coverage. This exclusion does not apply to any loss or damage which would only be insurable under any other Policy Section because it fell within an Additional Benefit in that Policy Section.

1.42 We will not cover You for loss or damage caused by:

- (a) wear and tear, gradual deterioration, scratching, marring, developing flaws, normal upkeep or any gradual cause;
- (b) mechanical, hydraulic, electrical breakdown or electronic failure or malfunction;
- (c) corrosion, rust, oxidation, any form of fungus, wet or dry rot, dampness of atmosphere, variation in temperature, evaporation, disease, shrinkage;
- (d) change in colour, flavour, texture or finish;
- (e) inherent vice or latent defect;
- (f) loss of weight or exposure to light;
- (g) creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in buildings, pavements, roads, car parks and the like;
- (h) any:
 - (i) error or omission or wrong design;
 - (ii) faulty materials or workmanship;Provided that the Exclusions in this sub-clause (h) shall not apply to subsequent loss or damage to Your Property Insured (not otherwise excluded) resulting from an event referred to in this exclusion;
- (i) loading or unloading;
- (j) infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by You or any Employee;
- (k) erosion, subsidence, landslip or mudslide or any other earth movement but we will cover loss or damage caused by a landslide loss or damage caused by a landslide or subsidence that occurs within 72 hours of, and directly because of, a storm, earthquake, subterranean fire, volcanic eruption or water escaping from a water main owned by a water supply authority;

- (l) demolition ordered by any Government Authority as a result of failure by You to comply with any lawful requirement;
- (m) the action of the sea or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance;
- (n) Flood;
- (o) faults or defects known to You or any Employee whose knowledge in law would be deemed to be Your knowledge and not disclosed to us at the time this insurance was arranged, extended, varied or renewed;
- (p) the cessation of work whether total or partial cessation, interruption or retarding of any process or operation as a result of any industrial dispute;
- (q) data processing or media failure or breakdown or malfunction of a processing system including operator entry or omission;
- (r) deliberate and unauthorised corruption, amendment or erasure of data by You or Your directors, partners, Employees, officers or any other person who has an interest in the Property Insured whether acting alone or in collusion with any other person;
- (s) Computer Virus;
- (t) the gaining of unauthorised access to Your computer via any communication system 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;
- (u) the operation or presence of any computer program that alters or erases data or programs in a manner that is undesired by You;
- (v) 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;
- (w) explosion or implosion of any Pressure Vessels (including any boilers):
 - (i) where the load on the safety valve upon the particular pressure equipment was in excess of the manufacturer's specification at the time of any damage;
 - (ii) where any safety valve limiting pressure was removed or rendered inoperative.Provided that we will pay for any damage to Property Insured that is not otherwise excluded that results from damage caused directly by or arising directly from any of the causes described in (i) and (ii) above.

1.43 We will not cover loss of or damage to:

- (a) Property Insured while it is undergoing any process where damage results from it being processed;

Policy Section 1 – Property Damage

- (b) any Building, Contents and Stock if the building is vacant awaiting or undergoing demolition, unless we have agreed otherwise;
- (c) animals, plants, landscaping or growing crops;
- (d) Glass or signs except where You are a tenant of a building and are required by the lease to insure Glass; or
- (e) any tangible property where the loss or damage was caused during the course of its processing or manufacture.

1.44 We will not cover loss or damage caused by or arising from:

- (a) theft other than physical damage to Property Insured at the Situation during theft or any attempted theft and/or theft of parts of the Building when Buildings are insured;
- (b) any legal liability You have other than the legal liability that is covered by the 'Removal of Debris' Additional Benefit;
- (c) the incorrect siting of Buildings as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any Government Authority;
- (d) demolition ordered by any Government Authority as a result of failure by You to comply with any lawful requirement;
- (e) any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;

- (f) contamination, pollution, smoke or smut except where caused directly by fire, lightning, explosion, impact by any road vehicle or animal, aircraft or other aerial devices or articles dropped by them, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing or discharge of tanks, apparatus or pipes containing in water or liquid of any kind, or sprinkler leakage; or

(g) either of the following:

- (i) a named cyclone named by the Bureau of Meteorology where the damage occurs within 72 hours from the commencement of this Policy; or
- (ii) a bushfire occurring within 72 hours from the commencement of this Policy.

Unless this Policy commenced:

- (iii) immediately after another insurance Policy covering the same risk expired (the Policy will not be regarded to have expired if cancelled), without break in cover;
- (iv) the day You entered into a contract of sale to purchase the Situation; or
- (v) the day You entered into a contract to lease the Situation.

Policy Section 2 – Business Interruption

2.1 Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

Annual Rent Receivable means the Rent Receivable during the twelve months immediately before the date of the Damage.*

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

Damage means physical loss, destruction or damage (occurring during the Period of Cover) from the operation of a peril or event insured against under the 'Property Damage Policy Section', the 'Theft Policy Section', the 'Money Policy Section', the 'Glass Policy Section' or the 'General Property Policy Section' of Your Policy.

Gross Profit means the amount by which the sum of the Turnover and the amount of the closing Stock and work in progress exceeds the sum of the opening Stock and work in progress and the amount of any uninsured working expenses.

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

Note: The amount of the opening and closing Stocks will be arrived at in accordance with Your normal accounting methods, due provision being made for depreciation.

Indemnity Period means the period beginning with the occurrence of the Damage during which the results of Your Business are affected by the Damage and ending at the expiration of the maximum period specified in the current Policy Schedule.

Output means the sale and/or invoice value of goods manufactured and/or processed by You in the course of Your Business at the Situation.

Rate of Gross Profit means the Gross Profit, expressed as a percentage, earned on the Turnover during the financial year immediately before the date of the Damage.*

Rent Receivable means the amount of the rent received or receivable (including base rental, Turnover rental and contributions to outgoings) from the letting of property at the Situation.

Shortage in Turnover means the amount by which the Turnover during a period will, in consequence of the Damage, fall short of the part of the Standard Turnover which related to that period.

Standard Rent Receivable means the Rent Receivable during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period.*

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

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

* to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

Your insurance cover under this section

2.2 What You are covered for

This Policy Section only forms part of Your Policy when Business Interruption is shown in the Schedule.

In the event of interruption of or interference with Your Business in consequence of Damage to any Property Insured or any part thereof used by You at the Premises for the purpose of Your Business, we will pay You in respect of each item selected by You and shown in the current Schedule, the amount of the loss resulting from such interruption or interference, provided that:

- (a) the payment is in accordance with the clause relating to each item below;
- (b) we have paid for or admitted liability in respect of such Damage under the relevant Policy Section, or another insurer has paid for or admitted liability in respect of such Damage;
- (c) we would have paid for or admitted liability in respect of such damage under the relevant section of this Policy or another insurer would have paid for or admitted liability in respect of such damage, but for the application of an Excess; and
- (d) our liability in no case will exceed in respect of each item the Insured Amount shown in the current Policy Schedule for that item.

The insurance under this Policy Section provides protection with regard to loss under:

- | | |
|----------------|--|
| Item 1. | Gross Profit |
| Item 2. | Additional increase in cost of working |
| Item 3. | Accounts receivable |
| Item 4. | Claim preparation expenses |
| Item 5. | Rent Receivable |

Policy Section 2 – Business Interruption

2.3 Item 1 – Gross Profit

This item is limited to the loss of Gross Profit due to a reduction in Turnover and the increase in Your cost of working.

The amount payable as indemnity under this item will be:

- (a) in respect of reduction in Turnover the sum produced by applying the Rate of Gross Profit to the Shortage in Turnover during the Indemnity Period, and
- (b) in respect of the increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for the additional expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of reduction thereby avoided,

Less any sum saved during the Indemnity Period in respect of such charges and expenses of Your Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage.

2.4 Item 2 – Additional increase in cost of working

The insurance under this item is limited to increase in cost of working (not otherwise recoverable hereunder) necessarily and reasonably incurred during the Indemnity Period in consequence of the Damage for the purpose of avoiding or diminishing reduction in Turnover and/or resuming and/or maintaining normal business operations and/or services.

2.5 Item 3 – Accounts receivable

Under this item we will pay You up to the amount shown in the current Policy Schedule for all sums due to You from debtors that You are unable to collect because of Damage to records of accounts receivable. We will also pay collection expenses in excess of normal collection costs made necessary because of the Damage as well as interest charges at the ruling rate of Your bank on any loan to offset impaired collections pending repayment of such sums made uncollectible by such Damage. If You cannot accurately establish the total amount of accounts receivable outstanding as at the date of the Damage, the amount will be computed as follows:

- (a) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the Damage occurs;
- (b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the Damage occurs, as compared with such average for the same months of the preceding year;

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

2.6 Item 4 – Claim preparation expenses

In addition to the amount payable under General Policy Benefit 'Claim preparation expenses' of this Policy we will pay You up to the amount shown in the current Policy Schedule for the costs of such reasonable professional fees as may be payable by You and other such reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation and negotiation of claims under this section.

2.7 Item 5 – Loss of Rent Receivable

This item is limited to loss of Rent Receivable and additional expenditure.

The amount payable will be:

- (a) in respect of loss of Rent Receivable the amount by which the Rent Receivable during the Indemnity Period falls short of the Standard Rent Receivable, in consequence of the Damage; and
- (b) in respect of additional expenditure the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent Receivable which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of the reduction in Rent Receivable thereby avoided,

Less any sum saved during the Indemnity Period in respect of such of the expenses and charges payable out of the Rent Receivable as may cease or be reduced in consequence of the Damage.

Policy Section 2 – Business Interruption

Additional Benefits applicable to this section

This Policy Section is extended to include the following Additional Benefits.

The Additional Benefits are payable provided that the Insured Amount under this Policy Section is not otherwise exhausted.

We will pay You for loss of Gross Profit (Item 1) resulting from interruption of or interference with Your Business as a result of Damage occurring during the Period of Cover to, or as a direct result of:

2.8 Computer installation

We will treat damage to computer installations, including ancillary equipment and data processing media, utilised by You in the Commonwealth of Australia other than at the Situation as Damage for the purpose of this Policy Section.

2.9 Contractual fines and penalties

Following a claim under Item 1 Gross Profit, we will also pay:

- (a) for fines or damages, other than aggravated, punitive or exemplary damages, for breach of contract resulting from non completion or late completion of orders; or
- (b) in discharge of contract purchases, cancellation charges, fines or damages for breach of contracts for the purchase of goods or services which cannot be utilised by You during the Indemnity Period, less any value to You for such goods or the amount received from sale.

The amount payable shall not exceed 20% of the total Insured Amount for Gross Profit.

2.10 Customers and suppliers – unspecified

We will treat damage to unspecified property of Your suppliers or customers of goods at the premises of Your suppliers or customers of goods or materials or services (other than those services provided by any Public utilities) or at storage premises neither owned nor operated by You where You store goods or materials, all within the Commonwealth of Australia, as Damage for the purposes of this Policy Section, provided that our liability will not exceed the percentage shown in the Policy Schedule of the Insured Amount applicable to this section. If there is no percentage shown, then our liability in this clause will not exceed 20% of the Insured Amount applicable to this section.

2.11 Documents temporarily removed

We will treat Damage to documents and electronic data files belonging to or held in trust by You, while in transit or while at premises not occupied by You, as Damage for the purposes of this Policy Section, but limited to 20% of the Insured Amount or the amount shown in the Policy Schedule, whichever is the greater.

2.12 Explosion of Pressure Vessels

We will treat the self-explosion or collapse of a Pressure Vessel, including boilers, compressors or economisers at the Situation as Damage for the purposes of this Policy Section.

2.13 Infectious disease, etc.

We will also pay You for interruption to or interference with Your Business due to closure or evacuation of the whole or part of the Situation during the Period of Cover by order of a Government Authority as a result of:

- (a) vermin or pests or defects in the drains or other sanitary arrangements, occurring at the Situation;
- (b) an outbreak of an infectious or contagious human disease occurring within a 20-kilometre radius of the Situation, 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 Situation, or out-breaking elsewhere;
- (c) injury, illness or disease caused by the consumption of food or drink supplied at or from Your Situation during the Period of Cover;
- (d) murder or suicide occurring at the Situation; or
- (e) shark or crocodile attack occurring within a 20-kilometre radius of the Situation during the Period of Cover.

2.14 Loss of Attraction

If Your Business is located within a multi-tenanted retail shopping complex, we will treat damage to property of a major tenant as being Damage for the purposes of this Policy Section provided that:

- (a) the damage to the property of the major tenant would have been covered under the Property Damage Policy Section if such damage had been to Property Insured under that Policy Section;
- (b) the damage results in reduced pedestrian count in the shopping complex; and
- (c) the damage results in interruption of or interference with Your Business.

2.15 Motor Vehicles owned or operated by You

We will cover You for interruption to Your Business that is caused by or results from Damage during the Period of Cover to any registered Vehicles or trailers owned or operated by You, while such Vehicles are at the Situation or at other premises in the Commonwealth of Australia but not on a public thoroughfare.

2.16 Prevention of access

We will cover You for interruption to Your Business that is caused by or results from:

- (a) damage to property, damage to property within a 50-kilometre radius of the Situation, which prevents access to or hinders the use of the Situation;

Policy Section 2 – Business Interruption

- (b) damage to property forming part of or contained in a complex of which the location forms part whether the Situation or property of the Insured forming part of or contained in the complex shall be damaged or not; or
- (c) intervention of any Government Authority resulting from threat of damage to property within a 50-kilometre radius of the Situation, which prevents access to or hinders the use of the Situation.

2.17 Roads, bridges and railway lines

We will treat damage to roads, bridges and/or railway lines within the Commonwealth of Australia over which raw materials, components and Stock are conveyed to or from the Situation as being Damage for the purposes of this Policy Section.

2.18 Storage sites/temporary removal

We will cover You for interruption to Your Business that is caused by or results from Damage to Your property stored or being processed at any premises in the Commonwealth of Australia not occupied by You. Our total liability under this Additional Benefit will not exceed 20% of the Insured Amount.

2.19 Transit

We will cover You for interruption to Your Business that is caused by or results from damage to Your property while in transit by road, rail, sea or air within the Commonwealth of Australia and outside of the Situation occupied by You, up to an amount not exceeding 20% of the Insured Amount in respect of any one occurrence.

2.20 Utilities

We will treat damage to the following utilities:

- (a) any electricity supply system;
- (b) any gas supply system;
- (c) water supply or sewerage works; and
- (d) any telecommunications system that is land-based within the Commonwealth of Australia and supplies Your Business,

As Damage for the purposes of this Policy Section, if the following apply:

- (e) the damage would have been covered under the Property Damage Policy Section if such damage had been to Property Insured under that Policy Section;
- (f) the damage results in hindering or stopping the supply of electricity, gas, water or sewage or telecommunications to the Situation; or
- (g) the damage results in interruption of or interference with Your Business.

We will not pay for the first 48 hours where the utility which was damaged is not at or immediately adjacent to the Situation.

Conditions applicable to this section

2.21 Accumulated Stocks

In adjusting any loss, account will be taken and equitable allowance made if any reduction in Turnover in consequence of the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated Stocks of finished goods.

