

Business Insurance Policy

Steadfast Client Trading Platform
Product Disclosure Statement and
Policy Wording

Vero Business Insurance Product Disclosure Statement and Policy Wording

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Introduction

Welcome to Vero Insurance

Supported by over 180 years of experience, Vero provides market leading insurance products and solutions to businesses of all sizes. From small start-ups, right through to some of Australia's largest corporations. **Our** focus is to help **you** succeed in business.

Via a strong network of brokers, agents and corporate partners, **we** offer insurance products in property, small business, commercial motor, professional indemnity, construction and engineering, liability, travel and personal insurance.

At Vero, **we** cover the risks today so **you** can focus on **your** future.

Vero Insurance is a member of the Suncorp Group of companies.

You may contact us by:

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

About Steadfast

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

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

Important information about Steadfast's advice

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

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

About this Product Disclosure Statement and Policy Wording

We are required to give **you** a Product Disclosure Statement (**PDS**) if **you** are insuring a **building** which has residential use under the Property damage or Glass Cover sections and **you** are:

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

This PDS and Policy Wording consists of 4 parts:

- ▼ Part 1: A Policy summary.

You can use this summary, together with **your** Steadfast broker, to decide which cover sections **you** need for **your** business.

- ▼ Part 2: Important information.

This part of the booklet includes information about **your** rights and responsibilities and the General Insurance Code of Practice and how to contact **us** if **you** have a complaint. This part applies to all Policy cover sections and should be read by all people who take out this policy.

- ▼ Part 3: Information for certain persons insuring a **building** which has residential use .

This part only applies to **you** if **you** are insuring a **building** which has residential use under the Property damage or **Glass** cover sections and **you** are an individual or a small business as described above.

- ▼ Part 4: Contains the Business Insurance policy coverage.

This part of this booklet contains the general claims conditions, general policy conditions, general definitions, general exclusions and the **Cover sections**.

If **we** issue **you** with an insurance policy, **you** will be given a **Policy schedule**. The **Policy schedule** sets out the specific terms applicable to **your** cover and should be read together with this Policy wording and **PDS**.

You must pay the premium by the due date and comply with all the **Policy** terms and conditions.

The Policy wording, PDS the **Policy schedule** and any **endorsements** **we** send to **you** form **your** legal contract with **us** so please keep them in a safe place for future reference. If **you** require further information about this product, please contact **your** Steadfast broker.

To understand the terms and conditions of **your** policy, **you** must read A policy summary (Part 1), the Important Information section (Part 2) and **your** Business Insurance policy terms and conditions (Part 4).

If **you** are insuring a **building** which has residential use under the Property damage, or Glass cover sections and **you** are an individual or a small business, **you** should also read Part 3.

Some of the words used in this **PDS** have a special defined meaning. These words are in bold in this **PDS** and Policy Wording. Most of the words we have defined are listed in the General definitions on pages 22 to 27 or the Definitions of the applicable Cover section. The words may appear without bold type in **endorsements**.

Part 1: Policy summary

Below is a summary of the covers offered in this Policy. This Policy wording incorporates 11 different Cover sections of business insurance. **You** are insured only in respect of those cover sections shown as insured in the **Policy schedule**. The **Policy schedule** should be checked to ensure that **you** have the cover sections and extent of cover **you** require. Together with **your** Steadfast broker **you** can choose Cover sections to meet **your** requirements.

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

Part 2: Your rights and responsibilities

Duty of disclosure

Before **you** enter into an insurance contract, **you** have a duty to tell us anything that **you** know, or could reasonably be expected to know, may affect **our** decision to insure **you** and on what terms.

You have this duty until **we** agree to insure **you**.

You have the same duty before **you** renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- ▼ reduces the risk **we** insure **you** for;
- ▼ is common knowledge;
- ▼ **we** know or should know as an insurer; or
- ▼ **we** waive **your** duty to tell us about.

If **you** do not tell us something

If **you** do not tell us anything **you** are required to, **we** may cancel **your** contract or reduce the amount **we** will pay **you** if **you** make a claim, or both.

If **your** failure to tell **us** is fraudulent, **we** may refuse to pay a claim and treat the contract as if it never existed.

Not meeting your responsibilities

If **you** do not meet **your** responsibilities outlined in **your** policy, or if **you** do not tell **us** everything relevant to **our** decision whether or not to insure **you**, or if **you** mislead **us**, **we** can refuse to pay a claim or reduce the amount **we** pay or cancel **your** Policy.

If fraud is involved, **we** can treat **your** Policy as if it never existed.

Cooling off period

You have the right to cancel and return the insurance Policy or a section of the Policy by notifying **us** in writing within 30 days of the date it was issued to **you** ("cooling off period"), unless **you** wish to make or have made a claim under the policy within the cooling off period.

If **you** cancel **your** policy during the cooling off period, **we** will return the amount **you** have paid and you will have no cover.

In addition, if **you** vary **your** Policy (for example by adding a Cover Section, endorsement or increasing an insured amount, **you** have the right to cancel that variation within 30 days of the date it was added by notifying **us** in writing ("additional cooling off period") unless **you** wish to make or have made a claim under that variation within the additional cooling off period. If it is cancelled within this time, **we** will return the amount **you** have paid for that variation

To cancel at other times, (including when a claim has been made during the cooling off period) please see "Cancellations" on page 5 Part 2.

Cancellations

How you may cancel

You can cancel **your** policy at any time by telling **us** **you** want to cancel it. You can do this by giving notice to **your** Steadfast broker. The cancellation takes effect on the date **we** receive **your** request. If **you** cancel **your** policy, **we** will refund the proportion of **your** premium for the unexpired period of insurance along with GST less any non-refundable government charges if the refund is more than \$10.

How we may cancel

We can cancel **your** policy at any time according to law. **We** will cancel **your** policy by telling **you** so in writing, either in person or by post to **your** last known address. If **we** cancel **your** Policy **we** will refund the proportion of **your** premium for the unexpired period of insurance along with GST less any non-refundable government charges if the refund is more than \$10. If **we** cancel **your** Policy due to fraud, **we** will not refund any money to **you**.

Such cancellation shall take effect at the earlier of the following times:

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

If **we** pay a claim for the full **insured amount** on **your building**, that cover ends. Any Cover Section, Extra cover, Additional benefit or Optional insurance for that cover also ends.

When **your Policy** ends as a result of us paying out a claim for the full insured amount on **your building** we will not refund any premium for an unexpired **period of insurance**.

Premium funders

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

The amount of your premium

The premium is the amount **you** pay **us** for this insurance and is specified in **your Policy schedule**. It includes stamp duty, Goods and Service Tax (GST), other government charges and any Fire Services Levy (FSL) that applies. The amount of these taxes and charges will be specified in **your Policy schedule**. The premium does not include any service or administration fee charged to **you** by **your** insurance intermediary.

In addition to the factors **we** use to calculate **your** premium, the discounts **you** qualify for also affect **your** premium. **Your** premium includes any discounts **you** qualify for and these are applied before adding applicable government charges. **We** can withdraw a discount at any time. If **we** withdraw a discount it will continue to apply to **your policy** but it may be removed when **your policy** is varied or renewed.

The premium does not include any service or administration fee charged to **you** by **your** insurance intermediary.

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

Paying your premiums

We will tell **you** how much premium **you** have to pay and how much time **you** have for payment of your premium.

You must pay **your** premium and other charges by the due date to obtain this insurance cover.

Any payment reminder **we** send **you** does not change the expiry or due date, unless **we** tell **you** otherwise. If **you** do not pay the premium and other charges in full, **we** may reduce the **period of insurance** so it is in line with the amount **you** paid.

Where **you** do not pay **your** premium by the due date for the first period of insurance with **us**, **we** can cancel **your** policy. Where **you** do not pay the premium for renewal by the due date, then the renewal policy will not commence and **your** cover will end at the expiry of the previous period of insurance.

If **we** accept **your** late payment, **we** may recommence **your** cover from the date **we** received **your** payment. If so, **you** will not have any cover from the expiry of the previous period of insurance until the date of payment.

If **you** change **your Policy**, **you** may be required to pay an additional premium. Where a change to **your Policy** results in a premium increase, **you** will have to pay the amount by which **your** premium has increased by the due date to obtain the varied insurance cover.

Claims made and notified basis of cover

The Management liability cover section (excluding Optional cover Employee Dishonesty) is issued on a 'claims made and notified' basis. This means that the Management liability cover section (excluding Optional cover Employee dishonesty) responds to:

- (a) claims first made against **you** during the **period of insurance** and notified to **us** during the **period of insurance**, provided that **you** were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in **your** position on notice that a claim may be made against him/her; and:
- (b) written notification of facts pursuant to section 40(3) of the Insurance Contracts Act 1984. The facts that **you** may decide to notify are those which might give rise to a claim against **you**. Such notification must be given as soon as reasonably practicable after **you** become aware of the facts and prior to the time at which the policy expires. If **you** give written notification of facts the policy will respond even though a claim arising from those facts is made against **you** after the policy has expired.

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

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

When the **period of insurance** expires, no new notification of claims or facts can be made on the Management liability cover section (excluding Optional cover Employee dishonesty) of the expired policy even though the event giving rise to the claim against **you** may have occurred during the **period of insurance**. An exception to this is under the Automatic Discovery Period Additional Benefit in the Management liability cover section, if any, under which some cover for new notification of claims or facts is available.

Excess

This is the amount **you** have to pay each time you make a claim under **your Policy**.

The amount and type of excess that applies to **your Policy** is shown either in Part 4 of this **PDS** and Policy Wording or on **your policy schedule**.

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

Privacy statement

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

Why do we collect personal information?

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

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

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

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

How we handle your personal information

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

Under various laws **we** will be (or may be) authorised or required to collect **your** personal information. These laws include the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, Personal Property Securities Act 2009, Corporations Act 2001, Autonomous Sanctions Act 2011, Income Tax Assessment Act 1997, Income Tax Assessment Act 1936, Income Tax Regulations 1936, Tax Administration Act 1953, Tax Administration Regulations 1976, A New Tax System (Goods and Services Tax) Act 1999 and the Australian Securities and Investments Commission Act 2001, as those laws are amended and includes any associated regulations.

We will use and disclose **your** personal information for the purposes **we** collected it as well as purposes that are related, where **you** would reasonably expect **us** to. **We** may disclose **your** personal information to and/or collect **your** personal information from:

- ▼ other companies within the Group and other trading divisions or departments within the same company (please see **our** Group Privacy Policy for a list of brands/companies);
- ▼ any of **our** Group joint ventures where authorised or required;

- ▼ customer, product, business or strategic research and development organisations;
- ▼ data warehouse, strategic learning organisations, data partners, analytic consultants;
- ▼ social media and other virtual communities and networks where people create, share or exchange information;
- ▼ publicly available sources of information;
- ▼ clubs, associations, member loyalty or rewards programs and other industry relevant organisations;
- ▼ a third party that we've contracted to provide financial services, financial products or administrative services – for example:
 - ▼ information technology providers,
 - ▼ administration or business management services, consultancy firms, auditors and business management consultants,
 - ▼ marketing agencies and other marketing service providers,
 - ▼ claims management service providers
 - ▼ print/mail/digital service providers, and
 - ▼ imaging and document management services;
- ▼ any intermediaries, including **your** agent, adviser, a broker, representative or person acting on **your** behalf, other Australian Financial Services Licensee or **our** authorised representatives, advisers and **our** agents;
- ▼ a third party claimant or witnesses in a claim;
- ▼ accounting or finance professionals and advisers;
- ▼ government, statutory or regulatory bodies and enforcement bodies;
- ▼ policy or product holders or others who are authorised or noted on the policy as having a legal interest, including where **you** are an insured person but not the policy or product holder;
- ▼ in the case of a relationship with a corporate partner such as a bank or a credit union, the corporate partner and any new incoming insurer;
- ▼ the Financial Ombudsman Service Australia or any other external dispute resolution body;
- ▼ credit reporting agencies;
- ▼ other insurers, reinsurers, insurance investigators and claims or insurance reference services, loss assessors, financiers;
- ▼ legal and any other professional advisers or consultants;
- ▼ hospitals and, medical, health or wellbeing professionals;
- ▼ debt collection agencies;
- ▼ any other organisation or person, where **you've** asked them to provide **your** personal information to **us** or asked **us** to obtain personal information from them, eg your mother.

We'll use a variety of methods to collect **your** personal information from, and disclose **your** personal information to, these persons or organisations, including written forms, telephone calls and via electronic delivery. **We** may collect and disclose **your** personal information to these persons and organisations during the information life cycle, regularly, or on an ad hoc basis, depending on the purpose of collection.

Overseas disclosure

Sometimes, **we** need to provide **your** personal information to – or get personal information about **you** from – persons or organisations located overseas, for the same purposes as in 'Why do we collect personal information?'

The complete list of countries is contained in **our** Group Privacy Policy, which can be accessed at www.vero.com.au/privacy, or **you** can call **us** for a copy.

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

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

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

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

Contact us

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

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

Complaints resolution

We are committed to:

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

If **you** have a complaint concerning this product or **our** services, please tell the people who provided **your** initial service or **you** can contact **us** by:

- ▼ Telephone: 1800 689 762
- ▼ Mail: Reply Paid 1453 Customer Relations Unit RE058, GPO Box 1453 Brisbane QLD 4001 or
- ▼ Email: customer.relations@suncorp.com.au

What We will do to resolve Your complaint

When **you** first let **us** know about **your** complaint or concern, **we** will review **your** complaint, consider the facts and attempt to resolve **your** complaint by the end of the next working day.

If **we** cannot resolve **your** complaint to **your** satisfaction within five (5) working days **we** will contact **you** to agree reasonable alternative time frames. **We** will endeavour to send **you** our final decision within fifteen (15) working days from the date **you** first made **your** complaint provided **we** have all necessary information and have completed any investigations required. If **you** are not satisfied with **our** decision, at **your** request **we** will refer **your** complaint to **our** Internal Dispute Resolution (IDR) team. **Our** IDR team will review **your** complaint and endeavour to send **you** their final decision within fifteen (15) working days from the date **your** complaint was referred to them. If **our** IDR team requires further information, assessment or investigation of **your** complaint, they will contact **you** to agree on a reasonable alternative timeframe to resolve **your** complaint.

For more information on **our** complaints handling process, please contact **us**.

What if You are not satisfied with Our final IDR decision?

We expect **our** procedures will provide **you** with a fair and prompt resolution to **your** complaint. If however **you** are not satisfied with **our** final decision or if **we** have not been able to resolve the complaint to your satisfaction within 45 days **you** may be able to take the complaint to the Financial Ombudsman Service (FOS) Australia.

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

You can contact the FOS by:

- ▼ Telephone: 1800 367 287
- ▼ Mail: Financial Ombudsman Service (FOS) Australia
GPO Box 3
Melbourne VIC 3001.
- ▼ Email: info@fos.org.au; or
- ▼ Website: www.fos.org.au

The FOS will tell **you** if they can help **you**. **We** agree to accept a FOS determination however **you** have the right to take legal action if **you** do not accept their decision.

If **you** want more information on the FOS, please ask **us** for a brochure.

Other information

How the Goods and Services Tax (GST) affects this insurance

The premium includes an amount on account of GST.

You must inform **us** of the extent to which **you** are entitled to an **input tax credit** (ITC) for **your** premium and claim each time that **you** make a claim. No payment will be made to **you** for any GST liability that **you** may incur on the settlement of a claim if **you** do not inform **us** of **your** entitlement or correct entitlement to an **input tax credit**.

GST has an impact on the way in which claim payments are calculated under **your policy**. **We** will calculate the

amount of any payment **we** make to **you** having regard to **your** GST status. The amount **we** pay **you** for any claim will be calculated taking into account any **input tax credit** to which **you** are entitled for any acquisition which is relevant to **your** claim, or to which **you** would have been entitled were **you** to have made a relevant acquisition.

If **you** are not entitled to an **input tax credit** on **your policy** premium, all **insured amounts** and **limits of liability** stated in **your policy** are GST inclusive (unless **your policy** states otherwise).

If **you** are entitled to an **input tax credit** on any part of **your policy** premium, the **insured amounts** and **limits of liability** stated in **your policy** are exclusive of GST to the extent of **your input tax credit** entitlement.

In respect of **your policy**, where **you** are registered for GST purposes **you** should calculate the **insured amounts** having regard to **your** entitlement to **input tax credits**. **You** should, therefore, consider the net amount (after all **input tax credits** have been taken into account) which is to be insured and calculate and advise to **us** an **insured amount** on a GST exclusive basis.

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

'GST', 'input tax credit', 'acquisition' and 'supply' have the meaning given in A New Tax System (Goods and Services Tax) Act 1999.

Fraudulent claims

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

- ▼ refuse to pay a claim;
- ▼ cancel **your policy**; or
- ▼ take legal action against **you**.

Financial Claims Scheme

This policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA.

Information about the FCS can be obtained from www.fcs.gov.au.

General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice. A copy of the Code can be obtained from the Insurance Council of Australia by:

- ▼ Telephone: (02) 9253 5100 or
- ▼ Website: www.insurancecouncil.com.au

Terrorism Insurance Act 2003

Some sections of this policy exclude cover for losses as a result of terrorism.

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

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

Updating information

The information in this **PDS** and Policy Wording was current at the date of preparation. Vero Insurance may update some of the information in the **PDS** and Policy Wording that is not materially adverse from time to time without needing to notify **you**. **You** can obtain a copy of updated information by contacting **us**. **We** will give **you** a free paper copy of any updates if **you** request them. If it becomes necessary, **we** will issue a supplementary or replacement **PDS**.

Part 3: Information for some policyholders only

This part applies to **you** if **you** choose to cover a **building** which has residential use **under** the Property damage or Glass **cover sections** of **your Policy**:

and **you** are:

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

You need to read this part if it applies to **you**.

An example of what is considered a **building** which has residential use **is** where the **building** is a commercial premise but **you** also live in the building, or **you** rent part of the **building** for residential use.

If the **building** is only used by **you** for residential purposes and there is no commercial use within such **building** or on the **premises** where such **building** is located, it cannot be insured under this **policy**.

The amount of premium you pay if you have chosen to cover a building under the Property damage and/ or Glass cover sections of your policy

The premium is the amount **you** pay **us** for this insurance and is shown on the **Policy schedule**. The premium includes stamp duty, the Goods and Services Tax (GST), other government charges and any fire services levy (FSL) that applies. The amount of these taxes and charges will be shown on the **Policy schedule**.

When **we** calculate **your** premium there are a range of factors **we** take into account. The importance **we** place on the factors **we** use can change and how those factors combine to affect **your** premium will differ from business to business.

If **you** change **your** policy **you** may be entitled to a partial refund of premium or be required to pay an additional premium.

How various factors may affect your premium

Significant factors affecting **your** premium in relation to **your** Property damage cover section and Glass cover section (for a **building**) include a combination of some or all of the following:

- ▼ the Cover sections and Optional insurance **you** have chosen;
- ▼ the **insured amounts** or **limits of indemnity** **you** have chosen;
- ▼ the location of **your business**;
- ▼ the type of business and **your** occupation;
- ▼ **your** claims experience;
- ▼ the number and location of **premises**;
- ▼ the building materials of the **premises**;
- ▼ any **endorsements**;
- ▼ the amount of any **excesses** applying to **your policy**.

Factor	Lowers premium	Increases premium
Insured amount	Lower insured amount	Higher insured amount
Postcode	Low risk postcode	High risk postcode
Optional insurance	None taken	One or more taken
Claims experience	Low claims experience	High claims experience
Voluntary excess	Higher excess	Lower excess
Our expenses of doing business including payments we make to intermediaries	Low expenses	High expenses
Endorsements	Reduces our risk or your cover	Increases our risk or your cover

Why the cost of your insurance premium can change

Your insurance premium can change during **your period of insurance** if the circumstances or risks covered by **your Policy** change. For example, **your** premium will change if **you** change the use of **your premises** or add new covers to **your** policy. Also, each time **you** renew **your** insurance **your** premium is likely to change, even if **your** circumstances or the risks covered by **your Policy** have not changed.

This is because the premium **you** pay is also affected by other things including:

- ▼ the total cost of claims **we** have paid to other customers;
- ▼ the cost of claims **we** expect to pay in the future;
- ▼ any changes in government taxes or charges;
- ▼ **our** expenses of doing business;
- ▼ other commercial factors; and
- ▼ whether indexation is shown on **your policy schedule**.

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

Premium discounts

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

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

Excesses

When you choose to cover a home building under the Business property and Glass cover sections of your policy): Excess

The amount of the **excess** applying to each of these sections is shown on **your Policy schedule**. **We** take into consideration a number of factors when setting the amount of **your excess**, such as:

- ▼ **your Business** occupation;
- ▼ any voluntary **excess** that **we** may allow **you** to choose;
- ▼ **your** claims history; and
- ▼ any additional risk factors that are unusual or unique to **your business** circumstances.

Part 4: Your policy coverage

Important information

1. Who is insured?

The **policy** provides insurance only for the parties shown on **your Policy schedule** unless otherwise stated in individual **Cover Sections**.

2. Policy limits

We will not pay any more than the **insured amount** or limit of liability or sub-limit for each **Cover Section**, part of a **Cover Section** or individual item or cover that is shown on the **Policy schedule**, unless **we** specifically state otherwise in **your policy**.

General policy conditions

The following general conditions apply to all sections of this **Policy** unless expressly stated otherwise. Reasonable extra premium shall be paid if required, from the date of such breach or error. In some cases it may mean **we** can no longer insure **you**.

Accountancy records

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

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 **insured amount**.

Change to risk

Our decision to insure **you**, and the premium that **we** charge **you**, is based on information provided by **you** about **your business**, and the risks to be insured under this policy. **Your** insurance, including the amount of premium, may be affected if any of the facts or circumstances that existed at the start of the policy change during the **period of insurance**, including, for example:

- (a) the **business** is sold or otherwise permanently discontinued;
- (b) if **you** are convicted of a criminal offence;
- (c) the nature of or type of **business** carried on by **you** or **your** tenants;
- (d) the occupation and activities carried on by the tenants of **your buildings**;
- (e) other circumstances that affect the **premises** or the **property insured** in such a way as to increase the risk of **damage** or **loss**;
- (f) the construction of or alteration to **your business premises**;
- (g) **your** Products or services not previously disclosed to **us**;
- (h) as property owner **you** intend to either redevelop or demolish **your property insured**, have lodged an application to do this, or a government authority has issued a demolition order;
- (i) **your** interest in the **policy** ceases, including by operation of law;
- (j) **you** or the **business** are insolvent, placed into bankruptcy, receivership, liquidation or wound up or becomes subject to external administration;

You must immediately notify **us** of any changes that may increase the risk insured under **your** policy.

If **you** are a property owner insuring **buildings** that **you** lease, **our** decision to insure **you** and the premium **we** charge **you** will take into account information about **your** tenants and how the **building** is used that **you** tell **us** when **you** apply for a policy with **us**, during the **period of insurance** and at each renewal. For this reason it is important that **you** tell **us** as soon as these things change.

For example:

If **your building** has three tenants (an accountant's office, a jeans retailer and a sandwich bar) **we** will calculate **your** property premium on the sandwich bar, as it is more hazardous than either of the other two occupations. If during the **period of insurance** the sandwich bar closes down and a menswear shop open, then **you** must notify **us** of the change and **we** will calculate **your** property premium either using the jeans retailer or menswear occupation.

If **we** agree to continue to insure **you** after **you** have told **us** of the changes **you** tell **us** about **we** will confirm this in writing. In some cases, **we** may only agree to continue to insure **you** under this policy if **you** agree to pay **us** additional premium.

Designation of property

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

Hazardous or dangerous goods

When hazardous or dangerous goods are used by the **business** or stored at any **premises** shown on the **policy schedule**, then **you** must use and store them in the manner and quantities permitted by law and strictly in accordance with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements.

Inspections

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

Jurisdiction

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

Notification of other insurance

You must notify **us** of any other insurance that insures any risk insured by this **policy** and provide **us** with the details of the other insurance.

Other persons or organisations

The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties having a legal interest or charge over the **property insured** shall be automatically included as third party beneficiaries without notification or specification. The nature and extent of such interest is to be disclosed to **us** in the event of any claim covered by this **policy**. Any other people not in this category or not named on the **policy schedule** are not covered and cannot make a claim. All third-party beneficiaries must comply with the terms and conditions of the **policy**.

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

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

When a claim is paid under the **policy** and is also recoverable under another policy or policies, **you** agree to provide **us** with details of such policies and so that **we** may seek contribution from the other insurer or insurers.

Our maximum liability

Except as otherwise stated elsewhere in this **Policy**, the maximum amount **we** will pay will not exceed the amount stated in the **Policy schedule** as the **insured amount**, **Limit of indemnity** or the **Limit of liability** for those **Cover Sections** selected.

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

Non-imputation

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

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

Progress payments

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

Reasonable care and reducing risk

You must take all reasonable steps to ensure that **you** and **your** tenants

- ▼ maintain **buildings**, structures, fixtures, fittings, furnishings, appliances, **machinery**, implements and plant in sound condition to minimise or avoid theft, loss or damage;
- ▼ ensure that only competent employees are employed;
- ▼ avoid or minimise loss of, or damage to, property or injury to other people;
- ▼ comply with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements;

- ▼ obtain certificates of inspection for all equipment required by any statute or regulations to be certified; and
- ▼ comply, at **your** expense, with all **our** recommendations to prevent or minimise theft, loss or damage.

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

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

If **you** do not take reasonable precautions **we** may refuse to pay part or all of **your** claim.

Sale of salvage

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

Single occurrence

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

Subrogation and recoveries

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

- (a) first to **you** to the extent of **your** uninsured loss in respect of a claim paid under a section of this **Policy** (disregarding the amount of any **excess** applicable);
- (b) secondly to **us** in reimbursement of the amount paid to **you** in respect of that claim under that Cover section; and
- (c) thirdly to **you** in satisfaction of any **excess** amount applicable.

Any other monies remaining after these allocations will be **your** property. Nothing in this Condition shall prevent **you** and **us** entering into a 'Subrogation Agreement' following a loss agreeing to a different basis of sharing costs and expenses and the allocation of monies recovered.

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

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

Transfer of interest

No interest in this policy can be transferred without **our** written consent

Unoccupancy

You must ensure that any **building** at the **premises** does not stay unoccupied or, if **you** are the **building** owner, untenanted, for a continuous period of 90 (ninety) days or more. **You** are not insured while the **building** is unoccupied for a period of 90 (ninety) days or more, unless **we** agree to insure **you**.

If any **building** will or is likely to be unoccupied or untenanted for such a period, **you** must notify **us** immediately. If **you** notify **us** that the **premises** will be unoccupied or untenanted for a continuous period of 90 (ninety) days or more and **we** agree to continue to insure **you** under this **policy** during the period where the **building** is unoccupied or untenanted, **we** will confirm this in writing. **You** may be required to pay an additional premium and **we** may apply different conditions and impose a higher **excess** if **we** agree to this.

Under-insurance

The Property Damage and Business Interruption cover sections of this **Policy** are subject to under-insurance conditions. The effect of these conditions is that if, at the time of loss the **insured amount** is less than the full value of the property or revenue/gross profit insured, then **you** could be called upon to bear a proportionate amount of the loss accordingly. To avoid the possibility of having to bear a portion of any claim **you** should ensure that **you** are fully covered at all times.

Waiver of subrogation rights

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

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

General claims conditions

To enable **us** to process a claim under any **Cover section** of this **Policy** the following conditions apply.

