BlueZebra

Steadfast

# Business Insurance

## Combined Product Disclosure Statement (PDS) and Financial Services Guide (FSG)



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# INTRODUCTION

## About this Product Disclosure Statement

This Product Disclosure Statement (PDS) is an important document. **You** should read it carefully before making a decision to purchase this product.

This PDS will help **you** to:

- decide whether this product will meet **your** needs; and
- compare this product with other products **you** may be considering.

The information contained in this Introduction section and the Important Information section is general information. It is important **you** read the policy wording to ensure **you** have the cover **you** need.

Any terms in this PDS that are in **bold** are words that have a particular defined meaning. **You** should refer to the 'General Definitions' section of this document and definitions within the relevant **sections** to obtain the full meaning of such terms.

Headings have been included for ease of reference, but do not form part of the **policy.**

This PDS is made up of:

- this Introduction section.
- the Important Information section (beginning on page 4).
- the policy wording (beginning on page 14).

This combined FSG and PDS was prepared on 26 October 2026. It applies to policies incepting on or after 1 January 2027.

## Updating this PDS

Certain information in this PDS may change from time to time. If the updated information is not materially adverse from the point of view of a reasonable person deciding whether or not to purchase this product, a paper copy of the updated information will be available free of charge upon request, by contacting **your** broker or by contacting **us** using **our** contact details on the back page of this PDS.
Please note that **we** may also choose to issue a new or supplementary PDS in other circumstances.

# IMPORTANT INFORMATION

## 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 the **policy**.

## About Blue Zebra

Blue Zebra Insurance Pty Ltd (**BZI**, **we**, **us** or **our**) ABN 12 622 465 838, Australian Financial Services (AFS) Licence Number 504130, is an insurance underwriting agency and holds an AFS Licence to issue and provide general advice on general insurance products and to provide claims handline and settling services.

**BZI** arranges and administers the **policy** and can handle and settle claims under the **policy**. **BZI** acts under a binding authority for the **insurers** and not **you**.

## About the insurers

This insurance is jointly underwritten, for their respective shares, by:

- Chubb Insurance Australia Limited (Chubb) of Level 38, 225 George Street, Sydney NSW 2000
  (ABN 23 001 642 020, AFSL 239687);
- AIG Australia Limited (AIG) of Level 19, 2 Park Street, Sydney NSW 2000
  (ABN 93 004 727 753, AFSL 381686);
- HDI Global Specialty SE (HDI), acting through its Australian branch, HDI Global Specialty SE - Australia of Level 19, 20 Martin Place, Sydney NSW 2000 (ABN 58 129 395 544, AFSL 458776)

(the **insurers**).

Chubb, AIG and HDI's obligations under this policy are several and not joint. Each of their obligations are limited to the extent of their respective share of the risk, and each insurer is not liable for each other's share if any insurer does not satisfy any part or all its obligations under this policy.

## Important Information if you are insuring a home building

In terms of the Corporations Act 2001 (Cth) **we** are required to provide a PDS if **you** are insuring a home **building** under the property damage **section** or theft **section** of this **policy.**

A home **building** means a **building** that is used or intended to be used primarily as a place of residence and includes a home **building** that is a commercial premise in which **you** may also live or of which **you** rent a part of the **building** for residential use. Note that if **you** only use the **building** for residential purposes, it cannot be insured under this **policy**.

Note that since the purpose of this **policy** is to cover certain **business** related exposures, in the event that **you** are insuring a home **building** under the **sections** mentioned above, the cover provided under those **sections** differs from the prescribed **policy** for domestic home **buildings** and **contents** insurance contained in the Insurance Contracts Regulations.

## How to apply for this policy

Throughout this document when **we** are referring to **your** insurance broker or adviser, **we** simply refer to them as **your** broker.

If **you** are interested in buying this product or have any inquiries about it, **you** should contact **your** broker who should be able to provide **you** with all the information and assistance **you** require.

If **you** are not satisfied with the information provided by **your** broker, **you** can contact **us** at the address or telephone number shown on the back cover of this document However, **we** are only able to provide factual information or general advice about the product. **We** do not give advice on whether the product is appropriate for **your** personal objectives, needs or financial situation. Therefore, **you** should carefully read this document before deciding whether to purchase this product or not.

## Cooling off period

After **you** apply for (or renew) a **BZI** product and **you** have received the PDS, **you** have **30 days** to check that the **policy** meets **your** needs. Within this time, **you** may cancel the **policy**, effective from the start date of the **period of insurance**, and receive a full refund of any premiums paid (less any non-refundable government charges, taxes and levies that **we** have paid and are not recoverable), unless:

- **you** have made a claim under **your policy**; or
- **you** have exercised any right or power **you** have in respect of **your policy** or the **policy** has ended.

**Your** request needs to be provided to **us** via **your** Steadfast broker.

**You** can cancel **your policy** at any time after the cooling-off period. Please refer to 'Cancellation rights' under the 'General policy conditions applicable to all Sections'.

## Our contract with You

**You** must pay **us** or **your** broker the agreed premium by the date due, to ensure there is cover under this **policy**. If **we** accept a claim under this **policy**, **you** will always need to pay **us** the premium due. **Your policy** is a contract of insurance between **you** and the **insurers** and contains all the details of the cover that **we** provide.

**Your policy** is made up of:

- This PDS, which incorporates the policy wording, tells **you** what is covered, sets out the claims procedures, exclusions and other terms and conditions of cover;
- **Your schedule** issued by **us** for the relevant **period of insurance**. The **schedule** is a separate document unique to **you**, which shows the insurance details relevant to **you**. It includes any agreed changes, exclusions, terms and conditions made to suit **your** individual circumstances; and
- Any other written change otherwise advised by **us** in writing (such as an **endorsement** or a supplementary PDS). These written changes vary or modify the above documents.

This document is also the PDS for any offer of renewal **we** may make, unless **we** tell **you** otherwise. Please keep **your policy** documents in a safe place.

Unless stated otherwise in the **policy**, if there is more than one insured on the **policy**, then anything which any of the insureds says, does or omits to advise to **us**, applies to and affects the rights of all of the insureds.

If **you** require further information about this product, please contact **your** broker.

## Significant issues to consider

Insurance contracts contain **policy** exclusions, **policy** terms and conditions and **policy** limits and sub-limits that **you** should be aware of when deciding to purchase **our** product. These things may affect the amount of the payment that **we** will make under a claim on this **policy**.

**We** may express some **policy** terms, **policy** limits or sub-limits as being either a dollar amount or a percentage of **your** sum insured shown in **your schedule** or some other amount, factor or item specified in the relevant clause or this document.

**You** should be aware of the following matters in considering whether this product is suitable for **your** needs.

### Exclusion for new business policies

There is no cover under this **policy** for bushfire, **flood** or a cyclone named by the Bureau of Meteorology in the first 72 hours from the start date shown in **your schedule**. Very limited exceptions apply. For full details see the 'Exclusions' within the 'Property Damage' section.

### Excesses can apply

For each of the available covers, an **excess** may apply. What excess applies is defined within each section.

### Exclusions

This **policy** contains a number of exclusions, some of which are common in insurance policies. Before making a decision about whether to purchase this **policy**, **you** should read the full details of all relevant exclusions, which are contained in this PDS. **You** should make yourself aware of all the exclusions that apply in all sections of this PDS.

### General terms and conditions

General terms and conditions applicable to all cover provided under this **policy** set out **your** obligations with which **you** need to comply. Please refer to the 'General terms and conditions' section.

In addition, **you** should make yourself aware of all the terms and conditions that apply to the various covers detailed within this **policy.** If **you** or someone else (to the extent they would normally be covered under this **policy**) claim on this **policy** and do not meet them, **we** may be able to decline or reduce the claim payment or cancel **your policy**.

### Make sure you have the cover you need

**You** should discuss with **your** Steadfast broker the appropriate amounts and risks for which **you** need to be insured. If **you** do not adequately insure for the relevant risks **you** may have to bear any uninsured losses yourself.

**You** should also advise **your** Steadfast broker to notify **us** as soon as possible when **your** circumstances change which are relevant to **your policy**. For instance, **you** may need to consider increasing **your** sum insured if **you** purchase expensive items of **contents** like jewellery. If **you** do not tell **your** Steadfast broker of these changes, in the event of **you** suffering a loss or damage, **your** sum insured may not be adequate to cover **your** loss, or **you** may not even have any cover under **your policy**.

## Your duty of disclosure

Before **you** enter into this contract of insurance, **you** have a duty of disclosure under the Insurance Contracts Act 1984 (Cth).

If **we** ask **you** questions that are relevant to **our** decision to insure **you** and on what terms, **you** must tell **us** anything that **you** know and that a reasonable person in the circumstances would include in answering the questions.

**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 insurance provider; 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 tell **us**, **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.

## Renewal

At least 14 days before the **policy** expires, **we** will provide **you** a notice, offering **our** renewal terms, or explaining the reason for not renewing **your policy**. If **we** offer to renew **your policy**, **you** are not obliged to renew the **policy** with **us**. **We** recommend that **you** check the insured amounts to make sure they continue to cover **your** needs.

If **your** nominated method of paying **your** premium is by direct debit, and **you** decide to renew this **policy**, then **we** will continue to debit **your** nominated bank account or credit card for the remainder of the **period of insurance**. If **you** pay **your** premium annually, **you** must pay the full amount by the due date shown in **your** renewal invitation in order for cover to continue into the renewed **period of insurance**.

This PDS (together with any amendments, updates or **endorsements** that **we** give **you** in writing) also applies for any offer of renewal **we** make, unless **we** tell **you** otherwise or provide **you** with a new updated PDS.

**Your** cooling-off period applies on each renewal. See 'Cooling off information' for details.

Each renewal is a separate contract and not an extension of the prior contract.

## How We determine Your premium

The amount of **your** premium is determined by taking a number of different factors into account.

It is important for **you** to know that the premium varies depending on the information **we** receive from **you** about the risk to be covered by **us**. Based on **our** experience and expertise, **we** decide what factors increase **our** risk and how they should impact on the premium.

For this product the following are some of the factors that are taken into consideration when determining the appropriate premium:

- the nature of the **business**;
- the location of the insured address;
- your nominated **sum insured**;
- the **excess you** have chosen;
- whether **you** have chosen any optional covers or not;
- **your** claims history.

**Your** broker can arrange for **you** to be provided with a quote for a premium. **You** will need to give relevant personal details to **your** broker at this time to enable **us** to calculate **your** premium.