2.22 Alternative trading

If during the Indemnity Period, goods are sold, work is performed or services are rendered elsewhere than at the Situation for the benefit of Your Business either by You or by others acting on Your behalf, the money paid or payable in respect of such sales, work or services will be brought into account in arriving at the Turnover during the Indemnity Period.

2.23 Books of account

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

2.24 Departmental

If Your Business is conducted in departments or business units the independent trading results of which are ascertainable, the provisions of 'Item 1 – Gross Profit' will apply separately to each department affected by the Damage. For the purposes of this clause, the Rent Receivable from letting of property at the Situation will be regarded as the proceeds of one such department.

2.25 Insured Amount

Our liability to You will in no case exceed in respect of each item the Insured Amount or Limit of Liability expressed against that item in the current Policy Schedule. 'Additional Benefits' are within the total Limit of Liability of this section and not additional to the total Limit of Liability.

2.26 New business

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

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

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

Policy Section 2 – Business Interruption

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

The above definitions may be used as necessary to calculate the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the result which but for the Damage would have been obtained during the relative period after the Damage.

2.27 Salvage sale

If, following Damage giving rise to a claim under this Policy, the Insured shall hold a salvage sale during the Indemnity Period:

- (a) clause (a) of ‘Item 1 - Gross Profit’ of this Policy Section shall, for the purpose of such claim, read as follows:

‘in respect of reduction in Turnover the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the Standard Turnover, from which shall be deducted the Gross Profit actually earned during the period of the salvage sale.’

- (b) the definition of ‘Shortage in Turnover’ shall, for the purpose of such claim, mean:

‘the amount by which the Turnover during a period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period, from which shall be deducted the pay-roll paid out of the proceeds of the salvage sale.’

2.28 Turnover or Output election

In the event of damage giving rise to a claim under this Policy Section, at Your option, the word ‘Output’ may be substituted for the term ‘Turnover’. Provided that only one such meaning (‘Turnover’ or ‘Output’) shall be operative in connection with any one event involving Damage.

If You select the cover available under this clause, the clause headed ‘Alternative trading’ above shall be altered to read as follows:

‘If during the Indemnity Period, goods are sold, work is performed or services are rendered elsewhere than at the Situation for the benefit of Your Business either by You or by others acting on Your behalf, the money paid or payable in respect of such sales, work or services will be brought into account in arriving at the Output during the Indemnity Period.’

Policy Section 3 – Public and Products Liability

3.1 Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

Advertising Injury means injury arising out of:

- (a) defamation;
- (b) any breach of the misleading or deceptive conduct provisions of the Australian Consumer Law or any fair trading or similar legislation of any country, state or territory;
- (c) any infringement of copyright or passing off of title or slogan;
- (d) unfair competition, piracy, idea misappropriation contrary to an implied contract;
- (e) invasion of privacy;

Committed or alleged to have been committed during the Period of Cover in any advertisement, publicity article, broadcast or telecast and caused by or arising out of Your advertising activities.

Business (for the purposes of this Policy Section only) means the Business as described in the Schedule (or as further described in any more specific underwriting information provided to us at the time when this insurance was proposed to us or at the time of any renewal of this Policy) and shall also include:

- (a) the ownership of the Situation and/or the tenancy thereof by You;
- (b) participation in any exhibition by You or on Your behalf;
- (c) the hire or loan of plant and/or equipment to other parties;
- (d) conducted tours of Your Situation;
- (e) the provision of any sponsorships, charities, galas, first aid, medical, ambulance or fire fighting service by You or on Your behalf;
- (f) private work undertaken by Your Employees for any of Your directors, partners, proprietors, officers or executives; and
- (g) the provision of any canteen, social and/or sporting clubs or welfare and/or child care facilities by You or on Your behalf, which are primarily for the benefit of Your Employees.

Compensation means monies paid or agreed to be paid by judgment, award or settlement for Personal Injury and/or Property Damage and/or Advertising Injury. Provided that such Compensation is only payable in respect of an Occurrence to which this insurance applies.

Employment Practices means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination in respect of Your Employees.

Excess (for the purposes of this Policy Section only) means the first amount of each claim or series of claims, arising out of any one Occurrence, for which You are responsible.

The Excess applicable to this Policy Section appears in the Policy Schedule. The Excess applies to all amounts for which we will be liable, including the indemnity provided by clause 'Defence costs and supplementary payments' below.

General Liability means Your legal liability for Personal Injury, Property Damage or Advertising Injury caused by or arising out of an Occurrence happening in connection with Your Business other than Products Liability.

Geographical Limits means:

- (a) anywhere in the World except North America;
- (b) North America but only with respect to:
 - (i) overseas business visits by any of Your directors, partners, officers, executives or Employees, who are non-resident in North America but not where they perform manual work in North America;
 - (ii) Products exported to North America without Your knowledge.

Incidental Contracts means:

- (a) any written rental agreement or lease of real or personal property other than with respect to any term or condition contained in such rental, lease and/or hiring agreement that requires You to insure such property;
- (b) any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work done for such authorities or entities;
- (c) any written contract with any railway authority for the loading, unloading and/or transport of Products, including contracts relating to the operation of railway sidings; and
- (d) those contracts designated in the Policy Schedule.

Internet Operations means:

- (a) transfer of computer data or programmes by use of electronic mail systems by You or Your Employees, including for the purpose of this definition only, part-time and temporary staff, contractors and others within Your organisation whether or not such data or programmes contain any malicious or damaging code, including but not limited to a Computer Virus, worm, logic bomb, or trojan horse;
- (b) access through Your network to the world wide web or a public internet site by You or Your Employees, including for the purposes of this definition only, part-time and temporary staff, contractors and others within Your organisation;

Policy Section 3 – Public and Products Liability

- (c) access to Your intranet (meaning internal company information and computing resources) which is made available through the world wide web for Your customers or others outside Your organisation; and
- (d) the operation and maintenance of Your web site.

Medical Persons includes but is not limited to medical practitioners, medical nurses, dentists and first aid attendants.

Named Insured means:

- (a) the persons, corporations and/or other organisations specified in the Policy Schedule;
- (b) all existing subsidiary and/or controlled corporations (including subsidiaries thereof) of the Named Insured incorporated in the Commonwealth of Australia and/or any other organisations under the control of the Named Insured;
- (c) all subsidiary and/or controlled corporations (including subsidiaries thereof) of the Named Insured and/or any other organisations under the control of the Named Insured incorporated in the Commonwealth of Australia and which are constituted or acquired by the Named Insured after the commencement of the Period of Cover; and
- (d) every subsidiary and/or controlled corporation and/or other organisation of the Named Insured which is divested during the Period of Cover, but only in respect of claims made against such divested subsidiary, related or controlled corporation or organisation caused by or arising out of Occurrences insured against by this Policy, which occurred prior to the divestment.

Occurrence means an event, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury and/or Property Damage and/or Advertising Injury that is neither expected nor intended (except for the matters set out in item (e) of the definition of 'Personal Injury') from Your standpoint.

With respect to Personal Injury or Property Damage, all events of a series consequent upon or attributable to one source or original cause shall be deemed to be one Occurrence.

All Advertising Injury arising out of the same injurious material or act (regardless of the frequency or repetition thereof, the number and kind of media used, or the number of claimants) shall be deemed to be one Occurrence.

Personal Injury means:

- (a) bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and mental injury, including loss of consortium or services resulting therefrom;
- (b) false arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation;

- (c) wrongful entry or wrongful eviction or other invasion of privacy;
- (d) libel, slander or defamation of character, unless arising out of Advertising Injury;
- (e) assault and battery not committed by You or at Your direction, unless committed for the purpose of preventing or eliminating danger to persons or property; and
- (f) discrimination as a result of race, religion, sex, marital status, age, intellectual impairment, disability or otherwise (unless insurance thereof is prohibited by law) not committed by You or at Your direction, but only with respect to liability other than fines and penalties imposed by law.

Products means anything manufactured, constructed, erected, assembled, installed, grown, extracted, produced or processed, treated, altered, modified, repaired, serviced, bottled, labelled, handled, sold, supplied, re-supplied or distributed, imported or exported, by You or on Your behalf (including Your predecessors in Your Business), including any packaging or containers thereof, including the design, formula or specification, directions, markings, instructions, advice or warnings given or omitted to be given in connection with such Products and anything which, by law or otherwise, You are deemed to have manufactured in the course of Your Business including discontinued Products.

Provided always that for the purpose of this Policy Section the term 'Products' shall not be deemed to include:

- (a) food and beverages supplied by You or on Your behalf primarily to Your Employees as a staff benefit;
- (b) any vending machine or any other property rented to or located for use of others but not sold by You; and
- (c) any claims made against You in respect of Personal Injury and/or Property Damage arising out of any Occurrence in connection therewith shall be regarded as General Liability claims hereunder.

Products Liability means Your legal liability for Personal Injury and/or Property Damage caused by or arising out of any Products or the reliance upon a representation or warranty made at any time with respect to such Products; but only where such Personal Injury and/or Property Damage occurs away from premises owned or leased by or rented to You and after physical possession of such Products has been relinquished to others.

Property Damage means:

- (a) physical loss, destruction of or damage to tangible property, including the loss of use thereof at any time resulting therefrom; and/or
- (b) loss of use of tangible property which has not been physically lost, destroyed or damaged, provided that such loss of use is caused by or arises out of an Occurrence.

Policy Section 3 – Public and Products Liability

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

Tools of Trade means a Vehicle that has tools, implements, machinery or plant attached to or towed by the Vehicle and is being used by You at Your Situation or on any Work Site. Tools of Trade does not include any Vehicle whilst travelling to or from a Work Site or Vehicles that are used to carry goods to or from any premises.

Work Site means any premises or site where any work is performed for and/or in connection with Your Business together with all areas surrounding such premises or site and/or all areas in between such premises or site that You shall use in connection with such work.

You/Your/Insured (where used in this Policy Section) means the persons, companies or firms named on the current Policy Schedule as the 'Insured'. Each of the following is an Insured to the extent specified below:

- (a) the Named Insured;
- (b) every past, present or future director, stockholder or shareholder, partner, proprietor, officer, executive or Employee of the Named Insured (including the spouse of any such person while accompanying such person on any commercial trip or function in connection with Your Business), or work experience persons or volunteers while such persons are acting for or on behalf of the Named Insured and/or within the scope of their duties in such capacities;
- (c) any Employee superannuation fund or pension scheme managed by or on behalf of the Named Insured, and the trustees and the directors of the trustee of any such Employee superannuation fund or pension scheme which is not administered by corporate fund managers;
- (d) every principal in respect of the principal's liability arising out of:
 - (i) the performance by or on behalf of the Named Insured of any contract or agreement for the performance of work for such principal, but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this Policy; and
 - (ii) any Products sold or supplied by the Named Insured, but only in respect of the Named Insured's own acts or omissions in connection with such Products and in any event only for such coverage and limits of liability as are provided by this Policy;
- (e) every person, corporation, organisation, trustee or estate to whom or to which the Named Insured is obligated by reason of law, (whether written or

implied) to provide insurance such as is afforded by this Policy, but only to the extent required by such law, and in any event only for such coverage and limits of liability as are provided by this Policy;

- (f) every officer, member, Employee or voluntary helper of the Named Insured's canteen, social and/or sporting clubs, first aid, medical, ambulance or fire fighting services, charities, welfare and/or child care facilities, while acting in their respective capacities as such;
- (g) any director, partner, proprietor, officer or executive of the Named Insured in respect of private work undertaken by the Named Insured's Employees for such person and any Employee whilst actually undertaking such work;
- (h) the estates, legal representatives, heirs or assigns of:
 - (i) any deceased or insolvent persons who are/were a person listed in (a) - (g) above; or
 - (ii) persons who are unable to manage their own affairs by reason of mental disorder or incapacity, who would otherwise be indemnified by this Policy,

but only in respect of liability incurred by such persons as described in (h)(i) and (h)(ii) herein;

- (i) every party including joint venture companies and partnerships to whom the Named Insured is obligated by virtue of any contract or agreement to provide insurance such as is afforded by this Policy; but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this Policy.

Your insurance cover under this section

3.2 What You are covered for

We agree (subject to the terms of this Policy Section) to pay to You or on Your behalf all amounts which You shall become legally liable to pay as Compensation in respect of:

- (a) Personal Injury;
- (b) Property Damage; or
- (c) Advertising Injury,

Happening during the Period of Cover within the Geographical Limits in connection with Your Business and caused by or arising out of an Occurrence.

3.3 Defence costs and supplementary payments

With respect to the indemnity provided by this Policy Section, we will:

- (a) defend, in Your name and on Your behalf, any claim or suit against You alleging such Personal Injury, Property Damage or Advertising Injury and seeking damages on account thereof even if any of the allegations of such claims or suits are groundless, false or fraudulent.
- (b) pay all charges, expenses and legal costs incurred by us and/or by You with our written consent:

Policy Section 3 – Public and Products Liability

- (i) in the investigation, defence or settlement of such claims or suits, including loss of salaries or wages because of Your attendance at hearings or trials at our request; or
 - (ii) in bringing or defending appeals in connection with such claims or suits.
- (c) Pay:
- (i) all charges, expenses and legal costs recoverable from or awarded against You in any such claims or suits;
 - (ii) pre-judgment interest awarded against You on that part of the judgment payable by us; and
 - (iii) all interest accruing on our portion of any judgment until we have paid, tendered or deposited in court that part of such judgment which does not exceed the limit of our liability thereon.
- (d) Pay premiums on:
- (i) bonds to release attachments for amounts not exceeding the applicable Limit of Liability of this Policy but we shall have no obligation to apply for or furnish any such bond; and
 - (ii) appeal bonds and/or security for costs required in any suit, but we shall have no obligation to apply for or furnish any such bonds and/or security for costs.
- (e) Pay expenses incurred by You for:
- (i) rendering first aid and/or surgical or medical relief to others at the time of any Personal Injury (other than any medical expenses, which we are prevented from paying by any law);
 - (ii) temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up and/or unpinning thereof; and
 - (iii) purchasing and/or hiring and/or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including such protection which You must provide in compliance with the requirements of any Government Authority.
- (f) Pay all legal costs incurred by You with our consent for representation of You at:
- (i) any Coronial inquest or Inquiry;
 - (ii) any proceedings in any court or tribunal in connection with liability insured against by this Policy;
 - (iii) any Royal Commission or Government Enquiry arising out of any alleged breach of Government Authority, or other similar judicial enquiry into circumstances relating to any occurrence, claim or potential claim which would be the subject of indemnity under this insurance; and
 - (iv) any enquiry, prosecution or hearing of a disciplinary nature held before a legally constituted enquiry board, committee, licensing authority or the like.

Provided that our liability under clauses (f)(iii) and (f)(iv) shall not exceed \$250,000 in respect of any one claim or series of claims arising out of one Occurrence.

The amounts of such defence costs and supplementary payments incurred, except payments in settlement of claims and suits, are payable by us in addition to the applicable Limit of Liability of this Policy Section.

However, in respect of any claims or suits originating in any court in North America, the applicable Limit of Liability shown in the Policy Schedule shall be inclusive of all defence costs and supplementary payments described in this clause.

Where we are prevented by law or otherwise from making payments on Your behalf, we will indemnify You for legal liability incurred to the extent that such liability is covered by this Policy Section.