These conditions apply to the whole **Policy**.

You must comply with these conditions if an **event** occurs which may lead to or results in a claim.

If **you** do not comply with these conditions, **we** may refuse **your** claim or reduce the amount **we** pay **you**.

1. Making a claim

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

2. Claim notification

You must:

- ▼ notify the police immediately following a theft or attempted theft of any **property insured** or if any **property insured** is misappropriated, **lost** or maliciously damaged;
- ▼ notify **us** as soon as possible and give **us** all known details of the **event** including the police event number if available;
- ▼ immediately provide **us** with any legal document or other communication **you** receive about the claim, including any legal proceedings brought against **you**; and
- ▼ provide **us** with all information and documentation that **we** request. If **we** ask **you** for a statutory declaration verifying the details of **your** claim and any other matters connected with the claim, **you** must provide it.

3. Cooperation

You must co-operate and provide **us** with all reasonable assistance in connection with any investigation, negotiation, recovery, defence, legal proceeding or settlement of any claim including doing all things necessary to allow **us** to take over legal proceedings **you** are a party to.

4. Minimise loss

You must:

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

5. Notify claim

You must:

- (a) notify the police immediately following a theft, attempted theft or burglary or if any property is misappropriated, lost, stolen, vandalised or maliciously damaged;
- (b) notify **us** as soon as possible and provide **us with** all the known details of the **occurrence** including the police event number and a copy of any written police report, if available;
- (c) immediately send **us** any legal document or other communication **you** receive about the event.

6. Retain all damaged property

You must take all reasonable actions necessary to:

- (a) retain and preserve all damaged property for **our** inspection prior to authorisation of repairs unless alterations and repairs are immediately necessary for safety reasons or to minimise or prevent further loss, damage or injury. If repairs are necessarily carried out without **our** prior approval, **you** are still required where reasonably practical, to retain and preserve all damaged property for **our** inspection; and
- (b) use **your** best endeavours to preserve all property, products, plant and all other things that may assist **us** in investigating or defending a claim against **you**, including assisting in determining if there are rights of recovery against another entity or person.

7. Our rights of possession

We, **our** employees or **our** agents have the right to enter any **building** or area where loss or damage has occurred and take possession of **property insured** or require the **property insured** to be delivered to **us**. **We** will deal with this property in a reasonable manner.

8. Provide proof of ownership

If **you** make a claim for property that is lost, stolen or damaged, **you** must supply **us** with all the information and documentation that **we** request to prove **your** ownership or legal responsibility for the **property insured** and its value.

Examples of the type of documentation that may be required include, but are not limited to:

- ▼ tax invoices and/or receipts for **property insured**;
- ▼ photographs of the **property insured**;
- ▼ copies of any relevant contracts or agreements;
- ▼ statutory declaration verifying the details of **your** claim and any other matters connected with it;
- ▼ quotes for replacement items.

We understand **you** may not keep such information for every business item **you** own, especially if items are recorded in **your** books of account. **You** or **your** accountant may have records for tax purposes and these may be sufficient to prove ownership and value of the **property insured**.

9. Proof of fraud or dishonesty

In the event of a claim, **you** must supply **us** with all records and documents that may assist **us** in substantiating and investigating any act of fraud or dishonesty and **your** rights of recovery. This includes but is not limited to all records (including computer, electronic and accounting records), video and audio recordings, working papers, internal memoranda, police reports, accounting records and audit documents.

10. Repair or replacement

You must not authorise the repair or replacement of any insured item without **our** agreement except in the case of an emergency where **you** are required to prevent further loss or damage to that item as a result of the emergency.

11. Admitting liability

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

12. Not authorise repair or replacement

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

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

13. Conduct of claims

We are entitled to conduct claims and proceedings. This includes the right to takeover and conduct in **your** name the defence or settlement of any claim or proceeding. At all times **we** have the right to make admissions, negotiate and settle a claim or proceeding on terms **we** consider appropriate. **You** are not permitted to make any admissions of liability, offer, promise or payment without **our** written consent. **We** may engage legal or other representatives to assist in the conduct of a claim and proceedings.

14. Paying your excess

You must pay the **excess** that applies to claims under this **policy**. **We** may require **you** to pay **your excess** in full before **we** pay **your** claim or provide any benefits under **your Policy**. The fact **we** have asked for payment of **your** excess does not of itself mean that **your** claim has or will be accepted by **us**.

We have no liability to **you** under this **Policy** until **you** have paid the **excess**. If the **excess** has been requested but remains unpaid **we** may:

- ▼ decline to settle the claim pending full payment of the **excess**; or
- ▼ deduct the **excess** from the settlement.

The **excess** that applies will depend on the circumstances of the claim. If more than one **excess** can be applied to one occurrence then **you** will only need to pay the highest **excess** that applies unless expressly stated otherwise in the **Policy**.

For example: some Additional benefits and Optional insurances have their own **excess** which are in addition to any other **excess** that may apply to a claim. When multiple **excesses** apply, **you** might have to pay more than one type of **excess** when **you** make a claim.

The amount of the **excesses** and the circumstances that each **excess** applies to are shown on **your Policy schedule** or set out in the applicable **Cover section**. **We** will tell **you** how to pay **your excess** and who to pay it to. In some cases, **we** will direct **you** to pay the **excess** directly to a supplier or repairer.

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

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

15. Claims settlement

(a) ITC entitlement

If any **event** occurs which gives or may give rise to a claim **you** must tell **us** **your** entitlement to **input tax credits** (ITC) if **you** are registered, or are required to be registered for GST purposes. If **you** do not inform **us** of **your** entitlement, or the information **you** give **us** is incorrect, **we** will not cover **you** for any resulting fines, penalties or tax liability **you** incur. When **we** calculate a payment to **you** for **your** claim, **we** can reduce it by any **input tax credit** **you** are, or would be, entitled to receive.

(b) Cash payments

Any cash payments made to **you** under this policy will be based on costs including GST. However, if **you** are, or would be, entitled to claim any input tax credits for the repair or replacement of the **property insured** or for other things insured by the policy **we** will reduce **our** payment to **you** by the amount of **your** input tax credit entitlement.

(c) Discharge of our liabilities

If, at any time, **we** pay **you** the **insured amount**, **Limit of indemnity** or **Limit of liability** for any claim under this policy, the future conduct of the claim then becomes **your** responsibility. **We** may also pay any extra covers, additional benefits or optional insurance that is in addition to the **insured amount**.

(d) Claims preparation expenses

We will pay for accountant, claims consultants, surveyors, architects, engineers and other professional fees necessarily and reasonably incurred for the preparation of a claim for which **we** agree to indemnify **you** under this Policy. The most **we** will pay is \$ 25,000 in total any one claim, unless a higher amount is included in the particular Cover section of the policy.

Provided that before **you** incur these claim preparation expenses **you** obtain **our** written approval to incur these costs to which **we** shall not unreasonably withhold consent. This benefit is in addition to the **insured amount**.

For the sake of clarity the Claims preparation expenses condition does not apply to the Management Liability cover section, or the Tax Audit cover section.

16. Salvage

After settling a claim by replacing any damaged or lost **property insured**, if **we** so elect, that damaged or lost **property insured** (other than a **building**) becomes **ours** and **we** are entitled to receive the proceeds of any salvage.

17. Rewards

We will pay **you** up to \$5,000 or any higher amount shown in the **Policy 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 Cover 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 claims condition.

18. Rights of recovery

If **you** have suffered **loss** or **damage (Your Loss)** as a result of an **event** or **occurrence** which is covered, or partially covered by this **policy**, then **we** have the right and **you** permit **us** to take action or institute legal proceedings against any person, company or entity legally liable to **you** for the recovery of **your** insured, underinsured or uninsured losses, payments made and expenses in relation to 'Your Loss'. Any action or legal

proceeding will be commenced in **your** name. **You** must provide **us** with all information and reasonable assistance in the recovery of 'Your Loss', including providing **us** with any documents that prove 'Your Loss'.

If **you** have commenced action or instituted legal proceedings against any person, company or entity legally liable to **you** for 'Your Loss', **we** have the right and **you** permit **us** to take over and continue that action or legal proceeding. **You** must provide **us** with all information, documents and reasonable assistance (including signing states, affidavits) in the recovery of 'Your Loss', including providing **us** with any documents that prove 'Your Loss'.

You will at all times and at **your** own cost use reasonable endeavours to do and concur in doing everything reasonably practicable to assist in the exercise of **your** rights of recovery.

Where recovery of 'Your Loss' forms part of any representative proceeding which has not been instituted under **our** instructions, **we** have the right and **you** permit **us** to exclude 'Your Loss' from that representative proceeding for the purpose of including 'Your Loss' in a separate representative proceeding which is or will be instituted under **our** instructions (Our Representative Proceeding). **You** must provide **us** with all information and reasonable assistance in the recovery of 'Your Loss' as part of our Representative Proceeding, including providing **us** with any documents that prove 'Your Loss'.

You must not enter into any agreement, make any admissions or take any action or step that has the effect of limiting or excluding **your** rights and **our** rights to recover 'Your Loss' without first obtaining **our** approval in writing to do so.

If **you** recover or find any lost or stolen property for which **we** have paid a claim under this Policy, **you** must:

- (a) inform **us** immediately; and
- (b) give **us** the recovered or found property if **we** request that **you** do so.

When we may refuse a claim

We may refuse to pay a claim, or **we** may reduce the amount **we** pay **you** if:

- (a) **you** have not complied with **your** duty of disclosure;
- (b) **you**:
 - ▼ are not truthful;
 - ▼ have not given **us** full and complete details; or
 - ▼ have not told **us** something when **you** should have, when applying for the insurance, or when making a claim.
- (c) **you** have not complied with any of the conditions of **your policy**;
- (d) **you** do any of the following without **us** agreeing to it first:
 - ▼ make or accept any offer or payment or in any other way admit **you** are liable for loss or damage;
 - ▼ settle or attempt to settle any claim; or
 - ▼ defend any claim; or
- (e) cover is excluded by the **policy**.

If **you** prevent **our** right to recover from another person, corporation or organisation, or if **you** have agreed not to seek compensation from another person, corporation or organisation who is liable to compensate **you** for any **loss, damage** or legal liability which is covered by this **policy**, **we** will not cover **you** under this **policy** for that **loss, damage** or legal liability.

General exclusions

These exclusions apply to all **Cover Sections** unless expressly stated otherwise.

1. Conflict

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

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

2. Consequential loss

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

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

3. Nuclear

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

- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion only, combustion shall include any self-sustaining process of nuclear fission and/or fusion. This exclusion shall not apply to liability arising from radio-isotopes, radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits; or
- (b) nuclear weapons material.

4. Non-compliance

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

5. GST, fines or penalties

This **Policy** does not insure any GST, fine, penalty or charge that **you** are liable for because **you** did not tell **us** **your** entitlement to input tax credits on the premium for this policy, or the entitlement **you** told **us** was incorrect.

6. Intentional acts

This **Policy** does not cover loss or damage intentionally caused by **you** or another party, committed with **your** knowledge and consent and which **you** were capable of preventing.

7. 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.

8. Terrorism

This **Policy** does not insure:

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

However, this exclusion does not apply to **Policy cover sections**:

- (a) Theft;
- (b) Money;
- (c) Glass;
- (d) General property.

9. Electronic data exclusion

(a) This **Policy** does not cover:

- (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **data**;

- (ii) error in creating, amending, entering, deleting or using **data**; or
- (iii) total or partial inability or failure to receive, send, access or use **data** for any time or at all, from any cause, whatsoever, regardless of any other contributing cause or event whenever it may occur.

However, where an **event** listed below in this subparagraph (a) under (ii) to (vii) (being an event covered in Property damage cover section, or General property cover section of this **Policy**) is caused by any of the matters described in paragraph (a) above, this **Policy**, subject to all its provisions, will insure:

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

This exclusion does not apply where an **event** listed under (i) – (vii) below is caused any of the matters described in paragraph (a) above.

- (i) Fire;
- (ii) Lightning or thunderbolt;
- (iii) Explosion or implosion;
- (iv) Storm and wind;
- (v) Water damage;
- (vi) Impact;
- (vii) Earthquake, including tsunami, subterranean fire, volcanic eruption or fire resulting from any of these;
- (viii) Theft of **data** solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such **data**.

- (b) **We** will not cover **legal liability** for communication, display, distribution or publication of data.

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

- (c) For the purposes of the “Your Insurance under this Cover Section” provision in this **Policy**, computer systems records include **data**.

- (d) Where damage to property or property are used in this **Policy**, they do not include **data**.

10. Geographical limitations

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

11. Unoccupancy

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

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

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

12. Acquisition of companies

The **Policy** does not cover loss, destruction, liability or damage caused by, contributed to by or arising from:

- (a) any company or other legal entity acquired during the **Period of Insurance**; or
- (b) any property or liability associated with such company or any other legal entity or business undertaking or operation;

unless **you** notify **us** in writing within 30 (thirty) days of the acquisition and if the business is of a similar occupation to that stated in the **Policy Schedule**, **we** will provide cover subject to **your** acceptance of **our** terms and undertaking to pay the additional premium **we** may require.

Our liability shall not exceed the relevant **Insured amount**, **Limit of Indemnity** or any sub-limit of indemnity applicable under the relevant **Cover Section(s)** making up the **Policy** for each ‘Designation of property’ as noted in the General policy conditions above.

13. Sanctions

Despite any provision of the **Policy**, **we** will not cover and will not make any payments or provide any services or benefit to **you** or to any other party to the extent that such cover, payment, service or benefit would contravene or otherwise expose **us** to any penalty, sanction, prohibition or restriction under any applicable United Nations resolutions or trade or economic sanctions, law or regulation.

General definitions

Unless defined differently in individual **Cover Sections**, these definitions apply to all **Cover Sections**.

Aircraft

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

Animal(s)

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

Automatic Teller Machine (ATM)

A computerized device that enables customers of a financial institution to perform financial transactions and may incorporate a range of antifraud and physical security solutions.

Business

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

Building(s)

A building is a permanent structure located on the **premises**, BUT such permanent structure must have a commercial use or the **premises** must be used for a commercial purpose, including the following:

- (a) sheds with a concrete floor and fixed to foundations at the **premises**;
- (b) customised and modified shipping containers or transportable buildings permanently located at the **premises** used as workshops, lunchrooms or storage and which are permanently fixed to the ground with electrical or plumbing services, as necessary;
- (c) Shipping containers used by **you** as outbuildings;
 - (i) at the **premises** and within the perimeter fencing which **stock** or **contents** of **your business** is stored long term provided the container doors are securely locked when unattended;
 - (ii) at the **premises** and within the perimeter fencing which **stock** of **your business** is
 - ▼ delivered to or from; or
 - ▼ loaded into or unloaded from; or
 - ▼ stored within;provided the container doors are secured and locked when unattended;
- (d) walls, foundations, storage tanks, awnings, exterior lights, masts, antennae and aerials, fixed external signs, gates, fencing, pavements, roads and other structural improvements on the land;
- (e) property owner's fixtures and fittings, floor coverings, plant, plumbing or wiring services that are within the **building**;
- (f) carports, pergolas and canopies;
- (g) barns and outbuildings;
- (h) external fixed items including swimming pools, saunas and spas, gangways between buildings, lights and signs and air conditioning units;
- (i) wharves, piers and jetties;
- (j) Underground and above ground services that are **your** property or **you** are responsible for and which extend from the **buildings** to the public main.

Building(s) does not include:

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

Business hours

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

Computer virus

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

Consequential loss

Loss of use, loss of earning capacity and any other consequential loss of any kind, including loss, damage, cost or expense caused directly or indirectly by or resulting from:

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

Contents

All property belonging to **you** or which **you** are responsible for and used by **you** in the **business**. **Contents** includes:

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

Contents does not include:

- (a) **stock**, if it is shown as a separate item on the **policy schedule**;
- (b) **buildings**;
- (c) **specified items**;
- (d) directors' and employees' tools of trade and **personal effects**;
- (e) jewellery, precious metals or stones, bullion or furs unless they are worth less than \$10,000 any one item unless such item is **stock**;
- (f) **vehicles** registered for road use and any other machinery whilst registered for road-related areas, caravans, trailers, **watercraft**, **aircraft**, **hovercraft**, rolling stock and locomotives or their accessories provided that this exclusion will not apply to:
 - ▼ mobile plant and equipment (excluding **vehicles**) not otherwise insured;
 - ▼ motor vehicles or trailers, caravans or motorcycles that are **stock** of **your Business**;
- (g) live **animals** unless insured as **stock** of a restaurant or pet shop;
- (h) plants, shrubs, lawns, growing crops, pastures and standing timber other than pot-plants; or
- (i) in the case where **contents** does not include **stock**, **customers' goods**, other than customer's records and documents held or created by **you** as part of **your business**.

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

Customer's goods

- (a) goods that belong to **your** customer(s) that are in **your** physical or legal control because **your** business repairs, services, maintains those goods;
- (b) goods that have been purchased by **your** customer but remain at **your premises** awaiting collection or delivery;
- (c) items of property at **your premises** under a 'sales or return' consignment agreement

Data

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

Employee

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

Employee includes:

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

Employee does not include:

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

Endorsement

Documentary evidence given to **you** by **us** that details an alteration to the **Policy** and which forms part of the **Policy**.

Event or events

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

Excess

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

Family

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

Flood

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

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

Fungus/Fungi

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

Glass

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

Glass includes external glass, internal glass and specified glass as defined in the **Glass** policy cover section, but does not include **your business stock**

Hovercraft

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

Input tax credit

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

Insured/you/your

For all **Cover Sections** other than the Public and products liability, Management liability and Tax Audit cover sections, any person, company or legal entity shown on the **Policy schedule** as the insured.

Insured amount

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

For **Cover sections** other than **Glass**, Public and products liability, Management liability and Tax Audit the **Insured amount** will vary depending upon **your** requirements in relation to each **Policy section**.

The **Insured amount**, means the amount specified as the **insured amount** in the **Policy schedule** for a **Policy section**, part of a **Cover Section** or individual item or cover.

Limit of Liability

The maximum amount **we** will pay under Cover sections Public and products liability and Management liability as shown in the **Policy schedule** inclusive of all amounts provided for in any relevant Additional benefit under that **Cover Section**.

Media

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

Money

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

Money does not include collectable items (for example coin or stamp collections) or anticipated revenue.

Obsolete stock

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

Occurrence

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

Period of insurance

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

Personal effects

Clothing and personal belongings normally worn or carried

Policy

Your insurance contract. It consists of this **PDS**, any **Supplementary PDS** **we** may give **you**, any **endorsements** and the **Policy schedule**.

Cover section

Any part of this **Policy** described as a Cover Section or a cover section.

Policy schedule

The record of the particulars of **your** insurance which forms part of this **policy**. The **Policy schedule** is issued when **we** have accepted and will confirm **your** insurance cover. At each renewal of **your policy**, the renewal schedule becomes **your** current **Policy schedule**.

Updated **Policy schedules** or **endorsements** may also be sent to **you** showing alterations to **your** policy.

Pollutants

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

Premises

The address listed in the **Policy schedule** at which and from which **you** operate **your business**. The **premises** includes **buildings** and land within the legal boundaries.

Product Disclosure Statement (PDS)

PDS or **PDS** and Policy Wording 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 the **Policy schedule**, any **endorsements** and any Supplementary **PDS** that **we** may give **you**.

Property insured

The property as described on the **Policy schedule** in respect of each **Cover Section**.

Safe or strongroom

A safe is a fire and burglary rated lockable container specifically designed for the safe storage of money, **data**, documents or valuables and is designed to resist unauthorised opening by hand-held or power operated tools. A strongroom is a room-sized vault structure and is an integral part of the building within which they are built.

A safe is not:

- (a) a petty cash box;
- (b) locked drawer in any type of filing cabinet or desk;
- (c) burglary resistant container weighing less than 20 kilograms that is not fixed to the wall or floor of the premises by anchoring it using mechanical bolting; e.g Dynabolts.
- (d) an **ATM**

Seasonal increase period/s

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

The total number of days **we** will allow as seasonal increase periods is 126 days in total during any one **period of insurance**. **You** do not have to tell **us** what the dates of the periods are, but if **you** claim under a **Cover Section** which has the seasonal increase cover, then **your** financial records over at least the previous 2 years must substantiate the period as a seasonal increase period. If the **business** is less than 2 years, **we** will use the financial records of **your** business from the date of commencement until the date of the loss or damage to substantiate **your** claim.

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

Stock

Products, merchandise and materials, **you** intend to sell, stock in trade, raw materials or work in progress or being repaired or altered and packing materials used by **you** in the **business**.

Stock includes:

- ▼ cigars, cigarettes and liquor;
- ▼ live animals, provided **your** business is a pet shop or a restaurant;
- ▼ **customers goods**.

Subsidiary company

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

Supplementary Product Disclosure Statement (SPDS)

A document that updates or adds to the information in the **PDS**.

Total Insured Amount

The total of all insured amounts for **Buildings**, **Contents**, **Stock** and **Specified items** for a particular **premises**.

Terrorism

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

The/this policy

Your insurance contract which consists of this **PDS**, any **SPDS** **we** may give **you**, any **endorsements** and **your** **Policy schedule**.

Vehicle

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

Watercraft

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

We/us/our

AAI Limited trading as Vero Insurance.

You or Your

For all **Cover Sections** other than Public and products liability cover section, Management Liability cover and the Tax Audit cover section this means the person(s), companies, legal entity or firms named on the current **Policy schedule** as the 'Insured

Property damage cover section

About this section

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

Your insurance under this Cover Section

Provided 'Property damage' is shown under 'What's Covered' in the **Policy schedule**, and subject to the General exclusions on pages 20 to 21, and this **Cover Section** exclusions, **we** will cover **you** for accidental loss or damage to **your property insured** at the **premises** during the **period of insurance**.

What We pay

The maximum **we** will pay for any one claim, for accidental loss or damage to **your property insured** other than a claim for a **specified item, or specified item** or **contents** that are works of art antiques or curios, under this **Cover Section** is the **Limit of Indemnity** shown on the **Policy schedule** or adjusted in accordance with this **Cover Section**, whichever is the higher.

The maximum **we** will pay for each **specified item**, unless the item are works of art, antiques or curios, is the **insured amount** shown in the **Policy schedule** for that item. For **specified items** that are works of art, antiques or curios then the maximum **we** will pay for each item is the amount subject to a valuation by the Auctioneers and Valuers Association of Australia.

For **contents** that are works of art, antiques or curios **we** will only pay subject to such valuation of that item up to a maximum of \$10,000 for each item.

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

There are two methods of paying **your** claims up to these maximum limits. They are 'reinstatement or replacement' basis and 'indemnity value'. The method **you** have chosen is shown on the **Policy schedule**.

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

Reinstatement or replacement

Unless the **Policy schedule** shows that **you** are insured for 'Indemnity' then, when **buildings, specified items, contents** or **stock** are lost or damaged **we** will:

- (a) pay the cost to rebuild the **buildings** at the **premises** shown on the **Policy schedule** or, at **your** option, at another site;
- (b) replace, **stock, contents** or **specified items** which are not works of art, antiques or curios, to a condition equal to but not better than its condition when new.;
- (c) pay **you** the cost of replacing the **stock, contents** or **specified items** which are not works of art, antiques or curios, to a condition equal to but not better than its condition when new;
- (d) pay **you** the amount shown on the proof of purchase for **specified items**, unless the **specified items** are works of art, antiques and curios;
- (e) if the **specified items** are works of art, antiques and curios, pay **you** the amount of a valuation by the Auctioneers and Valuers Association of Australia; or
- (f) if the contents are works of art, antiques or curios pay you the amount of a valuation by the Auctioneers and Valuers Association of Australia up to a maximum of \$10,000 for each item.

Reinstatement or replacement is subject to the following conditions:

- (a) the work of rebuilding, replacing or repairing must be commenced and completed by **you** within a reasonable time otherwise **we** will pay no more than the cost that would have been incurred if the work of rebuilding, replacement or reinstatement has been commenced and carried out within a reasonable period of time;
- (b) when rebuilding at another site, **we** will not pay more than **we** would pay to rebuild at the **premises**;
- (c) when any **property insured** is damaged, but not destroyed, **we** will not pay more than the amount that **we** could have been called upon to pay for if that property had been destroyed;

We will only pay to return the **property insured** to a condition substantially the same as, but not better or more extensive than, its condition when new, using building materials readily available and in common use in The Commonwealth of Australia.

2. Indemnity value

(Optional reduction in cover)

If the **Policy schedule** shows **you** are insured for 'Indemnity' then, for any loss or damage to **building** or **contents**, which are not works of art, antiques or curios, **we** will, at **our** option:

- (a) repair, reinstate or replace the **building** or **contents**;
- (b) pay **you** the market value of the **building** or **contents** immediately prior to the time of its loss or damage; or
- (c) pay **you** the cost to repair or replace the **building** or **contents**.

In all cases, where appropriate, **we** will reduce the amount **we** pay **you** to take into account age, wear, tear depreciation and will make an adjustment for the general condition and remaining useful life of the **building** or **contents** that are damaged.

If the **contents** are works of art, antiques or curios we will pay **you** the amount of a valuation up to a maximum of \$10,000 for each item.

3. Branded stock

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

If such salvage is not disposed of by sale, then the goods may be retained by **you** and disposed of as **you** see fit provided a reasonable salvage allowance is agreed with **us** for the value of the goods.

4. Extra costs of reinstatement

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

5. Extra costs of reinstatement: Heritage building

If **you** are insured under this **Cover Section** on a reinstatement or replacement basis for loss or damage to any **building** that is subject to any heritage listing or protection and **you** choose to rebuild, replace or repair the **building** at the same location, **we** will pay the extra costs of repairing, replacing, or reinstating the **building**, that are related to obtaining special materials or employing specialised labour to match up or reproduce unique or distinctive ornamental or architectural features of the **building** to comply with standards imposed by any lawful heritage protection authority.

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

6. Conditions which apply to Extra costs of reinstatement

The following conditions apply to clause 4 "extra costs of reinstatement"

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

Our total liability under this clause 4 'Extra cost of reinstatement' will be limited to the balance of the **Limit of Indemnity**.

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

7. Loss of floor space

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

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

We will, in addition to the amount payable to reinstate such **building** on the basis set out in clauses 1 and 4 above, pay **you** the difference between:

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

Provided that **our** total amount payable under this 'Loss of floor space' shall not exceed the **Insured amount** in respect of the building/s which are the subject of the claim.

8. Output replacement for equipment, machinery or plant

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

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

9. Stock

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

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

Extensions of cover

Following **damage** covered by this **Cover section** to **Buildings** or **Contents** at **your premises**, **we** will increase the **total insured amount** by the amounts specified in the Extension of Cover below. For the sake of clarity, the **Limit of Indemnity** at the **premises** will be adjusted in accordance with any such increase to the **total insured amount**.

1. Capital additions

If **buildings** or **contents**, excluding **stock**, are insured **we** will extend cover to include any new alterations, additions and improvements, but not appreciation in value, in excess of the **insured amounts** to property as shown on the **Policy schedule**.

We will pay no more than:

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

whichever is the lesser amount.

For example:

If **your business** is retail, and the **contents** of **your** rented shop are insured for \$150,000 and **you** are refitting the shop shelving and service counters, **we** will not pay more than \$30,000 (20% of \$150,000), as this amount is less than \$500,000. Capital additions are not to be confused with repairs.