Another important thing to know is that **your** premium also includes amounts that take into account **our** obligation to pay any relevant compulsory government charges, taxes or levies (e.g. Insurance Duty, Goods and Services Tax (GST) and Emergency Services Levy) in relation to **your policy**. These amounts will be set out separately on **your schedule** as part of the total premium payable.

Also, minimum premiums may apply. Any discounts or entitlements may be subject to rounding and only apply to the extent any minimum premium is not reached.

**BZI** may also add an agency fee to the premium that is charged, and this will be shown in **your schedule**. The agency fee will only be refunded when the **policy** is cancelled within the cooling-off period or where the cancellation is effective from the start of the **period of insurance**.

### Terrorism and Cyclone Insurance Act

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

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

For further information contact **BZI** or **your** Steadfast broker.

## How to pay your premium

There are two ways that **you** can pay **your** premium:

- an annual payment to **your** insurance broker; or
- if provided, an annual payment directly to **BZI** from **your** credit card or from **your** bank account which can be arranged by **you** or **your** insurance broker.

### How to pay your premium via your insurance broker

If **you** are paying **your** annual premium via **your** insurance broker, **you** must pay them by the due date shown in **your schedule**. If **your** premium is unpaid after the due date **we** may be entitled to reduce or refuse to pay a claim or cancel this **policy.**

### How to pay your annual premium directly to BZI

If **you** are paying **your** annual premium directly to **BZI**, **we** will deduct **your** annual premium from **your** nominated bank account or credit card within three business days after the day the details of the credit card or bank account have been provided to **us**.

If an attempt to deduct **your** annual premium is dishonoured for any reason, **we** will notify **you** and/or **your** broker and provide details on:

- any actions required by **you**; and
- when **we** will next attempt to deduct the annual premium.

After three unsuccessful attempts to deduct the annual premium, **we** may cancel this **policy**. **We** will send a notice to **you** and/or **your** broker with details of the action **we** intend to take and when the cancellation will become effective.

## Cancellation

**You** may cancel **your policy** at any time after the cooling-off period, See 'Cancellation rights' on page 29 in 'General Terms and Conditions' for details

## About making a claim

### How to make a claim

If **you** need to make a claim under this **policy**, please contact **your** broker to assist **you** in lodging the claim with **us**.

Alternatively, if it is an emergency outside business hours or **you** would like to lodge the claim with **us** directly, please use one of the following methods to do so:

- phone **us** on 1300 171 535 or +61 2 8551 1915(if dialling from overseas); or
- register **your** claim online at www.bzi.com.au/newclaim and **our** claims staff will contact **you**.

### Additional information

See the 'Claims' section on page 29 in 'General Terms and Conditions' for details.

## Goods and Services Tax

See 'How Goods and Services Tax (GST) affects any payments we make GST Notice' on page 31 in 'General Terms and Conditions' for details.

## Privacy

**BZI** complies with Australian privacy law, including the Privacy Act 1988 (Cth).

### How we collect your details

**We** collect personal or sensitive information, about **you** ('your details') directly from **you** or **your** broker. **We** may also collect it from other third parties such as **our** agents and service providers, other insurers and insurance reference bureaus, people who are involved in a claim or assist **us** in investigating or processing claims, including third parties claiming under **your policy**, witnesses and medical practitioners, third parties who may be arranging insurance cover for a group that **you** are a part of; law enforcement, dispute resolution, statutory and regulatory bodies; marketing lists and industry databases; and publicly available sources.

Before giving **us** personal information about another person, please make them aware of this privacy notice or refer that person to **our** privacy policy which is referred to below.

### Why we collect, use and disclose your details

**We** collect, disclose and handle information, and in some cases personal or sensitive information, about **you** ('your details') to assess applications, administer policies, contact **you**, enhance **our** products and services and manage claims ('purposes'). If **you** do not provide **your** information, **we** may not be able to provide **you** with **our** services or do those things listed above. By providing **us**, **our** representatives or **your** broker with **your** details, **you** consent to **us** using, disclosing to third parties and collecting from third parties **your** details for the purposes.

Laws authorising or requiring **us** to collect information include the Insurance Contracts Act 1984, Corporations Act 2001, Autonomous Sanctions Act 2011, A New Tax System (Goods and Services Tax) Act 1999 and other financial services, crime prevention, trade sanctions and tax laws.

### Who we may disclose your details to (including overseas disclosure)

**We** may disclose **your details** for the **purposes** noted above to relevant third parties including **your** intermediary, affiliates of **BZI**, the **insurers**, other insurers and reinsurers, **our** service providers, **our** business partners, health practitioners, **your** employer, parties affected by claims, people investigating or assisting **us** in claims, government bodies, regulators, law enforcement bodies and as required by law, within Australia and overseas.

**BZI**'s Privacy Policy, available at www.bzi.com.au, provides further information and lists service providers, business partners and countries in which recipients of **your** details are likely to be located. It also sets out how **we** handle complaints and how **you** can access or correct **your** details or make a complaint.

### How the insurers manage your personal information

**Your** privacy and the security of **your** personal information is extremely important to the **insurers** of
this policy. The **insurers** are committed to protecting the privacy of **your** personal information and handling it in a responsible manner in accordance with Australian privacy law, including the Privacy Act 1988 (Cth).

The **insurers** collect personal information when **you** deal with them, their agents and other companies in their business group, as well as suppliers that act on their behalf. The **insurers** use **your** personal information so that they can do business with **you**. That includes issuing and administering products and services and claims.

The **insurers** may send **your** personal information overseas. For more detail about how each insurer handles **your** personal information, please read their respective Privacy Policies at:

- Chubb www.chubb.com/au-en/footer/privacy.html or email aulegal.privacy@chubb.com
- AIG www.aig.com.au/privacy-policy or email privacy.manager@aig.com
- HDI www.hdi.global/en-au/legal/privacy/ or email au.privacy@hdi.global

It's up to **you** whether **you** provide **your** personal information to the **insurers**, but if **you** don't they might not be able to do business with **you**, and that could include paying a claim.

## General Insurance Code of Practice

The **insurers** are all signatories to the General Insurance Code of Practice ('Code') and **BZI** also proudly supports the Code. The Code is monitored and enforced by the Code Governance Committee.

The Code, which is written in plain English, sets out the standards that general insurers must meet when providing services to their customers, such as being open, fair and honest.

It also sets out timeframes for insurers to respond to claims, complaints and requests for information from customers.

The Code covers many aspects of a customer's relationship with their insurer, from buying insurance to making a claim, to providing options to those experiencing financial hardship, to the process for those who wish to make a complaint.

A copy of the General Insurance Code of Practice can be found at www.codeofpractice.com.au.

## Complaints

If **you** have a complaint about this product or about a service **you** have received from **us**, please contact **your** intermediary to initiate the complaint with **us**. If **you** are unable to contact **your** intermediary, **you** can contact **us** directly on 1300 171 535 or via compliance.manager@bzi.com.au.

**We** will acknowledge receipt of **your** complaint within one (1) business day of receiving it from **you** or **your** intermediary, or as soon as practicable. Following acknowledgment, **we** will provide **you** with the name and relevant contact details of the person assigned to liaise with **you** about **your** complaint.

**We** will investigate **your** complaint and keep **you** informed of the progress of **our** investigation at least every ten (10) business days and will make a decision in relation to **your** complaint in writing within thirty (30) calendar days of receiving **your** complaint.

If **we** are unable to make a decision within this timeframe, **we** will provide **you** with a reason for the delay and inform **you** of **your** right to take **your** complaint to the Australian Financial Complaints Authority (**AFCA**) as detailed below, subject to its Rules.

**You** may also take **your** complaint to **AFCA** if **you** are not satisfied with **our** decision.

If **your** complaint falls outside the **AFCA** Rules, **you** can seek independent legal advice or access any other external dispute resolution options that may be available to **you**.

**AFCA's** contact details are:

| | |
|---|---|
| Website: | www.afca.org.au |
| Email: | info@afca.org.au |
| Free call: | 1800 931 678 |
| In writing to: | The Australian Financial Complaints Authority, GPO Box 3, Melbourne, Victoria 3001 |

To the extent allowable at law, if **you** request copies of the information **we** relied on to make a decision about **your** complaint, **we** must provide it within ten (10) business days of **your** request unless **we** are within **our** rights not to provide access. Please see the General Insurance Code of Practice (codeofpractice.com.au) or contact **us** for further details.

Please note that if we have resolved **your** complaint to **your** satisfaction by the end of the fifth (5th) business day after **we** have received it, and **you** have not requested that **we** provide **you** a response in writing, **we** are not required to provide a written response. However, this exemption does not apply to complaints regarding a declined claim, the value of a claim, or about financial hardship.

## Financial Claims Scheme

The **insurers** of this policy are authorised under the Insurance Act 1973 (Cth) to carry on general insurance business in **Australia**. As such, they are subject to prudential requirements and standards, regulated by the Australian Prudential Regulation Authority (APRA).

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

The FCS may apply in the unlikely event that a general insurance company becomes insolvent. If the FCS applies, a person who is entitled to make a claim under this insurance **policy** may be entitled to a payment under the FCS. Access to the FCS is subject to eligibility criteria.

Further information about the FCS can be obtained at www.fcs.gov.au.

## Confirmation of transactions

If **you** need to clarify any of the information contained in this PDS, wish to confirm a transaction or **you** have any other queries regarding **your policy** or **your** claim, **your** first point of contact is **your** broker. However, if **you** would also like to contact **us** directly, please use the contact details on the back cover.

## Accessibility Services

**We** recognise that **our** customers may find themselves in difficult circumstances, particularly when a claim **event** occurs. **We** have developed an Accessibility Services to provide additional support to **our** customers who may be experiencing vulnerability due to their circumstances, including personal circumstances that are not directly related to insurance. The General Insurance Code of Practice provides the following examples that may contribute to a person needing extra care:

- age;
- disability;
- mental health conditions;
- physical health conditions;
- family violence;
- language barriers;
- literacy barriers;
- cultural background;
- Aboriginal or Torres Strait Islander status;
- remote location; or
- financial distress.

More information about **our** accessibility services and how **we** support customers is available on **our** website.