In jurisdictions where we may not legally be permitted to, or cannot for any other reason, defend any claim or suit against You, we will reimburse You for the expense of such defence incurred with our written consent.

3.4 Limits of liability and Excess

Subject to:

- (a) the 'Claim preparation expenses' provision under 'General Policy conditions',
- (b) the 'Defence costs and supplementary payments' clause above,
- (c) sub-clause 3.5(e) of Additional Benefit 'Property in Your physical and legal control' below,

For:

- (d) General Liability the Limit of Liability specified in the Schedule represents the maximum amount which we shall be liable to pay in respect of any one claim or series of claims arising out of any one Occurrence; and
- (e) Products Liability the Limit of Liability specified in the Policy Schedule represents the maximum amount which we shall be liable to pay in respect of any one claim or series of claims, and in the aggregate during any one Period of cover.

The applicable Limit of Liability will not be reduced by the amount of any Excess payable by You.

Additional Benefits applicable to this section

We will also provide the following Additional Benefit in this Policy Section.

3.5 Property in Your physical and legal control

The 'Property in Your physical and legal control' Exclusion will not apply to the following property:

- (a) the personal property, tools and effects of any of Your directors, partners, proprietors, officers, executives or Employees, or the clothing and personal effects of any of Your visitors.
- (b) premises or parts of premises (including their Contents) leased or rented to, or temporarily

Policy Section 3 – Public and Products Liability

occupied by, You for the purpose of Your Business, but no cover is provided by this Policy if You have assumed the responsibility to insure such premises.

(c) property being:

- (i) premises (and/or their Contents) temporarily occupied by You for the purpose of carrying out work in connection with Your Business, or
- (ii) any other property temporarily in Your possession for the purpose of being worked upon;

But no indemnity is granted for damage to that part of any property upon which You are or have been working if the damage arises solely out of such work.

- (d) any Vehicle (including its Contents, spare parts and accessories while they are in or on such Vehicle) not belonging to or used by You, whilst any such Vehicle is in a car park owned or operated by You provided that You do not operate the car park for reward, as a principal part of Your Business.
- (e) any property (except property that You own) not mentioned in (a) – (d) above of this Additional Benefit whilst in Your physical or legal care, custody or control where You have accepted or assumed legal liability for such property. Provided that our liability under this clause shall not exceed \$250,000 or the amount stated in the Policy Schedule, whichever is the greater, in respect of any one claim or series of claims arising out of any one Occurrence.

Optional benefit

The following optional benefit will be provided when You request it, pay an additional premium and when shown in the current Policy Schedule.

3.6 Products Exported to North America with Your knowledge

The cover provided by this Policy is extended to include any judgment, award or settlement made within North America or any other order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part, subject to the following additional terms and exclusions in respect of any such judgment, award or settlement:

- (a) cover only applies to Your legal liability in respect of Personal Injury and/or Property Damage that arises out of any Products exported to North America with Your knowledge;
- (b) cover is not provided for:
 - (i) Personal Injury and/or Property Damage directly or indirectly caused by or arising out of discharge, dispersal, emission, release or escape of Pollutants;
 - (ii) the cost of removing, nullifying or clean up of Pollutants;
 - (iii) the cost of preventing the escape of Pollutants;
 - (iv) any claim for Compensation if in North America You have:

- (A) any assets other than Products;
- (B) a related or Subsidiary Company;
- (C) any person or entity with power of attorney; and/or
- (D) any franchisor or franchisee;
- (v) Personal Injury or Property Damage arising from the existence of asbestos.

Conditions applicable to this section

3.7 Adjustment of premium

If the first premium or any renewal premium for this Policy or any part thereof shall have been calculated on estimates provided by You, You shall keep an accurate record containing all particulars relative thereto and shall at all reasonable times allow us to inspect such record.

You shall, where requested by us after the expiry of each Period of Cover, provide to us such particulars and information as we may require as soon as reasonably practicable. The premium for such period shall thereupon be adjusted and any difference paid by or allowed to You, as the case may be, subject to retention by us of any minimum premium that may have been agreed upon between us and You at inception or the last renewal date of this Policy.

3.8 Cross liabilities

This Policy Section extends to indemnify:

- (a) each of the parties comprising the Named Insured, and
- (b) each of the Insureds hereunder,

Separately in the same manner and to a like extent as though policies had been issued in their separate names.

In particular, but without limiting the foregoing, this Policy Section shall indemnify each of the parties described in clauses (a) and (b) above in respect of claims made by any other of such parties.

Provided always that:

- (c) each of such parties shall be separately subject to the terms, claims conditions, General Policy Conditions, Exclusions and Definitions of this Policy in the same manner and to a like extent as though separate policies had been issued, and
- (d) in no case shall the amount payable by us exceed the applicable Limit of Liability as specified in the Policy Schedule (except for defence costs and supplementary payments which operate in addition to the applicable Limit of Liability).

3.9 Inspection and audit

We shall be permitted, but not obligated, to inspect Your premises and operations at any reasonable time. Neither our right to make inspections, nor our failure to make inspections, nor the making of any inspections, nor any report of an inspection shall constitute an undertaking, on behalf of or for the benefit of You or others, to determine or warrant that such premises or operations are safe or healthful or are in compliance with any law, rule or regulation.

Policy Section 3 – Public and Products Liability

We may examine and audit Your books and records at any time during the currency of this Policy and within three (3) years after the final termination of this Policy but only with regard to matters which in our opinion are relevant to this Policy.

3.10 Notification of Occurrence, claim or suit

You shall give:

- (a) written notice (including facsimile transmission) via Your Steadfast broker, to us, as soon as reasonably practicable, of any claim made against You or any Occurrence that may give rise to a claim being made against You and which is covered by this Policy Section.
- (b) all such additional information that we may reasonably require and every demand, writ, summons, proceedings, impending prosecution or inquest and all documents relating to the claim or Occurrence shall be forwarded to us as soon as practicable after they are received by You.

3.11 Our rights regarding claims

We have the following rights:

- (a) we may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If we do this we will do it in Your name. We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving us any statements, documents or assistance we require. This may include giving evidence in any legal proceedings.
- (b) we may at any time pay to You, in respect of all claims against You arising directly or indirectly from one source or original cause:
 - (i) the amount of the Limit of Liability or such other amount specified in respect thereof (after deduction of any sums already paid by us, which sums would reduce the amount of our unfulfilled liability in respect thereof); or
 - (ii) any lesser sum for which the claims can be settled.

Upon making such payment, we shall relinquish conduct and control of, and be under no further liability under this Policy in connection with, such claims except for defence costs and supplementary payments:

- (iii) recoverable from You but only where incurred during the period prior to the date of such payment (whether or not pursuant to an order made subsequently); or
- (iv) incurred by us, or by You with our written consent, prior to the date of such payment.

3.12 Release

Where You are required by contractual agreement to release any Government Authority or any landlord or any other person or parties from liability for loss, destruction or damage or legal liability insured against under this Policy, such release is allowed without prejudice to this insurance.

Notwithstanding General Condition 8 'Conduct of claims and subrogation' of this Policy, we agree to waive all our rights of subrogation against any such Authority or persons or parties in the event of any Occurrence for which a claim for indemnity may be made under this Policy.

3.13 Subrogation and allocation of the proceeds of recoveries

Subject to the 'Subrogation Waiver' below, any corporation, organisation or person claiming under this insurance shall, at our request and at our expense, do and concur in doing and permit to be done all such acts and things that may be necessary or may reasonably be required by us for the purpose of enforcing any rights and remedies, or for obtaining relief or indemnity from any other organisations or persons, to which we shall be or would become entitled upon us paying for or indemnifying You in respect of legal liability under this Policy.

Should You incur any legal liability which is not covered by this Policy:

- (a) due to the application of an Excess; and/or
- (b) where the amounts of any judgments or settlements exceed the applicable insured amount;

You will be entitled to the first call on the proceeds of all recoveries made, by either You or us, on account of such legal liability until fully reimbursed for such uninsured amount or amounts (less the actual costs of making such recoveries where those costs are incurred by us) and any remaining amounts will be applied to reimburse us.

3.14 Subrogation Waiver

Notwithstanding the 'Subrogation and allocation of the proceeds of recoveries' Condition above, we hereby agree to waive all our rights of subrogation under this Policy against:

- (a) each of the parties described as an Insured.
- (b) any corporation, organisation or person which or who owns or controls the majority of the capital stock of any corporation or organisation to which or to whom protection is afforded under this Policy.

Where such corporation, organisation or person is protected from liability insured against hereunder by any other policy of indemnity or insurance, our right of subrogation is not waived to the extent and up to the amount of such other policy.

3.15 Your duties in the event of an Occurrence, claim or suit

You:

- (a) shall not, without our written consent, make any admission, offer, promise or payment in connection with any Occurrence or claim.
- (b) shall use the best endeavours to preserve all property, Products, appliances, plant, and all other things which may assist in the investigation or defence of a claim or suit or in the exercise of rights of subrogation and, so far as may be

Policy Section 3 – Public and Products Liability

reasonably practicable, no alteration or repair shall be effected without our consent until we have had an opportunity of inspection.

- (c) shall, when so requested, provide us with details of any other insurances current at the time of any Occurrence, and/or Personal Injury and/or Property Damage and/or Advertising Injury and covering any of the liability insured by this Policy.

Exclusions applicable to this section

3.16 Advertising Injury

We do not cover any liability for Advertising Injury:

- (a) resulting from statements made at Your direction with knowledge that such statements are false;
- (b) resulting from failure of performance of contract, but this exclusion shall not apply to claims for unauthorised appropriation of advertising ideas contrary to an implied contract;
- (c) resulting from any incorrect description of Products or services;
- (d) resulting from any mistake in advertised price of Products or services;
- (e) resulting from failure of Your Products or services to conform with advertised performance, quality, fitness or durability; or
- (f) incurred by any Insured whose principal occupation or Business is advertising, broadcasting, publishing or telecasting.

3.17 Aircraft, Hovercraft

We do not cover any liability for Personal Injury and/or Property Damage arising from:

- (a) the ownership, maintenance, operation, or use by You of any Aircraft or Hovercraft; and
- (b) any property used for the purpose of an airport or any Aircraft landing strip.

3.18 Aircraft Products

We do not cover any liability arising out of any Products which You knew or have reasonable cause to believe would be or is intended for incorporation into any critical part, the structure, machinery or controls of any Aircraft.

3.19 Asbestos

We do not cover any liability for Personal Injury, Property Damage (including loss of use of property) or Advertising Injury directly or indirectly caused by or arising from exposure to asbestos or materials containing asbestos.

3.20 Breach of professional duty

We do not cover any liability arising out of any breach of duty owed in a professional capacity by You and/or any persons for whose breaches You may be held legally liable, but this exclusion shall not apply to claims for Personal Injury and/or Property Damage arising out of:

- (a) the rendering of or failure to render professional medical advice by Medical Persons employed by You to provide first aid and other medical services on Your premises;
- (b) advice which is given by You for no fee; and/or
- (c) advice given in respect of the use or storage of Your Products.

3.21 Contractual liability

We do not cover any liability which has been assumed by You under any contract or agreement that requires You to:

- (a) effect insurance over property, either real or personal.
- (b) assume liability for Personal Injury and/or Property Damage and/or Advertising Injury regardless of fault. Provided that this exclusion shall not apply with regard to:
 - (i) liabilities which would have been implied by law in the absence of such contract or agreement; or
 - (ii) liabilities assumed under Incidental Contracts; or
 - (iii) terms regarding merchantability, quality, fitness or care of Your Product which are implied by law or statute; or
 - (iv) liabilities assumed under the contracts specifically designated in the Policy Schedule or in any Endorsements to this Policy.

3.22 Damage to Products

We do not cover any liability for Property Damage to any Products where such damage is directly caused by a fault or defect in such Products, but this exclusion shall be interpreted to apply with respect to damage to the specific part and only that part of such product to which the damage is directly attributable.

3.23 Data

We do not cover any liability arising out of:

- (a) the communication, display, distribution or publication of Data, provided that this Exclusion does not apply to Personal Injury and/or Advertising Injury arising therefrom;
- (b) the total or partial destruction, distortion, erasure, corruption, alteration, misrepresentation or misappropriation of Data;
- (c) error in creating, amending, entering, deleting or using Data;
- (d) the total or partial inability to receive, send, access or use Data for any time or at all;

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

3.24 Defamation

We do not cover any liability for libel and slander:

- (a) resulting from statements made prior to the commencement of the Period of Cover;

Policy Section 3 – Public and Products Liability

- (b) resulting from statements made at Your direction with knowledge that such statements are false; and/or
- (c) incurred by You if Your Business is advertising, broadcasting, publishing or telecasting.

3.25 Employers liability

We do not cover any liability:

- (a) for bodily injury to any worker in respect of which You are or would be entitled to indemnity under any policy of insurance, fund, scheme or self insurance pursuant to or required by any legislation relating to Workers Compensation or Accident Compensation whether or not such Policy, fund, scheme or self insurance has been effected.

Provided that this Policy will respond to the extent that Your liability would not be covered under any such Policy, fund, scheme or self insurance arrangement had You complied with its obligations pursuant to such law.

For the purpose of this sub-clause (a):

- (i) the term 'worker' means any person deemed to be employed by You pursuant to any Workers Compensation Law. Voluntary workers, secondees and work experience students (if any) shall not be deemed to be Your Employees.
 - (ii) the term 'bodily injury' means bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom.
- (b) imposed by:
- (i) the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination or contract of employment or workplace agreement.
 - (ii) any law relating to Employment Practices.

3.26 Faulty workmanship

We do not cover any liability for the cost of performing, completing, correcting or improving any work undertaken by You.

3.27 Fines, penalties, punitive, exemplary or aggravated damages

We do not cover any liability:

- (a) for any fines, penalties, punitive, exemplary, aggravated damages; and
- (b) any additional damages resulting from the multiplication of compensatory damages.

3.28 Information technology hazards, computer data, program and storage media exclusion

We do not cover any liability:

- (a) for Personal Injury and/or Property Damage and/or Advertising Injury arising directly or indirectly out of, or in any way involving Your Internet Operations, or
- (b) for Property Damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:
 - (i) the use of any computer hardware or software;
 - (ii) the provision of computer or telecommunication services by You or on Your behalf; and/or
 - (iii) the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any Computer Virus.

But this exclusion does not apply to:

- (c) Personal Injury and/or Property Damage and/or Advertising Injury arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site, or
- (d) liability which arises irrespective of the involvement of Your Internet Operations.

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

3.29 Liquidated damages

We do not cover any liability arising out of liquidated damages clauses, penalty clauses or performance warranties except to the extent that such liability would have attached in the absence of such clauses or warranties.

3.30 Loss of use

We do not cover any liability for loss of use of tangible property, which has not been physically lost, destroyed or damaged, directly arising out of:

- (a) a delay in or lack of performance by You or on Your behalf of any contract or agreement; or
- (b) failure of any Products or work performed by You or on Your behalf to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by You; but this sub-clause (b) shall not apply to Your liability for loss of use of other tangible property resulting from sudden and accidental physical loss, destruction of or damage to any Products or work performed by You or on Your behalf after such Products or work have been put to use by any person or organisation other than You.