You should advise **us** when there is a change in the construction of or alteration to **your premises**

2. Catastrophe inflation protection

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

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

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

For example, if **your insured amount** for **buildings** was \$1,000,000 **we** would pay up to an extra \$200,000 (20% of \$1,000,000). However, this Extension of cover does not operate to increase the **total insured amount** for the purposes of calculating the application of any Extra cover or Additional benefits or the underinsurance provision in this **Cover Section**.

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

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

We will not pay any claim under this Extension of cover if the **Policy schedule** shows the **building** as being insured for 'Indemnity'.

3. Seasonal increase in stock

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

If however, the **insured amount** in respect of **stock** is included in **your contents insured amount** **we** will only apply the seasonal increase to that portion of **your contents insured amount** which relates to **stock**.

Extra covers

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

Unless stated otherwise below, any amounts payable under these Extra covers apply in addition to the **total insured amount** but will not exceed the **Limit of Indemnity**.

1. Loss of perishable food stock without damage

We will, to an extent not exceeding the value of perishable food **stock** and/or merchandise following loss or damage to **property insured** covered by this Property Damage cover section, also agree to treat as damaged the loss sustained by **you** resulting from the deterioration of such undamaged food **stock** due to **your** inability to process it in the normal way and in a timely manner or through alternative outsourcing arrangements. **We** will pay up to \$10,000 any one **event**.

2. 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 \$50,000 any one **event**.

3. Environmental Upgrade

If **you** elect to repair or replace property that is lost, damaged or destroyed during the **period of insurance** using or with more environmentally friendly technology, products or materials that improve the energy or water efficiency of the property, **we** will pay up to 10% more than the amount **we** would otherwise have paid to repair or replace the item that is being upgraded subject to a maximum cost of \$10,000 for each claim.

4. Expediting Expenses

We will pay for reasonable costs and expenses incurred by **you** for express carriage rates and extra payments for overtime, night, Sunday or holiday working incurred in connection with the repair, replacement or reinstatement of the **property insured** that suffered **loss** or **damage**.

Provided that **we** will not pay more than:

- (a) 50% of the cost of repairing, replacing or reinstating the property insured; or
- (b) \$25,000

whichever is the lesser for each claim.

5. Floating stock

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

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

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

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

For the sake of clarity, the **Limit of Indemnity** at the **premises** subject to the temporary transfer of **stock** will be adjusted in accordance with this **Cover Section**.

Worked Claims Example

'Floating stock' cover allows you to move any value of stock between your premises, for the purpose of sale, without notifying us of the change in each individual premises and as long as your individual stock levels, at each of your insured premises, does not exceed your total stock insured amount during any one period of insurance.

	Normal stock trading records	Stock values at the time of loss
Premises A	\$100,000	\$30,000
Premises B	\$100,000	\$50,000
Premises C	\$150,000	\$270,000 [Fire damage]
Total Stock amount insured	\$350,000	\$350,000

6. Government fees

If any of **your property insured** is destroyed or damaged, **we** will pay any fee, contribution or other impost payable to any other Government, Local Government or other Statutory Authority where payment of the fee, contribution or impost is necessary to the obtaining of consent to reinstate any **property insured** provided that **we** will not be liable for payment of any fines and/or penalties imposed upon **you** by any such authorities.

The cost of government fees is included in the **insured amount** for **buildings, contents** or **stock**. If the **insured amount** is exhausted, the most **we** will pay under this Extra cover is \$10,000 any one event.

7. Landscaping

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

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

We will not pay more than \$50,000 or 20% of the **insured amount**, whichever is the lesser, at the **premises** in respect of any one **event**, in restoring landscape grounds to their original appearance when first laid out and planted, but **we** will not pay for costs arising due to the failure of trees, shrubs, plants, turf and the like to germinate or become established. This Extra cover is included in the **insured amount** for the **buildings**.

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

8. Loss of land value

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

We will not pay more than:

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

whichever is the lesser.

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

9. Playing surfaces

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

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

10. Professional fees

We will pay the reasonable cost of surveyors', architects' and other professional fees for estimates, plans, specifications, quantities, tenders and supervision, incurred in the repair or replacement of lost or damaged **buildings**. The cost of professional fees is included in the **Insured amount** of the lost or damaged **buildings**. If the **Insured amount** has been exhausted, **we** will pay up to \$10,000 any one **event**.

11. Removal and disposal of trees and branches

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

We will remove a standing tree or branch that formed part of a tree that caused the insured damage if:

- (a) **we** agree that the remaining tree or branch is unsafe;
- (b) the remaining tree or branch became unsafe as a direct result of the **event** covered under this **Cover Section** causing damage to the tree, and
- (c) all necessary approvals have been obtained and removal of the tree or branch would not result in a breach of any laws, by-laws, regulations or contractual obligations.

We will remove a stump that formed part of the tree that caused the insured damage only if:

- (a) all necessary approvals have been obtained and removal of the stump would not result in a breach of any laws, by-laws, regulations or contractual obligations, and
- (b) (b) not removing the stump would interfere with repairing or replacing the damaged part of the **premises** is required to settle **your** claim.

12. Removal of debris including necessary temporary repairs

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

We will pay **you** up to the greater of:

- (a) \$100,000 or 20% of the **Total Insured Amount** on **buildings, contents** and **stock**, shown on the **Policy schedule**, whichever is the greater.

If (a) is insufficient to cover the reasonable costs detailed above, and **you** have not otherwise exhausted **your Total Insured Amount**, **we** will pay up to the remaining balance of the **Total Insured amount**. If the **Limit of Indemnity** is not otherwise exhausted, **we** will additionally pay up to 5% of the **Limit of Indemnity** in addition to the **Limit of Indemnity**;

or

- (b) the amount shown on the **Policy schedule** for removal of debris.

If (b) is insufficient to cover the reasonable costs detailed above, and **you** have not otherwise exhausted **your Total Insured Amount**, **we** will pay up to the remaining balance of the **Total Insured amount**.

Any amount specified in (b) will be added to the **Total Insured Amount**. For the sake of clarity, the **limit of indemnity** will be adjusted in accordance with such an increased **Total Insured Amount**.

13. Rewriting of records

We will pay the reasonable costs of restoring the **data** stored on **media** or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the records for business books, plans, computer records, patterns and other business records that are damaged and **your business** records are stored at **your premises**.

We will not pay for any loss arising from such lost **data** or records or restored **data** or records.

14. Taking inventory

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

This Extra Cover is included in the **Insured amount** for the **contents** and **stock**.

15. Undamaged portions of buildings

When a damaged **building** has to be rebuilt at a location other than the **premises** because the requirements of any lawful authority prevent the reinstatement of the **building** including the foundations and services, then the abandoned undamaged portion of the **building** shall be deemed to be destroyed.

Provided that, if the presence of such undamaged portion of the **building** increase the value of the original site, the increased sale value shall be regarded as salvage and the amount thereof shall be payable to **us** by **you** upon completion of the sale of the site or shall be deducted from the total amount otherwise payable by **us** under this **Cover Section**, whichever shall first occur.

Should the site not be sold, then the increased site value, when applicable shall be agreed between **you** and **us**, or in default, **we** and **you** shall submit to arbitration and be bound by the decision of the arbitrator.

16. Metered water charges

We will pay the additional costs levied on **you** by a Water Company or Authority for metered water usage arising from the escape and loss of water at the **premises** following a theft or attempted theft of parts of the **building** when **buildings** are insured.

Our payment for any one loss shall not exceed the lesser of seven (7) days or \$15,000. If **you** are also insured under the 'Theft cover section', the benefits payable under this Extra Cover 17. 'Metered Water Charges' shall not be cumulative. The Limit of Reinstatement for the **building** is not increased by this Extra Cover.

Our payment will be calculated on the amount of the suppliers charges for the period during which damage occurs, less the charge paid by **you** for the corresponding period in the preceding year, adjusted for charges and for variations affecting consumption by **you** during the intervening period.

We will not pay for such charges incurred in respect of any **building** which is unoccupied.

Additional benefits

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

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

1. Costs related to damage to glass in vacant buildings

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

- (a) the cost of temporary shuttering pending replacement of the broken **glass**;
- (b) the costs incurred in replacing reflective materials and burglar alarm tapes and connections attached to the **glass**;
- (c) the cost incurred in repairing or replacing damage to window, door or showcase frames and their fittings, but not to bars, grilles or shutters; or
- (d) the cost incurred in repairing or replacing tiles on shop and office fronts and immediately around the **glass**.

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

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

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

We will not pay for the breakage of:

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

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

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

The **excess** that applies to this Additional benefit is:

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

whichever is the higher.

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

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

We will not pay more than \$6,000 for any one person for any one **event**. Any amount **we** pay for this Additional benefit will be included in the **contents insured amount**.

3. Fire Brigade attendance fees

We will pay up to \$100,000 any one **event** for any statutory charges payable by **you** to a fire brigade or firefighting authority for attendance at a fire or chemical emergency involving **property insured** and for the cost of refilling **your** firefighting appliances used in putting out a fire at or adjoining the **premises** and threatening the **property insured**, during the **period of insurance**.

The **excess** that applies to this Additional benefit is \$500.

4. Limited transit cover

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

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

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

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

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

5. Prevention of imminent damage (in addition)

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

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

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

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

6. Rewriting of records

We will pay the reasonable costs of restoring the **data** stored on **media** or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the records for **business** books, plans, computer records, patterns and other **business** records that are damaged and **your business** records are stored away from **your premises** anywhere in the Commonwealth of Australia.

We will pay up to \$25,000 or any higher amount for Rewriting of Records shown in the current **Policy schedule**.

7. Temporary cover for new premises

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

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

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

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

We will not cover **you** under this Additional benefit for any loss or damage at the new **premises** that occurs more than 90 days after **you** first occupy the new **premises**.

8. Temporary removal of stock and contents

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

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

We will not pay for loss of or damage to:

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

9. Trace and access

We will pay the reasonable costs incurred to detect the point of bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems, during the period of insurance, at the **premises** used to hold or carry liquid or gas provided that the bursting, leaking, discharging or overflowing has caused or may reasonably be expected to cause damage to **property insured**.

We will cover the cost of reinstating parts of the property necessarily disturbed to locate the source of the problem but **we** will not cover the cost of repairing or reinstating any such apparatus, appliance, tanks, pipes or repair which has failed due to age, wear and tear, faults in material or faulty workmanship by the installer.

10. Theft of part of the building

If **you** own but do not occupy a **building** at the **premises** shown as insured under this **Cover Section** in the **Policy schedule**, **we** will cover **you** for the theft of parts of the **building**.

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

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

Optional extensions

1. Flood

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

2. Strata title mortgagee(s) interest

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

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

We will pay the mortgagee the lowest of:

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

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

We only pay a claim if:

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

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

Exclusions

1. **We will not cover you** under this **Cover section** for any loss or damage caused by or occasioned through mechanical, hydraulic, electrical or electronic **breakdown** (**breakdown** as defined in the Machinery breakdown and electronic equipment cover section), failure, malfunction or derangement of any machine or electrical or electronic device or temperature controlling equipment, including the deterioration of refrigerated **stock**, as otherwise insured or could be covered under the **Machinery breakdown and electronic equipment Cover section** of this **Policy**.
2. **We will not cover you** under this **Cover section** for **money** as defined and covered or which could be covered in the **Money cover section**, provided that this exclusion does not apply to that amount as defined as **contents**.
3. **We will not cover you** under this **Cover section** for **business** property while in transit as defined and covered or which could be covered in the **Goods in Transit cover section**, except as provided for under Additional Benefit 4 Limited transit cover.
4. **We will not cover you** under this **Cover section** for **Glass** or signs as defined and covered or which could be covered in the **Glass cover section** other than damage caused by:
 - (i) fire, storm, wind, rain, hail, lightning, explosion, implosion, earthquake, impact by vehicles or **animals, aircraft** and other aerial devices and/or articles dropped from them, riots or civil commotion, persons acting maliciously or earthquake; or
 - (ii) except where **you** are a tenant of a **building** and **you** are required by the lease to insure **glass**;
5. **We will not cover you** under this cover section for **theft** as defined and covered or which could be covered in the **Theft Cover section** except as provided for under Additional benefit 10 Theft of part of the building.

Provided that this exclusion does not apply to physical loss of or damage to **property insured** at the **premises** occurring during theft or any attempted theft.

6. **We will not cover you** under this **Cover section** for loss or damage caused by:
 - (a) wear and tear, gradual deterioration, scratching, denting, chipping, marring, developing flaws, normal upkeep or any gradual cause provided that this exclusion shall not apply to subsequent loss, destruction of or damage to the **Property Insured** occasioned by a peril (not otherwise excluded) resulting from any **event** or peril referred to in this exclusion;
 - (b) corrosion, rust, oxidation, any form of **fungus**, wet or dry rot, dampness of atmosphere, variation in temperature, evaporation, disease, shrinkage;
 - (c) change in colour, flavour, texture or finish;
 - (d) inherent vice or latent defect;
 - (e) loss of weight or exposure to light;
 - (f) creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in buildings, pavements, roads, car parks and the like;
 - (g)
 - (i) error or omission in design, plan or specification or failure during testing;
 - (ii) faulty materials or workmanship;Provided that this Exclusion 6(g) shall not apply to subsequent loss or damage to **your property insured** (not otherwise excluded) resulting from an event referred to in this exclusion 6(g);
 - (h) infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by **you** or any **employee**;
 - (i) erosion, subsidence, landslip or mudslide or any other type of earth movement but **we** will cover loss or damage caused by a landslide or subsidence that occurs within 72 hours of, and directly because of, a storm, earthquake, subterranean fire, volcanic eruption or water escaping from a water main owned by a water supply authority;
 - (j) demolition ordered by any lawful authority as a result of failure by **you** to comply with any lawful requirement;
 - (k) the action of the sea, storm surge or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance;
 - (l) **flood** unless **Flood** is shown as covered on the **Policy schedule**.

7. **We will not cover you** under this **Cover section** for loss or damage caused by:
 - (a) 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;
 - (b) the cessation of work (whether total or partial), interruption or retarding of any process or operation as a result of any industrial dispute;
 - (c) data processing or media failure or breakdown or malfunction of a processing system including operator entry or omission;

- (d) 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;
- (e) **computer virus**;
- (f) the gaining of unauthorised access to **your** computer via any communication system by any person other than **you** or **your** directors, partners, **employees**, officers or any other person who has an interest in the property;
- (g) an electrical device (including wiring) caused by a surge in electrical current;
- (h) the operation or presence of any computer program that alters or erases **data** or programs in a manner that is undesired by **you**;
- (i) the actual breaking, seizing, deformation or melting of any part of the **property insured** while it is in use that is caused by mechanical, electrical or electronic defect that results in sudden and total loss of operation that requires repair or replacement before the **property insured** can resume normal operation;
- (j) explosion or implosion of any pressure vessels (including any boilers) (other than a pressure vessel used solely for domestic purposes) and that have a value of more than \$250,000:
 - (i) where the load on the safety valve upon the particular pressure equipment was in excess of the manufacturer's specification at the time of any damage;
 - (ii) where any safety valve limiting pressure was removed or rendered inoperative;
 - (iii) due to the failure of the supply of water, gas, electricity or fuel.

Provided that **we** will pay for any damage to **property insured** that is not otherwise excluded that results from damage caused directly by or arising directly from any of these causes described in (i), (ii) and (iii) above.

Provided further that this exclusion does not apply to pressure Vessels used solely for domestic purposes.

8. **We** will not cover **you** under this **Cover section** for loss or damage caused:

- (a) to **property insured** where the loss or damage results from processing or manufacture of the insured property;
- (b) to any **building, contents** and **stock** if the **building** is vacant awaiting or undergoing demolition, unless **we** have agreed otherwise;
- (c) to plants, or growing crops;
- (d) by the actions of birds, moths, termites or other insects, vermin or rodents or damage caused by their urine or excrement;
- (e) by **animals** pecking, biting, clawing, scratching, tearing or chewing **your property insured** at the **premises**, provided that this exclusion shall not apply in respect to damage by an **animal** that gives rise to subsequent loss or damage to **your property insured** occasioned by a fire, explosion or water damage only.

9. **We** will not cover **you** under this **Cover section** for loss or damage caused by or arising from:

- (a) any legal liability **you** have other than the legal liability that is covered by the Extra cover 12 'Removal of debris';
- (b) the incorrect layout or placement of **buildings** as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any lawful authority;
- (c) any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;
- (d) 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;

10. **We** will not cover **you** under this **Cover section** for loss or damage caused by:

- (a) a named cyclone named by the Bureau of Meteorology where the damage occurs within 72 hours from the commencement of this policy; or

(b) a bushfire occurring within 72 hours from the commencement of this policy,

unless this policy commenced:

- (i) immediately after another insurance policy, covering the same risk expired (the policy did not expire if it was cancelled) without a break in cover; or
- (ii) the day you entered into a contract of sale to purchase the **property**; or
- (iii) the day you entered into a contract to lease the **property**.

Limitations on cover which apply if you have cover under this Cover Section

Earthquake

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

Storm, rainwater, wind, hail or snow

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

Cover Section conditions

These conditions apply to all covers and claims under this **Cover Section**.

1. Leased building clause

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

2. Reinstatement

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

3. Inflation protection

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

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

The **insured amounts** **you** nominate under the Property Damage cover section must accurately reflect the full Replacement Cost of **your Business** property.

4. Release

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

5. Storage premises

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

6. Tenant's actions

If a tenant of **yours** or a tenant of **your** landlord (but not **you**) without **your** consent, causes or contributes to any loss or damage covered by this **Cover section** which is in breach of any terms or conditions, **we** will cover **you** for **your** loss or damage as per this **Cover 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;
- (c) **you** agree to pay a reasonable increase in premium for the additional risk.

7. Under-insurance

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

For each claim settled on a reinstatement or replacement basis, **we** will not be liable for more than that proportion of damage which the **Limit of Indemnity** bears to eighty per cent (80%) of the full insurable value of the **Buildings, Contents, Stock** and Specified Items at the time of commencement of the **Period of Insurance**.

This is subject to the following:

- (a) this condition does not apply if the amount of any loss or damage (net of any **input tax credit** that **you** could claim) is less than 10% of the total **Limit of Indemnity** shown on the **Policy schedule** at the **premises**.
- (b) any additional costs incurred to comply with the requirements of any statutory authority, by-laws or regulations shall be omitted from the calculation of **our** proportion.
- (c) **our** liability is limited to the **Limit of Indemnity** at the **premises** as shown in the **Policy Schedule**.

See the worked dollar example below for an example of how underinsurance will apply to reduce the amount **we** will pay for claims under this **Cover section**.

Worked dollar examples

The following worked dollar examples are designed to assist you in understanding some of the important benefits in this Cover section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. The following examples should be used for general guidance only. Note that the following examples do not take into account your Input Tax Credit Entitlement.

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

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

How much we pay		Further information
Cost of repairs	\$50,000	We normally decide the building is repairable if the cost of repairing the building is less than the insured amount (in this example the insured amount for buildings is \$380,000).
Cost of removal of debris	+\$30,000	In addition to the damage to the building, the storm has created building debris that requires cleaning up and removal. Unless you have nominated a greater amount, the most We will pay under the removal of debris benefit \$100,000 or 20% of the Total Insured Amounts for Building, Stock and Contents in addition to any total insured amount. However, as the total insured amount has not been exhausted, We will pay up to any unexhausted amount remaining from the total insured amount of the debris cost, which in this case is \$30,000.
Less excess	-\$250	We deduct this from the amount we pay. We may require you to pay this amount directly to the repairer.
Total claim	\$79,750	We normally pay this amount directly to the repairer.

Underinsurance

In the above example, if the actual replacement value of the building at the time the policy was entered into was \$580,000 but you had only insured the building, contents and stock for \$400,000 the amount We pay will be reduced in accordance with the underinsurance condition in this Cover Section.

The amount We would pay will be calculated as follows:

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

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

How much we pay		Further information
Cost of repairs	\$1,000,000	We normally decide the building is repairable if the cost of repairing the building is less than the insured amount (in this example the insured amount is \$2,500,000).
Cost of removal of debris	+\$40,000	In addition to the physical building damage there is also building debris that requires cleaning up and removal. Unless you have nominated a greater amount, the most we will pay under the removal of debris benefit is \$100,000 or 20% of the Total Insured Amounts for Building, Stock and Contents in addition to any total insured amount in addition to any unexhausted amount of the total insured amount. However, as the total insured amount has not been exhausted, we will pay up to any unexhausted amount remaining from the total insured amount.
Less excess	-\$10,000	Since the damage is caused by an earthquake, an excess of 1% of the insured amount of the loss or damage (up to a maximum of \$20,000) applies. In this example 1% of the insured amount of the loss to the buildings is \$10,000. We may ask You to pay this amount directly to the repairers.
Total claim	\$1,030,000	We normally pay this amount directly to the repairers.

Definitions

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

Catastrophe

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

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

Limit of Indemnity

120% of the **total insured amount** for a particular **premises** the amount of which is also subject to any increase as specifically provided under the 'Catastrophe inflation protection' extra cover or any other amount for 'Limit of Liability' agreed by **us** and specified in the **Policy Schedule** for the particular **premises**.

Specified items

Each item of property that is specifically described on the **Policy schedule** for this **Cover Section**.

Total Insured Amount

The total of all insured amounts for **buildings, contents, stock** and **specified items** for a particular **premises** as shown on the **Policy schedule**.

Business interruption cover section

About this section

This cover section only forms part of **your Policy** when Business interruption is shown under 'What's Covered' in the **Policy schedule**.

There are three covers available in this **Cover Section**:

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

Your Policy schedule indicates which of the above Cover section has been selected by **you** and is subject to the General exclusions on pages 20 to 21, and this **Cover Section** exclusions.

If **you** do not insure for **your** actual Gross Profit or Revenue values in this **Cover Section** **you** may not receive full compensation in the event of a claim under this **Cover Section**.

Insurable gross profit basis

What You are covered for

In the event of interruption of or interference with **your business** in consequence of **damage** to any **property insured** or any part thereof used by **you** at the **premises** for the purpose of **your business**, **we** will pay **you** the amount of the loss resulting from such interruption or interference which comes under any of the items 1-5. shown below and which are selected by **you** and shown in the current **policy schedule**.

Provided that:

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

Insurance on an insurable gross profit basis provides protection with regard to loss under:

Item 1. Gross profit (if selected).

Item 2. Additional increase in cost of working (if selected).

Item 3. Accounts receivable (if selected).

Item 4. Claim preparation and proving expenses (if selected).

Item 5. Rent receivable (if selected).

What we pay

Item 1. Gross profit

This item is limited to the loss of **gross profit** due to a reduction in **turnover** and the increase in **your** cost of working. The amount payable as indemnity under this item will be:

- (a) in respect of reduction in **turnover**:

the sum produced by applying the **rate of gross profit** to the **shortage in turnover** during the **indemnity period**; and

- (b) in respect of the increase in cost of working:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** which, but for the additional expenditure, would have taken place during the **indemnity period** in consequence of the **damage**, but not exceeding the sum produced by applying the **rate of gross profit** to the amount of reduction thereby avoided;

less any sum saved during the **indemnity period** in respect of such charges and expenses of **your business** payable out of **gross profit** as may cease or be reduced in consequence of the **damage**.

Under-Insurance

Provided that if the **insured amount** for loss of **gross profit** at the commencement of each **period of insurance** is less than the sum produced by applying the **rate of gross profit** to eighty percent (80%) of the **annual turnover** (or its proportionately increased multiple where the **indemnity period** exceeds twelve months), the amount payable for loss of **gross profit** only will be reduced so that **we** will be liable for no greater proportion of the loss under this item than that which the **insured amount** bears to eighty percent (80%) of the **annual turnover** (or its proportionately increased multiple, if appropriate).

This provision will not apply if **your** claim is for less than 10% of the **insured amount** for the item.

Item 2. Additional increase in cost of working

See common clauses.

Item 3. Accounts receivable

See common clauses.

Item 4. Claim preparation and proving expenses

See common clauses.

Item 5. Loss of rent receivable

The amount payable under this item will be:

(a) in respect of loss of **rent receivable**:

the amount by which the **rent receivable** during the **indemnity period** falls short of the **standard rent receivable**, in consequence of the **damage**; and

(b) in respect of additional expenditure:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **rent receivable** which, but for that expenditure, would have taken place during the **indemnity period** in consequence of the **damage**, but not exceeding the amount of the reduction in **rent receivable** thereby avoided;

less any sum saved during the **indemnity period** in respect of such of the expenses and charges payable out of the **rent receivable** as may cease or be reduced in consequence of the **damage**.

Under-insurance

Provided that if the **insured amount** for this item 5, at the commencement of each **period of insurance**, is less than eighty percent (80%) of the **annual rent receivable** (or its proportionately increased multiple where the **indemnity period** exceeds twelve months), the amount payable will be reduced so that **we** will be liable for no greater proportion of the loss under this item than that which the **insured amount** bears to eighty percent (80%) of the **annual rent receivable** (or its proportionately increased multiple, if appropriate). This provision will not apply if **your** claim is for less than 10% of the **insured amount** for this item.

Annual revenue basis

What You are covered for

In the event of interruption of or interference with **your business** in consequence of **damage** to any **property insured** or any part thereof used by **you** at the **premises** for the purpose of **your business**, **we** will pay **you** the amount of the loss resulting from such interruption or interference which comes under any of the items 1-4. shown below and which are elected by **you** and shown in the current **Policy schedule**.

Provided that:

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

Insurance on an annual revenue basis provides protection with regard to loss under:

Item 1. Revenue (if selected).

Item 2. Additional increase in cost of working (if selected).

Item 3. Accounts receivable (if selected).

Item 4. Claim preparation and proving expenses (if selected).

What we pay

Item 1. Revenue

This item is limited to the loss of **revenue** and increase in the cost of working. The amount payable as indemnity under Item 1 will be:

(a) in respect of the loss of **revenue**:

the amount by which the **revenue** earned during the **indemnity period** falls short of the **standard revenue**, in consequence of the **damage**; and

(b) in respect of the increase in cost of working:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **revenue** which, but for the additional expenditure, would have taken place during the **indemnity period** in consequence of the **damage**, but not exceeding the amount of reduction in **revenue** thereby avoided.

We will reduce the amount **we** will pay by the amount saved during the **indemnity period** for charges and expenses of **your business** which cease or are reduced as a consequence of the loss or **damage** covered by this **Cover Section**.

Under-Insurance

Provided that if the **insured amount** for loss of **revenue** is less than eighty percent (80%) of the **annual revenue**, the amount payable will be reduced so that **we** will be liable for no greater proportion of the loss under this item than that which the **insured amount** bears to eighty percent (80%) of the **annual revenue**.

This provision will not apply if your claim is for less than 10% of the **insured amount** for this item.

Item 2. Additional increase in cost of working

See common clauses.

Item 3. Accounts receivable

See common clauses.

Item 4. Claim preparation and proving expenses

See common clauses.

Weekly revenue basis

What You are covered for

In the event of interruption of or interference with **your business** in consequence of **damage** to any **property insured** or any part thereof used by **you** at the **premises** for the purpose of **your business**, **we** will pay **you** the amount of the loss resulting from such interruption or interference which comes under any of the items 1.-4. shown below and which are selected by **you** and shown in the current **policy schedule**.

Provided that:

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

Insurance on a weekly revenue basis provides protection with regard to loss under:

Item 1. Weekly Revenue (if selected).

Item 2. Additional increase in cost of working (if selected).

Item 3. Accounts receivable (if selected).

Item 4. Claim preparation and proving expenses (if selected).