# POLICY TERMS AND CONDITIONS

## General Definitions

**The following General Definitions apply to all sections of the policy unless defined differently within an individual section. Wherever they appear in the policy they are shown in bold. The singular includes the plural and vice versa.**

| Term | Definition |
|---|---|
| **Act of Terrorism** | **Act of Terrorism** means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purpose to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:<br>a. involves violence against one or more persons; or<br>b. involves damage to property; or<br>c. endangers life other than that of the person committing the action; or<br>d. creates a risk to health or safety of the public or a section of the public; or<br>e. is designed to interfere with or to disrupt an electronic system. |
| **Aircraft** | **Aircraft** means any craft or object intended to travel through air or space (including drones), other than model aircraft or unmanned inflatable balloons used for advertising or promotional purposes. |
| **Animals** | **Animals** means any living creature including, but not limited to, livestock, birds, fish, vermin or insects. |
| **Australia** | **Australia** means the Commonwealth of Australia and all of its States and Territories. |
| **Automatic Teller Machine (ATM)** | **Automatic Teller Machine (ATM)** means a burglar resistant unit designed for the safe storage and disbursement of bank notes and which resists fire and attack by hand-held or power operated tools. |

| | |
|---|---|
| **Building(s)** | **Building(s)** mean a permanently fixed structure(s) at the **premises**.<br>Building(s) include(s):<br>1. sheds with a concrete floor and attached to foundations at the **premises**;<br>2. 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;<br>3. shipping containers permanently located at **your premises** in which the **stock your business** distributes is delivered to **your premises** or from which merchandise is either being loaded into, unloaded from or stored in before dispatch, provided the container doors are secured and locked when unattended;<br>4. shipping container(s) whilst used as an outbuilding in which the **stock** or **contents** of **your business** is stored long-term and whilst within the boundary of the **premises**, provided the container doors are secured and locked when unattended;<br>5. walls, gates, fences, flagpoles, floodlights and signs, permanently fixed water and fuel tanks, foundations, storage tanks and sheds, awnings, masts, antennae and aerials, fixed external signs, pavements, roads and other structural improvements pertaining to the building(s);<br>6. property owner's fixtures and fittings, floor coverings, plant, plumbing or wiring services that are within the building;<br>7. carports, pergolas and canopies;<br>8. barns and outbuildings;<br>9. external fixed items including swimming pools, saunas and spas, gangways between buildings, lights and signs and air conditioning units;<br>10. plant and machinery permanently fixed to **your** buildings;<br>11. wharves, piers and jetties;<br>12. bitumen, concrete or **sealed surface**, driveways; roadways; and carparks. **Sealed surfaces** are surfaces packed or plugged to prevent percolation or the passage of fluids; or<br>13. underground and above ground services that are **your property insured** or for which **you** are responsible and which are connected to any building.<br>Building(s) does not include:<br>a. plant and machinery not permanently fixed to **your** buildings;<br>b. **stock**;<br>c. **contents**; |

| | |
|---|---|
| **Building**(s) cont. | d. property undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one **premises** exceeds $500,000 or 20% of the total **sum insured** on buildings and **contents**, whichever is the lesser provided that this **limit** shall apply only 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**; or<br>e. land, unsealed driveways and paths, topsoil and fill, dams, bridges, canals, roadways, tunnels, railway tracks and roadways (not at the **premises**). |
| **Business** | **Business** means **your** business(es) shown and described in the **schedule** (and, where applicable, as further described in any more specific underwriting information provided to **us** at the time when this insurance was negotiated), other than in the Public and Products Liability **section**, where the word has the meaning given to it in the definitions for that **section.** |
| **Business Hours** | **Business Hours** means when **you** or any of **your employees** are at the **premises** for the purpose of conducting **your business**. |
| **BZI** | Blue Zebra Insurance Pty Ltd, ABN 12 622 465 838, AFS Licence Number 504130. **BZI** acts as an agent of the **insurers** under a binder agreement. |
| **Computer system** | **Computer system** means interconnected electronic, wireless, web or similar systems, including computer hardware, software and the **electronic data** stored thereon, as well as associated input and output devices, mobile devices (including, but not limited to, smart phone, laptop, tablet, wearable device), **electronic data** storage devices, servers, cloud or microcontroller including any similar system media libraries, networking equipment, components, firmware and electronic backup facilities, including systems accessible through the internet, intranets, extranets or virtual private networks., owned or operated by **you** or any other party. |
| **Computer Virus** | **Computer Virus** means an executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained and which destroys or alters the host program or other computer code or **electronic data** causing undesired program or **computer system** operation. |
| **Consequential loss** | **Consequential loss** means 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 but not limited to:<br>a. delay or interruption of the **business**;<br>b. lack of power, light, heat, steam or refrigeration; or<br>c. any other indirect result or consequence of a breakdown. |

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| **Contents** | **Contents** means all property at the **premises**, belonging to **you** or which **you** are responsible for and used by **you** in the **business**.<br>Contents includes:<br>1. for the purpose of the 'Property Damage' **section**, contents includes **stock**, but not if there is a **sum insured** shown in the **schedule** for 'Stock';<br>2. **specified items** owned as contents;<br>3. unused stationery and printed books;<br>4. where **you** are a tenant of a leased or rented **premises**:<br>a. property owner's fixtures, fittings, window blinds, floor coverings and **glass** for which **you** are legally liable for under the terms of a lease or similar agreement;<br>b. fixtures and fittings installed by **you** for **your** use in the **business**; and<br>c. signs and awnings;<br>5. **money** up to $500;<br>6. plant and machinery not permanently fixed to **your buildings**, unregistered forklifts and hoists, communication systems and fixture and fittings;<br>7. computers, word processors, printers, scanners and other peripheral equipment and other electronic equipment or **electronic data** processing systems;<br>8. digital or analogue telecommunication transmission and receiving equipment, lighting facilities, televisions, audio visual amplification or surveillance equipment and office machines;<br>9. 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;<br>10. 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;<br>11. paintings, works of art, antiques and curios;<br>12. documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations;<br>13. property of **your** welfare, sports and social clubs;<br>14. 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 thereto under any other **section** of the **policy** or policy of insurance entered into by a third party of required by law; or |

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| **Contents** cont. | 15. **animals** contained within a **building** owned as contents, subject to a limit of $10,000 per animal. For the purpose of the 'Property Damage' **section** where contents are deemed to include **stock**, the limit per animal does not apply to animals owned as **stock**.<br>Contents does not include:<br>a. **stock**, if a **sum insured** is shown in the **schedule** for 'Stock';<br>b. **buildings**;<br>c. **specified items** owned as **stock**, except in the case where contents are deemed to include **stock** under the property damage **section**;<br>d. directors' and **employees'** tools of trade and personal effects;<br>e. jewellery, furs, bullion, articles containing gold and silver owned as **contents** which exceed $10,000 any one item, unless such item is **stock**;<br>f. **vehicles** or trailers or caravans all while registered or licensed to travel on a public road provided that this limitation will not apply to:<br>i. mobile plant and equipment (excluding cars, sedans, panel vans, and trucks) not otherwise insured; and<br>ii. **vehicles** or trailers, caravans or motorcycles that are **stock** of **your business** where contents are deemed to include **stock** under the 'Property Protection' **section**;<br>g. **watercraft**, **aircraft**, **hovercraft**, rolling stock and locomotives or their accessories;<br>h. plants, shrubs, lawns, growing crops, pastures and standing timber other than pot-plants; or<br>i. in the case where **contents** is deemed to not include **stock**, **customer's goods** other than customer's records and documents held or created by **you** as part of **your business.**<br>The definition of "contents" is subject to the 'Designation of property' as noted in the 'General Terms and Conditions'. |
| **Customer's Goods** | **Customer's Goods** means goods that belong to **your** customers for which **you** are responsible, or **you** have assumed responsibility to insure prior to any destruction or damage. |
| **Cyber act** | **Cyber act** means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **computer system**. |

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| **Cyber incident** | **Cyber incident** means:<br>a. deliberate and unauthorised corruption, amendment or erasure of **electronic data** by **you** or **your** directors, partners, employees, officers or any other person who has an interest in the property whether acting alone or in collusion with any other person;<br>b. any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **computer system**; or<br>c. the gaining of unauthorised access to **your** computer via any communication system that is used by **your computer system** by any person other than **you** or **your** directors, partners, employees, officers or any other person who has an interest in the property any indirect financial loss or consequence arising from or in connection with a **breakdown**; or<br>d. the operation or presence of any computer program, including any **computer virus**, that alters or erases **electronic data** or programs in a manner that is undesired by **you.** |
| **Electronic Data** | **Electronic Data** means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for such equipment. |
| **Employee** | **Employee** means any person while employed by **you** in the **business** who **you** can compensate by salary, wages or commission and have the right at all times to govern, control and direct in the performance of their work.<br>Employee includes:<br>a. volunteers; and<br>b. students on work experience;<br>Employee does not include:<br>i. any broker, factor, consignee or contractor;<br>ii. any member of **your family** unless that person is also **your** employee;<br>iii. any partner, director or trustee unless that person is also **your** employee. |
| **Endorsement** | **Endorsement** means an individual clause that **we** give **you** that attaches to and forms part of **your schedule**. An endorsement varies the terms and conditions of the **policy**. |
| **Event** | **Event** means one incident or all incidents of a series consequent on, or attributable to, one source or original cause, including continuous or repeated exposure to substantially the same general conditions. |

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| **Excess** | **Excess** means the amount which is payable by **you** for each claim **you** submit under this **policy** and for which **we** accept indemnity. If **we** settle **your** claim by cash settlement, **we** will deduct the excess from the amount **we** pay **you**. In other circumstances, **you** may need to pay the excess as a contribution to the repair or replacement. |
| **Family** | **Family** means:<br>1. **Your** spouse, **your** partner or **your** de facto who lives with **you**;<br>2. **Your** parents or parents-in-law who live with **you**;<br>3. **Your** children and children of **your** spouse, partner or de facto (not being **your** children) who live with **you**;<br>4. **Your** brothers or sisters who live with **you**. |
| **Flood** | **Flood** means the covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:<br>1. a lake (whether or not it has been altered or modified);<br>2. a river (whether or not it has been altered or modified);<br>3. a creek (whether or not it has been altered or modified);<br>4. another natural watercourse (whether or not it has been altered or modified);<br>5. a reservoir;<br>6. a canal;<br>7. a dam. |
| **Fungus/Fungi** | **Fungus/Fungi** means a group of simple plants that have no chlorophyll. They include but are not limited to mould, mildew or yeast. Fungi also include spores. |
| **Glass** | **Glass** means:<br>1. fixed glass forming part of or fixed to the exterior of the **building** including glass in fixed signs; and<br>2. 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**.<br>Glass includes internal glass, external glass and specified glass (as defined in the Glass section). |
| **Government Authority** | **Government Authority** means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity. |
| **Hovercraft** | **Hovercraft** means any vessel, craft or device made or intended to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast. |