Policy Section 3 – Public and Products Liability

3.31 Pollutants

We do not cover any liability:

- (a) for Personal Injury and/or Property Damage directly or indirectly arising out of the discharge, dispersal, release or escape of Pollutants into or upon land, the atmosphere or any watercourse or body of water; and/or
- (b) for the cost of testing and monitoring for, removing, nullifying, or cleaning up of Pollutants provided that, with respect to any such liability which may be incurred anywhere other than North America.

Sub-clauses (a) and (b) in this clause shall not apply where such discharge, dispersal, release or escape is caused by a sudden, identifiable, unintended and unexpected event from Your standpoint which takes place in its entirety at a specific time and place.

3.32 Product guarantee

We do not cover any liability for any Products warranty or guarantee given by You or on Your behalf, but this exclusion shall not apply to the requirements of any Federal or State legislation as to product safety and information.

3.33 Product recall

We do not cover any liability for damages, costs or expenses arising out of the withdrawal, recall, inspection, repair, reconditioning, modification, reinstallation, replacement or loss of use of any Products where such Products are withdrawn or recalled from the market or from use by any person or organisation because of any known, alleged or suspected defect or deficiency in such Products.

3.34 Property in Your physical or legal control

We do not cover any liability for damage to property:

- (a) owned by, leased or rented to You; and/or
- (b) not belonging to You but in Your physical and legal control other than the property described in the 'Property in Your physical and legal control' Additional Benefit.

3.35 Property owned by You

We do not cover any liability for Property Damage to property owned by You.

3.36 Vehicles

We do not cover any liability for Personal Injury or Property Damage arising out of the ownership, possession or use by You of any Vehicle:

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

but these sub-clauses (a) and (b) shall not apply to:

- (a) Personal injury where:
 - (i) that compulsory liability insurance or statutory indemnity does not provide indemnity; and
 - (ii) the reason or reasons why that compulsory liability or statutory indemnity does not provide indemnity do not involve a breach by You of legislation relating to Vehicles.
- (b) any Vehicle (including any tool or plant forming part of or attached to or used in connection with such Vehicle) whilst being operated or used by You or on Your behalf as a tool of trade at Your premises or on any work site;
- (c) the delivery or collection of goods to or from any Vehicle;
- (d) the loading or unloading of any Vehicle;
- (e) any Vehicle temporarily in Your custody or control for the purpose of parking; or
- (f) property damage caused by or arising out of the movement of any Vehicle (which is required to be conditionally registered in accordance with the law of any state or territory in the Commonwealth of Australia) in the event of Your inadvertent and unintentional failure to effect conditional registration.

3.37 Watercraft

We do not cover any liability for Personal Injury and/or Property Damage arising from the ownership, maintenance, operation or use by You of any Watercraft exceeding ten (10) metres in length. Provided that this Exclusion shall not apply with regard to claims arising out of:

- (a) Watercraft used in operations carried out by any independent contractors for whose conduct You may be held liable; or
- (b) Watercraft owned by others and used by You for business entertainment.

Policy Section 4 – Theft

4.1 Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

Cigarettes, cigars and tobacco means cigarettes, cigars and tobacco used by You in the Business.

Electronic Equipment means any electronic equipment including, but not limited to mobile phones, laptops, palm pilots, computers, scanners, printers, word processors, electronic processing systems, photocopiers, facsimile machines, electronic cash registers, electronic scales and electronic testing or analysing equipment used by You in the Business.

Electronic Equipment does not include electronic equipment that is Stock.

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

Specified Items (for the purposes of this Policy Section only) means each item of property that is specifically described on the Schedule for this Policy Section.

Your insurance under this section

4.2 What You are covered for

This section covers the loss of Your Contents and Stock from theft, attempted theft, armed hold up or an actual or threatened assault.

We cover You for loss of or damage to Your Contents and Stock occurring during the Period of Cover at Your Situation caused by one or more of the following:

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

4.3 How we will pay Your claim

We will not pay more than the Insured Amount shown on the current Policy Schedule for the Theft Policy Section, except to the extent stated under the heading 'Additional Benefits'.

At our option, we will:

- (a) with respect to Stock:
 - (i) pay You the replacement value of the Stock at the time of the loss or damage;
 - (ii) replace or repair the Stock with property or materials equal to or of a similar standard and specification as the Stock before it was damaged; or

- (iii) pay You the cost of repair of the Stock.

The amount we will pay will be adjusted taking into consideration:

- (iv) Obsolete Stock; and
 - (v) salvage.

- (b) with respect to Electronic Equipment or Contents:

- (i) repair or replace the Electronic Equipment or Contents;
 - (ii) pay You the cost of repair or replacement of the Electronic Equipment or Contents; or
 - (iii) pay You the Insured Amount for a Specified Item.

Additional Benefits applicable to this section

If we agree to pay a claim under this Policy Section for loss or damage caused by theft, we will also pay or provide the Additional Benefits set out below.

Unless stated to the contrary, any amounts payable under these Additional Benefits are included in the Insured Amount specified in the Schedule.

4.4 Damage to Property Insured

The cost to repair Your Property Insured caused by theft or attempted theft. The maximum amount we will pay for this Additional Benefit is \$10,000.

4.5 Damage to rented Situation

We will pay the cost of repairing damage to the Situation in which You are a tenant and for which You are legally liable to pay in accordance with the terms of Your lease, provided such damage occurs as a result of theft or attempted theft of Property Insured occurring during the Period of Cover. The limit of our liability under this Additional Benefit is \$10,000 for any one occurrence.

This limit is in addition to the Insured Amount.

4.6 Directors and Employees tools of trade and personal effects

We will pay for loss or damage to personal property and tools of trade of directors and Employees of Your Business if the person to whom the personal effects belong is not named as an Insured.

Cover is limited to \$5,000 for any one person and \$10,000 overall in respect of any one loss.

This applies in addition to the Insured Amount.

4.7 Employee dishonesty

We will pay You for loss of Stock, Contents or Electronic Equipment by theft or dishonesty by any of Your Employees occurring during the Period of Cover, which is discovered within forty five days of its occurrence. The Exclusion contained at clause 4.23, so far as it relates to loss or damage due to theft or attempted theft committed by an Employee, does not apply to this Additional Benefit.

Policy Section 4 – Theft

Our liability under this Additional Benefit is limited to \$5,000 for any one occurrence. If You are also insured under the Money Policy Section, the benefits payable for Employee dishonesty shall not be cumulative and shall be limited to \$5,000 in the aggregate per occurrence.

Furthermore, if You are also insured under the Management Liability PrivateEdge® Lite Policy Section then we will not pay any benefit for Employee dishonesty under this Theft Policy Section.

4.8 Funeral Expenses

If any person is injured while protecting or attempting to protect the property from theft in respect of an occurrence covered under 'Your insurance under this Theft Policy Section' and death results from that injury within twelve (12) months of the occurrence, we will pay \$10,000 to the estate of that person. If You are also insured under the Money Policy Section, the benefits payable for death following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate. This is in addition to the Insured Amount.

4.9 Illegal Use of Corporate Financial Transaction Card

If the Policy covers Contents and any corporate credit and/or debit card used by the Business is lost or stolen during the Period of Cover, we will pay any financial loss sustained by You arising from the illegal use of the card by an unauthorised person.

We will not pay:

- (a) any financial loss arising from the misuse or illegal use of corporate credit cards by Your Employees or any other person acting in collusion with Your Employee or by any member of Your Family; or
- (b) more than \$5,000 in total for any one loss or event.

4.10 Replacement of locks, keys and combinations

We will pay the cost of:

- (a) replacing locks, keys, magnetic keys, cards or similar devices or combinations used in Your Business if:
 - (i) keys, magnetic keys, cards or similar devices are stolen or accidentally lost;
 - (ii) the sequence of numbers or letters are accidentally lost or become known to any unauthorised person; or
 - (iii) circumstances have allowed the unauthorised duplication of keys, magnetic keys or similar devices.
- (b) opening Safes and Strongrooms because of the theft of or loss of keys or combinations during a theft. This Additional Benefit shall also apply if there are reasonable grounds to suspect that keys or combinations have been stolen or copied without Your authority.
- (c) replacing and developing security film exposed because of theft or attempted theft.

- (d) restoring the security system to its former functionality following a theft or attempted theft that is covered by this Policy Section.

A sub-limit of \$10,000 any one occurrence applies to this Additional Benefit. This is in addition to the Insured Amount. If You are also insured under the Money Policy Section, the benefit payable for Replacement of Locks, keys and combinations shall not be cumulative and shall be limited to \$10,000 in the aggregate.

4.11 Rewriting of Records

We will pay for any reasonable labour costs incurred by You to rewrite Your necessary business records if they are lost, destroyed or damaged, whilst located at Your Situation or offsite anywhere in the Commonwealth of Australia. We will not pay more than \$25,000 for any one occurrence. This is in addition to the Insured Amount.

4.12 Seasonal increase of cover

We will automatically increase the Insured Amount in respect of Stock by 50% during the Seasonal Increase Period.

4.13 Temporary Cover for New Premises

We will temporarily extend the cover provided by this Policy Section to property at any premises that are used by Your Business for the first time during the Period of Cover. However:

- (a) this temporary cover is limited to a period of 60 consecutive days from the day that You first use the new premises;
- (b) this temporary cover is only available to Contents or Stock that is of a similar type to that insured by this Policy Section;
- (c) for each specific item of property shown in the Schedule this temporary cover is limited to:
 - (i) 50% of the Insured Amount for that item; or
 - (ii) if more than one Situation is shown in the Schedule then this 50% limitation will apply to the lowest Insured Amount that applies to the specific item of property;
- (d) the new premises must have building and security features that are similar to those at one of the Situation shown in the Schedule having the same occupation; and
- (e) You must provide us with full details of the new premises within 60 days of You first using the new premises.

You must pay the premium that we require for this new premises.

4.14 Temporary protection and security guards

We will pay the reasonable and necessary costs of temporary protection and repairs and the employment of guards/watchmen to protect insured property following an occurrence covered by this Policy Section.

Policy Section 4 – Theft

The maximum amount we will pay for each occurrence is \$10,000. This is in addition to the Insured Amount. If an occurrence results in a claim being paid under this Policy Section and another Policy Section of the Policy, only the highest single Limit of Liability under the relevant Policy Section applies. The benefit of Temporary Protection and Security Guards shall not be cumulative under this Policy.

4.15 Temporary removal

We also cover Your Property Insured while temporarily removed to any other premises within the Commonwealth of Australia. Provided that:

- (a) we will not cover tobacco, tobacco products, cigars, cigarettes or alcoholic beverages;
- (b) we will not cover Stock that is on consignment to other parties unless it is owned by You or is property for which You are responsible;
- (c) the maximum amount we will pay for this Additional Benefit will be 20% of the insured amount; and
- (d) this Additional Benefit will not apply to any insured property, which has been removed for a period greater than 90 days without our prior written consent.

4.16 Theft of external property

We will cover You for loss or damage as a result of Theft or any attempt at theft, whether following forcible and violent entry or otherwise, of permanently fixed (non-portable) apparatus or appliances, owned by You or for which You are legally responsible or have assumed a responsibility to insure, attached to the building (other than by means of a flexible or tensile cord) to a power point but limited to an amount not exceeding:

- (a) \$10,000; or
- (b) the balance of the Insured Amount on Contents whichever is the lesser.

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

We will cover You for loss or damage occurring during the Period of Cover as a result of a theft without forcible and violent entry. The amount we will pay is limited to:

- (a) \$10,000 or the amount shown in the current Schedule (whichever is the higher) for any one occurrence, by theft or attempted theft of Property Insured other than:
 - (i) Electronic Equipment;
 - (ii) Stock; or
 - (iii) Customers' Goods.
- (b) \$20,000 or the amount shown in the current Schedule (whichever is the higher) for any one occurrence, by theft or attempted theft of Your Electronic Equipment which is not Stock.

- (c) loss of the Buildings at the Situation if caused by theft, limited to \$10,000 for any one occurrence.

We will not cover You if the theft or attempted theft is from any open-sided structure such as, but not limited to verandas or yards or other open spaces even if they are partially or fully enclosed. This Additional Benefit does not cover loss as a result of unexplained disappearance, unexplained or inventory shortage, clerical or accounting errors or shortage in supply or delivery to or from the Situation.

Optional benefit

The following optional benefit will be provided when You request it, pay an additional premium and when shown in the current Policy Schedule. Any amount payable under this optional benefit is in addition to the Insured Amount.

4.18 Theft of Property Insured in the open air

We will cover You for theft of Property Insured in the open air but within the boundaries of the Situation or contained in an unlocked building, up to the amount shown in the current Schedule.

Conditions applicable to this section

4.19 Valuables

You must ensure that all Stock that is precious stones, gold and silver articles, jewellery, watches, trinkets, stamps, coins and personal ornaments, which are individually of the value of \$500 or more are contained in a securely locked Safe or Strongroom outside Your Business Hours.

Exclusions applicable to this section

4.20 We will not pay under the Theft Policy Section for loss of or damage to:

- (a) Money and negotiable instruments in excess of \$500;
- (b) jewellery, furs, bullion, property made of gold or silver or precious stones exceeding \$10,000 for any one loss and \$2,000 for any one item unless these items form part of Your Stock;
- (c) motor Vehicles unless they are:
 - (i) Stock; or
 - (ii) fork lift trucks and similar appliances that are used for hauling or conveying goods at the Situation;
- (d) Glass unless it is Stock; and
- (e) except as expressly provided in the 'Theft of external property' Additional Benefit and the 'Theft of Property Insured in the open air' Optional Benefit, loss or damage of property from any open space, whether fenced or unfenced, outside the walls of the Building.

4.21 We will not pay under the Theft Policy Section for loss of or damage to property caused by:

- (a) any loss or damage including theft which is caused by a person who is otherwise lawfully on Your Situation; or

Policy Section 4 – Theft

(b) any person who does not steal or intend to steal property.

- 4.22** We will not pay under the Theft Policy Section for loss of or damage to property caused by or in any way contributed to by dishonest acts by You, Your directors, partners, Employees or any members of Your Family, other than by an Employee following forcible and violent entry.
- 4.23** We will not pay for loss from a Safe, Strongroom or security enclosure opened by a key or by the use of details of a combination, either of which has been left on Your Business Situation while closed for business.
- 4.24** We will not pay under the Theft Policy Section for unexplained disappearances or unexplained shortages, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You.

Policy Section 5 – Money

5.1 Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

Financial Services Provider means a bank, building society or credit union or an agency for any of these.

Insured Events (for the purposes of this Policy Section only) means, where covered in the Schedule, the events referred to under the 'Insured Events' clause below being 'Money in transit', 'Money on a Situation' and 'Money in private residence'.

Your insurance cover under this section

5.2 What You are covered for

This Policy Section covers the loss of or damage to Your Business' Money from a wide variety of causes such as theft, armed hold up, or fire. The Money may be in transit or at Your Situation.

When 'Money' is shown under 'Coverage and Premium Details' in the Schedule, we will cover You for loss of or damage to Money occurring during the Period of Cover as a result of the Insured Events described below and shown on the Schedule.

5.3 Insured Events

The following are Insured events for the purpose of this Policy Section:

(a) Money in transit

Loss of or damage to Money in Your personal custody or in the custody of persons authorised by You whilst in transit within the Commonwealth of Australia but not Money in a private residence or any Vehicle left unattended.