What we pay

Item 1. Weekly revenue

This item is limited to the loss of **weekly revenue** and the amount payable as compensation under this item will be the amount by which the **weekly revenue** during the **indemnity period** falls short of the **standard weekly revenue** in consequence of the **damage**.

Item 2. Additional increase in cost of working

See common clauses.

Item 3. Accounts receivable

See common clauses.

Item 4. Claim preparation expenses

See common clauses.

We will not pay any claim under this **Cover Section** where the interference or interruption to **your business** is for a period of less than three (3) full continuous days.

Common clauses to insurable gross profit basis, annual revenue basis and weekly revenue basis

The following clauses are applicable:

Accumulated stocks

In adjusting any loss, account will be taken and equitable allowance made if any reduction in **turnover** or loss of **revenue** or **weekly revenue** in consequence of the **damage** is postponed by reason of the **turnover** or **revenue** or **weekly revenue** (as the case may be) being temporarily maintained from accumulated stocks of finished goods.

Alternative trading

If during the **indemnity period**, goods are sold, work is performed or services are rendered elsewhere than at the **premises** for the benefit of **your business** either by **you** or by others acting on **your** behalf, the money paid or payable in respect of such sales, work or services will be brought into account in arriving at the **turnover**, **revenue** or **weekly revenue** (as the case may be) during the **indemnity period**.

Departmental

We will apply the cover provided by this **Cover Section** to each department of **your business** separately, if **your** business is conducted in departments, and each department has independent trading results which are ascertainable. For the purposes of this clause, the **rent receivable** from letting of property at the **premises** will be regarded as the proceeds of one such department.

Insured amount

Our liability for payment of loss resulting from interruption or interference with **your business** covered under this **Cover Section** will in no case exceed the **insured amount** shown in the current **Policy schedule** for that item. 'Extra covers' and 'Additional benefits' are within the total **insured amount** of this **Cover Section** and not additional to the total **insured amount**.

If **you** have chosen **weekly revenue**, **we** will not pay more each week for loss of weekly revenue than the **weekly benefit**.

Item 2. Additional increase in cost of working

The insurance under this Item is limited to increase in cost of working (not otherwise recoverable hereunder) necessarily and reasonably incurred during the **indemnity period** in consequence of the **damage** for the purpose of avoiding or diminishing reduction in **turnover**, **revenue** or **weekly revenue** and/or resuming and/or maintaining normal business operations and/or services.

We will not pay more than:

- (a) \$25,000; or
- (b) the **insured amount** for 'Additional increase in cost of working' shown in the **Policy schedule** whichever is the greater, for any one claim which comes under Item 2. Additional increase in cost of working and is covered under this **Cover section**.

Item 3. Accounts receivable

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

- (a) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the **damage** occurs;

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

We will not pay more than:

- (a) \$7,500; or
- (b) the **insured amount** for 'Outstanding Accounts Receivable' shown in the **Policy schedule** whichever is the greater, for any one claim under this Item 3. Accounts receivable.

Item 4. Claim preparation and proving expenses

In addition to the amount payable under General Claims Condition 14(d) 'Claim preparation expenses' of this **Policy**, **we** will pay **you** up to \$10,000 or the amount shown in the **Policy schedule** for the costs of such reasonable professional fees as may be payable by **you** and other such reasonable expenses necessarily incurred by **you** and not otherwise recoverable, for preparation and negotiation of claims under this **Cover section**.

Government incentives

The words **gross profit**, **revenue** and **weekly revenue** include the loss of any Government approved incentives, subsidies or market development allowances **you** are or would have been entitled to in relation to **your business**. **We** will pay for the reduction in your **gross profits**, **revenue** or **weekly revenue** in relation to your **business** where such interruption results from the loss of Government approved incentives, subsidies or market development allowances to which **you** would have been entitled.

New business

In the event of **damage** occurring at the **premises** before the completion of the first year's trading of **your Business**, the defined terms 'Annual Turnover', 'Rate of Gross Profit', 'Standard Turnover', 'Annual Revenue', 'Standard Revenue', and 'Standard Weekly Revenue' shall instead have the following meanings wherever they appear in this **Cover section**:

'Annual Turnover' means the actual **turnover** achieved during **your** first year of operations, from the commencement of your **business** to the date of the **damage**, converted to a 12-month equivalent figure.

'Rate of Gross Profit' means the proportion that the **gross profit** bears to the **turnover** during the period between the date of commencement of **your business** and the date of the **damage**.

'Standard Turnover' means the **turnover** achieved between the date of commencement of **your business** and the date of the **damage**, converted to the selected **indemnity period**.

'Annual Revenue' means the actual **revenue** achieved during **your** first year of operations, from the commencement of **your business** to the date of the **damage**, converted to a 12-month equivalent figure.

'Standard Revenue' means the **revenue** achieved between the date of commencement of **your business** and the date of the **damage**, converted to the selected **indemnity period**.

'Standard Weekly Revenue' means the amount calculated by averaging the **weekly revenues** obtained during the period from the date of the commencement of **your business** to the date of the **damage**.

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

Salvage sale

If, following **damage** giving rise to a claim under this **Cover section**, you hold a salvage sale during the **indemnity period**:

(a) Clause (a) of Item 1 'Gross Profit' of this **Cover section** shall, for the purpose of such claim, read as follows:

In respect of reduction in **turnover**: the sum produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** (less the **turnover** for the period of the salvage sale) shall, in consequence of the **damage**, fall short of the **standard turnover**, from which shall be deducted the **gross profit** actually earned during the period of the salvage sale.

(b) The definition of **shortage in turnover** shall, for the purpose of such claim, mean: the amount by which the **turnover** during a period (less the **turnover** for the period of the salvage sale) shall, in consequence of the **damage**, fall short of the part of the **standard turnover** which relates to that period, from which shall be deducted the pay-roll paid out of the proceeds of the salvage sale.

Turnover output

Where 'Business Interruption' has been selected and in the event of **damage** giving rise to a claim under this **Cover section**, at **your** option, the term 'output' may be substituted for the term '**turnover**'.

Provided that only one such term ('**turnover**' or 'output') shall be operative in connection with any one **event** involving **damage**.

For the purpose of this **Cover section**, 'Output' shall mean the sale and/or invoice value of goods manufactured and/or processed by **you** in the course of **your business** at the **premises**.

If **you** select the cover available under this clause and substitute the term 'output' for the term 'turnover', the clause headed 'Alternative Trading' shall be altered to read as follows:

If during the **indemnity period**, goods are sold, work is performed or services are rendered elsewhere than at the **premises** for the benefit of **your business** either by **you** or by others acting on **your** behalf, the money paid or payable in respect of such sales, work or services will be brought into account in arriving at the **output** during the **indemnity period**.

Under-Insurance Not Applying

If the insured amount shown in the **Policy schedule** for:

- (a) **Insurable Gross Profit** basis; or
- (b) **Annual Revenue** basis

has been calculated using a Business Interruption Calculator approved by **us** and **your** GST exclusive sales income figures from **your** Business Activity Statement are as stated in the calculation from the approved calculator, then the under-insurance within "What we will pay" will not apply.

Vero Insurance cannot and does not guarantee the accuracy of the Business Interruption calculators in regards to **your** business' circumstances.

Extra covers

This **Cover Section** is extended to include the following Extra covers. The Extra covers 1 to 5 inclusive are payable provided that the **insured amount** expressed against the relevant item(s) in the **Policy schedule** is not otherwise exhausted.

1. Contractual damages

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

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

The amount payable shall not exceed 20% of the total **insured amount** for **gross profit**.

2. Explosion of pressure vessels

We will treat the self-explosion or collapse of pressure vessels, including boilers, compressors or economisers at the **premises** as **damage** for the purposes of this **Cover Section**.

3. Extension of the indemnity period

When Extra Cover 2 'Catastrophe inflation protection' in the Business Property cover section applies and the **indemnity period** stated in the **policy schedule** is 12 months or more, **we** will increase the **indemnity period** by a further 3 months providing that **you** undertake the reinstatement of **your business** at the existing or alternative premises.

This increase in **your indemnity period** is in recognition of the delays and difficulties experienced in the aftermath of such **events** and which extend the period in which the results of any business are affected in consequence of the **damage**. This Extra cover does not increase the **insured amount** applicable to the cover selected by **you** and shown in the **Policy schedule**.

4. Infectious disease

We will cover **you** for interruption to or interference with **your business** due to closure or evacuation of the whole or part of the **premises** during the **period of insurance**:

- (a) by order of a competent government, public or statutory authority as a result of bomb threat, vermin or pests or defects in the drains or other sanitary arrangements, occurring at the **premises**;
- (b) as a result of an outbreak of an infectious or contagious human disease occurring within a 20-kilometre radius of the **premises**, however there is no cover for highly pathogenic Avian Influenza or any biosecurity emergency or human biosecurity emergency declared under the Biosecurity Act 2015 its subsequent amendments or successors irrespective of whether discovered at the **premises**, or outbreaks elsewhere;
- (c) as a result of injury, illness or disease caused by the consumption of food or drink supplied at or from the **premises** during the **period of insurance**;
- (d) as a result of murder or suicide occurring at the **premises**; or
- (e) as a result of shark or crocodile attack occurring within a 20-kilometre radius of the **premises** during the **period of insurance**.

We will not pay any claim that is directly or indirectly caused by or arises from, or is in consequence of or contributed to the cleaning, repairing or checking of **your premises**

5. Motor vehicles owned or operated by You

We will cover **you** for interruption to **your business** that is caused by or results from **damage** during the **period of insurance** to any **business** registered **vehicles** or trailers owned or operated by **you**, while such **vehicles** are at **your premises** or at other premises in Australia but not on a public thoroughfare.

6. Prevention of access

We will cover **you** for interruption to **your business** that is caused by or results from **damage** to property within a fifty (50) kilometre radius of the **premises** which shall prevent or hinder the use of or access to the **premises** provided that:

- (a) such damage to property would have been covered under the Property damage cover section if the property had been insured under that **Cover Section**;
- (b) the damage prevents or hinders the use of or access to the **premises**; and,
- (c) the damage results in interruption of or interference with **your business**.

7. Prevention of access by a Legal Authority

We will cover **you** for interruption to **your business** that is caused by an order of any legal authority which prevents or restricts access to the **premises** provided that the order results from the threat of damage to property or persons within a fifty (50) kilometre radius of the **premises**.

We will not cover any loss related to the highly pathogenic Avian Influenza or any biosecurity emergency or human biosecurity emergency declared under the Biosecurity Act 2015 (Cth), its subsequent amendments or successors.

8. Deferral of Indemnity Period

Provided damage during the **period of insurance** gives rise to coverage under this **Cover Section**, commencement of the **indemnity period** may be deferred ("the Deferred Indemnity Period") to a later date at **your** option and with **our** consent (which shall not be unreasonably withheld).

However, the Deferred Indemnity Period must commence within:

- (a) the number of months as specified in the **Policy Schedule** as the "Indemnity Period" and which period commences from the date the damage occurred; or
- (b) 12 months after the date the damage occurred,

whichever is the earlier.

Notwithstanding the foregoing:

- (i) the request for the deferred **indemnity period** must be made within the period referenced in sub-clause a) or b) above whichever is the shorter;
- (ii) the deferred indemnity period shall not extend the length of the **indemnity period** shown in the **Policy schedule** or as varied by any additional benefit in this **Cover section**; and
- (iii) the deferred indemnity period shall in no way alter, derogate from or amend the coverage under this **Cover section**

Additional benefits

This **Cover Section** is extended to include the following Additional benefits. Additional benefits 1 to 8 inclusive are payable provided that the **insured amount** expressed against the relevant item(s) in the **Policy schedule** is not otherwise exhausted.

1. Computer installation

We will treat damage to computer installations, including any ancillary equipment and data processing media, utilised by **you** in **your business** in the Commonwealth of Australia other than at the **premises** as **damage** for the purpose of this **Cover section** provided that:

- (a) the damage would have been covered under the Property damage cover section if the computer facilities had been insured under that **Cover section**;
- (b) the damage results in **you** being unable to utilise a computer installation or any ancillary equipment in **your business**; and
- (c) the damage results in interruption of or interference with **your business**.

2. Customers and suppliers

We will treat damage to unspecified property at the **premises**:

- (a) of **your** suppliers, manufacturers or processors of component goods, materials or services which supply the **business** directly including their direct suppliers; or
- (b) of customers of goods or materials or services provided by **you** (and other than those services provided by any utilities) including their direct suppliers and customers;

all within the Commonwealth of Australia as **damage** for the purpose of this **Cover section**, provided that **our** liability in total under this Additional Benefit will not exceed 20% or the percentage of the **insured amount** shown in the **Policy schedule** applicable to this **Cover section**.

3. Documents temporarily removed

We will treat damage to **your** documents or documents held in trust by **you** and electronic **data** files belonging to or held in trust by **you** as part of **your business** that are:

- (a) temporarily removed to other premises anywhere in Australia; or
- (b) while in transit to any place in Australia;

if the following apply:

- (i) the damage would have been covered under the Property damage **Cover section** if the documents and electronic **data** files had been insured under that section;
- (ii) the damage results in interruption of or interference with **your business**;

as **damage** for the purpose of this **Cover section**.

We will not cover **you** for more than 20% of the **insured amount** applicable to this **Cover section**.

4. Extension of the indemnity period

When the additional benefit "Catastrophe Escalation Cost" in the Property Damage **Cover section** applies and the **indemnity period** stated in the **policy schedule** is 12 months or more, **we** will increase the **indemnity period** by a further 3 months providing that **you** undertake the reinstatement of **your business** at the existing premises.

This increase in **your indemnity period** will only extend the period provided that the interference or interruption of **business** is in consequence of **damage**. This additional benefit does not increase the **insured amount** applicable to the cover shown in the **Policy schedule**.

5. Loss of attraction

If **your business** is located within a multi-tenanted commercial complex, **we** will treat **damage** to property of a major tenant as being **damage** for the purposes of this **Cover section** provided that:

- (a) the **damage** to the property of the major tenant would have been covered under the Property damage **cover section** if such **damage** had been to **property insured** under that **Cover section**;
- (b) the **damage** results in a reduced pedestrian count in the shopping complex; and
- (c) the **damage** results in interruption of or interference with **your business**.

6. Roads, bridges and railway lines

We will treat damage to roads, bridges and/or railway lines within the Commonwealth of Australia over which raw materials, components and **stock** are conveyed to or from the **premises** as being **damage** for the purposes of this **Cover section** if the following apply:

- (a) the damage would have been covered under the Property damage cover section if such damage had been to property insured under that **Cover section**;

- (b) the damage results in not being able to convey **stock**, components or materials used in **your business** to and from **your premises**; and
- (c) the damage results in interruption of or interference with **your business**.

7. 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**.

8. Transit

We will cover **you** for interruption to **your business** that is caused by or results from damage to **your property insured** while in transit by road, rail, sea or air within the Commonwealth of Australia and outside of the **premises** occupied by **you**.

Our total liability under this additional benefit will not exceed 20% of the **insured amount** in respect of any one **occurrence**.

9. Utilities

We will treat damage to the following utilities:

- (a) any electrical supply system; or
- (b) any gas supply system; or
- (c) water supply or sewerage works; or
- (d) any telecommunications system that is land-based within Australia and supplies **your business**;

as damage for the purposes of this **Cover section**, if the following apply:

- (i) the damage would have been covered under the Property damage **cover section** if such damage had been to **property insured** under that **Cover section**;
- (ii) the damage results in hindering or stopping the supply of electricity, gas, water or telecommunications to the **premises** or sewage from the **premises**;
- (iii) the damage results in interruption of or interference with **your business**; or
- (iv) the interruption of the supply extends for greater than 48 hours if the utility which was damaged was at or immediately adjacent to **your premises**

Optional benefits

The following benefit will apply when **you** have requested its inclusion in this **Cover section**, and the **Policy schedule** has been **endorsed** by **us** noting the inclusion.

1. Goodwill

Following damage to any **building** at the **premises** we will pay, up to the sub-limit of liability shown in the **Policy schedule** for 'Goodwill', for the actual cost of goodwill incurred by **you** when purchasing a business in order to maintain **your business** activities.

Provided that:

- (a) We will only pay these goodwill costs when the **building** that is damaged cannot or will not be repaired or rebuilt due to any refusal by any owner or lessor other than **you** to repair or rebuild and any restrictions imposed by any legal authority; and
- (b) the purchase of the **business** is incurred because **you** were unable to continue **your business** at the **premises** as a result of the damage to the **buildings** not being repaired; and
- (c) the cause of the damage to the **buildings** would have been covered by the Property damage cover section had that building been insured under that **Cover section**; and
- (d) the business that is purchased is similar to **your business**.

2. Specified customers and suppliers

We will pay for loss of **gross profit**, **annual revenue** or **weekly revenue** that results from an interruption to **your business** that is caused by **damage** that occurs in Australia to:

- (a) Specified suppliers

property at the premises of **your** suppliers shown in the **policy schedule** up to an amount calculated by applying the percentage shown in the **policy schedule** to the **insured amount** for **gross profit**, **annual revenue** or **weekly revenue**;

- (b) Specified customers

property at the premises of **your** customers shown in the **policy schedule** up to an amount calculated by applying the percentage shown in the **policy schedule** to the **insured amount** for **gross profit**, **annual revenue** or **weekly revenue**.

Special conditions applicable to this cover section

Adjustment of premium

We will reduce **your** premium for Insurable Gross Profit or Annual Revenue at the end of each **period of insurance** if the **gross profit** or **annual revenue** (as the case may be) earned during the previous 12 months accounting period is less than the **insured amount**.

The adjustment rate is 50% of the difference between the premium payable for the **gross profit** or **annual revenue insured amount** and for the **gross profit** or **annual revenue** earned. Any payment made by **us** for a claim under Insurable Gross Profit or Annual Revenue is to be included in the **gross profit** or **annual revenue** earned for the purpose of this adjustment.

Books of account

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

Reinstatement of insured amount

If **we** pay an amount for a claim under this **Cover Section** **we** will automatically reinstate the **insured amount** to the amount shown on the **Policy schedule**. **You** will not be required to pay any additional premium.

This Extra cover does not apply if **we** pay the full insured amount for **property insured** in respect of a single claim under this **Cover Section**.

Definitions

The following words have the following definitions in this **Cover Section** only. **You** should also refer to the General definitions section on page 22 to 27.

Annual rent receivable

The **rent receivable** during the twelve months immediately before the date of the **damage** to which such adjustments will be made as may be necessary to provide for the trend of **your business** and for variations in or other circumstances affecting **your business** either before or after the **damage** or which would have affected **your business** had the **damage** not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the **damage**, would have been obtained during the relevant period after the **damage**.

Annual revenue

The **revenue** earned during the twelve months immediately before the date of the **damage** to which such adjustments will be made as may be necessary to provide for the trend of **your business** and for variations in or other circumstances affecting **your business** either before or after the **damage** or which would have affected **your business** had the **damage** not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the **damage**, would have been obtained during the relevant period after the **damage**.

Annual turnover

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

Damage

Physical loss, destruction or damage, occurring during the **period of insurance**, caused by an **occurrence** insured under:

(a) **your Policy** under one or more of the following **Cover sections**:

- (i) Property damage cover section;
- (ii) Theft cover section;
- (iii) Glass cover section;
- (iv) Money cover section;
- (v) General property cover section; or
- (vi) Goods in transit cover section.

(b) another insurance policy that insures **your property insured** and names **you** as the Insured.

Provided that:

- (i) **we** receive written confirmation of the extent of cover from the insurer who issued this other policy; and

- (ii) cover for both the property that is **damaged** and the cause of the **damage** would have been covered under one of the **cover sections** shown in (a) above had that **cover section** formed part of **your Policy**.

Where the **damage** is below the **excess** applicable under any insurance mentioned in (a) and (b) above, such **damage** shall be deemed to be **insured damage** and covered for the purposes of this definition.

Gross income

The money paid or payable to **you** in the course of **your business** for goods sold, services rendered or rental received less the purchase price of **stock**.

Increased cost of working

The additional expenditure necessarily and reasonably incurred by **you** for the sole purpose of avoiding or diminishing the reduction in **turnover** which but for that expenditure would have taken place during the **indemnity period** in consequence of the damage but not exceeding the amount of the reduction thereby avoided.

Insurable Gross profit

The amount by which the sum of the **turnover** and the amount of the closing **stock** and work in progress exceeds the sum of the opening **stock** and work in progress and the amount of the **uninsured working expenses**, that are specified on the **Policy schedule**.

For the purposes of this definition the terms 'opening **stock**' and 'closing **stock**' have the meaning you usually give them in your books and accounts and 'opening **stock**' and 'closing **stock**' is to be calculated in accordance with **your** normal accounting methods, due provision being made for depreciation.

Indemnity period

The period beginning with the occurrence of the **damage** during which the results of **your business** are affected by the **damage** and ending at the expiration of the maximum period specified in the **Policy schedule** or, in the case of **weekly revenue**, ending at the earliest of either the expiration of the maximum period specified in the **Policy schedule** or when **weekly revenue** during that period equals or exceeds 95% of **standard weekly revenue**.

Rate of gross profit

The **rate of gross profit**, expressed as a percentage, earned on the **turnover** during:

- (a) the financial year immediately before the date of the **damage**; or
- (b) if the **business** has been operating for less than one year at the date of the **damage**, the period between the date of commencement of the **business** and the date of the **damage**.

Rent receivable

The amount of the rent received or receivable (including base rental, Turnover rental and contributions to outgoings) from the letting of property at the **premises**.

Revenue

The **money** paid or payable to **you** as by way of example a:

- ▼ wholesaler or retailer of goods – for goods sold and delivered in the course of **your business** less the cost of any related purchases (after any discounts);
- ▼ motel operator – in respect of facilities, accommodation, food and drink made available and services rendered in connection with **your business**, less the cost of any related purchases (after any discounts) and laundering and cleaning expenses;
- ▼ professional practitioner or consumer services provider – for services rendered and work performed in connection with **your business**;
- ▼ property owner – by tenants (being **rent receivable**).

Shortage in turnover

The amount by which the **turnover** during a period will, in consequence of the **damage**, fall short of the part of the **standard turnover** which related to that period.

Standard rent receivable

The **rent receivable** during that period in the twelve (12) months immediately before the date of the **damage** which corresponds with the **indemnity period**.

Standard revenue

The **revenue** earned within that period during the twelve (12) months immediately before the date of the **damage** which corresponds with the **indemnity period**.

Standard turnover

The **turnover** during that period in the twelve (12) months immediately before the date of the **damage** which corresponds with the **indemnity period**.

Standard weekly revenue

The average of the **weekly revenues** in that period during the fifty-two (52) weeks immediately before the date of the **damage** which corresponds with the **indemnity period**, adjusted as may be necessary for trends, variations in or other circumstances affecting **your business**, so that the adjusted figure will represent as far as possible the weekly results which, but for the **damage**, would have been obtained during the relevant period after the **damage**.

Turnover

The amount (less discounts allowed) paid or payable to **you** in the course of **your business** for goods sold and delivered for services rendered and for **rent receivable** in the course of **your business** at the **premises**.

Uninsured working expenses

The working expenses (for example; purchases, discounts allowed, bad debt, packing and freight) of **your business** which **you** have elected not to insure under this cover section, and which are not included in the **insured amount** for cover on an **Insurable Gross Profit** basis and are specified on the **Policy schedule**.

Weekly benefit

The amount shown in the **Policy schedule**.

Weekly revenue

The **gross income** received by **you** each week in the course of **your business** for goods sold, services rendered or rental received less the purchase price of **stock**.

Theft cover section

About this section

This section covers the loss of **your contents** and **stock** from theft, attempted theft including armed hold up or an actual or threatened assault.

Your insurance under this Cover Section

Provided 'Theft' is shown under 'What's Covered' in the **policy schedule** and subject to the General exclusions on page 20 to 21, and this **Cover section** exclusions, **we** will cover **you** for loss of or damage to **your contents** and **stock** occurring during the **period of insurance** at **your premises** caused by one or more of the following:

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

What we pay

At our option, **we** will:

- (a) with respect to **stock**:
 - (i) pay **you** the market value of the **stock** at the time of the loss or damage;
 - (ii) pay **you** the value of **obsolete stock** or its purchase price, whichever is the lesser, but no more than the original cost to **you**;
 - (iii) replace or repair the **stock** with property or materials equal to or of a similar standard and specification as the **stock** before it was damaged; or
 - (iv) pay the cost of repair or replacement of the **stock**.
- (b) with respect to **electronic equipment** or **contents**:
 - (i) repair or replace the **electronic equipment** or **contents**; or
 - (ii) pay **you** the cost of repair or replacement of the **electronic equipment** or **contents**.
- (c) pay the **insured amount** for a **specified item**.

We will not pay more than the **insured amount** shown on the current **Policy schedule** for this **Cover section**, except to the extent stated under the headings 'Extra covers' and 'Additional benefits'.

Excess

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

Extra covers

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

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

1. Damage to business premises

If **you** are the property owner **we** will cover **you** for the cost to repair, removal of debris and of cleaning up of any damage to **your property insured** caused by theft or attempted theft occurring during the **period of insurance**. The maximum amount **we** will pay for this Extra cover is \$20,000. This limit is in addition to the **insured amount**.

2. Damage to rented premises

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

The maximum **we** will pay for any one claim under this Extra cover is \$20,000 or the amount shown in the **Policy schedule**.

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

3. Seasonal increase period/s

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

4. Forensic investigation

We will pay the cost of removal of debris and of cleaning up any damage resulting from forensic investigation by police following theft or attempted theft of **property insured**.

Provided that **we** will not pay more than \$2,000 for any one **claim** under this Extra cover.

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

This Extra cover operates in addition to the **Insured amount**

5. Temporary protection and security guards

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

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

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

6. Metered Water Charges

We will pay the additional costs levied on you by a Water Company or Authority for metered water usage arising from the theft of property or water at the premises.

Our payment is limited to \$10,000 in total any one event and if **you** are also insured under the 'Property damage cover section', the amount payable under this Additional Benefit 8 'Metered Water Charges' shall not be cumulative.

Provided that repairs are completed immediately after the **damage** being discovered.

The amount **we** pay will be based on the amount of water charges for the period of the occurrence less the charge paid by **you** for the corresponding period in the preceding year.

Additional benefits

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

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

1. Directors and employees tools of trade and personal effects

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

We will not pay more than \$10,000 overall in respect of any one claim under this Additional benefit. This applies in addition to the **insured amount**.

2. Employee dishonesty

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

This Additional benefit does not cover:

- (a) any loss arising from the conduct of an **employee** after **you** have knowledge of or information about any prior act of fraud or dishonesty by the **employee**;
- (b) any loss arising from the conduct of an **employee** outside the Commonwealth of Australia;
- (c) any loss where **you** are unable to identify which **employee** is responsible;
- (d) any loss or part of a loss arising from the conduct of an **employee**, where the proof of the loss, either as to its occurrence or as to its amount, is dependent upon an inventory stock take or a profit and loss calculation;
- (e) fraud or dishonesty committed by any member of **your family** who is not **your employee**; or
- (f) fraud or dishonesty committed by any of **your employees** with **your** connivance.

We will not cover **you** for more than \$5,000 any one occurrence under this Additional benefit. This is in addition to the **insured amount**. For the sake of clarity exclusion 1(a) above, does not apply to this Additional benefit.