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| **Input Tax Credit** | **Input Tax Credit** means the amount **you** are entitled to claim as credit against GST that **you** have paid. |
| **Insurers** | **Insurers** means:<br>▪ Chubb Insurance Australia Limited (Chubb) of Level 38, 225 George Street, Sydney NSW 20000 (ABN 23 001 642 020, AFSL 239687);<br>▪ AIG Australia Limited (AIG) of Level 19, 2 Park Street, Sydney NSW 2000 (ABN 93 004 727 753, AFSL 381686);<br>▪ HDI Global Specialty SE, acting through its Australian branch, HDI Global Specialty SE – Australia of Level 19, 20 Martin Place, Sydney NSW 2000 (ABN 58 129 395 544, AFSL 458776) |
| **Limit** | **Limit** means the maximum amount **we** will pay under any **section** of the **policy** and may be expressed 'each **event**' 'per annum' etc. |
| **Market Value** | **Market Value** means the estimated amount for which the **property insured** should exchange immediately before the damage, between a willing buyer and a willing seller in an arms-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion. |
| **Media** | **Media** means material on which data is stored, such as magnetic tapes, hard drives, cartridges, dongles, CDs, DVDs, flash drives, memory cards or floppy disks. |
| **Money** | **Money** means current coin, bank notes, currency notes, cheques, credit card sales vouchers, securities, postal orders, money orders, negotiable and non-negotiable securities and other like documents of value, phone cards and/or stored value cards, unused postage and revenue stamps, public transport tickets, private transport tickets (excluding airline tickets), bridge or highway tokens, car wash tokens, lottery tickets, authorised gift vouchers from external parties, discount vouchers, contents of franking machines and includes cash boxes, alarm bags, or any other portable container used to convey money all belonging to **you** or for which **you** are legally responsible or have assumed a responsibility to insure but does not mean any of these in the possession of or carried by, professional money carriers, professional carriers or common carriers.<br>Money does not include collectible items (for example coin or stamp collections) or anticipated revenue. |
| **Obsolete stock** | **Obsolete stock** means **stock** which can no longer be sold for its full value, for example **stock** which is out-of-season fashion, superseded computers or perishable goods beyond their use by date. |
| **Period of insurance** | **Period of insurance** means the period of insurance shown in the **schedule** or any subsequent period for which **we** have agreed to renew or extend cover. Any subsequent period is a separate period to any prior period. |

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| **Policy** | **Policy** means this document, the **schedule** and any other documents **we** agree with **you** at or prior to the commencement of the policy or where required or permitted by law that form part of the terms and conditions of **our** contract with **you** (such as any special conditions or **endorsements** issued to **you** in written form). |
| **Pollutants** | **Pollutants** means 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** | **Premises** means the places listed in the **schedule** as the **situation** at which and from which **you** operate **your business**. The premises includes **buildings** and land within the legal boundaries. |
| **Property insured** | **Property insured** means the property as described in the **schedule** in respect of each **section**. |
| **Safe or Strongroom** | **Safe** or **Strongroom** means a burglar-resistant container or structure which has been specifically designed for the safe storage of **money** or valuables and is designed to resist unauthorised opening by hand-held or power operated tools.<br>A safe or strongroom is not:<br>1. a petty cash box;<br>2. locked drawer in any type of filing cabinet or desk;<br>3. 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;<br>4. an **Automatic Teller Machine**. |
| **Schedule** | **Schedule** means the relevant schedule document that **we** give **you** that attaches to and forms part of **your policy.** |
| **Sealed surface** | **Sealed surface** means ground surface areas that are packed or plugged to prevent percolation or the passage of fluids. |
| **Seasonal Increase periods** | **Seasonal Increase periods** means any period of time during the **period of insurance** that **your business** has turnover, sales or levels of **stock** at least 20% higher than the average turnover, sales or level of **stock** at other times during the **period of insurance**.<br>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 **section** which has the seasonal increase cover, then **your** financial records over at least the previous 2 years must substantiate that the **event** giving rise to the claim occurred during the period that is a seasonal increase period and **you** must provide **us** with such records. If **your business** is less than 2 years old, **we** will use, the financial records of **your business** from the date of commencement until the date of the physical loss or physical damage to substantiate **your** claim. |

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| **Section** | **Section** means individual coverage that **we** give **you** that attaches to and forms part of **your policy** when this is shown in the **schedule** as taken. e.g. glass, theft, money. |
| **Specified items** | **Specified Items** means **contents** and/or **stock** that is specifically described in the **schedule** under the heading 'Specified items'. |
| **Stock** | **Stock** means:<br>1. products and material **you** intend to sell;<br>2. raw or consumable materials used by **you** to make or alter **your** products;<br>3. **Your** products while being made, repaired or altered;<br>4. **customer's goods**;<br>5. live **animals**, contained within a **building** and owned as stock;<br>6. **specified items** owned as stock.<br>Under the Theft **section**, stock does not include tobacco/ cigarettes or alcohol. |
| **Subsidiary Company** | **Subsidiary Company(ies)** means any company in which **you** have a controlling interest. For the purpose of this definition the term 'controlling interest' shall mean the beneficial ownership of shares carrying more than 50% of votes capable of being cast at a general meeting of all shareholders of the company. |
| **Sum insured** | **Sum insured** means the relevant amount shown in the **schedule** as sum insured. |
| **Unoccupied** | **Unoccupied** means:<br>1. the **building** is left **vacant** by **you** or any other authorised person and there is no business being operated from the **premises**; when **you** are the **building** owner, and sole occupier and for all other single occupation or tenancy situations, or<br>2. 50% or more by tenant and occupancy count of a **building** is vacant, and there are no tenancy agreements in force or business being operated from that part of the **building**, and there are multiple tenancies within the **building**;<br>When there are multiple **buildings** at the **premises**, unoccupancy only applies to the **building** that is **vacant**. All other **buildings** are considered occupied. |
| **Vehicle** | **Vehicle** means any type of machine on wheels or on self-laid tracks made or intended to be propelled by other than manual or **animal** power, and any trailer or other attachment to be utilised in conjunction with or drawn by any such machine. |
| **Vacant** | **Vacant** means when there is no business being operated from any individual occupancy or rentable area of the **building** (whether furniture, other **contents** or **stock** remain or not) or no valid and/or enforceable lease or sublease exists for the rentable area. |

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| **Watercraft** | **Watercraft** means any vessel, craft or thing made or intended to float on or in or travel through water, other than model boats. |
| **We, Us, Our** | **We, us,** or **our** means Blue Zebra Insurance Pty Ltd (**BZI**) AFS Licence No. 504130 ABN 12 622 465 838 to the extent it is acting as an agent of the **insurers** under a binder agreement, or otherwise the **insurers**. |
| **You, Your, Yours, Yourself** | **You, Your, Yours, Yourself** means the person(s), companies or firms named in the **schedule** as the 'insured'. |

# General Exclusions

The following general exclusions apply to all **sections** of the **policy**, unless expressly stated otherwise.

### 1. War, Act of terrorism, Confiscation, Radioactivity

**We** will not pay for loss, damage, destruction, death, personal injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss resulting from:

a. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;
b. any **act of terrorism**;
c. any order of any Government, Public, Civil or Local Authority involving the confiscation, nationalisation, requisition, damage or destruction of any property unless such destruction was undertaken to reduce the spread of fire; or
d. radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion. Provided that this 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.

This policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to the above.

### 2. Cyber risk

This cyber risk exclusion is applicable to the following **sections** of the **policy**:

- Property Damage
- Business Interruption
- Theft
- Money
- Glass
- General Property
- Machinery Breakdown
- Electronic Equipment Breakdown
- Employee Fraud

These sections do not cover any physical loss or damage caused directly by or arising directly or indirectly from a **cyber incident** or a **cyber act** including any action taken in controlling, preventing, suppressing or remediating such **event**.

However, subject to the relevant cover **sections** and all their provisions, we will cover any damage to the **property**, resulting from any ensuing fire, explosion, implosion, impact by aircraft or aerial object dropped therefrom, impact by road vehicle water, **flood** and/or water and other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or pipes only, occurring at **your premises**, which directly results from a direct **cyber incident** or **cyber act** causing such damage and including any **consequential loss** insured by this policy.

## 3. Electronic Data

a. **Electronic Data** – Part 1

This **electronic data** exclusion is applicable to the following **sections** of the **policy**:

- Property Damage
- Business Interruption
- Theft
- Money
- Glass
- General Property

i. These **sections** do not insure:

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

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

ii. However, in the event that any of the matters described in paragraph i. above is caused by a peril listed below (being a peril insured by the relevant **sections** but for this exclusion) then the relevant sections, subject to all their provisions, will insure:

a. physical loss of or damage or destruction to **property insured** directly caused by such listed peril, and/or
b. consequential loss insured by the policy.

Accidental damage other than non-physical damage, fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact by **aircraft** or aerial object dropped therefrom, impact by road **vehicle** or **animal**, sonic boom, theft of **electronic data** solely where such theft is a consequence of theft of any computer and/ or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such **electronic data**, breakage of **glass**, the acts of persons taking part in riots or civil commotions or of strikers or of locked-out workers or of persons taking part in labour disturbances, storm and/or tempest and/or rainwater and/or wind and/or hail, water and other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or pipes at the **business premises**.

iii. For the purposes of the 'How we settle your claim' provision in these sections, **computer systems** records include **electronic data**.

Any terrorism exclusion in these **sections** or any **endorsement** thereto prevails over this exclusion.

b. **Electronic Data** – Part 2

This **electronic data** exclusion is applicable to the following **sections** of the **policy**:

- Machinery Breakdown
- Electronic Equipment Breakdown

These **sections** do not cover any loss or damage of whatsoever kind arising directly or indirectly out of:

i. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **electronic data**;

ii. error in creating, amending, entering, deleting or using **electronic data**;

iii. total or partial inability or failure to receive, send, access or use **electronic data** for any time or at all; or

iv. any business interruption losses resulting therefrom,

regardless of any other contributing cause or **event** whenever it may occur, unless such loss or damage is a direct consequence of otherwise insured damage and provided that **electronic data** and **electronic data media** and/or business interruption is insured by these **sections**.

Any terrorism exclusion in these **sections** or any **endorsement** thereto prevails over this exclusion.

### 4. Fines and penalties

**We** will not pay any penalties, fines, awards of liquidated, aggravated, exemplary, punitive damages or multiplication of compensatory damages made against **you**.