Money in transit includes loss of or damage to Money whilst contained in the night Safe, night depository chute, or automatic teller machine of any Financial Services Provider.

Our liability ceases at the time Your Financial Services Provider ceases trading on the next business day following deposit therein.

(b) Money on a situation

Loss of or damage to Money contained:

- (i) at Your Situation during Business Hours;
- (ii) at Your Situation outside Business Hours; or
- (iii) at Your Situation at any time while contained in a locked Safe or Strongroom.

(c) Money in private residence

Loss of or damage to Money contained in:

- (i) Your home, or
- (ii) in the home of a person authorised by You when it has been taken home for safe keeping from Your Situation or the place of collection until the time Your Financial Services Provider ceases trading on its next full trading day.

5.4 How we will pay Your claim

We will pay You up to the Insured Amount shown on the current Policy Schedule for each of the Insured Events.

If You have selected one Insured Amount for Money, the maximum amount we will pay is the Insured Amount shown on the Schedule.

In the case of securities (which shall mean certificates of stock, bonds, coupons and all other types of securities), the basis of valuation shall be:

- (a) if the securities can with our approval be replaced, the cost of replacement paid or payable by You, or
- (b) if the securities cannot or are not to be replaced by You, the greater of:
 - (i) the price for which You purchased them; or
 - (ii) the closing market value on the last business day prior to the date of discovery by You of the loss or destruction of the securities, or if the time of discovery by You is after the close of the market, their closing market value on the day of discovery by You of the loss or destruction of the securities.
- (c) in the case of a loss of subscription, conversion or redemption privileges through the loss of any security, the value of such privileges immediately preceding the expiration thereof, such valuation being in the currency in which the loss was sustained. Losses sustained in currencies other than Australian dollars shall be settled by converting the amount of loss to Australian dollars at the market rate at the time of settlement of the loss or such other rates as may have been expressly agreed with us. If there is no market price or value on the relevant day stated herein, then the value shall be agreed between You and us, or in default thereof, we and You shall submit to arbitration and be bound by the decision of the umpire.

In the case of travellers' cheques, discount house vouchers or lottery tickets, the basis of valuation shall be the original purchase price incurred by You.

Additional Benefits applicable to this section

If we agree to pay a claim under this Policy Section for loss or damage to Money, we will also pay or provide the Additional Benefits set out below.

Unless stated otherwise below, any amounts payable under these Additional Benefits apply in addition to the Insured Amount.

5.5 Bank and public holidays extension

The Insured Amount for Money cover is automatically increased by 100% or \$75,000 whichever is the lesser on days that are gazetted bank or public holidays. This increase shall apply up until bank closing time on the next business day after such holiday. This Additional Benefit does not apply to loss or damage to Safes and Strongrooms or to Seasonal Increase Periods.

Policy Section 5 – Money

5.6 Clothing and personal effects of directors and Employees

If clothing or personal effects of Your directors and Employees are lost or damaged during a theft of Money, we will pay in addition to the Insured Amount the cost of repairing or replacing these items.

Cover is limited to \$5,000 any one person and \$10,000 overall in respect of any one loss.

5.7 Counterfeit currency

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

5.8 Employee dishonesty

We will pay You for loss of Money by theft or dishonesty by any of Your Employees occurring during the Period of Cover, which is discovered within forty-five days of its occurrence.

The Exclusion at clause 5.16(c), so far as it relates to loss or damage due to theft or attempted theft committed by an Employee, does not apply to this Additional Benefit. Our liability under this Additional Benefit is limited to \$5,000 for any one occurrence. If You are also insured under the Theft Policy Section, the benefits payable for Employee dishonesty shall not be cumulative and shall be limited to \$5,000 in the aggregate per occurrence.

Furthermore, if You are also insured under the Management Liability PrivateEdge® Lite Policy Section then we will not pay any benefit for Employee dishonesty under this Money Policy Section.

5.9 Funeral Expenses

If any person is injured while protecting or attempting to protect Money from theft or attempted theft and death results from that injury within twelve months, we will pay \$10,000 to the estate of that person. This amount is in addition to any amount we pay for loss of Money. If You are also insured under the Theft Policy Section, the benefits payable for death following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate.

5.10 Loss of or damage to Safes, Strongrooms and cash carrying bags

If Money is stolen or there is an attempt at stealing Your Money from Your Safe or Strongroom, we will pay You:

- (a) the cost of opening the Safe or Strongroom and to repair or replace any loss or damage to the Safe or Strongroom that was caused by the theft or attempted theft; and
- (b) for the loss of or damage to Your cash carrying bag that was caused by the theft or attempted theft.

A sub-limit of \$10,000 for any one occurrence applies to this Additional Benefit.

5.11 Replacement of locks, keys and combinations

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

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

We will also pay the reasonable cost of:

- (e) opening Safes and Strongrooms because of the theft of keys or combinations during a theft of Money covered under this Policy Section; and
- (f) developing images stored on media from security camera following a theft or attempted theft of Money.

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

Provided that any cover given under this Additional Benefit 'Replacement of locks and keys', shall not accumulate with any similar cover that may be given under the 'Replacement of locks, keys and combinations' in the Theft Policy Section.

5.12 Seasonal increase of cover

During the Seasonal Increase Periods we will increase the Insured Amount shown in the schedule by 50%.

5.13 Temporary cover for new premises

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

- (a) the Business described in the Policy Schedule, and
- (b) the Money insured as described in the Policy Schedule.

Our maximum liability under this Additional Benefit is limited to 20% of the Insured Amount shown in the Policy Schedule in relation to each item of Money covered under this Policy Section.

Full details of such additional premises are to be supplied to us within 30 days of Your commencement to use the premises. If we agree to cover Money at the additional location, we may require payment of an additional premium.

Policy Section 5 – Money

5.14 Temporary protection and security guards

We will pay You the costs necessarily and reasonably incurred by You in effecting temporary protection and the employment of guards/watchmen to safeguard the insured property as a result of theft or attempted theft of Money occurring during the Period of Cover and that is insured under this Policy Section.

The maximum amount we will pay for each occurrence is \$10,000. If an occurrence results in a claim being paid under this Policy Section and another Policy Section of the Policy, only the highest single Limit of Liability under the relevant Policy Section applies. The benefit of Temporary Protection and Security Guards shall not be cumulative under this Policy.

5.15 Traveller's Money

Cover under this part is extended to include loss of Money belonging to You, occurring while such Money is in Your personal custody, or in the custody of Your Employee, up to the lesser of \$10,000 or the amount specified on the Policy Schedule for the 'Money in transit' Insured Event, while travelling outside of Australia in connection with Your Business.

Exclusions applicable to this section

5.16 We will not pay for loss or damage caused by:

- (a) clerical or accounting errors;
- (b) errors in receiving or paying out Money; or
- (c) dishonest acts of Your directors, partners, Employees or any member of Your Family other than theft by an Employee following visible forcible and violent entry.

5.17 We will not pay for loss of or damage to:

- (a) Money which was not discovered missing within ten working days of the loss or damage occurring;
- (b) Money whilst contained in an unlocked and unattended Vehicle;
- (c) Money from a Safe or Strongroom opened by a key or by use of a combination which has been left on the Situation outside Business Hours; or
- (d) Money whilst it is outside the Commonwealth of Australia, except as provided under the 'Traveller's Money' Additional Benefit.

5.18 We will not pay more than \$1,000 for Money at Your Situation outside Business Hours not contained in a locked Safe or Strongroom.

Policy Section 6 – Glass

6.1 Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

Breakage means:

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

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

Glass means Internal Glass, External Glass and Specified Glass.

Internal Glass means:

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

Sign means Glass or plastic that forms part of a Sign.

Specified Glass means glass which is specified in the Policy Schedule.

Your insurance cover under this section

6.2 What You are covered for

Provided Glass is insured in the Schedule, we cover You under this Policy Section for Breakage at the Situation of the Glass shown on the current Schedule which occurs during the Period of Cover.

We will at our option either pay the cost to repair or replace broken Glass with Glass of similar or higher quality including the reasonable costs for after-hours service by repairers, express delivery and overtime charges to repair or replace broken Glass. We will also pay the extra cost necessarily incurred to comply with the minimum requirements of any Government Authority when replacing the Glass.

Additional Benefits applicable to this section

If we agree to pay a claim under this Policy Section for loss or damage to Glass, we will also pay or provide the Additional Benefits set out below.

Any amounts payable under these Additional Benefits apply in addition to the Insured Amount.

6.3 Costs

We will pay for the following costs provided they are reasonably incurred by You and are directly related to Breakage of the Glass covered under this Policy Section:

- (a) replacing sign writing or ornamentation affixed to the broken Glass;

- (b) replacing burglar tape or wiring affixed to the broken Glass;
- (c) replacing shatter resistant or reflective film affixed to the broken Glass;
- (d) temporary shuttering, boarding up or other protection reasonably necessary for the safeguarding of the Situation or Contents therein, pending replacement of the broken Glass;
- (e) replacing damaged window frames and tiled shop fronts, but with due allowance for wear and tear.

Our liability under this Additional Benefit during any one period of insurance is limited to \$7,500.

6.4 Destruction of Stock or Contents

We will pay for destruction of, or damage to Your Stock or Contents, caused by broken Glass following the Breakage of Glass where such Breakage constitutes an admissible claim under this section.

Our liability under this Additional Benefit during any one Period of Cover is limited to:

- (a) the value at cost, of the Stock or Contents destroyed or damaged, less any amount realised from the sale or salvage; or
 - (b) the sum of \$7,500,
- whichever is the lesser.

6.5 Overtime

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

6.6 Malicious damage

We will pay for the cost of replacement of External Glass which has suffered malicious damage. This Additional Benefit is payable even where there is no Breakage of External Glass.

6.7 Signs

We will cover You for loss or damage to Signs at the Situation if they break during the Period of Cover. This Additional Benefit is subject to a sub-limit of liability of \$8,000 or any higher sub-limit stated in the current Policy Schedule for Signs. Acceptance of claims for damage to Signs shall not be contingent upon other damage to Glass.

Exclusions applicable to this section

6.8 Under the Glass Policy Section we will not pay the cost to repair or replace broken Glass:

- (a) which is Stock;
- (b) when in transit or whilst being fitted into position or removed from its fitting;
- (c) which is chipped or in poor condition when the Period of Cover commences; or
- (d) which is part of any glasshouse, conservatory, radio, television screen, computer screen, vase, picture, crystal, crockery, china, or glass item normally carried by hand.

Policy Section 7 – General Property

7.1 Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

General Property means the Unspecified and/or Specified items listed on the current Policy Schedule under the General Property Policy Section.

Specified Item means an item that is specifically described and shown in the Schedule.

Unspecified Item means items which are part of a group or category that is shown in the Policy Schedule. Unspecified items do not include:

- (a) laptop computers, mobile phones, electronic diaries, GPS units, video cameras or digital cameras; and
- (b) any item worth more than \$2,500.

Your insurance cover under this section

7.2 What You are covered for

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

We cover You for physical loss of or damage to the General Property items listed on the current Policy Schedule, up to the Insured Amount, which occurs during the Period of Cover subject to the exclusions applicable to this General Property Policy Section.

7.3 How we will pay Your claim

We will at our option either:

- (a) pay You the replacement cost of the General Property at the time of loss or damage;
- (b) repair the General Property to a condition equal to but not better or more extensive than its condition when new; or
- (c) replace the General Property with a new item that has the same features that are nearly the same as (but not less than) the item being replaced.

Additional Benefits applicable to this section

We will also provide the following Additional Benefit in this Policy Section.

Any amounts payable under these Additional Benefits apply in addition to the Insured Amount.

7.4 Theft of other equipment

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

This Additional Benefit does not cover theft committed by any member of Your Family or by any Employee of Yours or committed by any person whilst lawfully at Your Situation.

We will not cover You under this Additional Benefit unless the property was:

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

We will not cover You for more than \$2,000 in any one Period of Cover under this Additional Benefit.

Exclusions applicable to this section

7.5 We will not cover loss of or damage to General Property under the General Property Policy Section which is being constructed, erected, altered, manufactured, cleaned or repaired.

7.6 We will not cover loss or damage caused by:

- (a) wear and tear, fading, scratching or marring, rust, corrosion, mildew, mould, contamination or pollution, wet or dry rot, change of colour, flavour, texture or finish, dampness of atmosphere, variations in temperature, evaporation, disease, inherent vice, latent defect, loss of weight, depreciation, gradual deterioration or developing flaws, normal upkeep or making good, smut or smoke from industrial operations (other than sudden or unforeseen damage resulting therefrom);
- (b) insects or vermin such as rats, mice, rabbits, possums and birds;
- (c) faulty materials;
- (d) faulty workmanship; or
- (e) mechanical, electrical or electronic breakdown.

This Exclusion applies to the part first and immediately affected and do not extend to subsequent damage to other parts of the property occasioned by a peril which is not otherwise excluded.

7.7 We will not cover:

- (a) General Property not being used by You in accordance with the manufacturer's instructions;
- (b) any legal liability of whatsoever nature; or
- (c) consequential loss of any kind.

7.8 We will not cover loss or damage to Money or documents of any kind.

Policy Section 8 – Equipment Breakdown

8.1 Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

Actual Cash Value means the cost of replacing the damaged Insured Equipment with property of similar kind, capacity, size, quality and function, less depreciation. In determining depreciation, we will consider the age, condition, and normal life expectancy of the Insured Equipment.

Breakdown means a sudden and accidental breakdown of Insured Equipment resulting in property damage to the Insured Equipment or a part of the Insured Equipment that necessitates its repair or replacement.

Breakdown does not mean:

- (a) depletion, deterioration, corrosion or erosion of material;
- (b) wear and tear;
- (c) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (d) vibration or misalignment;
- (e) the breakdown of any structure or foundation supporting the equipment or any part of the equipment;
- (f) the functioning of any safety device or protective device;
- (g) the cracking of any part of a gas turbine exposed to the products of combustion; or
- (h) failure to function not connected to any identifiable and manifest physical cause.

Hazardous Substance means:

- (a) any Pollutant, contaminant or other substance declared by a Government Authority to be hazardous to health or the environment; or
- (b) any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergenic, pathogenic or toxigenic.

Insured Equipment means any of the following equipment owned, leased, operated or controlled by You in Your Business:

- (a) any boiler, fired or unfired Pressure Vessel normally subject to vacuum or internal pressure other than static pressure of Contents, any refrigerating or air conditioning vessels, and piping or any other piping and its accessory equipment, but not including:
 - (i) any boiler setting, any refractory or insulating material;
 - (ii) any part of a boiler or fired vessel that does not contain steam or water;

- (iii) any hose, buried piping, sewer piping, drainage piping, sprinkler system or its accessory equipment; or

- (iv) any oven, stove, furnace or kiln but not excluding heat recovery piping or vessels used with such apparatus.

- (b) any mechanical or electrical Machine or electrical apparatus used for the generation, transmission or utilisation of mechanical or electrical power, but not including:

- (i) any elevator, escalator, crane or hoist;

- (ii) any oven, stove, furnace or kiln, but not excluding:

- (A) any pump, compressor, fan, blower, engine or turbine;

- (B) any separate enclosed gear set connected to such machine or apparatus by a coupling, clutch or belt;

- (C) any electrical equipment; or

- (D) any electronic equipment used solely to start, stop, control or monitor such Machine or apparatus;

- (iii) any Vehicle, mechanically or electrically propelled equipment, towable equipment, power shovel, excavator, dragline or other mobile equipment, including equipment permanently mounted thereon; or

- (iv) any conveyor belt.