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

3. Death following assault

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

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

4. Illegal use of corporate financial transaction card

Subject to a limit of \$5,000 in total any one loss or event, cover is included for financial loss arising from the illegal use of financial transaction or credit cards by any unauthorised person if such loss is not covered by the issuer of the card. **We** do not cover any financial loss arising from the misuse or illegal use of financial transaction or credit cards by **employees** of the insured or any other person acting in collusion with an **employee** of the insured.

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

It is a Condition Precedent to Liability that:

- (a) any loss of Credit Cards has been reported to the Police within 24 hours of discovering the loss
- (b) any loss of Credit Cards has been reported to the issuing company immediately
- (c) the Conditions of Issue of the Credit Card have been complied with

5. Illegal electronic funds transfer

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

We will not pay for:

- (a) any financial loss arising from the misuse or illegal use of corporate credit cards or financial transaction cards by any of **your employees** or any other person acting in collusion with any of **your employee** or by any member of **your family**;
- (b) transfer of money via electronic funds transfer which was enabled by:
 - (i) a key; or
 - (ii) use of details of a combination, code or password;

that are left in the **building** outside **business hours**;

- (c) more than \$5,000 in total for any one event.

6. Replacement of locks and keys

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

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

We will also pay the reasonable cost of:

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

We will not pay more than \$10,000 for any one even under this Additional benefit. This Additional benefit is payable in addition to the **insured amount**.

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

7. Rewriting of documents

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

8. Temporary cover for new premises

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

- (a) cover is limited to a period of 90 (ninety) consecutive days from the day that you first use the new premises and during the **period of insurance**;
- (b) cover is not available to property that cannot be correctly designated to one of the **categories** that are shown as insured in the **Policy schedule**;
- (c) cover is only available to **contents** or **stock** that is of a similar type to that insured by this **Cover section**;
- (d) for each specific **category** of property shown in the **Policy schedule** cover is limited to 50% of the **insured amount** for that **category**; or
- (e) if more than one **premises** is shown in the **Policy schedule** then this 50% limitation will apply to the lowest **insured amount** that applies to the specific **category** of property;
- (f) the new **premises** have building and security features that are similar to those at one of the **premises** shown in the **Policy schedule** having the same occupation.

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

If **we** agree to cover **stock** or **contents** at the new **premises** beyond the 60 (sixty) consecutive day period, **you** must pay any additional premium **we** ask for.

9. Temporary removal

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

Provided that:

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

10. Theft of fixed external property

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

We will not cover **you** under this **Additional benefit** for more than:

- (a) \$25,000; or
- (b) the **contents insured amount**;

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

Any cover given under this **Additional Benefit 10** shall not accumulate with the cover given under **Additional Benefit 11** **Included Theft of Property Insured in the open air**.

11. Theft of Property Insured in the open air

We will cover **you** for theft of **property insured** in the open air but within the legal boundaries or dividing fences of the **premises** up to \$5,000 or any higher amount by **endorsement** and shown in the **Policy schedule**.

Provided that **we** will not cover **you**:

- (a) For Theft involving shoplifting;
- (b) For Theft by **you** or any of **your employees**;
- (c) For any disappearance, unexplained or inventory shortage;
- (d) For **consequential loss** of any kind;
- (e) Theft of **property insured** in the open air unless the **premises** after **business hours** is fully enclosed by a locked fence or wall with padlocks with a security rating under AS4145.4 (or any subsequent amendment) or a keyed electronic entry.

Any cover given under this **Additional Benefit 11** shall not accumulate with the cover given under **Additional Benefit 10** **Theft of fixed external property**.

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

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

The amount **we** will pay is limited to \$20,000 (or the amount shown on the current **Policy schedule** whichever is the higher) for any one occurrence for theft or attempted theft of **contents** provided that **we** will not cover:

- (a) theft or attempted theft from any open fronted or open-sided structure such as, but not limited to, verandas or yards or other open spaces even if they are partially or fully enclosed; or,
- (b) theft of **stock**

Exclusions

We will not pay for:

1. Theft by persons

Loss of, or damage to, property committed by:

- (a) **you**, **your** directors, partners, **employees** or any member of **your family** other than following forcible and violent entry by **your employees** or a member of **your family**;
- (b) any person or persons while lawfully on the **premises**, excluding tradesmen, and the like, that are on the **premises** for the purposes of making minor alterations or servicing equipment; or
- (c) any act of fraud, trickery or deception

2. Property

Loss or damage to:

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

3. Glass

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

4. Open air

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

5. Access

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

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

Except as provided for under:

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

Cover Section conditions

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

1. Valuables

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

2. Reinstatement

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

Definitions

The following words have the following meanings for this **Cover Section** only. **You** should also refer to the General definitions section on page 22 to 27.

Specified item (s)

Each item of property that is specifically described as 'Other' in the **Policy schedule**.

Money cover section

About this section

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

Your insurance under this Cover Section

When 'Money' is shown under 'What's Covered' in the **Policy schedule**, and subject to the General exclusions on page 20 to 21, and this **Cover section** exclusions, **we** will cover **you** for loss of or damage occurring during the **period of insurance** to the following categories of **your business's money** described below and when shown on the **Policy schedule**:

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

What we pay

If **you** have selected one **insured amount** for **money**, the maximum amount **we** will pay is the **insured amount** shown on the **Policy schedule**.

If **you** have selected a different **insured amount** for each of the categories of money listed above (a) to (e), the maximum amount **we** will pay, in respect of:

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

If **you** select a **insured amount** for (a), **we** will automatically cover **you** up to \$2,000 for locations (b), (d), and (e).

If **you** select a **insured amount** for category of money (a), (b), (c) or (d) **we** will automatically cover **you** up to \$2,000 for category of money(e).

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

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

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

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

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

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

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

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

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

Excess

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

Extra covers

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

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

1. Seasonal increase of cover

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

2. Removal of Debris

We will pay the cost of removal of debris and of cleaning up any damage resulting from theft or attempted theft of **property insured**.

Provided that **we** will not pay more than \$2,000 for any one claim covered under this Extra Cover.

Provided that any cover given under this **extra cover** shall not accumulate with any similar cover that may be given under the Theft **Cover section**.

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

3. Removal of debris following forensic investigation

We will pay the cost of removal of debris and of cleaning up any damage resulting from forensic investigation by police following theft or attempted theft of **property insured**.

Provided that **we** will not pay more than \$2,000 for any one claim covered under this Extra cover.

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

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

4. Temporary protection and security guards

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

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

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

Additional benefits

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

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

1. Bank and public holidays extension

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

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

We will cover **you** for loss of or damage to the personal effects of **your** directors, officers and **employees** occurring during a theft or attempted theft of **money** covered under this **Cover section**.

We will not cover **you** for more than \$5,000 for any one person's personal effects, and \$10,000 for any one **occurrence**. If **you** are insured under the Theft **Cover section** the benefits payable under this Additional benefit shall not be cumulative.

3. Counterfeit currency

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

4. Employee dishonesty

We will cover **you** for loss of **money** as a direct result of **employee** dishonesty during the **period of insurance** if discovered within 45 (forty-five) days of the **employee** dishonesty first occurring.

This additional benefit does not cover:

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

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

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

5. Death following assault

If any director, **employee**, officer or business partner sustains a fatal injury provided:

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

We will pay \$10,000 to the estate of the deceased person

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

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

If **money** is stolen or there is an attempt at stealing **your money** from **your safe, strongroom or ATM** or cash carrying bag,

We will pay **you**:

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

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

7. Replacement of locks and keys

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

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

We will also pay the reasonable cost of:

- ▼ opening **safes, strongrooms or ATM** because of the theft of keys or combinations during a theft of **money** covered under this **Cover section**;

- ▼ developing images stored on media from security camera following a theft or attempted theft of **money** covered under this **Cover section**.

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

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

8. Temporary cover for new premises

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

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

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

Full details of such additional **premises** are to be supplied to **us** within sixty (60) days of **your** commencement to use the premises. If **we** agree to cover **money** at the additional **premises** beyond this 60-day period, **we** may require payment of an additional premium.

9. Traveller's money

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

Cover Section conditions

Reinstatement

If **We** pay an amount in respect of a claim for loss or damage to money covered under this **Cover section** we will automatically reinstate the **insured amount** to the amount shown on the **Policy schedule**. **You** will not have to pay any additional premium.

Cover Section exclusions

This **Cover Section** does not cover:

1. Missing money

Loss or damage of **money**:

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

2. Key or combination in building

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

3. Unattended

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

4. Professional carrier

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

5. Loss outside The Commonwealth of Australia

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

6. Consequential loss

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

7. ATMs

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

Definitions

The following words have the following meanings for this **Cover Section** only. **You** should also refer to the General definitions section on page 22 to 27.

Automatic Teller Machine (ATM)

A computerized device that enables customers of a financial institution to perform financial transactions and may incorporate a range of antifraud and physical security solutions.

Business hours

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

Financial service provider

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

In custody

- (a) in **your** custody and control at **your** private residence; or
- (b) in the custody and control of persons authorised by **you** at their private residence, until the next business day when the **money** can be deposited with a **financial services provider**

In transit

- (a) **money** in **your** personal custody or in the custody of persons authorised by **you** during a journey to or from the **premises** to or from anywhere within Australia until the next business day when the **money** can be deposited with a **financial services provider**.
- (b) **money** while deposited in the night safe, night depository chute or **ATM** of any **financial services provider** where **you** normally transact business.
- (c) wages and salaries collected from a **financial services provider** but not paid to **employees** until it is physically in the control of **your employees**

Money

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

Seasonal increase period

Any period of time during the **period of insurance** that has at least 35% increased amount of **money** compared to other times during the **period of insurance**. The total number of days **we** will allow for a seasonal increase period is 120 days during any one **period of insurance** unless a different period is specified in **your Policy schedule**.

Glass cover section

About this section

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

Your insurance under this Cover Section

Provided "Glass" is shown under "What's Covered" in the **Policy schedule**, and subject to the General exclusions on page 20 to 21, and this **Cover section** exclusions, **we** will insure **you** for **breakage** of **glass** which **you** own or for which **you** are legally responsible, occurring during the **period of insurance** at the **premises**.

What we pay

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

Excess

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

Extra covers

When **we** agree to pay a claim under this **Cover Section** for loss or damage to **glass**, **we** will also pay or provide the Extra covers set out below.

1. Costs

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

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

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

Our liability under this Extra cover during any one **period of insurance** is limited to the sum of \$10,000.

2. Destruction of stock or contents

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

- (a) the cost value (excluding profit of any kind) of **your stock** or **contents** destroyed or damaged, less any amount realised from the sale or salvage; or
- (b) the sum of \$10,000,

whichever is the lesser.

Additional benefits

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

1. Malicious damage

If **you** are a tenant and responsible under the terms of a rental agreement for insuring glass at the **premises**, **we** will pay for the cost of replacement of **external glass** which has suffered malicious damage at such premises, during the **period of insurance**. This Additional benefit is payable even where there is no **breakage** of **external glass**.

2. Signs

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

We will not pay more than \$10,000 for one claim under this Additional benefit or any higher amount shown in the **policy schedule** for **signs**. The admissibility of claims for damage to **signs** shall not be contingent upon other damage to **glass**.

Cover Section exclusions

This **Cover Section** does not cover:

1. Damage covered under the Property Damage section

Any breakage of glass caused by an **event** insurable under the Property Damage section whether cover under that Section if arranged or not.

2. Some types of glass

Damage to glass:

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

3. Tiles

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

Definitions

The following words have the following meanings for this **Cover Section** only. **You** should also refer to the General definitions section on page 22 to 27.

Breakage

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

External glass

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

Glass

Glass which **you** own or are legally responsible for which is **external glass**, **internal glass**, **sanitary fittings** and **specified glass**.

Internal glass

Glass, or plastic material used as glass in internal partitions, windows and doors, **glass** in counters, **glass** shelves and/or stock restraints, and interior display cabinets or showcases, fixed mirrors and other fixed internal **glass** contained in the **building**.

Sanitary fittings

Baths, sinks, lavatory bowls and vitreous china cisterns, washbasins and pedestals forming permanent fixtures.

Sign

glass or plastic that forms part of a sign.

Specified glass

glass specifically designated in the **Policy schedule** under **specified glass**.

General property cover section

About this section

This **Cover Section** covers portable or valuable items that **you** usually carry around with **you** in the course of **your business** anywhere in the world.

Your insurance under this Cover Section

Provided 'General Property' is shown under 'What's Covered' in the **Policy schedule**, and subject to the General exclusions, and this **Cover Section** exclusions, **we** will insure **you** for **accidental** loss or damage to **your property insured** occurring anywhere in the world during the **period of insurance**.

What we pay

At our option, **we** will:

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

When the loss or damage is confined to a part or component of the **property insured**, **we** will only pay for, or replace or repair that part or component plus the cost of any necessary dismantling and reassembling up to the insured amount for a **specified item** shown on the **Policy schedule** or up to a value of \$2,500 per item for an **unspecified item**.

The maximum amount **we** will pay under paragraphs (a), (b) or (c) above in respect of each **specified item** is the **insured amount** for that item.

The maximum amount **we** will pay under paragraphs (a), (b) or (c) above in respect of any one **unspecified item** is \$2,500. For **specified item** that is part of a pair or set, the limit applies to the pair or set.

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

Excess

The **excess** that applies is shown on the **Policy schedule**. The **excess** applies to each **event** which causes the loss or damage to **your** Property Insured, unless otherwise noted on the **Policy schedule**.

Additional benefits

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

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

1. Theft of other equipment

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

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

Cover Section exclusions

This **Cover Section** does not cover:

- (a) loss or damage to any **unspecified item** of property unless the **Policy schedule** shows that **you** have cover for **unspecified property**;
- (b) loss or damage caused by or arising out of:
 - (i) wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause;
 - (ii) moths, termites or other insects or vermin;
 - (iii) scratching, biting or chewing by any **animal**;
 - (iv) chipping, scratching, denting or marring that does not materially affect the use or operation of the **property insured**

- (v) change in colour, loss of weight, change in flavour, texture or finish;
 - (vi) the action of light, atmospheric conditions, any form of **fungus** or variations or extremes of temperature, rust or oxidation, wet or dry rot, corrosion, inherent vice or latent defect;
 - (vii) mechanical, hydraulic, electrical or electronic breakdown, burn-out, failure, malfunction or derangement of any equipment or device;
 - (viii) smut or smoke from industrial operations (other than sudden and unforeseen resultant damage);
 - (ix) any faults or defects in any item of insured property that **you** or any of **your** employees knew about before taking out this **Cover Section**; or
 - (x) faulty materials or faulty workmanship;
- (c) loss or damage to **money** or documents of any kind;
- (d) loss of use, loss of earning capacity and any other **consequential loss**;
- (e) loss or damage as a result of:
- (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of data;
 - (ii) breakdown or malfunction of the processing system including operator error or omission in creating, amending, loading, deleting or using data; or
 - (iii) total or partial inability or failure to receive, send, access or use **data** for any time or at all;
- (f) loss or damage committed by any member of **your family** or by any **employee of yours** or committed by any person whilst lawfully at **your premises**; or
- (g) theft of any **vehicles** registered for road use, caravans, trailers, **watercraft, aircraft, hovercraft**, rolling stock and locomotives or their accessories.

Cover Section conditions

Reinstatement

If **we** pay an amount for a claim for loss or damage to **your** Property Insured covered under this **Cover Section** **we** will automatically reinstate the **insured amount** to the amount shown on the **Policy schedule**. **You** will not have to pay any additional premium.

However this does not apply if **we** replace or pay to replace any **specified item** or **unspecified item**.

Definitions

The following words have the following meanings for this **Cover Section** only.

These defined terms prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording. **You** should also refer to the General Definitions on pages 22 to 27.

Accidental

Unexpected and unintended from **your** standpoint.

Specified items

Each item of property that is specifically described on the **Policy schedule**.

Unspecified items

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

Machinery breakdown and electronic equipment cover section

About this section

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

Your insurance under this Cover Section

There are two covers available in this **Cover Section**.

- ▼ Machinery Breakdown.
- ▼ Electronic Equipment Breakdown.

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

Machinery breakdown basis

If Machinery is shown under “What’s Covered’ in the **Policy schedule** and subject to the General exclusions on page 20 to 21, and this **Cover Section** exclusions, **we** will cover you for:

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

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

Electronic equipment basis

If Electronic Equipment is shown under “What’s Covered’ in the **Policy schedule** and subject to the General exclusions and this **Cover Section** exclusions, **we** will cover **you** for:

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

What we pay

Machinery breakdown basis

If **we** agree to pay a claim for **breakdown** of **machinery**, **we** will at our option repair, rebuild or replace any damaged item or pay for the cost of repairing, rebuilding or replacing. If **we** decide to replace the damaged item, **we** will replace the damaged property with similar property of a like kind, capacity, size, quality and function.

If **we** agree that **you** can carry out the repairs at the **premises** or at a workshop owned by **you**, **we** will pay the actual costs of materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

If it is necessary to replace parts that are unavailable, **we** will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, **we** will not pay more than the manufacturers, or suppliers, latest list price. **We** will not pay any cost of repairing or replacing any part or parts of a piece of **machinery**, which is greater than the cost of repairing or replacing the entire piece of such **machinery**,

If the work of repairing, rebuilding or replacing the item is not commenced and carried out within a reasonable time period after the **breakdown**, **we** will not be liable to pay more than the cost necessary to repair, rebuild or replace the item at the time the **breakdown** occurred.

Where the **breakdown** is confined to a part of a machine or structure, **we** will not pay more than the cost of repairing or replacing that part plus the cost of dismantling and erecting the structure.

The maximum **we** will pay for **breakdown** of **machinery** is the **insured amount** as shown in the **Policy schedule**.

1. In the event of **breakdown**, **we** will at our option pay to **you**, up to the **insured amount** less the applicable **excess**, the reasonable cost of repair or replacement necessary to return the **machinery** to their former state of operation including:
 - (a) cost of dismantling, re-erection, cleaning up and removal of debris;

- (b) replacement of refrigerant or lubricating or insulating oil lost from **machinery** as a direct result of **breakdown**;
- (c) charges for overtime work on public holidays where necessarily and reasonably incurred;
- (d) freight within the Commonwealth of Australia by any recognised scheduled service;
- (e) overseas air freight by any recognised scheduled service and/or overseas labour;
- (f) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any **property insured**;
- (g) any customs duties and dues.

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

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

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

3. All **machinery** which can be repaired must be repaired. However, should the item be uneconomical to repair due solely to the nature of the **breakdown**, **we** will at **our** option pay **you**:
 - (a) the cost of replacement of the **machinery** by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the **machinery** when new; or
 - (b) the **insured amount** for the **machinery**.

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

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

Electronic equipment breakdown basis

If **We** agree to pay a claim for **breakdown** of **electronic equipment** **we** will at our option repair, rebuild or replace any damaged item or pay for the cost of repairing, rebuilding or replacing. If **we** decide to replace the damaged item, **we** will replace the damaged property with similar property of a like kind, capacity, size, quality and function.

If **we** agree that you can carry out the repairs at the **premises** or at a workshop owned by **you**, **we** will pay the actual costs of materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

If it is necessary to replace parts that are unavailable, **we** will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, **we** will not pay more than the manufacturers, or suppliers, latest list price. **We** will not pay any cost of repairing or replacing any part or parts of a piece of **computer equipment** or **electronic equipment** which is greater than the cost of repairing or replacing the entire piece of such **computer equipment** or **electronic equipment**.

If the work of repairing, rebuilding or replacing the item is not commenced and carried out within a reasonable time period after the **breakdown**, **we** will not be liable to pay more than the cost necessary to repair, rebuild or replace the item at the time the **breakdown** occurred.

Where the **breakdown** is confined to a component or part of electronic equipment, **we** will not pay more than the cost of repairing or replacing that component or part plus the cost of dismantling and erecting the electronic equipment.

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

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

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

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

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

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

Depreciation applied for replacement of computers

If **we** decide to pay **you** the cost to replace a laptop computer, notebook or desktop computer rather than repair it, **we** will apply depreciation based on the age of the computer, but not as a result of improvements in technology or functionality.

We will apply depreciation at the rate of 10% per annum for each year from the date of manufacture, subject to a maximum reduction of 80% of the installed current replacement cost.

Excess

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

Extra covers

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

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

1. Hazardous substances

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

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

2. Inflation protection

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

3. Repair costs

The cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with our written consent, in the reinstatement of the **machinery** or **electronic equipment**.

Additional benefits

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

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

1. Additional Items

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

Provided that:

- cover for additional items shall not exceed the total **insured amount** for the items already insured under this cover section;

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

2. Electronic equipment away from the premises

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

- (a) include **breakdown** occurring during the **period of insurance** to laptop computers, notebooks, or mobile **electronic equipment** that are away from the **premises**;
- (b) **breakdown** of **your** laptop **computer equipment** or mobile **electronic equipment** that is away from **your premises** anywhere in Australia and the laptop **computer equipment** or mobile **electronic equipment** are also **specified** in the **Policy schedule** under General property cover section.

3. Property Damage

We will indemnify **you** for **breakdown** of property not insured under this **Cover section** which is owned by **you** or if **you** are responsible for **breakdown** to it provided:

- (a) that the loss or damage occurred at **your premises** during the **period of insurance** as a direct result of impact from any part of an insured item of **machinery**; and
- (b) the loss or damage is directly caused by **breakdown** and occurs in circumstances where cover under this **Cover section** is provided and not excluded under this **Cover section**.

We will not pay more than the **insured amount** specified on **your Policy schedule** for that insured item of **machinery** for **breakdown** of the uninsured item.

4. Restoration of computer data

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

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

We will not cover **you** for:

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

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

If **we** agree to pay a claim, **we** will pay the costs incurred in restoring the lost or distorted **electronic data** in a condition equivalent to that existing prior to the **breakdown**. **Electronic data** may be reproduced in an updated form if the cost of doing so is not greater than that of reinstatement in its original form.

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

5. Computers – increased costs

We will insure **you** for the increased costs which **you** incur, such as the hiring of alternative computers, following the breakdown of computers which **we** have agreed to pay a claim for under Electronic equipment cover section.

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

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

We will not cover you for:

- (a) costs incurred in respect of the first 2 working days following the **breakdown** of **your computer equipment**;
- (b) fines or liability incurred for breach of contract or for late or incomplete orders or for any loss of bonus or any kind of penalties.
- (c) any increased costs that are not necessary and reasonable to minimise any interruption to the **business**;
- (d) any **consequential loss**;
- (e) costs incurred after 90 days from the date of **breakdown**;
- (f) expenses that are incurred in the replacement of the **media**;
- (g) the cost of reinstating the **electronic data** contained on the **media**.

If **we** agree to pay a claim under this Additional benefit, **we** will pay the actual amount of the increased costs of working, less the charges and expenses of the **business** that cease or are reduced as a consequence of the loss or damage.

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

Exclusions – applicable to machinery breakdown and electronic equipment breakdown

We will not cover **you** for:

1. The cost of repair or replacement of **expendable items** other than **expendable items** which are necessary for the repair.
2. The costs incurred in repairing wear and tear or gradual deterioration including:
 - ▼ wear and tear due to normal operation;
 - ▼ wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation;
 - ▼ damage to a safety or protective device caused by its own operation;
 - ▼ the chipping or scratching of painted or polished surfaces; or
 - ▼ slowly developing deformation or distortion.
3. The cost of:
 - ▼ carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
 - ▼ alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or at a separate operation;
 - ▼ modification or alteration of insured plant to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
 - ▼ replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting;
 - ▼ repair of scratches chipping or discolouration to painted or polished surfaces, unless resulting from Insured damage;
 - ▼ repair of a slowly developing deformation, distortion or fatigue of any part;
 - ▼ repair of blisters, laminations, flaws or grooving even when accompanied by leakage;
 - ▼ repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking;

- ▼ repairs to shaft keys requiring tightening, fitting or renewal;
 - ▼ damage caused by the movement of foundations, masonry or brick work unless this results from **breakdown** of any **machinery** or **electronic equipment** or any part of **machinery** or **electronic equipment**; or
 - ▼ removal or installation of underground pumps and well casings. Unless specifically noted on the **policy schedule**, this exclusion does not apply to submersible pumps.
4. **Breakdown** of **machinery** or **electronic equipment** which **you** knew or reasonably should have known to be defective before the **breakdown** occurred.
 5. Loss of use or **consequential loss** of any kind.
 6. **We** will not cover loss or damage caused by or arising out of:
 - ▼ earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption;
 - ▼ cyclone, storm, hail, lightning, thunder, wind, rainwater;
 - ▼ **flood**;
 - ▼ the sea, including tidal wave, tsunami, storm surge or high-water;
 - ▼ fire, smoke or soot;
 - ▼ water seeping or percolating the building from outside;
 - ▼ water, liquids or substances discharged or other means used to extinguish a fire; or
 - ▼ vandalism or malicious damage.
 7. **Breakdown**, loss or damage caused by explosion, other than:
 - (a) the sudden and violent rending of any **boilers and pressure plant** or **pressure pipe systems** by force of internal fluid pressure of ignited flue gases, but excluding other chemical action; or
 - (b) the bursting or disruption of turbines, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformers, switches or oil immersed switch gear.
 8. **Breakdown**, loss or damage caused during the course of maintenance, inspection, repair, alteration, modification or overhaul.
 9. **Breakdown**, loss or damage caused during installation, erection or relocation.
 10. Damage to foundations, brickwork, and refractory materials other than as a result of **breakdown**.
 11. **Breakdown**, loss or damage arising out of plant being subjected to tests involving abnormal stresses or arising out of plant being deliberately overloaded. The checking of the correct working of any insured item or of its safety installations is not considered to be testing or overloading within the context of this exclusion.
 12. **Breakdown**, loss or damage caused by a deliberate act, neglect or omission on **your** part.
 13. **Breakdown**, loss or damage for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement provided that **we** shall be liable for **breakdown** insured by this section and not recoverable under such maintenance agreement or warranty by reason of a specific exclusion contained therein or by reason of any dispute concerning the interpretation of that agreement or warranty (as the case may be).
 14. The cost of alterations, improvements or overhauls unless it is required for the repair or replacement.
 15. The costs associated with modifying the **machinery** so that it operates with a more ozone friendly refrigerant gas as required by the **United Nations Environment Programme ("UNEP")**.
 16. **Breakdown**, loss or damage as a result of dual lifting.
 17. **Air conditioners** unless **your Policy schedule** shows they are covered.
 18. **Breakdown**, of **machinery**, **computer equipment** or **electronic equipment** which is useless or **obsolete** to **your business**.
 19. Loss or damage caused by or arising out of pollution, contamination or a **hazardous substance**, however caused, except as provided for in Extra cover 1.

Cover Section conditions

1. Adherence to statutory requirements

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

2. Inspection

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

3. Obligation to prevent loss

If **we** or **our** authorised representative discover **machinery** or **electronic equipment** in or exposed to a dangerous condition, **you** must comply with any direction provided by **us** or **our** representatives to prevent loss. If **you** do not comply within 30 (thirty) days of receiving the direction, **we** may refuse to pay a claim and cancel **your** policy.

4. One breakdown

If either:

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

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

5. Due care

Nothing contained in this **Cover section** or in any other provision of this **PDS** will relieve **you** of any obligation to take such steps as are necessary to ensure that the operation of the Insured Items is at all times carried out so as to minimize the risk of any claim being made under this **Cover section**.

Optional cover

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

Deterioration of stock

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

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

Loss minimisation

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

What we pay under this option

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

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

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

During the **seasonal increase periods**, we will increase the **insured amount** shown in the **Policy schedule** by 50%.