### 5. Geographical limitations

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

### 6. Intentional acts

This **policy** does not cover intentional acts by **you** or another party committed with **your** knowledge and consent and which **you** were capable of preventing.

### 7. Lawful seizure

The policy does not cover loss, destruction, liability, or damage caused by, contributed to or by or arising from the lawful seizure, detention, confiscation, nationalisation or requisition of the **property insured**.

### 8. Unoccupancy

Unless **we** otherwise agree in writing, **we** will not pay for any loss or damage to **your property insured** if the loss, damage happens after a **building** at the **premises** has been **unoccupied** for more than 90 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 may apply if **buildings** are partly occupied, refer to the definition of 'Unoccupied' in the 'General Definitions' **section**. Cover will resume when that **building** is again occupied by **you** or any other authorised person.

# General Terms and Conditions

The following **general** conditions apply to all **sections** of the **policy** except to the extent it is expressly stated otherwise.
Breach of a condition or warranty without **your** knowledge or consent or error in name, description or **premises** of property will not prejudice **your** rights under the **policy** provided notice in writing is given to **us** when such breach or error comes to **your** knowledge. The premium that would have been charged by **us** (if any) had no breach occurred or had **we** been properly notified will be payable by **you**.

## 1. Accountancy records

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

## 2. Acquisition of companies

**We** will agree to provide cover under the **sections** of **your policy** for any newly formed subsidiary or acquisition or any other legal entity purchased by **you**, provided that:

a. we have been notified in writing within thirty (30) days of the incorporation date or date of purchase;
b. such legal entity is incorporated in **Australia**; and
c. such legal entity conducts the same or similar occupation to the **business** stated in the **schedule**.

**Our** liability shall not exceed the limit of liability, **sum insured**, or any sub-limit of liability applicable under the relevant **sections** making up **your policy**.

Other than as stated above **we** will not provide cover for any claims associated with companies or legal entities acquired during the **period of insurance**.

## 3. 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 the **policy** being returned "unsatisfied" by reason of such bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against **us** in the same manner, and to the same extent as **you** but not in excess of the relevant **sum insured**, limit of liability or any sublimit applicable under the relevant **section(s)** making up **your policy**.

## 4. Cancellation rights

**You** may cancel **your** policy at any time after the cooling-off period. **We** will refund to **you** a proportion of the **premium** for the unexpired **period of insurance** (less any non-refundable government charges, taxes and levies that **we** have paid and are not recoverable), provided that the cancellation date does not fall during the period of time referred to in the 'Cooling-off Period' section.

Any agency fee that has been added to the **premium** will only be refunded if the policy is cancelled within the cooling-off period or where the cancellation is effective from the start of the **period of insurance**.

**We** may cancel this policy by notice in writing for any reason available to **us** at law. **We** will refund to **you** a proportion of the **premium** for the unexpired **period of insurance** (less any non-refundable government charges, taxes and levies that **we** have paid and are not recoverable).

## 5. Claims

**a. What you must do after loss, damage, accident or other insured event**

Protect **yourself** from any danger present.

Assist other people within **your** capabilities if required. Take reasonable steps to prevent further loss, damage or liability.

Notify the police as soon as reasonably possible if any of **your** property is lost, stolen, or maliciously damaged and provide the police with all assistance to apprehend the offending party.

Advise **us** of the claim as soon as practicable and then supply **us** with full written details by completing **our** claim form. **You** or someone acting on **your** behalf must complete a claim form within a reasonable time of an occurrence. If **you** do not, **we** may reduce the amount **we** pay if the delay causes increased costs or prevents **us** investigating the claim.

Any invoices, bills, demands letters or notices **you** receive from other people involved in the loss, damage or accident or other insured **event** must be sent to **us** as soon as possible.

**b. What you must not do after a loss, damage accident or other insured event**

**You** must not admit fault or agree to pay for loss, damage or liability without **our** consent. Do not make an offer, settle, or attempt to settle any claim against **you**. If **you** do, **we** may reduce or refuse **your** claim to the extent **we** are prejudiced.

**You** must not incur any costs or expenses or authorise repairs (other than necessary temporary repairs) without **our** agreement. Please contact **us** to confirm approval before authorising any repairs.

## 6. Excesses

If a claim arises from an **event** and **you** can obtain cover under more than one **section**, **you** will only be required to pay the highest single **excess** applicable regardless of the number of **excesses** applying to the individual **sections**.

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

### 7. Claims preparation expenses

**We** will pay for costs necessarily and reasonably incurred for the preparation and negotiation of a claim for which **we** agree to indemnify **you** under the **policy**. The most **we** will pay is $25,000 in total any one claim or series of claims, arising out of the same **event** or **events**. This is in addition to the specified amount within the applicable **section**.

In order to be sure that **you** are covered under this **policy you** should always contact **us** for approval before **you** incur costs **you** wish to claim. If **you** do not, **we** will pay for costs incurred up to the amount **we** would have authorised had **you** asked **us** first.

This benefit is in addition to any **sum insured** or limit of liability.

### 8. 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, a refund will be made to the premium funding company of the proportionate part of the premium applicable to the unexpired **period of insurance**.

### 9. Sanctions

Notwithstanding any other terms or conditions under this **policy**, **we** shall not be deemed to provide coverage and will not be liable to make any payments nor provide any service or benefit to **you** or any other party to the extent that such cover, payment, service, benefit or any **business** or activity **you** undertake, would violate any applicable trade or economic sanctions, law or regulation of the European Union, United Kingdom, United States of America, United Nations or the Commonwealth of Australia.

### 10. Designation of property

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

Provided always that this general policy condition shall not apply to the Theft **section** with respect to tobacco/cigarettes**.**

Furthermore, under the Theft **section**, **stock** does not include alcohol and tobacco/cigarettes, unless they are specified in the **schedule**.

### 11. Emergency mitigation costs

In the case of an emergency where the **property insured** is covered by **your policy**, **we** give **you** the authority to arrange these emergency repairs on **our** behalf.

## 12. How Goods and Services Tax (GST) affects any payments we make GST Notice

Where **you** are registered as a **business** and have an Australian Business Number, **you** must advise **us** of **your** correct **input tax credit** percentage each time that **you** make a claim under this **policy**.

**We** will not indemnify **you** for any GST liability, fines or penalties that arise from or are attributable to **your** failure to notify **us** of **your** entitlement (or correct entitlement) to an **input tax credit** on the premium.

The **sum insured** values that **you** choose should exclude GST and all dollar amounts in this PDS are exclusive of GST unless stated otherwise.

In the event of a claim, if **you** are not registered for GST, **we** will reimburse **you** the GST component, in addition to the amount **we** pay **you**. If **you** are registered for GST the amount that we are liable to pay under this policy will be reduced by the amount of any **input tax credit** that **you** are or may be entitled to claim for the supply of goods or services covered by that payment.

If you are unsure about the taxation implications of this policy, **you** should seek advice from **your** accountant or tax professional.

## 13. Inflation protection

To protect **you** from the effects of inflation and to reduce the risk that **you** will be underinsured, if **you** have cover under the property damage **section**, **we** will automatically increase the **sum insured** each year in line with the most appropriate price indices (as determined by **us**).

The new premium and relevant government charges will be based on the new **sum insured** shown in the **schedule**.

This automatic **sum insured** adjustment at renewal does not replace **your** responsibility for reviewing the **sum insured** at renewal. **You** are not required to accept the revised **sums insured** and can ask **us** to amend them at any time.

## 14. Inspections

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

## 15. Jurisdiction

The **policy** is governed by the laws of **Australia**. All disputes arising out of or under the **policy** shall be subject to determination by any court of competent jurisdiction within the exclusive jurisdiction of an Australian Court within the State or Territory in which the **policy** was issued.

## 16. 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 to the limited extent of their insurable interest only as provided under section 49 of the Insurance Contracts Act without notification or specification. The nature and extent of such interest is to be disclosed to **us** in the event of any claim covered by the **policy**. Any other people not in this category or not named in the **schedule** are not covered and cannot make a claim.

Where the separate interests of more than one party in the **property insured** are insured under the **policy**, any act or neglect of one party will not prejudice the rights of the remaining party or parties, provided that the remaining party/ies are entirely innocent of and have no prior knowledge of any such act or neglect whereby risk of loss, damage or destruction has increased, given notice in writing to **us** and shall pay such reasonable additional premium as **we** may require in order to maintain cover for the increased risk that **we** may agree to provide as a result of the act or neglect.

**You** cannot transfer the **policy** into someone else's name without **our** written consent. **We** will not unreasonably withhold **our** consent.

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 permit **us** to seek contribution from the other insurer or insurers.

### 17. Our maximum liability

Except as otherwise stated elsewhere in the **policy**, the maximum amount **we** will pay will not exceed the amount stated in the **schedule** as the **sum insured** or the limit of liability or the **limit** for those **sections** covered.

The **sum insured**, 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**.

### 18. 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 insured(s).

However, the above does not have the effect of applying the **sum insured**, limit of liability and sub-limits of liability individually to each such insured.

### 19. Pairs or sets

Any item of **contents** or **specified items** that are part of a pair or set, the **sum insured** applies to the pair or set.

### 20. 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.

## 21. Reasonable care

**You** must take reasonable precautions to prevent loss, personal injury, property damage and liability as if **you** were not covered by the **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 **section**, at **your** expense **you** must 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 **your 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.

## 22. Reduced sum insured

The **sum insured** for the **period of insurance** will be reduced by any payment made or due to be made under the following **sections** of the **policy**:

- Machinery Breakdown
- Electronic Equipment Breakdown

There is no reinstatement of the **sum insured**.

## 23. Reinstatement of sum insured

In the event of the **sum insured** being reduced by the amount of any claim under this **policy**, under the following **sections** of the **policy**:

- Property Damage
- Business Interruption
- Theft
- Money
- Glass
- General Property
- Tax Audit
- Employee Dishonesty
- Transit

**We** will automatically reinstate the **sum insured** from the date of loss or damage provided that:

a. there is no written request from **you** or written notice by **us** to the contrary; and

b. the **section** is an operative section of the **policy**.

The following conditions apply:

i. **we** will not reinstate the **sum insured** on the Property Damage or Business Interruption **sections** if **we** have paid a total loss under either of these **sections**;

ii. with respect to the Employee Dishonesty **section**, the amount by which the **sum insured** is reinstated shall be available only in respect of acts of fraud or dishonesty committed after such reinstatement.

### 24. Repairs to damage by you

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

### 25. Rewards

**We** will pay **you** up to $5,000 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 sections of the **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 exceeds the reward.