- (c) any electronic equipment used:

- (i) for the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio or telephone signals;

- (ii) for research, diagnostic, treatment, experimental or other medical or scientific purposes;

- (iii) for computing, data processing, duplicating, inventory control, monitoring, scanning or office services; or

- (iv) to start, stop, control or monitor one or more Insured Equipment, but not including any anode, x-ray or video amplifier tube.

Limit Any One Loss means the amount shown in the Policy Schedule as the 'Limit any one loss'.

Machine means any contrivance for the conversion and direction of motion or energy, or for the performance of a process, and includes any protective device in connection with that contrivance.

Media means material, on which data is recorded, such as magnetic tapes, hard disks, floppy disks, cartridges, CDs or DVDs.

Policy Section 8 – Equipment Breakdown

Your insurance cover under this section

8.2 What You are covered for

We will cover You for loss caused by or resulting from a Breakdown of Insured Equipment which occurs during the Period of Cover and which is in use, or connected and ready for use, at the Situation.

8.3 What we pay

When we agree to pay a claim in respect of a covered Insured Equipment under this section, the basis upon which the amount payable is to be calculated shall be:

(a) Media and electronic data

For Media and electronic data, we will pay You for the cost of blank material plus the cost of transcription from duplicates or from originals.

(b) Exposed film, records, manuscripts, drawings and other valuable papers and records

For exposed film, records, manuscripts, drawings and other valuable papers and records, we will pay You for the cost of blank material plus the cost of transcription from duplicates or from originals.

(c) All other Insured Equipment and other Property Insured

For all other Insured Equipment and other Property Insured, we will pay You the lesser of the cost at the time of the Breakdown to:

- (i) repair the damaged property; or
- (ii) replace the damaged property with similar property of like kind, capacity, size, quality and function.

However, we will not pay:

- (iii) more than the amount You actually spend;
- (iv) the cost of repairing or replacing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment;
- (v) any expense in excess of the cost at the time of the Breakdown to replace Insured Equipment on the same site or a site adjacent; or
- (vi) loss or damage to Insured Equipment or insured property which is useless or obsolete.

If the damaged property is not repaired or replaced within 12 months after the date of the Breakdown, then we will only pay You the Actual Cash Value of the damaged Insured Equipment or insured property.

The most we will pay under this section is the Limit Any One Loss shown in the Policy Schedule.

Additional Benefits applicable to this section

If we agree to pay a claim under this Policy Section for breakdown of Insured Equipment we will also pay or provide the Additional Benefits set out below.

Any amounts payable under these Additional Benefits apply in addition to the Insured Amount.

8.4 Additional Items

If You hire or purchase and commission at Your Situation any items similar to items already insured under this Policy Section, we will consider these items to be added to the insurance by this Policy Section, giving the same cover as for similar items already insured.

Provided that:

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

The Limits and Excess as shown on the Schedule shall be the same as for similar items already insured.

8.5 Business interruption

If You are insured under the Business Interruption Policy Section, then we will cover You under that Policy Section for loss or damage resulting solely from a Breakdown which is covered under this Equipment Breakdown Policy Section, or would have been but for the application of an Excess.

For the purpose of this Additional Benefit, the definition of the Indemnity Period under the Business Interruption Policy Section is amended to mean the period beginning with the occurrence of the Breakdown and ending no later than the number of months shown in the Policy Schedule during which the results of Your Business are affected as a result of the Breakdown.

However, we will not pay more than \$250,000 for any one claim and we will not pay for loss or damage:

- (a) which we do not cover under the Business Interruption Policy Section; or
- (b) where You do not immediately notify us of the Breakdown.

Policy Section 8 – Equipment Breakdown

8.6 Demolition and increased cost of construction

If prior to the time of the Breakdown there is in force any law, by-law, ordinance, regulation, rule or ruling regulating or restricting repair, replacement, construction or installation, we will pay for:

- (a) the increased cost of repair or replacement of damaged and/or undamaged Insured Equipment (including any necessary demolition and site clearing costs) arising from such law, by-law, ordinance, regulation, rule or ruling; and
- (b) if we pay You an amount under the 'Business interruption' Additional Benefit, the increase in loss of Gross Profit or additional increased cost of working caused as a result of the enforcement of the law, by-law, ordinance, regulation, rule or ruling.

8.7 Data and media restoration

If, as a result of a Breakdown to Insured Equipment, Data or Media is lost or damaged, we will pay for the additional costs of repairing or replacing such Data or Media, including the cost of gathering or assembling information.

However, we will not pay more than \$15,000 for any one claim and we will not pay for loss or damage:

- (a) to Data or Media created more than 5 days prior to the Breakdown occurring; or
- (b) caused by or resulting from programming errors.

8.8 Expediting costs

If we are liable for the cost of reinstating any Insured Equipment, we will also pay for the cost, reasonably incurred, for express freight and overtime labour for the purpose of expediting that reinstatement. However, we will not pay more than \$10,000 for any one claim.

8.9 Hazardous substances

If a Hazardous Substance is involved or released by a Breakdown we will pay for the increase in cost to repair, replace, clean up or dispose of affected insured property.

The increase in cost shall mean that cost or damage which would not have been incurred had no Hazardous Substance been present.

However, we will not pay more than \$25,000 for any one claim.

8.10 Repair costs

The cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with our written consent, in the reinstatement of plant and machinery. Provided that where the Sum Insured is exhausted we will pay an additional amount of up to \$5,000 in respect of this Additional Benefit.

8.11 Service interruption

If there is a Breakdown of equipment not owned, leased, operated or controlled by You, we will also pay under:

- (a) 'Business Interruption' Additional Benefit: for any reduction in Business Turnover or additional increased cost of working caused by the Breakdown; or
- (b) 'Spoilage of Stock' Optional Benefit: if shown in the Policy Schedule as applying, for spoilage of Stock, provided that the Breakdown is to equipment that is:
 - (i) of a type described in the definition of Insured Equipment in the section;
 - (ii) used to supply telephone, electricity, air conditioning, heating, gas, water or steam services to Your Business at the Situation;
 - (iii) is owned by the owner of the Building at the Situation or by a utility company, or by a company contracted by You to provide those services; and
 - (iv) is located on or within 300 metres of the Situation.

8.12 Temporary hire costs

We will pay the cost, reasonably incurred, of hiring temporary replacement equipment of similar specification during the time taken to repair Insured Equipment as result of a Breakdown.

However, we will not pay more than \$25,000 for any one claim.

Optional benefit

The following optional benefits will be provided when You request them, pay an additional premium and when shown in the current Policy Schedule.

8.13 Spoilage of Stock Option

Where damage or expense is due to spoilage resulting solely from a Breakdown to Insured Equipment, we will pay:

- (a) the cost to replace damaged food and beverage products;
- (b) the cost to replace damaged food and beverage products that are in Your care, custody or control and for which You are legally liable; and
- (c) the reasonable cost incurred by You to reduce or avert such damage, but only to the extent that the total amount that otherwise would have been paid under this optional benefit or the 'Demolition and increased cost of construction' Additional Benefit, is reduced.

Policy Section 8 – Equipment Breakdown

For the purpose of this Optional benefit, the definition of Breakdown is amended to include:

- (d) the operation or failure to operate of any switch, thermostat, control, fuse, circuit breaker or overload device which is included in the definition of Insured Equipment, but not including the manual operation or setting of such switch, thermostat, control, fuse, circuit breaker or overload device;
- (e) contamination of the Stock by the accidental escape of refrigerant into the cold chamber;
- (f) sudden leakage of refrigerant from the refrigeration machinery or pipe systems forming part of the refrigeration machinery occurring during the Period of Cover at the Situation; and
- (g) sudden and unforeseen failure of the power supply.

If the damaged food and beverage products are not replaced, then we will only pay the Actual Cash Value of the damaged food and beverage products.

During the Seasonal Increase Periods we will increase the Insured Amount shown in the Schedule by 50%.

Exclusions applicable to this section

8.14 We will not pay for loss or damage caused by:

- (a) fire, extinguishing a fire, demolition following a fire, smoke, soot, or chemical explosion;
- (b) lightning, storm, rain, hail, snow, wind, Flood, action of the sea, tidal wave, storm surge or high water;
- (c) earthquake, subterranean fire, volcanic eruption, tsunami, landslide, mudslide, subsidence or any other earth movement;
- (d) leakage of water or liquids;
- (e) malicious damage including damage by burglars, caused during industrial disputes, riots, civil commotions or labour disturbances;
- (f) impact by Vehicles, Aircraft or anything dropped from them, satellites, space debris, sonic boom, Watercraft, communication masts, or towers, aerials, antennae, satellite dishes, buildings, parts of buildings or falling trees or branches;
- (g) theft or any attempt at theft;
- (h) the equipment being subjected to tests involving abnormal stresses or arising out of equipment being intentionally overloaded;
- (i) the equipment undergoing maintenance, inspection, repair, alteration, modification or overhaul;
- (j) any deliberate act or negligence by You; or
- (k) computer virus, malfunctioning or derangement.

8.15 We will not pay for loss or damage to Insured Equipment which is useless or obsolete.

8.16 We will not pay for any costs:

- (a) of carrying out normal maintenance such as the tightening of loose parts, recalibration or adjustments; or
- (b) that You are entitled to recover under any maintenance agreement or warranty.

Policy Section 9 – Marine Transit

9.1 Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

Conveyance means the ship, vessel, Aircraft, postal service, train, Vehicle or truck used to transport the Goods.

Goods means Contents and Stock used in connection with Your Business. Goods does not include:

- (a) household goods and/or personal effects;
- (b) any goods transported in a temperature controlled cargo space (such as a refrigerated container or truck);
- (c) any goods imported into or exported from the Commonwealth of Australia by sea unless transported inside a fully structurally enclosed general purposes shipping container;
- (d) Aircraft, Hovercraft, motor Vehicles, motor cycles, locomotives, rolling Stock, Watercraft, pleasurecraft, caravans, horse boxes and all other trailers;
- (e) alcoholic beverages (with the exception of beer and wine) and/or cigarettes;
- (f) antiques and/or fine art unless the insured value of each individual item is less than \$2,500;
- (g) computer chips, micro-processors, chip sets, CPU's, lap top computers, mobile/cellular phones or MP3 players. Notwithstanding the foregoing, items that contain computer chips and/or CPU's are covered under this section unless such items are specifically excluded under this section;
- (h) deeds, securities, treasury notes, or any other cash equivalents, tickets, vouchers, stamps or duty stamps and the like;
- (i) jewellery or watches;
- (j) livestock, bloodstock, or other living creatures;
- (k) Money;
- (l) precious metals and items that are made or which may contain precious metals;
- (m) precious or semi-precious stones or items that are made from or which may contain precious or semi-precious stones; and/or
- (n) skins, hides or furs. Notwithstanding the foregoing, tanned hides or items that are made from or which contain skins, hides or furs are covered under this section.

Insured Events (for the purposes of this Policy Section only) means, where covered in the Schedule, the events referred to under the clause 'Insured Events' below being 'War', 'Strikes', 'General average', 'Fumigation', 'Deliberate damage pollution hazard' and 'All other causes'.

In Transit means the period of time starting from the time the Goods are uplifted for the sole purpose of being loaded into or onto the Conveyance at the origin warehouse or premises for transportation, and

shall continue during the ordinary course of transit, and shall end from the time the Goods are unloaded from the Conveyance:

- (a) at the receiver's or other final warehouse or premises at the intended destination; or
- (b) at any other warehouse or place of storage which You have elected to use:
 - (i) for storage other than in the ordinary course of transit; or
 - (ii) for allocation or distribution whichever occurs first.

Your insurance cover under this section

9.2 What You are covered for

We will cover You for loss of or damage to Goods In Transit caused by the events listed as Insured Events which occur during the Period of Cover.

The current Policy Schedule will show whether You are insured for inland transit and/or imports/exports.

9.3 Insured Events

We cover You for loss or damage caused by the following Insured Events:

(a) War

If, at the time of loss, Goods are In Transit on board an overseas vessel or Aircraft, then we will cover loss of or damage to the Goods if caused by:

- (i) war, civil war, revolution, rebellion, insurrection or civil strife arising from therefrom, or any hostile act by or against a belligerent power;
- (ii) capture, seizure, arrest, restraint or detainment arising from risks covered under (a) above, and the consequences thereof or any attempt thereat; or
- (iii) derelict mines, torpedoes, bombs or other derelict weapons of war.

(b) Strikes

If, at the time of loss, Goods are In Transit and are in or on the Conveyance, then we will cover loss of or damage to the Goods if caused by:

- (i) strikers, locked-out workmen or persons taking part in labour disturbances, riots or civil commotions; or
- (ii) any terrorist or any person acting from a political or ideological or religious motive.

(c) General average

We will cover general average and salvage charges adjusted or determined according to the contract of affreightment and/or the governing law and practice (or if there is no contract of affreightment, according to foreign statement or to the York-Antwerp Rules) incurred to avoid or in connection with the avoidance of loss from any cause except those specifically excluded under this Policy Section.

Policy Section 9 – Marine Transit

(d) **Fumigation**

We will cover loss or damage to the Goods arising from Goods being fumigated by order of a Government Authority.

(e) **Deliberate damage pollution hazard**

We will cover loss caused by Government Authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat thereof.

(f) **All other causes**

We will cover loss of or damage to Goods In Transit from any other cause that is not otherwise excluded.

9.4 **How we will pay Your claim**

When we agree to pay a claim in respect of a covered Insured Event under this Policy Section, the basis upon which the amount payable is to be calculated shall be:

(a) Goods sold:

We will pay Your invoice value. However, for CIF or CIP export sales, we will pay the CIF invoice value plus 10%.

(b) Goods purchased:

We will pay the purchase price shown on Your supplier's invoice.

(c) all other Goods:

We will pay the cost of repairing or replacing the Goods to a condition equal to but no better or more extensive than its condition at the time of the loss or damage.

(d) duty and freight:

We will pay the costs of duty and freight when incurred by You.

9.5 **How much we will pay**

The most we will pay for Goods In Transit in any one Conveyance is the Limit for any one Conveyance Insured Amount shown in the Policy Schedule.

Additional Benefits applicable to this section

We also pay for the following Additional Benefits when we agree to pay a claim in respect of a covered Insured Event under this section.

9.6 **Airfreight replacement**

If in consultation with us, You consider it necessary to forward replacements by air or to airfreight damaged items to manufacturers for repair and return, we will pay the reasonable costs incurred even though original transit was not by air.

However we will not pay more than the lesser of the original insured value of the Goods or \$10,000.

9.7 **Contingency cover**

If a loss occurs during the import or export of Goods and, at the time of loss, the insurable interest in the Goods vested with the other party to the contract of sale, then we will cover Your contingent insurable interest in the Goods.