What you are not covered for under this option

In addition to the exclusions for this **Cover Section**, we will not pay for:

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

Cover Section conditions under this option

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

Definitions

These Definitions apply to this **Cover Section** only. You should also refer to the General definitions section on page 22 to 27.

Air conditioner

An appliance, system, or mechanism designed to extract heat from an area via a refrigeration cycle. Its purpose in a building is to provide comfort during either hot or cold weather.

Boilers and pressure plant and pressure pipe systems

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

Breakdown

A sudden and accidental failure of **machinery** or **electronic equipment** or part thereof resulting in physical damage to the item of insured equipment which requires the repair or replacement of all or part of the insured equipment or a part of the insured equipment before normal operation of it can be resumed and may include, but is not limited to the actual breaking, seizing, deformation or burning out sufficient to prevent the item undertaking its normal operation and necessitating repair or replacement.

Breakdown does not mean:

- (a) depletion, deterioration, corrosion or erosion of material or the need to clean any component;
- (b) wear and tear;
- (c) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (d) vibration or misalignment;
- (e) the functioning of any safety device or protective device;
- (f) the failure of any structure, foundation or setting supporting the insured equipment or a part of the equipment;
or
- (g) The cracking of any part of a gas turbine exposed to the products of combustion.

Computer equipment

General purpose machine, commonly consisting of digital circuitry, that accepts (inputs), stores, manipulates, and generates (outputs) **data** as numbers, text, graphics, voice, video files, or electrical signals, in accordance with instructions called a program including but not limited to electronic **data** processing equipment comprising a central processing unit, video display units, printers, hard disks, floppy disk drives, micro diskettes including read and write heads, electro or mechanical motors and passive components but does not include software.

Electronic equipment (as referred to under electronic equipment cover)

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

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

- (b) research, diagnostic, treatment, experimental or other medical or scientific purposes;
- (c) computing, data processing, duplicating, inventory control, monitoring, surveillance, audio visual amplification, lighting, scanning, point of sale or office services; or
- (d) starting, stopping, controlling or monitoring one or more items of insured equipment.

Expendable items

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

Hazardous substance

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

Machinery

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

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

Obsolescence

Obsolescence occurs when equipment is no longer wanted even though it may still be in good working order. Obsolescence frequently occurs because a replacement has become available that has, in total, more advantages than the inconvenience related to repurchasing the replacement.

Obsolescence will be taken into account on damaged or destroyed property.

Refrigerated stock

Refrigerated goods owned by **you** or for which **you** are legally responsible while contained within any storage which is cooled by **insured equipment**. It includes items such as food stuffs and their packaging that are subject to decay, rot, ruin or spoilage.

Public and products liability cover section

About this section

This **Cover Section** covers **your** legal liability to pay compensation for **personal injury, property damage, or advertising liability** which happens during the **period of insurance** within the **geographic limitations** and is caused by an **occurrence** in connection with the **business**.

What you are covered for

Provided 'Public and products liability' is shown under 'What's Covered' in the **Policy schedule we** agree (subject to the terms, Claims Conditions on page 16 to 19, General Policy conditions on page 13 to 16, General Exclusions on page 20 to 21, this **Cover section** exclusions and definitions and **Limits of Liability** incorporated herein) to pay to **you** or on **your** behalf all amounts which **you** shall become legally liable to pay as **compensation** in respect of:

1. **personal injury**; and/or
2. **property damage**; and/or
3. **advertising injury**;

happening during the **period of insurance** within the **geographical limits and** caused by or arising out of an **occurrence** in connection with **your business**.

Defence costs and supplementary payments

If **we** indemnify **you** for **your** legal liability to pay compensation under this **Cover Section we** will also:

1. Defend, in **your** name and on **your** behalf, any claim or suit against **you** alleging such **personal injury, property damage or advertising injury** and seeking damages on account thereof even if any of the allegations of such claim or suit is groundless, false or fraudulent.
2. Pay all charges, expenses and legal costs incurred by **us** and/or by **you** with **our** written consent (which consent shall not be unreasonably withheld):
 - (a) in the investigation, defence or settlement of such claim or suit, including loss of salaries or wages because of **your** attendance at hearings or trials at our request; or
 - (b) in bringing or defending appeals in connection with such claim or suit.
3. Pay:
 - (a) all charges, expenses and legal costs recoverable from or awarded against **you** in any such claim or suit;
 - (b) pre-judgment interest awarded against **you** on that part of the judgment payable by **us**; and
 - (c) all interest accruing on **our** portion of any judgment until **we** have paid, tendered or deposited in court that part of such judgment which does not exceed the limit of **our** liability thereon.
4. Pay premiums on:
 - (a) bonds to release attachments for amounts not exceeding the applicable **limit of liability** of this **policy** but **we** shall have no obligation to apply for or furnish any such bond;
 - (b) appeal bonds and/or security for costs required in any suit but **we** shall have no obligation to apply for or furnish any such bonds and/or security for costs.
5. Pay expenses incurred by **you** for:
 - (a) rendering first aid and/or surgical and/or medical and/or therapeutic relief to others at the time of any **personal injury** (other than any medical expenses, which **we** are prevented from paying by any law);
 - (b) temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up and/or unpinning thereof;
 - (c) purchasing and/or hiring and/or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including such protection which **you** must provide in compliance with the requirements of any Government, Local Government or other Statutory Authority.
6. Pay all legal costs incurred by **you** with **our** consent for representation of **you** at:
 - (a) any coronial inquest or inquiry;
 - (b) any proceedings in any court or tribunal in connection with liability insured against by this **Cover section**;

- (c) any Royal Commission or Government Enquiry arising out of any alleged breach of statute, or other similar judicial enquiry into circumstances relating to any **occurrence**, claim or potential claim against **you** which would be the subject of indemnity under this **Cover section**;
- (d) any enquiry, prosecution or hearing of a disciplinary nature held before a legally constituted enquiry board, committee, licensing authority or the like.

Provided that **our** liability under clauses 6(c) and (d) shall not exceed \$250,000 in respect of any one claim or series of claims by **you** in respect to **your** legal liability covered under this **Cover Section** arising out of any one **occurrence**.

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

However, in respect of any claims or suits originating in any court in North America, the applicable **limit of liability** shown in the **Policy schedule** shall be inclusive of all defence costs and supplementary payments.

Where **we** are prevented by law or otherwise from making payments on **your** behalf, **we** will indemnify **you** for legal liability incurred to the extent that such liability is covered by this **Cover 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.

Limits of liability and excess

Subject to:

- (i) the 'Claims preparation expenses' provision under 'General Policy conditions';
 - (ii) the 'Defence costs and supplementary payments' clause above;
 - (iii) the Additional Benefit under paragraph (e) of 'Property in Your physical or legal control' below;
- (a) for **general liability** the **limit of liability** for 'Public Liability' in the **Policy schedule**, represents the maximum amount which **we** shall be liable to pay in respect of any one claim or series of claims covered under this **Cover Section** arising out of any one **occurrence**;
- (b) for **products liability** the **limit of liability** specified in the **Policy schedule** represents the maximum amount which **we** shall be liable to pay in respect of any one claim or series of claims covered under this **Cover Section**, and in the aggregate during any one **period of insurance**.

The applicable **limit of liability** will not be reduced by the amount of any **excess** payable by **you**.

What you are not covered for under this Cover Section

This Cover Section (including the Additional benefits) does not insure you for any liability arising directly or indirectly out of or caused by, through, or in connection with, or for:

1. Advertising injury

In respect of **advertising injury**:

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

2. Aircraft, hovercraft or watercraft

For **personal injury** and/or **property damage** arising from:

- (a) the ownership, maintenance, operation, or use by **you** of any **aircraft or hovercraft**; or
- (b) the ownership, operation or use by **you** of any **watercraft** exceeding ten (10) metres in length, whilst such **watercraft** is on, in or under water;

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** are or would be liable.
- (b) **watercraft** owned and operated by others and used by **you** for **business** entertainment

3. Aircraft products

Arising out of **your products** that are **aircraft** or **aircraft** component parts used for maintaining an **aircraft** in flight or moving upon the ground or used in the construction of an **aircraft** hull or machinery which to **your** knowledge are incorporated in an **aircraft**.

4. Asbestos

Directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

5. Breach of professional duty

Arising out of any breach of duty owed in a professional capacity by **you** and/or any person(s) for whose breaches **you** may be held legally liable, but this exclusion shall not apply to claims:

- (a) arising out of the rendering of or failure to render first aid by **persons** employed by **you** to provide first aid on **your premises**;
- (b) arising out of advice which is given by **you** for no fee; or
- (c) arising out of advice given in respect of the use or storage of **your products**.

6. Contractual liability

Which has been assumed by **you** under any contract or agreement that requires **you** to:

- (a) effect insurance over property, either real or personal;
- (b) assume liability for **personal injury** and/or **property damage** regardless of fault; provided that this exclusion shall not apply with regard to:
 - (i) liabilities which would have been implied by law in the absence of such contract or agreement; or
 - (ii) liabilities assumed under **incidental contracts**; or
 - (iii) terms regarding merchantability, quality, fitness or care of **your product** which are implied by law or statute; or
 - (iv) liabilities assumed under the contracts specifically designated in the **policy schedule** or in any **endorsement(s)** to this Policy.

7. Damage to products

For **property damage** to any **products** where such damage is directly caused by a fault or defect in such **products**; but this exclusion shall be interpreted to apply with respect to damage to that part and only that part of such **product** to which such damage is directly attributable.

8. Data

Arising out of:

- (a) the communication, display, distribution or publication of **data**; provided that this Exclusion does not apply to **personal injury** and/or **advertising injury** arising therefrom;
 - (b) the total or partial destruction, distortion, erasure, corruption, alteration, misrepresentation or misappropriation of **data**;
 - (c) error in creating, amending, entering, deleting or using **data**;
 - (d) the total or partial inability to receive, send, access or use **data** for any time or at all;
- from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

9. Defamation

For defamation:

- (a) resulting from statements made prior to the commencement of the **period of insurance**;
- (b) resulting from statements made at **your** direction with knowledge that such statements are false;
- (c) if **your business** is advertising, broadcasting, publishing or telecasting.

10. Employers liability

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

Provided that this **Policy** will respond to the extent that **your** liability would not be covered under any such policy, fund, scheme or self-insurance arrangement had **you** complied with **your** obligations pursuant to such law.

(b) Imposed by:

- (i) the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination or contract of employment or workplace agreement;
- (ii) any law relating to **employment practices**.

For the purpose of exclusions 10(a) and 10(b):

- ▼ the term 'Worker' means any person deemed to be employed by **you** pursuant to any Workers Compensation Law. Voluntary workers, secondees and work experience students (if any) shall not be deemed to be **your** Employees.
- ▼ the term 'Bodily Injury' means bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom.

11. Faulty workmanship

For the cost of performing, completing, correcting or improving any work undertaken by **you**.

12. Fines, penalties, punitive, exemplary or aggravated damages

For any fines, penalties, punitive exemplary or aggravated damages.

13. Liquidated damages

Arising out of liquidated damages clauses, penalty clauses or performance warranties except to the extent that such liability would have attached in the absence of such clauses or warranties.

14. Loss of use

For loss of use of tangible property, which has not been physically lost, destroyed or damaged, directly arising out of:

- (a) a delay in or lack of performance by **you** or on **your** behalf of any contract or agreement; or
- (b) failure of any **products** or work performed by **you** or on **your** behalf to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by **you**; but this Exclusion 14(b) shall not apply to **your** liability for loss of use of other tangible property resulting from sudden and accidental physical loss, destruction of or damage to any **products** or work performed by **you** or on **your** behalf after such **products** or work have been put to use by any person or organisation other than **you**.

15. Pollution

- (a) For **personal injury** and/or **property damage** directly or indirectly arising out of the dispersal, release, seepage, migration or escape of **pollutants** into or upon land, the atmosphere or any watercourse or body of water;
- (b) For any costs and expenses incurred in preventing the discharge, dispersal, release, seepage, migration or escape of, or, testing and monitoring for, containing, removing, nullifying, or cleaning up of, **pollutants**.

Provided that, with respect to any such liability which may be incurred anywhere other than **North America**, Exclusions 15(a) and 15(b) shall not apply where such discharge, dispersal, release, seepage, migration, or escape is caused by a sudden, identifiable, unintended and unexpected event from **your** standpoint which takes place in its entirety at a specific time and place.

16. Property in your physical or legal control

For **property damage** to:

- (a) property leased or rented to **you**;
- (b) property not belonging to **you** but in your physical or legal control other than the property described in 'Additional benefit – Property in **your** physical or legal control'.

17. Property owned by You

For **property damage** to property owned by **you**.

18. Product guarantee

For any products warranty or guarantee given by **you** or on **your** behalf, but this exclusion shall not apply to the requirements of any Federal or State legislation as to product safety and information.

19. Product recall

For any damages, costs or expenses arising out of the withdrawal, recall, inspection, repair, reconditioning, modification, reinstallation, replacement or loss of use of any **products** where such **products** are withdrawn or recalled from the market or from use by any person or organisation because of any known, alleged or suspected defect or deficiency in such **products**.

20. Vehicles

For **personal injury** or **property damage** arising out of the ownership, possession or use by **you** of any **vehicle**:

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

but exclusions (a) and (b) shall not apply to:

- (i) **personal injury** where:
 - ▼ that compulsory liability insurance or statutory indemnity does not provide indemnity; and
 - ▼ the reason or reasons why that compulsory liability or statutory indemnity does not provide indemnity do not involve a breach by **you** of legislation relating to **vehicles**;
- (ii) any **vehicle** (including any tool or plant forming part of or attached to or used in connection with such **vehicle**) whilst being operated or used by **you** or on **your** behalf as a **Tool of Trade** at **your business premises** or on any **Work Site**;
- (iii) the delivery or collection of goods to or from any **vehicle**;
- (iv) the loading or unloading of any **vehicle**;
- (v) any **vehicle** temporarily in **your** custody or control for the purpose of parking;
- (vi) **property damage** caused by or arising out of the movement of any **vehicle** (which is required to be Conditionally Registered in accordance with the law of any State or Territory in Australia) in the event of **Your** inadvertent and unintentional failure to effect Conditional Registration; or
- (vii) for **property damage** arising out of the movement by **you** or by any employee(s) of **yours** of any **vehicle** or trailer not belonging to **you** which is interfering with access to or from any premises or any site where **you** are carrying out work provided that the **vehicle** is under the control of a driver with a licence that is valid in Australia in relation to the class of **vehicle**.

Provided in relation to paragraph (v) to (vii) above **we** will not be liable for the first:

- (i) \$1,000 when the **vehicle** is being driven by a person under 25 years of age; or
- (ii) \$250 when the **vehicle** is being driven by a person who has not held a driving licence in relation to the class of **vehicle** for two or more consecutive years.

These **excesses** are cumulative to the extent that one or more of the above circumstances apply and they are also in addition to the amount of any other applicable **excess** specified in this **Cover Section** or in **your policy schedule**.

Additional benefit applicable to this Cover Section

Property in your physical or legal control

Exclusion 16 'Property in **your** physical or legal control' shall not apply with regard to

- (a) **property damage** to 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) **property damage** to premises or part(s) of premises (including their contents) leased or rented, or temporarily occupied by, **you** for the purpose of the **business**, but no cover is provided by this **Policy** if **you** have assumed the responsibility to insure such premises;
- (c) (i) **property damage** to premises (and/or) their contents temporarily occupied by **you** for the purpose of carrying out work in connection with **your Business**; or
- (ii) **property damage** to any other property temporarily in **your** possession for the purpose of being worked upon (including Products previously sold, supplied, delivered, installed or erected by **you**);

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) **property damage** to any **vehicle** (including its contents, spare parts and accessories while they are in or on such **vehicle**) not belonging to or used by **you**, whilst any such **vehicle** is in a car park owned or operated by **you** provided that **you** do not operate the car park for reward as a principal part of **your Business**;
- (e) notwithstanding exclusion 6 'Contractual liability', **property damage** to property (except property that **you** own) not mentioned in paragraphs (a) to (d) above whilst in **your** physical or legal care, custody or control whether or not **you** have accepted or assumed legal liability for such property, provided that **our** liability under this additional benefit shall not exceed \$250,000 or the amount specified in the **policy schedule**, if higher in respect of any one claim or series of claims arising out of any one **occurrence** and covered under this **Cover section** or any other greater amount set out in the **Policy schedule**.

Optional cover

Products exported to North America with your knowledge (Applicable only where this optional cover is confirmed in the Policy schedule)

The cover provided by this **Cover Section** 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 cleaning up of Pollutants;
 - (iii) the cost of preventing the escape of Pollutants;
 - (iv) any claim for Compensation if in **North America** you have:
 - ▼ any assets other than **Products**;
 - ▼ a related or Subsidiary company;
 - ▼ any resident person, party or registered local entity in **North America** holding **your** power of attorney; and/or
 - ▼ any franchisor or franchisee.

Special conditions applicable to this Cover Section

Claims

1. Notification of occurrence, claim or suit

You shall give:

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

2. Your duties in the event of an occurrence, claim or suit

- (a) **You** shall not, without **our** written consent (which consent shall not be unreasonably withheld), make any admission, offer, promise or payment in connection with any **occurrence** or claim.
- (b) **You** shall use the best endeavours to preserve all property, **Products**, appliances, plant, and all other things which may assist in the investigation or defence of a claim or suit or in the exercise of rights of subrogation and, so far as may be reasonably practicable, no alteration or repair shall be effected without **our** consent until **we** have had an opportunity of inspection.
- (c) **You** shall, when so requested, provide **us** with details of any other insurances current at the time of any **occurrence**, and/or **personal injury** and/or **property damage** and/or **advertising injury** and covering any of the liability insured by this **Cover Section**.

3. Our rights regarding claims

- (a) Following the happening of any **occurrence** in respect of which a claim is, or may be, made under this **Cover Section**, **we** have full discretion in the conduct of any legal proceedings and in the settlement of any claim. **You** must co-operate by giving **us** any statements, documents or assistance **we** require. This may include giving evidence in any legal proceedings.
- (b) **We** may at any time pay to **you**, in respect of all claims against **you** arising directly or indirectly from one source or original cause:
 - (i) the amount of the **Limit of Liability** or such other amount specified in respect thereof (after deduction of any sum(s) already paid by **us**, which sum(s) would reduce the amount of **our** unfulfilled liability in respect thereof); or
 - (ii) any lesser sum for which the claim(s) can be settled.
- (c) Upon making such payment, **we** shall relinquish conduct and control of, and be under no further liability under this Policy in connection with, such claim(s) except for defence costs and supplementary payments:
 - (i) recoverable from **you** in respect of the period prior to the date of such payment (whether or not pursuant to an order made subsequently); or

(ii) incurred by **us**, or by **you** with **our** written consent, prior to the date of such payment.

4. Cross liabilities

This insurance extends to indemnify:

1. each of the parties comprising the named insured; and
2. each of the insureds hereunder;

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

In particular, but without limiting the foregoing, this insurance shall indemnify each of the parties described in clauses 1 and 2 of 'Cross liabilities' in respect of claims made by any other of such parties.

Provided always that:

- (i) each of such parties shall be separately subject to the terms, General Claims conditions, General Policy conditions, General exclusions and General definitions of this **Policy** in the same manner and to a like extent as though separate policies had been issued; and
- (ii) in no case shall the amount payable by **us** in respect of any one claim or series of claims arising out of any one **occurrence** or in the aggregate, as the case may be, exceed the applicable **Limit of Liability** as specified in the **Policy schedule**.

5. Inspection and audit

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

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

6. Premium – adjustment of premium

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

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

7. Release

Where **you** are required by contractual agreement to release any government or public or local authority or other statutory authority or any landlord or any other persons or parties from liability for loss, destruction or damage or legal liability insured against under this **Policy**, such release is allowed without prejudice to this insurance.

Notwithstanding general condition 'Subrogation rights' of this **Policy**, **we** agree to waive all our rights of subrogation against any such authority or persons or parties in the event of any **occurrence** for which a claim for indemnity may be made under this **Policy**.

Definitions

The following words have the following meanings in this **Cover Section** only. **You** should also refer to the General definitions section on page 22 to 27.

Advertising injury

Injury arising out of:

- (a) defamation; or
- (b) any breach of the misleading or deceptive conduct provisions of the Competition and Consumer Act 2010 (Commonwealth) or Schedule 2 to the Competition and Consumer Act 2010 (The Australian Consumer Law) or any Fair Trading or similar legislation of any country, state or territory; or
- (c) any infringement of copyright or passing off of title or slogan; or
- (d) unfair competition, piracy, misappropriation of advertising ideas style of doing business; or
- (e) an invasion of privacy;

committed or alleged to have been committed during the **period of insurance** in any advertisement, publicity article, broadcast or telecast and caused by or arising out of **your** advertising activities.

Business (for the purposes of this Cover section only)

The business as described in the **Policy schedule** (or as further described in any more specific underwriting information provided to **us** at the time when this insurance was proposed to **us** or at the time of any renewal of this **Policy**) and shall also include:

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

Compensation

Monies paid or agreed to be paid by judgment, award or settlement in respect of **personal injury** and/or **property damage** and/or **advertising injury** provided that such compensation is only payable in respect of an **occurrence** to which this insurance applies.

Employment practices

Any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination in respect of **your** employees.

Excess

The first amount of each claim or series of claims, arising out of any one **occurrence**, for which **you** are responsible. The **excess** applicable to this **Cover section** appears in the **Policy schedule**. The **excess** applies to all amounts for which **we** will be liable, including the indemnity provided for defence costs and supplementary payments.

General liability

Your legal liability for **personal injury**, **property damage** or **advertising injury** caused by or arising out of an **occurrence** happening in connection with **your business** other than **products liability**.

Geographical limit

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

Incidental contracts

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

Limit of liability

The limit specified in the **Policy schedule**. Unless stated to the contrary, and otherwise as provided in this **PDS**, limits and the most **we** pay amounts stated in this **PDS** and on the **Policy schedule** or certificate of insurance include GST.

Named insured

- (a) The person(s), corporations and/or other organisations specified in the **Policy schedule**;
- (b) All existing Subsidiary and/or controlled corporations (including subsidiaries thereof) of the specified **insured** incorporated in the Commonwealth of Australia and/or any other organisations under the control of the **named insured**;
- (c) All Subsidiary and/or controlled corporations (including subsidiaries thereof) of the **named insured** and/ or any other organisations under the control of the **named insured** incorporated in the Commonwealth of Australia and which are constituted or acquired by the **named insured** after the commencement of the **period of insurance** and notified to **us** in writing within thirty (30) days of the acquisition;
- (d) Every subsidiary and/or controlled corporation and/or other organisation of the **named insured** which is divested during the **period of insurance**, but only in respect of claims made against such divested subsidiary, related or controlled corporation or organisation caused by or arising out of **occurrences** insured against by this **policy**, which occurred prior to the divestment.

North America

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

Occurrence

An event, including continuous or repeated exposure to substantially the same general conditions, which results in **personal injury** and/or **property damage** and/or **advertising injury** that is neither expected nor intended (except for the matters set out in item (e) of the definition of '**personal injury**') from **your** standpoint.

With respect to **personal injury** or **property damage**, all events of a series consequent upon or attributable to one source or original cause shall be deemed to be one **occurrence**.

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

Personal injury

- (a) bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom;
- (b) false arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation;
- (c) wrongful entry or wrongful eviction;
- (d) defamation or invasion of privacy, unless arising out of **advertising injury**;
- (e) assault and battery not committed by **you** or at **your** direction, unless committed for the purpose of preventing or eliminating danger to persons or property.
- (f) discrimination as a result of race, religion, sex, marital status, age, intellectual impairment, disability or otherwise (unless insurance thereof is prohibited by law) not committed by **you** or at **your** direction, but only with respect to liability other than fines and penalties imposed by law.

Products

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

Provided always that for the purpose of this insurance the term "**products**" does not include:

- (a) food and beverages supplied by **you** or on **your** behalf primarily to **your** employees as a staff benefit;
- (b) any vending machine or any other property rented to or located for use of others but not sold by **you**;

and any claims made against **you** in respect of **personal injury** and/or **property damage** arising out of any **occurrence** in connection therewith shall be regarded as **general liability** claims hereunder.

Products liability

Your legal liability for **personal injury** and/or **property damage** caused by or arising out of any **products** or the reliance upon a representation or warranty made at any time with respect to such **products**; but only where such **personal injury** and/ or **property damage** occurs away from **premises** owned or leased by or rented to **you** and after physical possession of such **products** has been relinquished to others.

Property damage

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

Tool of trade

A **vehicle** that has tools, implements, machinery or plant attached to or towed by the **vehicle** and is being used by **you** at **your premises** or on any **work site**. **Tool of trade** does not include any **vehicle** whilst travelling to or from a **work site** or **vehicles** that are used to carry goods to or from any premises.

Work site

Any premises or site where any work is performed for and/or in connection with **your business** together with all areas surrounding such premises or site and/or all areas in between such premises or site that **you** shall use in connection with such work.

You/Your/Insured (where used in this Cover Section)

Each of the following is an insured to the extent specified below:

- (a) the **named insured**;
- (b) every past, present or future director, stockholder or shareholder, partner, proprietor, officer, executive or employee of the **named insured** (including the spouse or any **family** member of any such person while accompanying such person on any commercial trip or function in connection with the **business**), while such persons are acting for or on behalf of the **named insured** in the conduct of the **business** and/or within the scope of their duties in such capacities;
- (c) any employee superannuation fund or pension scheme managed by or on behalf of the **named insured**, and the trustees and the directors of the trustee of any such employee superannuation fund or pension scheme which is not administered by corporate fund managers;
- (d) every principal in respect of the principal's liability arising out of:
 - (i) the performance by or on behalf of the **named insured** of any contract or agreement for the performance of work for such principal, but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this **policy**;
 - (ii) any **products** sold or supplied by the **named insured**, but only in respect of the **named insured's** own acts or omissions in connection with such **products** and in any event only for such coverage and limits of liability as are provided by this **Cover Section**.
- (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 **Cover Section**;
- (f) every officer, member, employee or voluntary helper of the **named insured's** canteen, social and/or sporting clubs, first aid, medical, ambulance or firefighting services, charities, welfare and/or child care facilities, while acting in their respective capacities as such;
- (g) any director, partner, proprietor, officer or executive of the **named insured** in respect of private work undertaken by the **named insured's** employees for such person and any employee whilst actually undertaking such work;
- (h) the estates, legal representatives, heirs or assigns of:
 - (i) any deceased or insolvent persons; or
 - (ii) persons who are unable to manage their own affairs by reason of mental disorder or incapacity; who would otherwise be indemnified by this **Cover Section**, but only in respect of liability incurred by such persons as described in clauses (h) (i) and (h) (ii) above.
- (i) every party including joint venture companies and partnerships to whom the **named insured** is obligated by virtue of any contract or agreement to provide insurance such as is afforded by this **policy**; but only to the extent required by such contract or agreement and in any event only for such coverage and **limits of liability** as are provided by this **Cover Section**.

Management liability cover section

About this section

This section covers the management liability of **you, your directors, officers and employees**. The cover in this section (apart from the Optional Cover – Employee Dishonesty) is issued on a **claims made and notified basis**, which is discussed further on page 6.

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

Your Insurance under this section

Provided 'Management liability' is shown under 'What's Covered' in the **Policy schedule**, and subject to the General exclusions on page 20 to 21, and this **Cover Section** exclusions, **we** will insure **you** for **loss** above the **excess** resulting from **claims** first made against **you** and notified to **us** during the **period of insurance** (or **discovery period**, if applicable).