**We** shall not unreasonably withhold or refuse consent to the terms of any reward payable under this general **policy** condition.

### 26. 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**.

### 27. Single event

**We** will not pay for loss or damage to property covered by the **policy** under more than one **section** of the **policy** in respect of the same, item or **event** unless a relevant **sum insured** has been paid out in full and **you** have not been fully covered for the loss or damage.

### 28. 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 the **policy** (disregarding the amount of any **excess** applicable);

b. secondly to **us** in reimbursement of the amount paid to **you** in respect of that claim under that **section**; and

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.

### 29. Waiver of subrogation rights

**We** will not be liable to pay any benefits under the **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 to the extent that **your** loss would have been recoverable from the third party but for the agreement. 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
   iii. any co-owner of the **property insured**.

b. **You** may without prejudicing **your** position under the **policy**:
   i. release any statutory governmental, semi-governmental or municipal authority from any liability if required at law 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.

# INDIVIDUAL POLICY SECTIONS

## Property Damage

### About this Section

This **section** covers accidental physical loss of or physical damage to **your property insured** at the **premises.**

### Definitions

**Some words have special meaning wherever they appear in this section. These words and their meanings are listed below. Wherever they appear in this section they are shown in bold. The singular shall include the plural and vice versa.**

| Term | Definition |
|---|---|
| **Catastrophe** | **Catastrophe** means a large-scale destructive **event** in the area in which the **premises** is located which either:<br>a. the Insurance Council of Australia has declared to be an 'insurance catastrophe event'; or<br>b. as a consequence of the **event**, the relevant **government authority** has declared a state of emergency. |
| **Increase in building costs** | **Increase in building costs** means the difference between the cost of reinstatement actually incurred in accordance with the 'How we settle your claim' provisions of this **section** and the cost of reinstatement that would have applied had the **catastrophe** not occurred. |
| **Landscaping** | **Landscaping** means growing plants, trees, shrubs, garden plots and lawns (including rock work, retaining walls, ornamentation and edging pertaining thereto). |
| **Limit of liability** | **Limit of liability** means 120% of the total **sum insured** for a specific **premises**. Provided that this is the maximum amount that **we** will pay for all loss or damage that arises out of any **event** at such **premises** unless it is specifically stated otherwise in this **section**. |

### What you are covered for

Provided "Property Damage" is shown as taken in the **schedule**, **we** will cover **you** for accidental physical loss of or physical damage to **your property insured** at the **premises** during the **period of insurance**, however **we** will not cover **you** for accidental physical loss or physical damage to **your property insured** caused by **flood** if **flood** is shown as 'Not Insured' in the **schedule**.

## How we settle your claim

The maximum amount **we** will pay for any one **event** under this **section** is the **limit of liability** except:

a. for **specified items**, the maximum **we** will pay for each **specified item** is the **sum insured** shown in the **schedule** for that item;
b. for unspecified **contents** that are works of art, antiques and curios, the maximum we will pay is up to $10,000 for each item;
c. where it is specifically stated in this **section** that payments are made in addition to this amount.

There are two (2) methods of paying **your claims**. They are 'reinstatement or replacement' basis and 'indemnity value'. The method **you** have chosen is shown in **your schedule**.

### 1. Building(s) or contents - reinstatement or replacement

If **your schedule** shows 'Reinstatement or replacement' as the Method of settlement, when **building** or **contents** are lost or damaged **we** will:

a. pay the cost of rebuilding, replacing or repairing any damaged part of **your property insured** to the same condition as when they were new or, where appropriate, in accordance with the "output replacement" clause set out below;
b. rebuild the **buildings** at the **premises** shown in **your schedule** or, at **your** option, at another site;
c. replace **contents** with similar property;
d. if the **contents** are works of art, antiques and curios pay **you** the amount of valuation by the Auctioneers and Valuers Association of Australia.

Reinstatement or replacement is subject to the following conditions:

i. If the **property insured** is lost or damaged **you** must commence to rebuild, replace or repair within a reasonable time of the loss or damage, after **our** consent has been obtained. If **you** do not, **we** will pay no more than the cost that would have been incurred if the work of rebuilding, replacement or reinstatement has been commenced and carried out with reasonable dispatch. **We** will extend this period to the extent that **we** caused or contributed to the delay.
ii. when rebuilding at another site, **we** will not pay more than **we** would pay to rebuild at the **premises**;
iii. when any **property insured** is damaged, but not destroyed, **we** will not pay more than the amount which would have been called upon to pay for if that property had been destroyed; and
iv. **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 **Australia**.

### 2. Stock- reinstatement or replacement

If **stock** is lost or damaged, **we** will, at **our** option (acting reasonably):

a. pay the **market value** of the **stock** at 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**.

### 3. Specified items

When **specified items** are lost or damaged and owned as **contents**, **we** will pay as set out under the heading "How we settle your claims' "1. Building(s) or contents - reinstatement or replacement'.

When **specified items** are lost or damaged and owned as **stock**, **we** will pay as set out under the heading "How we settle your claims' '10. Stock – reinstatement or replacement'.

The maximum **we** will pay for each **specified item** is the **sum insured** shown in the **schedule** for that item.

### 4. Indemnity

If **your schedule** shows 'Indemnity' as the method of settlement, when **building** or **contents** are lost or damaged **we** will:

a. repair, reinstate or replace the **building** or **contents**;

b. pay **you** the market value of the **building** or **contents** at the time of its loss or damage; or

c. pay the cost of repair or replacement.

In all cases, where appropriate, **we** will reduce the amount **we** pay **you** to take into account age, wear, tear and depreciation.

### 5. 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.

### 6. Electronic equipment and software

If electronic equipment and software is damaged, **we** will pay the costs incurred in the repair, restoration and reinstallation of data and software, to replicate the operational capability of the system to a level commensurate with that existing prior to the damage.

### 7. Extra cost of reinstatement

If **you** are insured under this **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**.

### 8. Extra cost of reinstatement: Heritage building

If **you** are insured under this **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 readily available and in common use in **Australia**, if the original materials are not available.

### 9. Conditions which apply to (7) Extra cost of reinstatement and (8) Extra cost of

The following conditions apply:

a. the work of reinstatement, must be commenced and carried out within a reasonable period, failing which **we** will not pay more than the amount which would have been payable under the **policy** if the work of reinstatement had been commenced and carried out with reasonable dispatch;

b. the work of reinstatement may be carried out wholly or partially upon any other site, if the requirements of the Act, regulation or by-law necessitate it, subject to **our** liability not being increased.

c. the amount recoverable shall not include the additional costs incurred with complying with any such Act, regulation or by-law or requirement with which **you** have been required to comply prior to the happening of the damage.

**Our** total liability under clauses 7,8 & 9 will be limited to:

i. the **sum insured** shown in the **schedule** for "Extra cost of reinstatement" which shall be in addition to the **limit of liability**, or

ii. the balance of the **limit of liability** at the **premises**, whichever is the greater.

The 'Underinsurance' condition in 'Specific conditions applicable to this section' will not be applied to the amount payable under clauses 7, 8 & 9.

### 10. Loss of floor space

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

a. any Act of Parliament or regulation thereunder, or

b. any by-law or regulation of any municipal or other statutory authority,

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

i. the actual costs incurred in reinstatement subject to the reduced floor space ratio index (plot ratio), and

ii. the estimated cost of reinstatement at the time of damage had the reduced floor space ratio index (plot ratio) not applied.

## 11. Output replacement

Where any **property insured** consists of equipment, machinery or plant having a measurable function, capability or output and if it is necessary to replace such property with a new item or items which perform a similar function or functions, then the basis of settlement for such property 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 **property insured** damaged bears to the output of the replacement item or items. If the reinstatement value of the damaged **property insured** is not ascertainable then the basis of settlement is the new installed cost of the replacement item or items.

## 12. Undamaged portions of the 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**, then the abandoned undamaged portion of the **building** including the foundations and services shall be deemed to be destroyed.

Provided that, if the presence of such undamaged portion of the **building** increases 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 **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.

## Excess

The **excess** that applies is shown in the **schedule.**

If any loss covered by this section is caused by earthquake, volcanic eruption, subterranean fire or tsunami, **you** will be required to pay an excess of:

a. $20,000, or

b. 1% of the total **sum insured** at the damaged **premises**

whichever is the lesser, of each claim caused by earthquake, volcanic eruption, subterranean fire or tsunami.

## Extra covers

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

As well as any specific limitation(s) on payments identified in each extra cover clause, the following limitations apply:

1. Clauses 1 to 4 inclusive: any amounts payable under these extra covers:
    a. do not form part of the sums paid subject to the **limit of liability**; and
    b. may apply in addition to the **limit of liability**.
2. Clauses 5 to 17 inclusive: any amounts payable under these extra covers:
    a. form part of the amounts paid subject to the **limit of liability** not otherwise exhausted; and
    b. do not apply in addition to the **limit of liability**.

For the sake of clarity, if the **limit of liability** is otherwise exhausted, no amount is payable under extra covers clauses 5 to 17 inclusive.

### Extra covers not subject to limit of liability:

**1. Capital additions**

If **buildings** or **contents** are insured and:

a. **buildings**, or part of them, are in the process of being constructed, erected, altered or added to; or

b. **contents** are in the process of being installed or modified,

**We** will pay for loss or damage to the new additions or installations.

The maximum amount **we** will pay for this extra cover is limited to:

a. $500,000; or

b. 20% of the total **sum insured** on **buildings** and **contents**,

whichever is the lesser.

**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 **sum insured** on **buildings**; and

b. increase the amounts payable under the extra cover (1) "Capital Additions" (relating to **buildings** only) and additional benefit (5) "Prevention of imminent damage" of this **section** by 20%,

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

**We** will not pay:

a. more than the increased building costs which are actually incurred by **you** as a direct result of the **catastrophe**;

b. any amount under this extra cover if **you** choose not to rebuild the **buildings** (or any part of them) at the **premises** shown in **your schedule**. **We** will not increase the **sum insured** to pay for damage to any **property insured** other than **buildings**;

c. any claim under this extra cover if **your schedule** shows the **building** as being insured for "indemnity".

**3. Removal of debris including necessary temporary repairs**

**We** will pay the reasonable costs incurred for the demolition, dismantling, necessary temporary repairs, cleaning up and/or removal, storage and disposal of debris from the **premises**, shoring up, propping, underpinning or other temporary repairs incurred 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.

The maximum amount **we** will pay for this extra cover is limited to:

a. $100,000; or

b. 20% of the total **sum insured** on **building** and **contents** shown in the **schedule** for the damaged **premises**; or

c. the higher amount shown in the **schedule** for removal of debris,

whichever is the greater.