However, we will not pay:

(a) unless You advise us within 48 hours of any event likely to give rise to a claim;

(b) unless You take all reasonable steps which we require to prevent or minimise loss and to enforce the contract of sale;

(c) unless all rights and benefits against the other party to the contract or the carrier or any other persons are subrogated and/or assigned to us;

(d) if You disclose the existence of this contingency cover or Policy Section to the other party to the contract without our prior written approval; and

(e) if any money payable under this contingency cover is assigned to another party without our prior written approval.

9.8 **Delayed unpacking**

If there is a delay in opening containers or packages at Your Situation, loss of or damage to the Goods first discovered on opening will be deemed to have occurred during transit unless we can provide conclusive proof that the loss did not occur In Transit.

However, we will not pay if:

(a) You or Your Employee did not immediately open and inspect a container or package showing signs of damage; or

(b) the delay in opening containers or packages was more than 14 days after arrival of the Goods at Your Situation.

9.9 **Institute clauses - difference in conditions**

If a loss occurs during an import or export transit and we do not have to pay You under the scope of this Policy Section, but we would have to pay You under the scope of the institute clauses stated below, then we will still pay You.

INSTITUTE CARGO CLAUSES (A) CL. 252, 1/1/82

INSTITUTE WAR CLAUSES (CARGO) CL. 255, 1/1/82

INSTITUTE STRIKES CLAUSES (CARGO) CL. 256, 1/1/82

INSTITUTE CARGO CLAUSES (AIR) CL. 259, 1/1/82

INSTITUTE STRIKES CLAUSES (AIR CARGO) CL. 260, 1/1/82

INSTITUTE WAR CLAUSES (AIR CARGO) (excluding sendings by Post) CL. 258, 1/1/82

INSTITUTE WAR CLAUSES (sendings by Post) CL. 257, 1/1/82

INSTITUTE CLASSIFICATION CLAUSE, CL. 354, 1/1/01

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL,

BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC

WEAPONS EXCLUSION CLAUSE, CL. 370, 10/11/03

INSTITUTE CYBER ATTACK EXCLUSION CLAUSE, CL. 380, 10/11/03

Policy Section 9 – Marine Transit

9.10 Removal of debris

We will pay for costs and expenses that are reasonably and properly incurred by You in the removal and disposal of debris of the Goods.

However, we will not pay more than the lesser of the original insured value of the Goods or \$10,000.

And we will not pay for any costs and expenses incurred as a result of or to prevent or to mitigate pollution or contamination or any threat thereof.

Specific condition applicable to this section

9.11 Insurable interest

In order to recover from this Policy Section, You must have an insurable interest in the Goods at the time the loss happens.

Exclusions applicable to this section

9.12 We will not cover any transit to, from or within any of the following countries: Afghanistan, Angola, Bosnia and Herzegovina, Burma (Myanmar), Burundi, Congo (Republic of, and the Democratic Republic of), Cuba, El Salvador, Eritrea, Ethiopia, Ivory Coast, Iran, Iraq, Liberia, Nigeria, North Korea, Nicaragua, Rwanda, Sierra Leone, Somalia, Sudan, Syria, Uganda and Yemen or countries with restrictive regulations that prohibit insurance being effected, other than within that country.

9.13 We will not cover loss or damage or expense:

- (a) attributable to Your neglect or that of Your Employees;
- (b) attributable to Your failure or that of Your Employees to take reasonable steps to prevent or minimise a loss or threat of loss;
- (c) attributable to changes in atmospheric or climatic conditions or extremes of temperature;
- (d) attributable to ordinary loss of weight or volume;
- (e) attributable to rust, oxidation or discolouration unless caused by the entry of water into a structurally enclosed cargo space;
- (f) caused by the inherent vice, latent defect or nature of the Goods;
- (g) caused by insects, rats or other vermin;
- (h) attributable to ordinary wear, tear or gradual deterioration;
- (i) for loss of Data or computer software that is held on computers or other hardware;
- (j) attributable to mechanical or electrical or electronic derangement or breakdown or impairment of goods unless there is evidence of damage to the Goods that occurred during transit;
- (k) caused by delay;
- (l) for any indirect or consequential or financial or economic loss or damages suffered by any party;
- (m) attributable to the unseaworthiness of the vessel or the unfitness or unsuitability of the Conveyance or shipping container - but only if You or Your Employees were aware, or could reasonably be expected to have been aware thereof;
- (n) caused by insufficient or unsuitable preparation or packing or stowing of Goods performed by You or Your Employees;
- (o) arising from the insolvency or financial default of the owners, managers, charterers or operators of the Conveyance if You were aware, or could reasonably be expected to have been aware of the financial reliability of the party at fault; or

Policy Section 10 – Management Liability PrivateEdge® Lite

Important notice: ‘Claims-made and notified’ insurance

This Policy Section provides cover on a ‘claims made and notified’ basis. This means that this Policy Section only covers claims first made against You and notified to us in writing during the Period of Cover.

10.1 Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

Claim means any:

- (a) written complaint, proceeding or arbitration seeking damages or non-monetary relief;
- (b) criminal charge; and
- (c) official, written notice or other demand in connection with an investigation.

Company means the Policyholder and any Subsidiary.

Defence Costs means reasonable and necessary fees, costs and expenses incurred by or with our prior written consent in the defence, investigation (by or on behalf of any Insured), adjustment, settlement or appeal of any Claim against an insured for any Management Liability.

Direct Financial Loss means direct financial loss caused by the loss of Money, Securities or other property owned by the Company. Direct Financial Loss does not include:

- (a) wages, salaries or other remuneration or benefits paid by the Company to its Employees and Executives;
- (b) complete or partial non-payment or default under any credit arrangement; or
- (c) any costs, fees or other expenses incurred by the Insured in prosecuting or defending any demand, Claim or legal proceeding resulting from a Direct Financial Loss which is covered under this Policy Section.

Disclosure Document means any prospectus, information, memorandum, registration statement or similar document regardless of whether or not it has been, or is required to be, filed or registered with the Australian Securities and Investments Commission or any other similar authority in any other jurisdiction.

Discovered/Discovers/Discovery means when any Executive (who is not in collusion with an Employee who has or is attempting to commit a dishonest act) first becomes aware of any facts which would cause a reasonable person to assume that a Direct Financial Loss which may be covered under this Policy Section has been or is likely to be incurred, even though the exact amount or details of the Direct Financial Loss are not known at the time the Executive first became aware of such facts.

Discovery Period means a period immediately following expiry of the Period of Cover during which time written notice may be given to us of any:

- (a) claim:
 - (i) in connection with an investigation (other than a Claim for Management Liability); or
 - (ii) for any Management Liability arising prior to the expiry of the Period of Cover;
- (b) Direct Financial Loss discovered either prior to or within 30 days of the expiry of the Period of Cover.

Dishonest Acts means any fraudulent or dishonest acts committed by an Employee (acting alone or in collusion with others) with the principal intent to cause the Company to sustain a Direct Financial Loss and results in the Employee making an improper financial gain for themselves or for any other individual or organisation intended by the Employee to receive such gain.

Employee (for the purposes of this Policy Section only) means either:

- (a) any natural person who is past, present or future full-time, part-time, seasonal or temporary Employee, or Executive officer or senior manager; or
- (b) in the case of the “Fidelity” cover only, a natural person who, at the time of the committing of any Dishonest Act, is a full time, part-time, seasonal or temporary Employee, or Executive officer or senior manager,

who are not directors, auditors, consultants, independent contractors, secondees or agents.

Employment Liability means any liability from a Claim against any Company, or any Executive or Employee of any Company by an Employee or prospective Employee of that Company based upon any Wrongful Act in connection with the recruitment, employment of or the termination of such Employee or, decision not to employ the prospective Employee, including but not limited to, any employment-related retaliation or harassment.

Executive means any natural person who is a past, present or future:

- (a) duly elected or appointed director or trustee (other than a trustee of an insolvent entity);
- (b) executive officer or senior manager; or
- (c) any other person with duties equivalent to those of the positions listed in (a) or (b) above.

Executive Liability means liability:

- (a) for any Wrongful Act of any Executive or any Employee of any Company; or
- (b) arising solely from an Insured Person’s status as an Executive or Employee of a Company.

Policy Section 10 – Management Liability PrivateEdge® Lite

Fraud Investigator means an appropriate fraud investigator who has no conflict of interest, nominated by the Insured and approved in writing by us, to establish proof of Direct Financial Loss.

Insured Events (for the purposes of this Policy Section only) means, where covered in the Schedule, the events referred to under the clause 'Insured Events' below being 'Insured Persons', 'Reimbursement', 'Employment liability' and 'Fidelity'.

Insured (for the purposes of this Policy Section only) means a Company or Insured Person.

Insured Person means any Executive or any Employee of any Company.

Investigation means any investigation, examination or inquiry by any regulator, Government Authority or official trade body into the affairs of a Company or conduct of an Insured Person as an Executive or Employee of a Company.

Investigation Costs means the reasonable and necessary fees, costs and expenses incurred by or with our prior written consent by or on behalf of an Insured Person in preparing for and attending any Investigation.

Loss means:

- (a) compensatory damages (including, but not limited to, any order by an Australian or New Zealand court to pay compensation for damage resulting from a contravention of Australian or New Zealand legislation); and
- (b) legal costs and expenses of a plaintiff; that any Insured is legally obligated to pay under the terms of:
 - (i) a judgment entered against any Insured; or
 - (ii) a settlement negotiated by or pre-approved in writing by us.

Loss includes Defence Costs, but does not include:

- (c) fines or penalties, other than those covered by the 'Pecuniary penalties' Additional Benefit' or any compensation order under (a) above;
- (d) taxes;
- (e) employment-related compensation or benefits;
- (f) internal or overhead expenses of any Insured Person or any Company;
- (g) the cost of complying with non-monetary damages or relief; or
- (h) matters which may be deemed uninsurable under applicable law.

Management liability means

- (a) in the case of any Insured Person, any;
 - (i) Executive Liability; or
 - (ii) Employment Liability; and
- (b) in the case of any Company, any Employment Liability.

Money (for the purposes of this Policy Section only) means local or foreign currency, coins, bank notes, cheques, travellers cheques, registered cheques, postal orders, money orders and bullion.

Policyholder shall have the same meaning as provided to You in the Definitions wherever they appear in the Policy but only in respect of the persons referred to as the "companies or firms named on the current Policy Schedule as the 'Insured'".

Securities means any negotiable or non-negotiable instruments or contracts representing Money or other property including but not limited to shares, preference shares, stocks, debentures, warrants, options, bonds, promissory notes or other equity or debt security.

Submission means the declarations and statements which are contained in or constitute the application for insurance together with any other information submitted to us.

Subsidiary means any privately company, either prior to or at the inception of the Period of Cover, the Policyholder has the capacity to determine the outcome of decisions about that entity's financial and operating policies.

Transaction means the event of:

- (a) the Policyholder consolidating with, merging with or into or selling all or substantially all of its assets to any other person or entity or group of persons and/or entities acting in concert;
- (b) any person or entity or group of persons or entities acting in concert acquiring the capacity to determine the outcome of decisions about the Policyholder's financial and operating policies; or
- (c) the receivership, bankruptcy, liquidation, administration or legally recognised insolvency of the Policyholder.

Wrongful Act means any actual or alleged wrongful act, error or omission by any Insured.

Your insurance cover under this section

10.2 What You are covered for

We will cover the following when reported to us during the Period of Cover:

- (a) any Claim first made against an Insured during the Period of Cover for the Insured persons, Reimbursement and/or Employment liability Insured Events referred to in sub-paragraphs 10.3 (a) to (c); or
- (b) Direct Financial Loss Discovered during the Period of Cover for the Fidelity Insured Event referred to in sub-paragraph 10.3 (d).

10.3 Insured events

We cover You for loss or damage caused by the following Insured Events:

(a) Insured persons

We shall pay the unindemnified Loss of any Insured Person due to a Claim for any Management Liability.

(b) Reimbursement

We shall pay a Company to the extent it has indemnified Loss of any Insured Person due to a Claim for Management Liability.

(c) Employment liability

We shall pay for the Loss due to any Claim for Employment Liability.

(d) Fidelity

We shall pay a Company its Direct Financial Loss due to Dishonest Acts committed after the date when the Policyholder first effected and maintained uninterrupted fidelity insurance (or equivalent cover).

10.4 How we will pay Your claim for a Direct Financial Loss

When we agree to pay a claim in respect of a covered Direct Financial Loss under this Policy Section, the basis upon which the amount payable is to be calculated shall be:

- (a) Securities and Money:
 - (i) the actual market value of Securities, Money or precious metals at the close of business on the day the loss was Discovered (determined by the value published in the Australian Financial Review); or
 - (ii) the actual cost of replacing the Securities, Money or precious metals;whichever is the lesser.
- (b) other property:
 - (i) the actual cash value of other property (not referred to in (a) above) at the close of business on the day the Loss was Discovered; or
 - (ii) the actual cost of replacing the property with property of like quality or value,whichever is the lesser.

(c) reproduction of books of account:

- (i) the cost of blank books, blank pages or other materials plus the cost of labour and computer time for the actual transcription or copying of data furnished by the Insured in order to reproduce books of account and other records; or
- (ii) the cost of labour for the actual transcription or copying of Data furnished by the Insured in order to reproduce such Data.

10.5 How much we will pay

The most we will pay under this Policy Section shall not, in the aggregate, exceed the Limit of Liability (aggregate) shown in the Policy Schedule.

The most we will pay:

- (a) for the 'Fidelity' Insured Event is the sublimit of liability for Fidelity shown in the Policy Schedule; and
- (b) for the 'Employment liability' Insured Event is the sublimit of liability for Employment liability shown in the Policy Schedule.

Sublimits of liability and Additional Benefits are not in addition to the Limit of Liability (aggregate).

Additional Benefits applicable to this section

We also pay for the following Additional Benefits when we agree to pay a claim in respect of a covered Insured Event under this section.

10.6 Defence cost advancement

We will advance covered Defence Costs within a reasonable time after our receipt of invoices detailing such costs.

10.7 Discovery Period

If this Policy Section is neither renewed or replaced with similar cover at the expiry of the Period of Cover, the Policyholder shall be entitled to a Discovery Period of:

- (a) 30 days, granted automatically with no additional premium payable; or
- (b) a period of:
 - (i) 12 months in the case of any Claims; and
 - (ii) 30 days in the case of any Direct Financial Loss, upon payment of an additional premium of 100% of the annual premium in effect immediately prior to the expiry of the Period of Cover.

10.8 Discovery Period for retired Insured Persons

If this Policy Section is neither renewed or replaced with similar cover at the expiry of the Period of Cover, any Executive, who retires after the date when the Policyholder first effected the Policy and prior to the expiry of the Period of Cover or any Transaction, shall be entitled to a 36 month Discovery Period at no additional premium.

10.9 Fraud Investigator's costs

We will pay on behalf of the Insured the reasonable and necessary fees and expenses of a Fraud Investigator retained by the Insured to investigate, prove and report a Direct Financial Loss covered under this Policy Section.

However, we will not pay more than the Limit of Liability inclusive of Fraud Investigator's costs for any Claim covered under this Policy Section.

10.10 Heirs, estates and legal representatives

Any Claim made against any estate, heir or legal representative of an Insured Person for Management Liability of that Insured Person, shall be covered as if made against that Insured Person.