Cover Section exclusions

This section does not cover:

1. Bodily injury and property damage

Loss resulting from **claims**:

- (a) for bodily injury, any form of psychiatric, psychological or mental injury, illness, disease or death of any person;
- (b) damage to or destruction of any tangible property including any resulting consequent loss of use.

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

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

2. Dishonest or criminal intent or improper conduct

Loss resulting from **claims** against **you** arising directly or indirectly from or in respect of:

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

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

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

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

3. Known claims and circumstances

Loss resulting from **claims** arising directly or indirectly from or in respect of any fact, **event**, circumstance or **wrongful act**:

- (a) known to **you** at the inception of this policy and which a reasonable person in the circumstances might reasonably expect to give rise to a **claim**;
- (b) which has been or should reasonably have been the subject of any written notice given under any policy of which this **policy** is a direct or indirect renewal or replacement; or
- (c) alleged in, discovered in, relating to or underlying any **claim** made against **you** prior to the inception of the commencement of the **period of insurance**.

4. Company v insured

Loss, other than **defence costs**, resulting from any **claim** brought by or on behalf of the **company** except for any **claim**:

- (a) brought as a statutory derivative action, but not voluntarily solicited or assisted by the **company**;
- (b) by or at the direction of any liquidator, administrator, or receiver or equivalent in any jurisdiction; or
- (c) by the **company** pursuant to Section 50 of the Australian Securities and Investments Commission Act 2001.

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

5. Contractual liability

Loss resulting from **claims** against the **company** arising directly or indirectly from or in respect of any actual or alleged breach of contract, except that this exclusion will not apply in respect of a **claim** for an **employment wrongful act** or liability that would have attached in the absence of such contract or agreement.

6. Pollution

Loss resulting from **claims** arising directly or indirectly from or in respect of **pollution** other than as provided for by Additional benefit 6 - Pollution expenses.

7. Intellectual property rights

Loss resulting from **claims** against the **company** arising directly or indirectly from or in respect of any alleged or actual breach of any other party's intellectual property rights, or infringement or violation of any trade secret.

8. Restrictive trade practices

Loss resulting from **claims** against the **company** arising directly or indirectly from or in respect of any alleged or actual restrictive trade practices including but not limited to, Part IV of the Competition and Consumer Act 2010 (Commonwealth) or similar legislation in other jurisdictions, or tortious interference with any other party's business or contractual relationships.

9. Professional services

Loss resulting from **claims** arising directly or indirectly from or in respect of:

- (a) any breach of duty in respect of any professional services or professional advice by **you**; or
- (b) any breach of any contract for the provision of professional services or professional advice by **you**.

except that this Exclusion will not apply in respect of any actual or alleged professional services or professional advice which is provided by an **insured person** when acting solely in their capacity as an **insured person**, and in circumstances where such professional services or professional advice is provided to **you** and not to third parties in the course of the **company's** professional **business**.

10. Public capital raisings

Loss resulting from **claims** arising directly or indirectly from or in respect of any public offer for the raising of capital by debt or equity, including but not limited to any prospectus.

11. Jurisdiction limits

- (a) any action brought or instituted against **you** or any judgment obtained against **you** (whether or not such judgment is enforced by the courts of The Commonwealth of Australia or New Zealand) in any country other than The Commonwealth of Australia or New Zealand, regardless of whether **you** are represented by a branch or by an **employee** domiciled in that country or by a company, firm or individual holding **your** power of attorney.

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

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

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

12. Retroactive date

Loss resulting from any **wrongful act** occurring or committed prior to the **retroactive date**. and to execute such documents, including signed statements and affidavits.

13. Waiver

Any liability incurred solely by reason of the **insured** entering into a deed or agreement excluding, limiting or delaying their legal rights of recovery against another.

14. Occupational health and safety law

Loss resulting from **claims** arising directly or indirectly from or in respect of any breach of occupational health and safety **law** other than as provided for by Additional benefit 5 - Occupational health and safety expenses.

Additional benefits

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

Any amounts payable under these Additional benefits are included within, and do not apply in addition to, the **insured amount** specified in the **Policy schedule**.

1. Advancement of defence costs and representation expenses

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

However, if and to the extent that **you** are not entitled to cover for **loss** under the terms of this **Cover section**, then **we** will cease to advance **defence costs** and **representation expenses** and any amounts previously advanced shall be repaid to **us** by **you** within thirty (30) days following a request by **us** for such repayment.

If a **claim** alleges a **wrongful act** or illegal or improper conduct as described in Exclusion 2 – Dishonest or Criminal Intent / Improper Conduct, then **we** will advance **defence costs** and **representation expenses** in respect of such **claim**.

Provided that if it is found by way of an admission by **you**, judgment or adjudication that **you** did commit such **wrongful act** or engage in such illegal or improper conduct, then any amounts previously advanced shall be repaid to **us** within thirty (30) days following the request for repayment.

2. Continuity

In the absence of fraudulent non-disclosure or fraudulent misrepresentation, where a **claim** that would otherwise be covered by this section is excluded by Exclusion 3 – Known Claims and Circumstances, then cover is provided under this section, provided that:

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

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

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

3. Acquisition or creation of new subsidiaries

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

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

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

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

4. Outside directorships

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

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

- (a) any indemnity; or
- (b) any insurance contract specified by **endorsement**;

available from or through the **non-profit outside entity** or **outside entity**.

5. Occupational Health and Safety expenses

Subject to the provisions of Additional Benefit 1 – Advancement of Defence Costs and Representation Expenses and notwithstanding Exclusion 1 – Bodily Injury and Property Damage, Exclusion 14 – Occupational Health and Safety law and General Exclusion 4 – Non-compliance, **we** will:

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

(b) insure **you** for fines or penalties to the extent permitted by law imposed upon **you** resulting from **claims** first made against **you** and notified to **us** during the **period of insurance**, based upon occupational health and safety law.

For the purposes of this Additional benefit 5, **representation expenses** also includes necessary and reasonable costs, charges and expenses (other than regular or overtime wages, salaries, fees or **benefits** of an **insured person**) incurred with **our** prior consent, in representing and assisting **you** at a visit from an inspector of a workplace health and safety authority in connection with and following a workplace safety incident, provided that notice of the visit is given to **you** and is notified to **us** during the **period of insurance**.

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

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

6. Pollution expenses

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

(a) pay on behalf of **you**:

(i) **defence costs** incurred in defending **claims** (other than a civil claim for compensation or damages) first made against **you** and notified to **us** during the **period of insurance**, based on **pollution** which results from a **wrongful act**; and

(ii) **representation expenses**, where the subject matter of the **official investigation** is **pollution**; and

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

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

7. Emergency costs

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

8. Personal tax liability

(a) The definition of **loss** is extended to include any personal liability an **insured person** incurs with respect to unpaid taxes of an insolvent company.

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

9. Public relations expenses

(a) The definition of **loss** is extended to include the reasonable costs, charges, fees and expenses of a public relations firm or consultant incurred with **our** prior consent which **you** engage to prevent or limit the adverse effects or negative publicity which results from or is anticipated to result from a claim.

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

10. Business crisis consultant fees

The **Insurer** will pay on behalf of the **company**, **business crisis consultant fees** incurred by the **company** in responding to a **business crisis event** that first occurs during the **period of insurance**.

We will not pay more under this Additional Benefit than \$25,000 per **business crisis event**.

11. Spouses and legal representatives

If an **insured person** dies or becomes legally incapable, insolvent or bankrupt, then this **Cover Section** will cover **loss** resulting from **claims** first made against the **insured person's** estate, heirs, executors or other legal representatives during the **period of insurance**.

Provided that the estate, heirs, executors or other legal representatives must comply with the terms of this **Cover Section**.

If a **claim** against an **insured person** includes a claim against that **insured person's spouse** solely by reason of:

(a) the **spouse's** legal status as a **spouse** of the **insured person**; or

(b) the **spouse's** ownership interest in property which the claimant seeks as recovery for **claims** made against the **insured person**;

then all **loss** for which the **spouse** becomes legally liable will be treated for the purposes of this **Cover Section** as **loss**, except to the extent the **claim** alleges any act, error or omission by the **insured person's spouse**.

12. Retired directors and officers

In the event that this **Cover Section** is neither renewed nor replaced for any reason, other than for non-payment of premium, then any **director** or **officer** who retires from all paid employment and office with the company during the **period of insurance**, but prior to any **merger or acquisition**, shall be entitled to an automatic **discovery period** of 84 months following expiry of the **period of insurance**.

13. Automatic discovery period

In the event that this **Cover Section** is neither renewed nor replaced for any reason other than for non-payment of premium, and provided that no **merger or acquisition** has occurred, **you** will be entitled to a **discovery period** of 90 days at no additional premium.

Discovery periods are non-cancellable, and any **claim** made during a **discovery period** will be deemed to have been first made during the immediately preceding **period of insurance**.

The entitlement to a **discovery period** will not increase or reinstate the **limit of liability**.

14. Statutory liability

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

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

Fines and penalties do not mean exemplary, punitive, liquidated or aggravated damages or compensatory damages. This Additional benefit does not cover any fines or penalties:

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

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

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

Optional cover

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

Employee dishonesty

Provided 'Employee Dishonesty' is shown under 'What's Covered' in the **Policy schedule** **we** will pay **you** for **fidelity loss** that occurs during the **period of insurance**.

A series of related, continuous or repeated acts of fraud or dishonesty (whether by any one **employee** or any number of **employees** in collusion) will be treated as a single act of fraud or dishonesty even if committed during more than one **period of insurance**.

However, if the act of fraud or dishonesty is committed during more than one **period of insurance** **you** shall be entitled to elect in which of these **periods of insurance** the act of fraud or dishonesty shall be deemed to have occurred. The maximum amount of insurance will be determined by the **insured amount** that applied in the elected **period of insurance**.

What we exclude

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

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

- (a) **insured amount** shown in the **Policy schedule**; or
- (b) the amount that would have been recoverable under the previous policy had it continued in force until the discovery of the **loss**.

This Optional Insurance does not cover **you** for:

- (a) any **fidelity loss** arising from the conduct of an **employee**, discovered later than:
 - (i) 12 months after the expiry of the **period of insurance**; or
 - (ii) 12 months after the termination of employment of the relevant **employee(s)**,whichever occurs first;

- (b) any **fidelity loss** arising from the conduct of an **employee** after **you** have knowledge of or information about any prior act of fraud or dishonesty by the **employee**;
- (c) **fidelity loss** arising from the conduct of an **employee** outside of Australia or New Zealand;
- (d) **fidelity loss** or part of a **fidelity loss** where the proof of the **fidelity loss** is solely dependent upon an inventory stock take or a profit and loss calculation;
- (e) fraud or dishonesty by any of **your employees** committed with **your** connivance;
- (f) indirect or consequential loss of any kind, including but not limited to loss of use or loss of earning capacity; or
- (g) **fidelity loss** arising directly or indirectly from or in respect of the actual or alleged theft of confidential information or intellectual property.

Optional Insurance Extra covers

If **we** agree to pay a claim under Optional Cover – Employee Dishonesty, **we** will also pay or provide the Extra covers set out below.

1. Claims preparation costs

We will pay for the reasonable cost of auditors' fees and other reasonable expenses incurred by **you** with **our** consent, for the preparation of claims under this Optional Insurance.

We will not pay more than \$25,000 for claims preparation costs during any one (1) **period of insurance**.

Any amounts payable for claims preparation costs do not apply in addition to the **insured amount** applicable to this Optional Insurance.

2. Retroactive cover

If Optional Cover – Employee Dishonesty replaces any previous fraud and dishonesty insurance policy held by **you** that is terminated, cancelled or allowed to expire at the time of the replacement, **we** will cover any **fidelity loss** that is within the period of cover of the consecutive previous insurance policy provided that:

- (a) the **fidelity loss** would have been recoverable by **you** under the consecutive previous insurance policy except for the fact that the time within which to discover any **fidelity loss** had expired; and
- (b) the **fidelity loss** would have been covered under this Optional Cover if it had been in force when the acts or defaults causing the **fidelity loss** were committed.

3. Welfare, social or sporting club cover

The definition of **you** is extended to include any welfare, social or sporting club formed with **your** knowledge and consent which is exclusively for the benefit of **employees** and their families.

Unless stated otherwise, any amounts payable in respect of this extension of the definition of **you** does not apply in addition to the **insured amount** applicable to this Optional Insurance.

Cover Section conditions

These conditions apply to all covers and claims under this Management liability cover section unless otherwise stated.

1. Acquisition, merger or winding up of policyholder

If, during the **period of insurance**, any of the following events occur:

- (a) a **merger** or **acquisition**; or
- (b) the appointment of a receiver, controller, administrator or liquidator to **you** or the commencement of a scheme of arrangement or compromise or a winding up process in respect of **you**;

then this **Cover Section** will remain in force until the expiry of the **period of insurance**, but only in respect of **loss** resulting from **claims** based on **wrongful acts** committed or alleged to have been committed prior to the events described in (a) or (b) above.

2. Severability and imputation

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

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

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

3. Related claims

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

- (a) if the first **related claim** is first made during this **period of insurance** and notified to **us** during this **period of insurance** or any applicable **discovery period**, then cover for all subsequent **related claims** will only be provided under this policy; and
- (b) if the first **related claim** was first made and notified to **us** during a period prior to this **period of insurance**, during which **you** had cover with **us**, then cover for all **related claims** will only be provided under that earlier policy with **us**, subject to the terms, **excess** and **limit of liability** of that earlier policy; and
- (c) if the first **related claim** was first made during a period prior to this **period of insurance**, during which **you** did not have cover with **us**, then no cover for any related **claim** will be provided under this **Cover Section**.

4. Notification

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

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

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

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

You must provide **us** with such further information and documentation as **we** may reasonably require.

5. Claims conduct

We are entitled to take over and conduct in **your** name the defence or settlement of any **claim** and will have full discretion in the conduct of any proceedings and in the settlement of any **claim**.

We reserve entirely **our** rights under this policy, including **our** right to agree or deny cover while **we** assess a **claim** or conduct a defence. **Our** rights under this policy are not affected if **we** do not conduct the defence.

Neither **you** nor **we** will be required to contest or litigate any **claim** if, in the opinion of Senior Counsel, reasonable attempts should be made to settle the **claim**. The Senior Counsel shall be mutually agreed upon, or in the absence of such agreement, as nominated by the President of the NSW Bar Association. The cost to obtain the opinion will be advanced by **us** and treated as **defence costs**.

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

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

6. Settlement

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

If **you** object to a proposal by us to settle or compromise any **claim** payable under this **Cover Section** and wish to contest or litigate the matter, then **you** may so elect, but **our** liability in respect of any such **claim** so contested or litigated will not exceed the amount for which, but for such election, it could have been settled or compromised by **us**, together with **defence costs** payable in accordance with the terms of this **Cover Section** and incurred up to the time of such election.

7. Allocation of loss

This Claims condition applies to any part of any **loss** resulting from a **claim** which is in respect:

- (a) of one of **you** only; or
- (b) of more than one of **you**, whether jointly or severally; or
- (c) of one or more of **you** and one or more persons or entities who is or are not covered under this **Cover Section**, whether jointly or severally;

and which is partly covered and partly not covered under this **Cover Section**, (together 'Loss to be Allocated').

We must determine a fair and reasonable allocation of the covered part of the Loss to be Allocated among the relevant **insured's** and **us** having regard to the extent of each insured's comparative responsibility for the Loss to be Allocated.

Our consideration of what is fair and reasonable should include without limitation, the following factors:

- (a) the nature of the **claim** against each **insured**;
- (b) the issues of fact and law in relation to each **insured**;

- (c) the content and the manner of the conduct of any defence of the **claim**;
- (d) the relative degree of personal responsibility for the **loss**;
- (e) the extent to which the insured's responsibility for the **loss** is joint, several or shared;
- (f) the extent to which any person or entity, other than that insured, would obtain a benefit from the payment by **us**;
- (g) the extent to which the **loss** is solely of that **insured**;
- (h) the extent to which the issues in the **claim** against that insured are in common with the issues in the **claim** against any other person or entity;
- (i) the extent to which the **loss** is partly covered and partly not covered under this **Cover Section**;
- (j) in the event of a settlement, the likely comparative responsibility had the settlement not occurred.

If **you** wish to dispute our determination of the allocation, each party agrees that the dispute must be referred for expert determination in accordance with the Australian Commercial Disputes Centre ("ACDC") Mediation Guidelines, to an expert agreed by the parties, or if the parties do not agree on an expert, an expert nominated by the then current CEO of ACDC or the CEO's nominee.

Each party agrees to sign an agreement with the expert that confirms the following:

- (a) each party will pay an equal share of the fees for the appointed expert (to be charged at the expert's usual rate); and
- (b) the expert may:
 - (i) consider relevant industry practice;
 - (ii) consider all information presented to the expert by either party;
 - (iii) request more information from either party;
 - (iv) request a meeting with the parties (to which they may bring their lawyers); and
- (c) the expert must decide within thirty days after the agreement is signed, and need not give reasons; and
- (d) the expert's decision will be binding on the parties and final; and
- (e) the expert will exclude all liability of the expert to either party (including liability for negligence) to the full extent permitted by law.

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

Any allocation of **loss** will not apply to or create a presumption with respect to the allocation of other **loss** on account of such **claim**.

This provision overrides the Complaints Resolution provision contained in Part 2 with respect to **our** determination of the allocation, to the extent of any inconsistency.

8. Subrogation and recoveries

Provision of information and assistance

You agree to provide **us** with all information, evidence, documentation, assistance and co-operation and to execute such documents, including signed statements and affidavits, which **we** reasonably request in the exercise of **our** rights of recovery.

You will at all times and at **your** own cost use reasonable endeavours to do and concur in doing everything reasonably practicable to assist in the exercise of **your** rights of recovery.

All Recoveries

All recoveries obtained by **you** from other parties will be allocated, after the settlement of any **claim** under this **Cover Section** as follows:

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

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

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

9. Authorisation

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

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

10. Confidentiality

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

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

11. Governing law

The construction, interpretation and meaning of the terms of this **Cover Section** will be determined in accordance with the laws of the Commonwealth of Australia and the State or Territory where the **Policy** was issued. Any disputes relating to the construction, interpretation and meaning of the terms of this **Policy** will be submitted to the exclusive jurisdiction of the courts of the Commonwealth of Australia.

12. Interpretation the singular includes the plural and vice versa.

A reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision (whether of the Commonwealth of Australia or elsewhere).

The titles and headings to the various parts of this Cover section are included solely for ease of reference and do not in any way limit or expand or otherwise affect the terms of such parts.

What we pay

Our liability to **you** under this section in respect of **loss** covered under this Cover Section resulting from **claims** first made against **you** and notified to **us** during the **period of insurance** (or **discovery period**, if applicable) will not exceed the 'Management liability' **insured amount** in the aggregate during the **period of insurance**.

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

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

In respect of the Optional Cover – Employee Dishonesty, **we** will:

- (a) pay **you** the amount of lost **money**; or
- (b) at our option, replace lost **covered property** or pay the market value of the **covered property**.

Notwithstanding that the act of fraud or dishonesty may have been committed during more than one **period of insurance**, the maximum amount **we** will pay for all **claims** under Optional Cover – Employee Dishonesty in the **period of insurance** is the 'Employee dishonesty' **insured amount**.

Excess

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

If **you** also select Optional Cover – Employee Dishonesty the **excess** that applies to 'Employee Dishonesty' will apply in addition to any **excess** applicable to Management liability.

You are liable for the amount of **loss** or **fidelity loss** up to the **excess** for each **claim** under this **Cover Section**.

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

Definitions

The following words have the following meanings for this **Cover Section** only. **You** should also refer to the General definitions section on page 22 to 27.

Benefits

- (a) a fringe benefit(s) and perquisites; or
- (b) amounts due or payments made in connection with superannuation or an **employee** benefit plan or pension scheme; or
- (c) share or stock options or any other right to purchase, acquire or sell shares or stock; or
- (d) bonuses, or **employee** or management incentive schemes or similar.

Business crisis consultant fees

The reasonable costs, charges, fees and expenses of an independent management consultant engaged to minimise the effect of the **business crisis event**, but only during the first 30 (thirty) days immediately following the **business crisis event**.

Business crisis event

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

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

Claim

- (a) a written communication, including electronic communications, to **you**, containing:
 - (i) a demand for compensation or damages: and
 - (ii) allegations of an act, error, omission, conduct, facts or circumstances that may constitute a **wrongful act**;
- (b) a civil proceeding commenced against **you** by the service of a written complaint, summons, statement of claim, writ or similar pleading or an arbitral process, cross-claim, or counter claim against **you** alleging an act, error, omission, conduct, facts or circumstances that may constitute a **wrongful act**; or
- (c) any criminal proceeding commenced against **you** by a summons or charge arising from a **wrongful act**; or
- (d) any **official investigation**.

Company

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

Covered property

Tangible property other than **money**.

Defence costs

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

Director

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

Discovered / Discovery

When **you** first become aware of facts which would cause a reasonable person in the circumstances to believe that **fidelity loss** has occurred, or is likely to occur, regardless of when the act or acts causing or contributing to such **fidelity loss** occurred and even though the exact amount or details of the **fidelity loss** may not then be known.

Discovery period

A period of time immediately following the expiration of the **period of insurance** during which written notice may be given to **us** of a **claim** first made after the expiry of the **period of insurance**, and based on **wrongful acts** occurring prior to the expiry of the **period of insurance**.

Employee

Any natural person who was prior to the **period of insurance**, or is during or after the **period of insurance** an **employee** of the **company**, (which will include trainees, casual, part-time, seasonal, temporary, voluntary and work experience personnel) acting in such capacity, but excludes **directors** and independent contractors.

Employment wrongful acts

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

- (a) wrongful dismissal, discharge or termination of employment;
- (b) wrongful failure to employ or promote;
- (c) wrongful deprivation of career opportunity;
- (d) misleading representation or advertising in respect of employment;

- (e) wrongful disciplinary action;
 - (f) negligent **employee** evaluation;
 - (g) wrongful demotion;
 - (h) breach of employment contract;
 - (i) sexual or workplace harassment (including the creation of a workplace environment conducive to such harassment);
 - (j) wrongful discrimination;
 - (k) failure to grant tenure;
 - (l) invasion of privacy or defamation,
- committed by **you** in respect of **employees** or prospective **employees** of the **company**.

Fidelity loss

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

Fidelity loss does not mean:

- (a) regular or overtime wages, salaries, fees or benefits earned in the normal course of employment; or
- (b) damages of any type, including but not limited to punitive, exemplary or aggravated damages;
- (c) securities;
- (d) shares, stocks, bearer instruments, derivatives, bonds, warrants, debentures, units in shares, units in trusts (including any evidence of indebtedness or other equity or debt security), rights under a depositary receipt or other securities (or interests therein) of whatever nature.

Insured person

Any natural person who was prior to the **period of insurance**, or is during or after the **period of insurance** a **director**, **officer** or **employee** of the **company**.

Loss

- (a) any amount, whether determined by judgment, verdict or award for which **you** are legally liable to pay including compensation orders, pre-judgement and post-judgement interest, awards of costs or settlements including claimant's costs;
- (b) **defence costs**;
- (c) **representation expenses**;
- (d) reasonable expenses incurred by **you** with **our** prior written consent, solely to investigate, prove and substantiate the amount of the **claim**;
- (e) fines and penalties, to the extent allowed by law; or
- (f) with respect to any claim for an employment wrongful act and in the event of an order to reinstate or re-employ an **employee**, the cost to **you** of complying with any order to pay salary or wages, or damages calculated by reference to salary or wages, to an **employee** for the period from the date of the purported dismissal or termination to the date on which the court, tribunal or similar body delivered its judgement to the parties but does not mean **employee** entitlements or benefits.

Loss does not mean:

- (a) any amount that **we** are prohibited from paying under the laws applicable to this policy;
- (b) any amount representing a profit or advantage to which **you** are not legally entitled;
- (c) with respect to any **claim** for an **employment wrongful act**:
 - (i) any amounts payable in respect of a specified contractual obligation;
 - (ii) compensation payable in respect of contractual or statutory notice periods;
 - (iii) future salary or wages if the **company** was ordered to reinstate an **employee** but does not;
 - (iv) salary or wages earned prior to the date of termination; or
 - (v) **benefits**.

Management wrongful acts

Any act, error, omission, conduct, misstatement, misleading statement, neglect or breach of duty, trust, contract, warranty of authority, statute or confidentiality, actually or allegedly committed by:

- (a) the company; or
- (b) a **director** or officer of the company, or as the holder of a position of equivalent status in, any non-profit outside entity or outside entity, in that capacity; or

(c) a **trustee of a superannuation fund** in that capacity; but does not include an **Employment wrongful act**.

Merger or acquisition

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

Money

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

Any superannuation fund or pension fund formed by **you** exclusively for the benefit of **employees** but does not include any scheme that is administered by a professional funds manager.

Non-Profit outside entity

Any non-profit organisation of any kind that is exempt from the payment of income tax, other than a **subsidiary**.

Officer

Any natural person who was prior to the **period of insurance**, or is during or after the **period of insurance**:

- (a) a company secretary of the **company**; or
- (b) a person:
- (i) who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the company; or
 - (ii) who has the capacity to affect significantly the company's financial standing; or
 - (iii) in accordance with whose instructions or wishes the **directors** of the company are accustomed to act (excluding advice given by the person in the proper performance of functions attaching to the person's professional capacity or their business relationship with the **directors** or the company);

other than:

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

Official investigation

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

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

Outside entity

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

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

Period of insurance

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

Policy committee

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

Pollution

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

Proposal

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

Related claims

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

Representation expenses

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

Retroactive date

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

Spouse

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

Subsidiary

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

Superannuation fund

A corporate superannuation fund established for the benefit of **employees** of the **company**, but excludes any industry, master or self-managed superannuation fund.

Trustee

Any **insured person** who:

- (a) was prior to the **period of insurance**, or is during or after the **period of insurance**:
 - (i) duly appointed trustee of the superannuation fund; or
 - (ii) member of the policy committee of the superannuation fund, to the extent that such person's activities concern the administration of that superannuation fund as is contemplated under the Superannuation Industry (Supervision) Act 1993; or
- (b) was prior to or at the commencement of the **period of insurance** a **trustee** of the **superannuation fund** duly appointed by a court or regulatory body or pursuant to statute.

Wrongful act

Management wrongful act or employment wrongful act.

You or your

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

Goods in transit cover section

About this section

This section covers **you** for loss of or damage to **goods you** sell, buy or use in **your business** when they are in **transit**. **You** have a choice of two types of cover in this **Cover Section**. **You** may insure under either:

- ▼ Specified Perils; or
- ▼ Accidental Damage.

The option **you** choose will be specified in the **policy schedule**. **You** can claim for **loss** or **damage** as described under "What we cover" if:

- ▼ "Goods in Transit" is specified in the **policy schedule**;
- ▼ the **loss** or **damage** to **goods** occurs during the **period of insurance**;
- ▼ the **loss** or **damage** is not excluded by any of the exclusions under "What we exclude"; and
- ▼ the **loss** or **damage** is not excluded by any of the General Exclusions listed on pages 20 to 21.

Your insurance under this section

We cover **you** for **loss** of, or **damage** to, **goods** during the **period of insurance** when they are in transit and you have insured under either:

- ▼ Option A – Specified Perils; or
- ▼ Option B – Accidental Damage.