If this is insufficient and **you** have not exhausted **your limit of liability** on the damaged items requiring demolition and/or removal of debris, **we** will pay up to the remaining balance of the **limit of liability**.

**4. Seasonal increase in stock**

**We** will automatically increase the **sum insured** in respect of **stock** by 50% during the **seasonal increase period**. If the **sum insured** in respect of **stock** is included in **your contents sum insured, we** will only apply the seasonal increase to that portion of **your contents sum insured** which relates to **stock**.

**Extra covers subject to limit of liability:**

Provided that the **limit of liability** is not exceeded, **we** will provide cover for the following Extra covers (5 - 17).

**5. Discharge of mortgages**

**We** will pay the reasonable legal costs of discharge of a mortgage or mortgages on **buildings**, **contents**, **stock** and **specified items** following settlement of a claim under the **policy** on a total loss basis.

The maximum amount **we** will pay for this extra cover $25,000 any one **event**.

**6. Environmental upgrade**

**We** will pay the additional costs of repairing or replacing the **buildings** and/or **contents** with materials or equipment that will improve the energy or water efficiency of the property.

The maximum amount **we** will pay for this extra cover is limited to:

a. 10% of the repair or replacement costs; or

b. $10,000,

whichever is the lesser in respect of any one **event.**

**7. 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.

The maximum amount **we** will pay for this extra cover is limited to:

a. 50% of the cost of repairing, replacing or reinstating the **property insured**; or

b. $25,000,

whichever is the lesser in respect of any one **event**.

**8. 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.

**9. 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**.

**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).

The maximum amount **we** will pay for this extra cover is limited to:

a. 20% of the **building sum insured** shown in the **schedule**; or

b. $50,000,

whichever is the lesser.

**10. 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 allow partial rebuilding of that **building** at the **premises**.

The maximum amount **we** will pay for this extra cover is limited to:

a. 20% of the **buildings sum insured** shown in the **schedule**; or

b. $100,000;

whichever is the lesser.

**11. Playing surfaces**

**We** will pay 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 **section**; or

c. the action of the fire fighting services, police or other emergency services in attending to their duties at the **premises**.

The maximum amount **we** will pay for this extra cover $50,000 any one **event**.

**12. 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**.

**13. 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. 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 **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.

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

   i. 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

   ii. not removing the stump would interfere with repairing or replacing the damaged part of the **building** as required to settle **your** claim.

**14. Rewriting of records**

**We** will pay the reasonable cost 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 at each **premises** for **business** books, plans, computer records, patterns and other **business** records that are damaged.

**15. 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.

**16. Metered water or gas charges**

The costs levied on **you** by a water or gas company or authority for metered water usage arising from the escape and loss of water or gas at the **premises** following a theft or attempted theft of parts of the **building** when **buildings** are insured.

**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**.

The maximum amount **we** will pay for this extra cover is limited to:

a. 7 days; or

b. $15,000,

whichever is the lesser.

If an occurrence results in a claim being paid under this **section** and another **section**, the highest single **limit** under the relevant **section** applies. Metered water charges shall not be cumulative under the **policy**.

**17. Incompatibility of Computer System Records**

In the event of settlement of a claim resulting in the replacement of **property insured** under this **section** with property that is incompatible with **your** undamaged **electronic data** processing **media**, **we** will pay the cost of:

a. modification to **electronic data** processing equipment; and

b. replacing or reinstating programs or **electronic data**, necessarily and reasonably incurred (with **our** consent) to achieve compatibility.

The maximum amount **we** will pay for this extra cover is $50,000 in the aggregate in any one **period of insurance**.

## Additional benefits

**We** will also provide the following additional benefits, subject to the exclusions and conditions of the **policy**.

As well as any specific limitation(s) on payments identified in each additional benefit clause, the following limitations apply:

1. Clauses 1 to 10 inclusive: any amounts payable under these additional benefits:
   a. do not form part of the sums paid subject to the **limit of liability**; and
   b. may apply in addition to the **limit of liability**.
2. Clauses 11 to 12 inclusive: any amounts payable under these extra covers:
   a. form part of the amounts paid subject to the **limit of liability** not otherwise exhausted; and
   b. do not apply in addition to the **limit of liability**.

For the sake of clarity, if the **limit of liability** is otherwise exhausted, no amount is payable under extra covers clauses 11 to 12 inclusive.

### Additional benefits not subject to limit of liability:

**1. Costs related to damage to glass in vacant buildings**

If **you** own but do not occupy any **buildings** shown as insured under this **section** at a **premises**, **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 around the **glass**.

**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 around the broken **glass**; or
b. plastic or perspex signs.

**We** will not cover any claims under this additional benefit if:

a. **you** have cover under the glass **section**;
b. **your** insured **building** is leased to a tenant; or
c. the **building** has remained **vacant** for a continuous period longer than 60 days and **we** have not agreed to an extended period in writing.

The maximum amount **we** will pay for this additional benefit is $5,000 any one **period of insurance**.

**2. Fire brigade attendance fees**

**We** will pay for any statutory charges payable by **you** to a fire brigade or fire fighting authority for attendance at a fire or chemical emergency involving **property insured** and for the cost of refilling **your** fire fighting appliances used in putting out a fire at or adjoining the **premises** and threatening the **property insured**.

The maximum amount **we** will pay for this additional benefit is $100,000 any one **period of insurance**.

**3. Limited transit cover**

**We** will cover **you** for loss of or damage to **stock**, **contents** or **specified items** during the **period of insurance** which are in transit in or on any **vehicle** anywhere in **Australia** away from **your premises**, including storage during the transit, but only for damage caused by:

a. fire or explosion;
b. wind;
c. acts of malicious persons;
d. collision or overturning of the conveying **vehicle**
e. escape of molten material from its intended confines at the **premises**;
f. lightning or thunderbolt;
g. implosion;
h. earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these during any period of 72 consecutive hours following the **event**;
i. riot, civil commotion or labour disturbances; or
j. water damage;
k. **flood** (only if **flood** is shown as 'Insured' in the **schedule**).

The maximum amount **we** will pay for this additional benefit is limited to:

a. $50,000; or
b. 20% of the highest **sum insured** shown in the **schedule** for **contents** and **stock** at any one **premises**, for each **event**,

whichever is the lesser.

**We** will not cover **you** for loss or damage caused by **flood** under this additional benefit if **flood** is shown as 'Not Insured' in the **schedule**.

**4. Rewriting of records**

**We** will pay the reasonable cost, for clerical and professional costs incurred by **you** for rewriting of records if they are lost, destroyed or damaged, whilst located away from **your premises** anywhere in **Australia**, by an **event** that **you** are covered for under this **section**. **We** will not pay **you** for any financial loss caused by the loss of **your** records under this additional benefit.

The maximum amount **we** will pay for this additional benefit is limited to**:**

The maximum amount **we** will pay for this extra cover is $20,000 or any higher amount for 'Rewriting of records' shown in the **schedule**.

**5. Temporary cover for new premises**

**We** will cover **you** for loss or damage occurring during the **period of insurance** to **buildings**, **contents**, **stock** and **specified items** 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 in the **schedule**;

c. the property at the new premises is of the same nature as the **buildings**, **contents**, **stock** and **specified items** located at a **premises** and would have been covered if they were located at a **premises**;

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 any **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. **We** may agree to continue the cover provided that **you** pay any additional premium that **we** may require.

The maximum amount **we** will pay for this additional benefit is 50% of the highest **limit of liability** for any **premises** shown in the **schedule**.

The 'Underinsurance' condition in 'Specific conditions applicable to this section' does not apply to this extension of cover.

**6. Temporary removal of stock, contents or specified items**

**We** will cover **you** for loss of or damage to **stock**, **contents** or **specified items** if they have 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 **Australia**.

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

a. **vehicles**, caravans, watercraft or hovercraft, unless they are the **stock** of **your business**, or forklift trucks and similar appliances that are used for hauling or conveying goods at the **premises**;

b. **stock** that **you** have consigned to another party for sale unless it is owned by **you** or is property for which **you** are responsible;

c. **stock**, **contents** or **specified items** that have been removed from the **premises** in excess of 90 days at the time of the loss or damage.

The maximum amount **we** will pay for this extra cover, during the **period of insurance**, is:

a. up to 20% of the **sum insured** for **stock** or **contents**, and

b. up to $10,000 for **specified items** in total.

For example:

1. If the **sum 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), or
2. If there are two **specified items**, for $10,000 each, or one **specified item** for $20,000, in the schedule, and there is loss or damage to the **specified items** the most **we** will pay is $10,000 in total.

**7. Loss of stock without damage**

If **stock** is shown with a separate **sum insured** in **your schedule**, **we** will cover **you** for perishable food **stock**, which at the time of loss or damage are stored in a controlled atmosphere chamber, that cannot be processed within a timely manner, in its normal way or through alternative outsourcing arrangements as a direct result of damage to other **property insured** which is critical to **your business** for the processing of perishable food **stock**.

The maximum amount **we** will pay for this additional benefit is limited to:

a. $10,000; or

b. 20% of the **sum insured** for **stock**,

whichever is the lesser.

**8. Theft of part of the building**

If **you** own but do not occupy a **building** shown as insured under this **section** at a **premises**, **we** will cover **you** for the theft during the **period of insurance** of the **building** or parts thereof.

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

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

**10. Working from home**

**We** will cover **you** for loss or damage to **property insured** used by **you** or any of your **employees** for the purpose of conducting **your business** whilst located at their normal place of residence.

The maximum amount **we** will pay for this additional benefit is limited to:

a. $25,000; or

b. 10% of the highest **sum insured** specified for **contents**, at one **premises,**

whichever is the lesser.

**Additional benefits subject to limit of liability:**

Provided that the **limit of liability** is not exceeded, **we** will provide cover for the following additional benefits (11 - 12).

**11. 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**.

The maximum amount **we** will pay for this extra cover is $6,000 for any one **event**.

**12. Prevention of imminent damage**

**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 **section**. **We** will also cover any damage resulting from the removal.

The maximum amount **we** will pay for this additional benefit is $100,000 any one **period of insurance**.

## Limitations of cover

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

When damage to **property insured** is covered by this **section**, damage to textile blinds and awnings, shade cloth, shade houses, fibreglass houses and glasshouses, gates, fences, signs and retaining walls caused by or arising from storm, rainwater, wind, hail or snow is limited to a maximum of $25,000 in total any one **event**.