10.11 Investigation costs

Cover is extended to, and the definition of Loss includes Investigation Costs. Investigation Costs are payable regardless of any Management Liability.

10.12 New companies

Upon the Policyholder obtaining the capacity to determine the outcome of decisions about the financial and operating policies of a privately held corporation after the inception of the Period of Cover, then the definition of Subsidiary will be extended to include that corporation while privately held.

10.13 OH&S defence/investigation costs

The Exclusion at clause 10.38(c) shall not apply to Defence Costs or Investigation Costs payable for any Claim brought against an Insured Person in the jurisdictions of the Commonwealth of Australia or New Zealand in connection with an occupational health and safety law or regulation.

10.14 Pecuniary penalties

The definition of Loss includes pecuniary penalties awarded against an Executive of any Company in and under the laws of the jurisdictions of the Commonwealth of Australia or New Zealand, provided that we are not legally prohibited from paying the pecuniary penalties.

10.15 Pollution defence/investigation costs

General Exclusion 8 'Pollution' shall not apply to Defence Costs or Investigation Costs which are payable for any Claim brought against an Insured Person in connection with any actual or alleged discharge, dispersal, release or escape of Pollutants.

10.16 Spouses

Any Claim made against an Insured Person's spouse for Management Liability of that Insured Person, shall be covered as if made against that Insured Person.

10.17 Superannuation trustees

The definition of Executive is extended to include any fiduciary capacity of such Executive owed to any Employee benefits plan, pension plan or superannuation fund of any Company.

Conditions applicable to this section

10.18 Application for insurance

With respect to knowledge:

- (a) no statements made or knowledge possessed by any Insured Person shall be imputed to any other Insured Person to determine whether cover is available for any Claim made against such other Insured Person; and
- (b) only the statements and knowledge of any chairman of the board of directors, chief executive officer, chief operating officer, chief financial officer or chief legal officer (or equivalent positions) of a Company shall be imputed to that Company, and the knowledge of the same officers of the Policyholder will be imputed to all Companies.

10.19 Bilateral discovery period

The Policyholder must make any request for a 12 month Discovery Period in writing within 15 days, and pay any additional premium within 30 days after expiry of the Period of Cover. A Discovery Period is not cancellable by the Policyholder and any premium payable for a Discovery Period is non-refundable.

In the event of a Transaction during the Period of Cover, no Discovery Period is available under the 'Discovery Period' Additional Benefit.

10.20 Conduct

For the purpose of determining the applicability of the Exclusions at 10.37(a) (i), (ii) and (iii) under this Policy Section the information or knowledge possessed by any past, present or future chairman of the board of directors, chief executive officer, chief operating officer, chief financial officer or chief legal officer (or equivalent positions) of a Company shall be imputed to that Company.

10.21 Consent - Insured

We may settle any Claim with respect to any Insured subject to such Insured's or Policyholder's written consent. If the Insured or the Policyholder withholds consent to any settlement recommended by a senior lawyer then our liability for all Loss in respect of that Claim will not exceed the amount for which we could have settled the Claim plus the costs and expenses incurred to the date such settlement was recommended in writing to the Insured.

10.22 Consent - insurer

No Insured shall admit or assume any liability, enter into any settlement agreement, or consent to any judgment without our prior written consent. Our consent will not be unreasonably withheld provided that we are permitted to effectively associate with the Insured in the defence and settlement of any Claim. Only judgments resulting from Claims defended in accordance with this Policy Section, shall be recoverable as a Loss under this Policy Section.

10.23 Controlling shareholder

Where a Wrongful Act is alleged to have been committed by an Insured Person both as an Executive of a Company and as a controlling shareholder, such Wrongful Act shall, for this Policy Section, be committed solely in that Executive capacity.

10.24 Cover in respect of Subsidiaries

Cover for any Claim against an Insured Person in their capacity as an Insured Person of any Subsidiary shall apply only to Management Liability arising, or Dishonest Acts committed, while such Company is or was a Subsidiary of the Policyholder and the Insured Person served in that capacity.

An entity ceases to be a Subsidiary when the Policyholder does not have the capacity to determine the outcome of decisions about that entity's financial and operating policies.

10.25 Defence Costs advancement

We will not refuse to advance Defence Costs by reason only that we consider that conduct referred to in the Exclusions at clauses 10.37(a)(i), (ii) and (iii) has occurred, until such time as there is an admission, or a judgment, award or other finding by a court, tribunal or arbitrator which establishes the foregoing. Any payments advanced in respect of Defence Costs for which it is ultimately established that we are not liable must be repaid by the Insured.

10.26 Defence/settlement

The Insured must, at its own cost, render all reasonable assistance to us and take all reasonable measures to mitigate Loss. The Insured shall defend and contest any Claim made against them. We shall advance Defence Costs in excess of the Excess, if applicable and we shall be entitled, but not required, to participate fully in such defence and the negotiation of any settlement that involves or appears to involve us.

10.27 Determination of whether our settlement recommendation is reasonable

Should any Insured Persons or the Policyholder wish to contest any legal proceedings which we want to settle, then we will agree to the appointment, at the Insured Person's or the Policyholder's request, of a senior lawyer (to be mutually agreed upon by us and the Insured or in the absence of mutual agreement to be appointed by the President of the Law Society, or equivalent organisation, in the jurisdiction in which legal proceedings were first served) to determine whether our settlement recommendation is reasonable.

The senior lawyer shall take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely costs of defence and the prospects of the Insured successfully defending the action.

The costs of the senior lawyer's opinion will be paid by us.

Any amount paid by us under this claims condition will be paid in addition to the Limit of Liability.

10.28 Loss allocation

Where, as between any Insured Person and any other person (including the Company), any Loss has been jointly or jointly and severally incurred, our liability under this Policy Section is limited to the proportion of the Loss which represents a fair and equitable allocation between the Insured Persons and those other persons, taking into account the relative legal and financial exposures of, and the relative benefits obtained by, the Insured Persons and those other persons (including the Company).

Where any Loss is incurred in respect of any Claim which arises from both covered matters and matters not covered by this Policy Section, our liability under this Policy Section is limited to the proportion of the Loss which represents a fair and equitable allocation between us, the Company and the Insured Persons, taking into account the relative legal and financial exposures attributable to covered matters and matters not covered under this Policy Section.

Where our liability under this Policy Section is limited under this clause, we, the Company and the Insured Persons must use their best endeavours to agree upon the allocation to be adopted by them as the fair and equitable allocation.

10.29 Loss allocation disputes

If the parties are unable to agree, then the fair and equitable allocation is to be determined by a senior lawyer (to be mutually agreed upon by us and the Policyholder or in the absence of agreement, to be appointed by the President of the Law Society or equivalent organisation, in the jurisdiction in which the Loss was incurred).

The senior lawyer is to determine the fair and equitable allocation as an expert, not as an arbitrator. We and the Policyholder (or its designee) may make submissions to the senior lawyer. The senior lawyer is to take account of the parties' submissions, but the senior lawyer is not to be fettered by such submissions and is to determine the fair and equitable allocation in accordance with his or her own judgment and opinion. The senior lawyer's determination shall be final and binding. The costs of the senior lawyer's determination shall be borne by us.

For so long as the proportion of Defence Costs to be advanced under the Policy Section remains unagreed and undetermined, we shall advance the proportion of the Defence Costs which it considers represents a fair and equitable allocation. The fair and equitable allocation finally agreed or determined shall be applied retrospectively to any Defence Costs incurred prior to agreement or determination.

10.30 Loss mitigation

As soon as the Insured discovers a Direct Financial Loss involving an identified Employee, the Insured must immediately take all necessary steps to prevent any additional Direct Financial Loss being caused by the same identified Employee.

Policy Section 10 – Management Liability PrivateEdge® Lite

Any further Direct Financial Loss caused by the same Employee after the date of discovery will not be covered by this Policy Section.

10.31 Notification

Cover under this Policy Section is afforded solely with respect to any Claim or Direct Financial Loss that is reported to us during the Period of Cover or any Discovery Period.

All notifications must be made to us in writing as soon as practicable.

If the Insured notifies a Direct Financial Loss to us, the Insured must also, as soon as practicable, provide us with:

- (a) affirmative proof of the Direct Financial Loss; and
- (b) all requested information and documents and co-operation;

in all matters relating to the Direct Financial Loss.

10.32 Preservation of right of recovery

In the event and to the extent that the Company is legally permitted or required to indemnify any Insured Person in respect of a Claim, but for whatever reason fails to do so, then we shall pay on behalf of the Insured Person any Loss arising from such Claim. In such event, the Company shall pay the Excess that applies to the 'Reimbursement' Insured Event to us.

10.33 Related claims

If notice of a Claim or circumstance is given as required by this Policy Section, then any subsequent Claim alleging, arising out of, based upon or attributable to the facts alleged in that Claim or described in that circumstance notice shall be deemed first made against an Insured and reported to us at the time the required notices were first provided. Any Claim arising out of, based upon or attributable to continuous, repeated or related Wrongful Acts shall be considered a single Claim.

10.34 Related dishonest acts

Any Direct Financial Loss resulting from a series of continuous, repeated or related Dishonest Acts shall be considered a single Direct Financial Loss.

10.35 Transactions

In the event of a Transaction, then the cover under this Policy Section is amended to apply only to:

- (a) the Management Liability incurred; and
- (b) Direct Financial Loss Discovered;

Prior to the effective time of such event. This Policy Section may not be cancelled after the effective time of such event, and the entire premium for this Policy Section shall be deemed earned at such time.

10.36 Use of Fraud Investigator

The Fraud Investigator shall:

- (a) investigate the facts behind a Direct Financial Loss;
- (b) determine the quantum of a Direct Financial Loss;
- (c) advise when and how the Insured's controls were or may have been breached;

- (d) summarise recommendations which may prevent future similar Direct Financial Loss; and
- (e) issue a report limited to the foregoing, in a format approved by us, in duplicate to us and the Insured.

We have the right to attend the initial meeting between the Insured and the Fraud Investigator. The Insured is not obliged to use the services of a Fraud Investigator.

If the Insured does not elect to retain a Fraud Investigator, then any costs or expenses incurred by, or on behalf of or in the right of an Insured in connection with investigating and proving a Direct Financial Loss shall be incurred solely at the expense of the Insured and this Policy Section shall not cover any such costs or expenses.

Exclusions applicable to this section

10.37 We will not cover Loss or make any payment in connection with any Claim arising out of, based upon or attributable to any:

- (a) of either:
 - (i) improper use of position or information to gain any profit or advantage or cause detriment to any Company;
 - (ii) remuneration illegally paid to or received by an Insured; or
 - (iii) criminal, dishonest, fraudulent, wilful or malicious act, error or omission, or any intentional or knowing violation of law

But only if:

- (iv) the foregoing have been established by any judgment, award or other finding by a court, tribunal or arbitrator; or
- (v) such Insured admits in writing to (i), (ii) or (iii) above.

This exclusion does not apply to the 'Fidelity' Insured Event;

- (b) actual or alleged liability of any Company to anyone other than an Employee of a Company assumed under any contract;
- (c) actual or alleged insolvency of the Company or any actual or alleged inability of the Company to pay any or all of its debts as and when they fall due;
- (d) actual or alleged liability of any Insured in connection with intellectual property or privacy rights, or trade secrets;
- (e) actual or alleged fact or circumstance that, prior to the date when the Policyholder first effected the Policy, may reasonably have been expected by an Insured to give rise to a Claim;
- (f) acts or omissions committed or allegedly committed within North America, or any legal action or litigation brought within North America or under any laws thereof;

Policy Section 10 – Management Liability PrivateEdge® Lite

- (g) actual or alleged violation of any responsibilities, obligations or duties protecting or regulating any Employee pension plans, Employee welfare plans, Employee retirement savings plans, Employee profit sharing or Employee benefits programme.

This exclusion does not apply to the 'Superannuation trustees' Additional Benefit;

- (h) as of the Policy Section inception, prior or pending Claim or circumstance reported under any policy of which this Policy Section is a renewal or replacement, or the same continuous, repeated or related facts as those alleged in such prior or pending Claim or such circumstance;
- (i) actual or alleged professional services of any Company; or
- (j) of either:
 - (i) a Disclosure Document which contains an offer for the issue, sale, purchase or transfer of Securities; or
 - (ii) the making of any written or verbal representations in connection with a Disclosure Document referred to in (i),
for the purpose of raising or restructuring capital for the Company.

10.38 We will not cover Loss or make any payment in connection with any Claim:

- (a) for any violation by any Company of any law applicable to business competition, unfair trade practices or tortious interference with any business or contractual relationships;
- (b) for any workers' compensation, disability benefits, redundancy or unemployment benefits or compensation, unemployment insurance benefit, retirement benefits, social security benefits or any similar obligation.

This exclusion does not apply to the 'Superannuation trustees' Additional Benefit;

- (c) for bodily injury, sickness, disease or death of any person, damage to, destruction of or Loss of use of any property, or infliction of emotional distress.

This exclusion does not apply to Claims alleging emotional distress caused by a Wrongful Act in connection with Employment Liability or defamation;

- (d) brought by or on behalf of any Company.

This exclusion does not apply to:

- (i) Defence Costs;
- (ii) any shareholder derivative action brought or maintained on behalf of any Company without the solicitation or participation of any Insured; or
- (iii) any Claim brought or maintained by a liquidator, receiver or administrative receiver derivatively on behalf of any Company without the solicitation or participation of any Insured;

- (e) brought against any Insured by, at the instigation of, or on behalf of, any past present shareholder who had or has direct or indirect ownership of, or control over 15% or more of the voting share capital of any Company.

10.39 In addition, the 'Fidelity' Insured Event does not cover:

- (a) Direct Financial Loss arising out of, based upon, attributable to or in any way connected with:
 - (i) the accessing and dissemination of, any confidential information including, but not limited to, trade secrets, computer programs, customer information, patents, trademarks, copyrights or processing methods;
 - (ii) any fraudulent or dishonest activities involving collusion or complicity of an Executive (part (i) of the definition of Executive only);
 - (iii) any extortion or kidnap and ransom;
 - (iv) any dishonest act outside of the Commonwealth of Australia or New Zealand;
 - (v) any Employee from the time any Executive (who is not in collusion with such Employee for the purpose of committing a Dishonest Act) had actual knowledge that the Employee had committed or was suspected of having committed a dishonest act; or
 - (vi) any fraudulent or Dishonest Acts committed by any shareholder who at the time of committing such acts had direct or indirect ownership of or control over more than 5% of the voting share capital of any Company;

- (b) Direct Financial Loss in connection with any Dishonest Act arising out of, based upon or attributable to:

- (i) the Insured failing to ensure that at least 2 Executives sign any cheques, Securities or funds transfer instructions or authorise any refund of Money or return of goods; or
- (ii) the Company's bank accounts being reconciled by any person who has authority to operate those bank accounts;

- (c) Direct Financial Loss the proof of which is dependent solely upon:

- (i) a profit and loss computation; or
- (ii) a comparison of inventory records with an actual physical count.

If, however, an Employee is identified as having caused or is suspected of having caused a Direct Financial Loss, then inventory records and actual physical count of inventory can be submitted as partial evidence in support of proof of the Direct Financial Loss as required by the 'Notification' Claims condition.

This page has been intentionally left blank.



Bring on tomorrow