Option A - Specified Perils

Where Option A – Specified Perils is recorded in the **policy schedule**, **we** will cover **you** for **loss** of, or **damage** to, **goods** during **transit**, directly caused by any of the following **insured events** occurring during the **period of insurance**:

1. fire;
2. explosion;
3. lightning;
4. **flood**;
5. collision of the conveying **vehicle** with any external object other than the road, gutter, or similar surrounding surfaces;
6. overturning, jack-knifing or derailment of the land conveyance;
7. impact to the **goods** with something that is not on or part of the land conveyance provided the **loss** of, or **damage** to, the **goods** is caused by **insured events** (1) to (6) listed above;
8. theft or attempted theft from a locked and unattended transporting **vehicle** following forcible and violent entry which causes visible damage to the transporting **vehicle**;
9. collision, crashing or forced landing of the conveying **aircraft**;
10. jettison, washing overboard and **loss** or **damage** incurred in time of peril; or
11. war or warlike activities, which means invasion, acts of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or civil strife following any of these.

Option B - Accidental damage

Where Option B – Accidental Damage is specified in **your policy schedule**, **we** will cover **loss** of, or **damage** to, **goods** in **transit**, including during **loading** and **unloading**, directly caused by any of the following **insured events** occurring during the **period of insurance**:

1. **accidental loss** of, or **damage** to, the **goods** during the **transit**;
2. acts of strikers, locked-out workers or persons taking part in labour disturbances, riots or civil commotions;
3. malicious acts of persons, unless caused or directed by **you**;
4. insufficiency or unsuitability of packing or preparation of the **goods**, unless such was caused, directed or agreed by **you**; or
5. unexpected deterioration of **temperature controlled goods**.

If the **transit** is interrupted or terminated due to the insolvency or financial default of the carrier, whether or not **loss** or **damage** is caused to the **goods**, **we** will pay the extra costs of freight or storage to forward the **goods** to their intended destination, or to return the **goods** to the place from which they were dispatched, up to a maximum of 10% of the **insured amount** of the **goods**.

What we exclude

Whether **you** choose Option A – Specified Perils or Option B – Accidental Damage, this **Cover Section** will not cover **you** for:

- ▼ **loss or damage** that existed or occurred prior to the commencement of the **transit**;
- ▼ **loss or damage** caused by dismantling, erection, commissioning, testing or storage other than in the ordinary course of **transit**;
- ▼ **loss of, or damage to, goods** directly or indirectly as a result of mechanical, electrical or electronic breakdown or malfunction where there is no external evidence of **damage in transit** from an **insured event** specified under Option A – Specified Perils cover or Option B – Accidental Damage cover;
- ▼ delay, loss of market or consequential loss or damage including loss of profits;
- ▼ **loss of, or damage to, livestock**;
- ▼ **loss or damage** caused directly or indirectly by the un-roadworthy condition of the conveying **vehicle** if it is owned by **you**;
- ▼ confiscation or disappearances by Customs or any lawful authority;
- ▼ unexplained inventory shortage, disappearance resulting from clerical errors, or shortage in the supply or delivery of materials; or
- ▼ **loss or damage** caused directly or indirectly by:
 - ▼ rust, oxidisation, discolouration, mildew, moths, mould, vermin or insects;
 - ▼ heating, sweating or any variation in temperature;
 - ▼ the inherent nature of the **goods**;
 - ▼ ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear; or
 - ▼ scratching, denting, chipping, cracking or breakage of **glass** or any fragile items.

Extra Covers

If we agree to pay a claim under this **Cover section** for **loss of, or damage to, goods in transit**, we will also pay or provide the Extra Covers set out below. Any amounts payable under these Extra Covers are in addition to the **insured amount**.

1. Air freight of replacement parts

We will cover **you** for the cost of sending replacement parts from suppliers to the original destination by air freight, even if the original **transit** was not by air freight.

We will not cover **you** for more than \$10,000 for each Insured **event**.

2. Clean up costs

We will cover **you** for the clean-up and disposal costs at any accident site, where **you** are legally or contractually obliged to pay those costs.

We will not cover **you** for more than \$25,000 for each Insured **event**.

3. Transport and disposal costs

We will cover **you** for the reasonable costs and expenses incurred in cleaning up or decontaminating **your premises** following the delivery or return of salvaged **goods**, plus the transport and disposal costs to remove those **goods**.

We will not cover **you** for more than \$25,000 for each Insured **event**.

4. Freight and salvage charges

We will cover **you** for any additional freight or salvage charges that **you** are required to pay to remove **your goods** from any accident site, including the cost of transport to forward the **goods** to their intended destination or to return the **goods** to the place from which they were dispatched.

We will not cover **you** for more than \$10,000 for each Insured **event**.

5. Minimisation costs

We will cover **you** for the reasonable costs incurred to avoid or minimise any further **loss of, or damage to, the goods**.

We will not cover **you** for more than \$10,000 for each Insured **event**.

6. General average and salvage contribution

We will cover **you** for general average and or salvage contribution that **you** are required to pay under any Bill of Lading or similar document if the **transit** is by sea.

Additional Benefit

We will also provide the following Additional Benefit in this **Cover Section** subject to any conditions applicable to the **Cover Section**, the General Exclusions on pages 20 to 21 and the exclusions in the 'What we exclude' section on page 155. Any amount payable under this Additional Benefit are included within, and do not apply in addition to, the **insured amount** specified in **your Policy schedule** for this **Cover section**.

1. Buyer and seller protection

We cover **you** for the **loss** of, or **damage** to, **goods in transit** if, as a buyer or seller of the **goods**, **you** retain a contingent financial interest in the **goods** while in **transit**, and provided that:

- ▼ the **goods** are **lost** or **damaged** during the **period of insurance**;
- ▼ the **loss** or **damage** to the **goods** is caused by one or more **insured events** covered by **your policy** under this **Cover Section**;
- ▼ the other party under the terms of sale is legally liable to pay **you** for the **goods** or for the **loss** or **damage**, but fails to do so;
- ▼ **you** have taken all reasonable steps to safeguard the **goods** and to recover payment from the other party; and
- ▼ **you** have not disclosed to any party interested in the **goods** the existence of this cover.

Settlement Conditions

What we pay for loss of or damage to goods

For **loss** of, or **damage** to, plant, machinery, computers and the like up to five (5) years old, **we** will pay, at **our** option:

- (a) the cost of repairing or reinstating the **goods** to a condition equal to but no better or more extensive than when new (including the reasonable costs of any necessary overtime);
- (b) in the case of a purchase or sale, the purchase or sale price plus the cost of packing and transport; or
- (c) in the case of loss or damage to movement of return **goods** (inwards or outwards), **stock** transfers, and movement of **goods** other than for the reason of purchase or sale, the new replacement cost or, if not available, as near as possible to the same make, model and specifications as is available, whichever is less.

For **loss** of, or **damage** to, plant, machinery, computers and the like more than five (5) years old, **we** will pay, at **our** option:

- (a) the cost of repairing or reinstating the **goods** to a condition equal to but no better or more extensive than its condition immediately prior to the **loss** or **damage** (including the reasonable cost of any necessary overtime);
- (b) in the case of a purchase or sale, the purchase or sale price plus the cost of packing and transport; or
- (c) in the case of movement of return **goods** (inwards or outwards), **stock** transfers, and movements of **goods** other than for the reason of purchase or sale, **we** will pay the written down book value in **your** books of account or the current market value, whichever is less.

For **loss** of, or **damage** to, **goods** other than plant, machinery, computer and the like, **we** will pay, at **our** option, the lesser of:

- (a) the cost of repairing or reinstating the **goods** to a condition equal to but no better or more extensive than its condition immediately prior to the **loss** or **damage** (including the reasonable cost of any necessary overtime);
- or
- (b) the invoice value covering the **goods** while in **transit** (including freight if separately invoiced to the receiver of the **goods**), or if there is no invoice value, the cost of replacing the **goods** with goods of the same age and condition, or as near as possible to that age and condition.

What we pay for loss of or damage to temperature controlled goods

For **loss** of, or **damage** to, **temperature controlled goods** other than plant, machinery, computer and the like, **we** will pay the lesser of:

- (a) the cost to re-condition the **goods** (including the reasonable costs of any necessary overtime); or
- (b) the invoice value covering the **goods** while in **transit** (including freight if separately invoiced to the receiver of the **goods**), or if there is no invoice value, the cost of replacing the **goods** with similar goods of the same quality or as near as possible to that quality, whichever is less.

Brands and labels

For any **damaged goods** bearing identifying brands or label or other permanent marking, the **goods** may be retained by **you** to dispose of as **you** see fit, provided a reasonable allowance is agreed for the value of the **goods** and this allowance is deducted from the claim settlement. Where only the labels or packaging are affected, **we** will pay **you** only the costs to recondition or replace those labels or packaging.

Limits to what we pay

The most we will pay for:

- ▼ all **goods** which are lost or damaged in any one **conveyance** is the **insured amount** specified in the **Policy schedule** for this Cover Section.
- ▼ trade samples lost or damaged while in **transit** and while in **your** or **your employee's** care, custody and control, is \$10,000 for any one claim or series of claims arising from any one **insured event**.
- ▼ shipping containers in **your** care, custody or control to the extent that **you** are legally liable to pay for any **loss** or **damage** to them is \$20,000.

The limits specified in the **Policy schedule** and the Extra Cover limits referred to in this **Cover Section** apply to any one claim or series of claims which are covered under this **Cover Section** arising from any one **insured event**.

Excess

The **excess** that applies for each claim **you** make under this **Cover Section** is specified in **your Policy schedule**.

Definitions

These words have the following meanings and apply only to this **Cover Section**. These defined terms prevail over any other meaning given to them in other parts of this **PDS** and **Policy** wording. **You** should also refer to the General Definitions on pages 22 to 27.

Conveyance

Any ship, vessel, **aircraft**, postal service (except in the case of **temperature controlled goods**), rail and road **vehicle** used to transport the **goods**.

Goods

Your goods that **you** sell, buy or use in **your business** being the following:

- ▼ **temperature controlled goods** if specified in the **Policy schedule**;
- ▼ trade samples;
- ▼ return goods;
- ▼ **stock** transfers;
- ▼ retail and sales packaging;
- ▼ **customer goods your business** intends to or has repaired, serviced or maintained; or
- ▼ shipping containers in **your** care, custody or control.

Goods do not include:

- ▼ **money**, deeds, securities, bonds, bills of exchange;
- ▼ livestock;
- ▼ antiques;
- ▼ explosives, or any oxidising or radio-active substances or liquid fuel, liquid gas, toxic chemicals, corrosive acids, compressed gases, organic peroxides;
- ▼ jewellery, precious metals or stones, bullion or furs unless these items form part of your normal **stock**;
- ▼ **aircraft**, aerial devices, **watercraft**, **hovercraft** or **vehicles** registered for **road** use;
- ▼ **your** directors' or **employees** tools of trade or personal effects; or
- ▼ cigarettes, tobacco, wines, spirits or other alcoholic beverages.

Insured events

The events listed on page 101 for Option A – Specified Perils and Option B – Accidental Damage, whichever is specified in the **Policy schedule**.

Loading

The period commencing from the time the **goods** are lifted from the ground or loading dock immediately adjacent to the **conveyance** and ending when the **goods** are placed on the **conveyance**.

Temperature controlled goods

Goods belonging to **you** that require a controlled temperature environment for **transit**.

Transit

The transportation of **goods** by a **conveyance** within Australia.

Transit does not include any period of storage other than in the ordinary course of transit.

Each transit commences at **loading**.

Each transit terminates when:

- ▼ each item of **goods** are delivered to the buyers premises or other final warehouse or place of storage; or
 - ▼ forty-eight (48) hours after **unloading** from the final **conveyance**,
- whichever occurs first.

If the **goods** are being delivered to **you** for the purpose of servicing, maintenance or repair as part of **your business**, then the transit will terminate when each item of **goods** is delivered to **your premises**.

If the **goods** are being delivered to any exhibition or display (other than at **premises you** control or own), then the transit will terminate when each item of **goods** is **unloaded** at the exhibition or display. Where the **goods** are being returned to **you** from any exhibition or display, the transit will terminate when each item of **goods** is **unloaded** at **your premises**.

For **temperature controlled goods**, the transit terminates when each item of **goods** is delivered to the intended destination either in the receiver's premises or such other place as the receiver may instruct, whichever occurs first.

Unloaded/Unloading

The period commencing from the time the **goods** are lifted from the **conveyance** and ending when the **goods** are placed on the ground or loading dock immediately adjacent to the **conveyance**.

Tax audit cover section

About this section

This **Cover Section** covers **professional fees** (such as accountant's fees) incurred by **you** in connection with a **tax audit** by the Australian Taxation Office, State or Territory revenue office, or by a Commonwealth, State or Territory department, body or agency.

You can claim for **professional fees** as described under "What we cover" if:

- ▼ "Tax Audit" is specified in the **Policy schedule**;
- ▼ the **tax audit** was commenced and is notified to **us** during the **period of insurance**;
- ▼ the claim is not excluded under "What we exclude"; and
- ▼ the claim is not excluded under the General Exclusions listed on pages 20 to 21.

Your insurance under this section

We cover **professional fees** reasonably and necessarily incurred by **you** in connection with a **tax audit** by an **authority**, which is commenced and notified to **us** during the **period of insurance**.

The type and extent of cover under this **Cover Section** will depend on whether **you** select:

- (a) Business Audit Only – with Investigation Cover which provides cover for the **business** (but excludes Extra Cover 2 – Directors' Personal Tax Returns); or
- (b) Business AND Directors Audit – with Investigation Cover which provides cover for the **business** or any company or partnership in which the **Insured** holds 50% or more ownership, interest or shareholding, and each director named in the **policy schedule** and includes Extra Cover 2 – Directors' Personal Tax Returns); or
- (c) Individual Cover (which provides cover for the **individual** named in the **policy schedule** but excludes Extra Cover 2 – Directors' Personal Tax Returns).

What we exclude

1. Returns not prepared by a tax agent

Any **professional fees** relating to, arising from or in connection with any income **return** that has not been prepared or reviewed prior to dispatch by **your tax agent**. However, this exclusion does not apply to any **return** for:

- (a) prescribed sales tax;
- (b) income derived from:
 - (i) any payment under a contract of employment of service between **you** and any other person, company or entity, other than when that payment is paid by a company for which **you** are a director or have a controlling interest;
 - (ii) any payment from superannuation, pension or other retirement benefit; or
 - (iii) personal investments that **you** are not wholly or mainly dependent on.

2. Representations, errors in information and improper conduct

Any **professional fees** relating to, arising from or in connection with:

- (a) **you** or **your tax agent** making a statement to the **authority** that is false or misleading except that this exclusion will not apply where a false or misleading statement results from **you** being misled by the **authority** or where **you** did not and could not be expected to know that a statement was false or misleading;
- (b) any fraudulent act or fraudulent omission or statement made to an **authority** arising from any act committed deliberately or with **your** wilful intent;
- (c) an **authority**, or its authorised representative, having assessed **your** behaviour as being a case of deliberate evasion or recklessness;
- (d) any **return** lodged or submitted dishonestly or fraudulently where the supporting documents have been falsely created or collected; or
- (e) any error or deficiency with information already provided to the relevant **authority** which **you** do not notify to the relevant **authority** within thirty (30) days of **you** discovering the error or deficiency with the information.

3. Delay

Any **professional fees** relating to, arising from or in connection with:

- (a) a **tax audit** which is commenced due to **your** failure to lodge a taxation or any other **return** within the time limit prescribed by law or within the extended time granted by an **authority**;

- (b) a **tax audit** which is commenced due to **your** failure to pay all taxes by the due date or within any extension of time granted by the **authority**; or
- (c) **your** failure to respond to the **authority** within the time it has specified for **you** to give **your** response.

4. Imposition of penalties

The imposition of or the seeking to impose on **you** any tax, penalty tax, costs, interest, fine or penalty by any **authority**, court or tribunal.

5. Shortfall tax audits

Any **professional fees** relating to, arising from or in connection with a **tax audit** where an **authority** imposes or seeks to impose a penalty due to any **shortfall amount**, or part of that amount, resulting from:

- (a) intentional disregard of a **designated tax** by **you** or **your tax agent**; or
- (b) recklessness by **you** or **your tax agent** as to the operation of a **designated tax**.

6. Subrogation agreements

Any amount that **you** are unable to recover because of a contract or agreement that **you** have **entered into that excludes** or limits **your** rights to recover that amount.

7. Territorial limitations

- (a) Any **tax return**:
 - (i) prepared by a person who ordinarily resides outside Australia and its external territories; or
 - (ii) for a company, firm or entity which operates outside Australia and its external territories;
- (b) Any **professional fees** that are:
 - (i) associated with any **return** lodged outside Australia and its external territories; or
 - (ii) in respect of any person or organisation ordinarily resident outside Australia and its external territories;

8. Prior tax audits

Any claim arising from or in connection with any **tax audit** for which verbal or written notice or information was received by **you** or **your tax agent** before the inception of this **Cover section**.

9. Unjustified refusal or failure to comply

Any claim or claims caused by or arising from any improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by the **authority**.

10. Professional fees after completion of tax audit

Any **professional fees** incurred after the **tax audit** has been completed.

11. Other Matters

- (a) Any **professional fees** relating to, arising from or in connection with:
 - (i) any criminal prosecution;
 - (ii) any **tax audit** relating to customs legislation;
 - (iii) any **tax audit** conducted by the Australian Prudential Regulation Authority; or
 - (iv) any **tax audit** that includes a refund or claim for tax or duty relief arising out of an arrangement, facility, financial structure or the like adopted for the principal purpose of obtaining that refund or relief, unless the arrangement has received prior written approval from the relevant government or government authority or agency before being offered to **you** or the general public.
- (b) Any claim or claims caused by, arising from or in connection with:
 - (i) amounts sought by any amended notice of assessment, additional tax, duty government impost or the like;
 - (ii) costs to pursue or defend any legal actions against **you** or initiated by **you** (unless it is agreed to by **us**);
 - (iii) any inquiry from an **authority** which is not related to either an identified intention to conduct a **tax audit** or is not directed at obtaining information or **data** for a possible future **tax audit**;
 - (iv) any routine enquiries, or enquiries from a **tax agent** which are not identified as being either preliminary to, or relating to a **tax audit** of a **return**; or
 - (v) any form of activity involving a periodic review, routine inquiry or compliance review relevant to **you** maintaining industry status, licence, compliance, membership, any form of occupational health and safety compliance or similar requirements.

Extra covers

If **we** agree to pay a claim for **professional fees** under this **Cover Section**, **we** will also pay for the following extra covers.

1. Reinstatement of insured amount

If **we** pay an amount for a claim under this **Cover Section**, **we** will automatically reinstate the **insured amounts** under this **Cover Section**. **You** will not have to pay any additional premium.

2. Directors' personal tax returns

If your **policy schedule** shows that **you** have selected 'Business and Directors Audit – with Investigation Cover' and **you** are a company and the director(s) work full-time in the **business**, **we** will also pay for **professional fees** reasonably and necessarily incurred by each director in connection with an audit by an **authority** of the director's personal income tax returns that are lodged with that **authority** which is commenced and notified to **us** during the **period of insurance**.

This Extra cover only covers an audit of a director's personal income tax return that was prepared by the same **tax agent** who prepared the income tax return for the **business** in that same year.

The amounts payable under this Extra cover 2 are included in, and do not apply in addition to, the "Business and Directors Audit – with Investigation Cover" **insured amount**.

This Extra cover 2 will not apply if the **Policy schedule** shows that **you** have selected Business Audit Only – With Investigation Cover or **Individual Cover**.

3. Travel and accommodation expenses

We will reimburse **you** for travel and accommodation expenses incurred by **you** or **your** employees if they are reasonably and necessarily incurred to substantiate the claim.

The amounts payable under this Extra cover 3 are included in, and do not apply in addition to, the **insured amount**.

Cover Section conditions

These conditions apply to this section.

1. Commencement and completion of a tax audit

A **tax audit** commences at the time **you** or **your tax agent** first receives notice (verbal or written) of an audit, inquiry, investigation, examination or review.

A **tax audit** is complete when:

- (a) the officer authorised by the **authority** has given written notice to that effect;
- (b) the officer authorised by the **authority** notifies **us** in writing of its decision in connection with **your returns** including any written statement which is intended by such officer to be its findings in connection with a **return** or the basis upon which it proposes to act in connection with a **return**;
- (c) when the officer authorised by the **authority** has issued an assessment or amended assessment of **your returns**;
or
- (d) in the absence of subparagraphs (a), (b) or (c) where **your tax agent** declares in writing that such a **tax audit** has been concluded.

2. Authority matters

You must:

- (a) submit all taxation and other **returns** within the time limits prescribed by all relevant legislation or regulations or as requested by or on behalf of the relevant **authority** or within the extensions of time granted by the relevant **authority**;
- (b) make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation or regulation, and **you** must take reasonable care to not omit from any such disclosure any matter or thing without which the disclosure is misleading or likely to mislead any person or **authority** who relies on that disclosure;
- (c) be registered for GST purposes, if required by legislation or regulations; and
- (d) ensure all correspondence, requests or inquiries from an **authority** are dealt with within the required time and where there is no required time, a reasonable time.

3. Claims

For any claim:

- (a) **you** must notify **us** within thirty (30) days of **you** first becoming aware of the first notice of a **tax audit**;
- (b) **you** must keep **us** informed of all developments as they occur;
- (c) **you** must take all necessary and reasonable steps to minimise any delays and costs incurred or likely to be incurred;
- (d) **we** have the right to directly access **your tax agent** and lawyers and any documented advice they have given **you** relevant to the **tax audit**;
- (e) **you** must ensure **your tax agent** will assist **us** with any matter **we** may pursue with the **authority**; and
- (f) **you** must submit to **us** all accounts for **professional fees** that relate to **your** claim upon completion of the **tax audit**.

What we pay

Subject to Extra cover 1 – Reinstatement, if the **Policy schedule** shows the cover **you** have selected is:

- (a) Business Audit Only – with Investigation Cover, then the most **we** will pay for a **tax audit** of the **business** commenced during the **period of insurance** is the **insured amount** specified in the **Policy schedule** for this **Cover Section**; or
- (b) Business AND Directors Audit – with Investigation Cover, the most **we** will pay for a **tax audit** commenced during the **period of insurance** relating to:
 - (i) the **business** named in the **policy schedule** or any company or partnership in which the **Insured** holds 50% or more ownership, interest or shareholding; and
 - (ii) each director named in the **Policy schedule**,in total is the **insured amount** specified in the **Policy schedule** for this **Cover Section**; or
- (c) Individual Cover, the most **we** will pay for a **tax audit** commenced during the **period of insurance** relating to the **individual** named in the **Policy schedule** is the **insured amount** specified in the **Policy schedule** for this **Cover Section**.

When we pay

We will pay the **professional fees** reasonably and necessarily incurred by **you** in connection with assisting **you** to respond to an official **tax audit** by an **authority** where:

- (a) **your** claim is covered under “What we cover” of this Cover Section;
- (b) **your** claim is not excluded under “What we exclude” of this Cover Section;
- (c) **your** claim is not excluded under the General Exclusions on pages 20 to 21; and
- (d) the **tax audit** has been completed (as defined Cover Section Condition 1 above).

Excess

The **excess** that applies is specified in the **Policy schedule**.

Definitions

These words have the following meanings and apply only to this **Cover Section**. These defined terms prevail over any other meaning given to them in other parts of the **PDS** and **Policy** wording. **You** should also refer to the General Definitions on pages 22 to 27.

Authority

Means:

- (a) the Australian Taxation Office;
- (b) a revenue office of an Australian State or Territory; or
- (c) a Commonwealth, State or Territory government department, body or agency, duly authorised to conduct a **tax audit**.

Business

Means a company or partnership which has an ABN and is named in the **policy schedule** as the **insured**, and does not include an **individual**.

Designated tax

Any tax assessable in accordance with the provisions, as amended, of the:

- (a) Income Tax Assessment Act 1936 (Cth);
- (b) Income Tax Assessment Act 1997 (Cth);
- (c) Fringe Benefits Tax Assessment Act 1986 (Cth);
- (d) A New Tax System (Goods and Services Tax) Act 1999 (Cth);
- (e) Superannuation Guarantee (Administration) Act 1992 (Cth);
- (f) Termination Payments Tax (Assessment and Collection Act) 1997 (Cth); or
- (g) any law of an Australian State or Territory relating to payroll tax.

Individual

The person named in the **policy schedule** as the **individual** and who wholly owns and operates a business and lodges an individual return in relation to such business.

Insured

- (a) the individual; or
 - (b) the business,
- named in the **policy schedule**.

Professional fees

Fees, costs and disbursements payable to a **tax agent** or professional person (other than **you** or **your employee**) in connection with a **tax audit** by an **authority**.

Professional fees does not mean any fees, costs or disbursements:

- (a) charged by a **tax agent** for administrative services;
- (b) that relate to any subsequent objection lodged with an **authority** in respect of a **tax audit**;
- (c) that relate to, or are associated with the preparation of any accounts, financial statements or documents which would or should have been ordinarily or prudently prepared prior to or at the time that the lodgement of any **return** or documents was required to be lodged;
- (d) incurred after the **tax audit** has been completed; or
- (e) incurred 12 months after the commencement date of a **tax audit** other than when **you** can demonstrate to **our** satisfaction that the delay in completing the **tax audit** was caused primarily by the **authority**.

Return

Any return legally required to be, and that is actually lodged with, an Australian Commonwealth, State or Territory government department, body or agency by **you** or on **your** behalf.

Shortfall amount

A shortfall amount arises in the following situations:

- (a) **your** tax related liability, worked out on the basis of **your** disclosure or statement, is less than it would be if the disclosure or statement:
 - (i) was not false or misleading; or
 - (ii) did not treat a **designated tax** as applying in a way that was not reasonably arguable;
- (b) an amount the **authority** must pay or credit to **you** under a **designated tax**, worked out on the basis of **your** disclosure or statement, is more than it would be if the disclosure or statement:
 - (i) was not false or misleading; or
 - (ii) did not treat a **designated tax** as applying in a way that was not reasonably arguable.

Tax agent

Any person who is recognised by the **authority** as a registered tax agent, as appropriate to the type of **designated tax**, who prepares **returns** or statements required by that **authority** in respect of **your** liability to pay a **designated tax**, including supervision of the preparation of, and review prior to dispatch of, those **returns** or statements.

Tax agent does not mean **you** or a person working for **you** under a contract of employment.

Tax audit

Means:

- (a) the audit by an **authority** of a **return** in respect of **your** liability to pay any **designated tax** (including the amount of tax payable or refundable) following lodgement of a **return** for that **designated tax**;
- (b) any official inquiry, investigation, examination or review undertaken by an **authority** in respect of **your** liability to pay any **designated tax** (including the amount of tax payable) following lodgement of a **return** for that **designated tax**,
- (c) a workers' compensation wage audit or investigation by an **authority** in respect of **your** liability to pay a workers' compensation premium; or
- (d) the audit by an of a director's personal income tax return only to the extent that Extra Cover 2 'Directors' personal tax returns' applies.

If an official inquiry, investigation, examination or review referred to in paragraph (b) above escalates or results in an audit as referred to in paragraph (a) above, then this would be viewed as one **tax audit** for the purposes of this Cover Section.

You / Your / Yours

Means:

- (a) the **Insured**;
- (b) any partnership, or company in which the **Insured** hold a 50% or more ownership, interest or shareholding; and
- (c) any director but only to the extent that Extra Cover 2 'Directors' personal tax returns' applies.

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