## Exclusions

1. **We** will not cover **you** for loss or damage caused by:
   a. **flood,** when **flood** is shown as 'Not Insured' in the **schedule;**
   b. wear and tear, gradual deterioration, scratching, marring, developing flaws, normal upkeep or any gradual cause;
   c. mechanical, hydraulic, electrical breakdown or electronic failure or malfunction;
   d. corrosion, rust, oxidation, any form of **fungus**, wet or dry rot, dampness of atmosphere, variation in temperature, evaporation, disease, shrinkage;
   e. change in colour, flavour, texture or finish;
   f. inherent vice or latent defect;
   g. loss of weight or exposure to light;
   h. i. error or omission in design, plan or specification or failure during testing,

      ii. faulty materials or workmanship;

      provided that this Exclusion h. (i) shall not apply to subsequent loss or damage to your property insured (not otherwise excluded) resulting from an event referred to in this exclusion;
   i. data processing or **media** failure or breakdown or malfunction of a processing system including operator entry or omission;
   j. infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by **you** or any **employee**;
   k. the cessation of work (whether total or partial), interruption or retarding of any process or operation as a result of any industrial dispute;
   l. explosion or implosion of any pressure vessels (including any boilers) (other than a pressure vessel used solely for domestic purposes) 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 and this caused or contributed to the damage; or
      ii. where any safety valve limiting pressure was removed or rendered inoperative; or

      due to the failure of the supply of water, gas, electricity or fuel.

   Provided that we will pay for any subsequent damage to **property insured** that is not otherwise excluded, caused directly by or arising directly from any peril or event referred to in (a) - (l) above.

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

2. **We** will not cover loss of or damage to:
   a. **property insured** where loss or damage results from it being processed or manufactured;
   b. any **building**, **contents**, **stock** and **specified items** if the **building** is **unoccupied** awaiting or undergoing demolition, unless **we** have agreed otherwise;
   c. standing timber, plants (other than when potted plants are **property insured** when insured as **contents** ) or growing crops, land including top soil and fill, **landscaping**, gardens and pastures, other than the coverage provided by the extra cover 'Landscaping';
   d. **glass** or signs, other than
      i. loss or damage caused by 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. where **you** are a tenant of a **building** and are required by the lease to insure **glass**.

3. **We** will not cover loss or damage caused by or arising from:
   a. theft. This exclusion does not apply to physical damage to **property insured** at the **premises** during theft or any attempted theft and/or theft of parts of the **building** when **buildings** are insured or fixed plant in the open air when **buildings** are insured;
   b. any legal liability **you** have other than the legal liability that is covered by the extra cover "(12) Removal of debris including necessary temporary repairs";
   c. demolition ordered by any lawful authority as a result of failure by **you** to comply with any lawful requirement;
   d. the incorrect layout, placement or siting of **buildings** as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any lawful authority;
   e. any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;
   f. contamination, pollution, smoke or smut except where caused directly by fire, lightning, explosion, impact by any road **vehicle** or **animal**, **aircraft** or other aerial devices or articles dropped by them, falling communication masts, towers, antennae or dishes, falling **buildings** or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing or discharge of tanks, apparatus or pipes containing water or liquid of any kind, or sprinkler leakage;
   g. creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in **buildings**, pavements, roads, car parks and the like;

h. erosion, subsidence, landslip or mudslide or any other earth movement but **we** will cover loss or damage caused by any type of earth movement 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;

i. the action of the sea or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance;

j. the actions of birds, moths, termites or other insects, vermin or rodents or damage caused by their urine, excrement, pecking, biting, clawing, scratching, tearing or chewing **your property insured** at the **premises**. Provided that this exclusion shall not apply in respect of:

   i. subsequent loss or damage to **your property insured** occasioned by a fire, explosion or water damage only;

   ii. impact damage caused by birds.

**We** will not cover loss or damage caused by:

a. a named cyclone named by the Bureau of Meteorology where the damage occurs; or

b. a bushfire occurring; or

c. **flood** occurring,

Within 72 hours from the commencement of this **policy**

Provided that this exclusion shall not apply if:

i. the policy commenced immediately after another policy covering the same risk has expired, without a break in cover; or

ii. **you** have entered into a contract of sale to purchase the property at the situation; or

iii. **you** have entered into a contract to lease the property at the situation.

## Specific conditions applicable to this section

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

**1. Leased building clause**

Without prejudicing **your** position under this **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. Release**

Without prejudicing **your** position under this **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.

**3. Storage premises**

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

**4. Tenants actions**

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

a. **you** have taken all reasonable actions, as soon as **you** become aware of conditions causing the breach, to have the tenant comply with the terms;

b. **you** notify **us** within a reasonable amount of time of becoming aware of the breach; and

c. **you** agree to pay a reasonable increase in premium for the additional risk.

**5. Underinsurance**

In the event of loss or damage covered under this **section** for claims settled on:

a. a 'Reinstatement or replacement basis', **we** will be liable for no greater proportion of the loss or damage than the **limit of liability** bears to 80% of the full insurable value of the **buildings**, **contents**, **stock** and **specified items** (net of any **input tax credit** that **you** could claim) at the time of the commencement of the **period of insurance**;

b. an 'Indemnity value' basis we shall be liable for no greater proportion of the loss or damage than the **limit of liability** at the premises bears to eighty percent 80% of the current value of the **property insured.**

The maximum amount **we** will pay will not exceed the **limit of indemnity** at the **premises**.

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.

This condition will not apply:

a. if the amount of any loss or damage is less than 10% of the **limit of liability** at the **premises**; or

b. to property forming part of the **property insured** which has been insured under this **policy** for the full value stated in a valuation prepared by an 'Approved Valuer' not less than three years before the commencement of the **period of insurance**, and which an 'Approved Valuer' has updated not more than 12 months prior to the commencement of the **period of insurance**.

'Approved valuer' means a certified practising valuer registered with the Australian Property Institute within the relevant property discipline.

## Claims examples

Below are some examples of how, when **you** are insured on a 'Reinstatement or replacement basis', the application of condition '4. Underinsurance' can result in a reduction of the amount **we** pay **you** if **you** did not adequately insure.

These examples are a guide only and do not cover all potential scenarios or benefits that may be paid under this **policy**. They do not form part of the **policy** terms and conditions.

### Example 1 – underinsurance does not apply

a. **You** take out a **policy** where the total **sum insured** for all **property insured** at the **premises** is $60,000.

b. The **limit of liability** for the **premises** is $72,000[b].

c. The cost to reinstate or replace all the **property insured** at the **premises** is $75,000.

d. 80% of the cost to reinstate or replace all the **property insured** at the **premises** is $60,000[d].

e. **You** make a claim for a loss to the **property insured** of $100,000.

| |
|---|
| $72,000[b] is greater than $60,000[d] – underinsurance does not apply. |

As the total **sum insured** for all **property insured** at the **premises** is not less than eighty percent (80%) of the cost to reinstate or replace all the **property insured** at the **premises** underinsurance will not apply.

### Example 2 – partial loss

a. **You** take out a **policy** where the total **sum insured** for all **property insured** at the **premises** is $60,000.

b. The **limit of liability** for the **premises** is $72,000[b].

c. The cost to reinstate or replace all the **property insured** at the **premises** is $100,000.

d. 80% of the cost to reinstate or replace all the **property insured** at the **premises** is $80,000[d].

e. **You** make a claim for a loss to the **property insured** of $40,000[e].

| |
|---|
| $72,000[b] is less than $80,000[d] – underinsurance applies. |

**Our** payment to **you** would be reduced to $36,000, less any **excess**, calculated as follows:

| |
|---|
| $40,000[e] x the percentage of $72,000[b] / $80,000[d] = so $40,000[e] x 90% |

### Example 3 – total loss

a. **You** take out a **policy** where the total **sum insured** for all **property insured** at the **premises** is $250,000.

b. The **limit of liability** for the **premises** is $300,000[b].

c. The cost to reinstate or replace all the **property insured** at the **premises** is $465,000.

d. 80% of the cost to reinstate or replace all the **property insured** at the **premises** is $372,000[d].

e. **You** make a claim for a loss to the **property insured** of $465,000[e].

| |
|---|
| $300,000[b] is less than $372,000[d] – underinsurance applies. |

The maximum amount **we** will pay is the **limit of liability**[b]**,** so **our** payment to **you** would be reduced to $300,000, calculated as follows:

| |
|---|
| $465,000[e] x the percentage of $300,000[b] / $372,000[d] = $375,000, so, $300,000[b] |

# Business Interruption

## About this Section

This **section** only forms part of **your policy** when "Business Interruption" is shown taken in the **schedule**.

There are three cover options available in this **section**:

Option 1 – insurable gross profit basis.
Option 2 – annual revenue basis.
Option 3 – additional increase in cost of working only basis.

## Definitions

**Some words have special meaning wherever they appear in this section. These words and their meanings are listed below. Wherever they appear in this section they are shown in bold. The singular shall include the plural and vice versa.**

| Term | Definition |
|---|---|
| **Annual Rent Receivable** | **Annual Rent Receivable** means 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** | **Annual Revenue** means 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** | **Annual Turnover** means 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** | **Damage** means physical loss, destruction or damage (occurring during the **period of insurance**) from the operation of a peril or **event** insured against under the property damage **section**, the theft **section**, the money **section**, the glass **section** or the general property **section** of **your policy**. |
| **Gross Profit** | **Gross Profit** means the amount by which the sum of the **turnover** and the amount of the closing **stock** and work in progress exceeds the sum of the opening **stock** and work in progress and the amount of the **uninsured working expenses**.<br>Note: The amount of the opening and closing **stocks** in trade will be arrived at in accordance with **your** normal accounting methods, due provision being made for depreciation.<br>**Gross profit** is extended to include the loss of any government approved incentives, subsidies or market development allowances **you** are entitled to in relation to **your business**. |
| **Indemnity period** | **Indemnity period** means the period beginning from the time when the interruption or interference affects the results of **your business** in consequence of the **damage** and ending at the expiration of the maximum period specified in the **schedule**. |
| **LMI BI Calculator** | **LMI BICalculator** means the Steadfast SCTP - Blue Zebra Steadfast Client Trading Platform Business Insurance LMI BICalculator that is an online tool that can be used to calculate the insurable gross profit and/or annual revenue sums insured. The results produced by this calculator should be taken as a guide only and should not be relied upon as the sole basis for your insurance decisions. **You** should always involve **your** insurance or financial advisers to provide guidance on **sums insured**.<br>If you require further information about the LMI BICalculator please contact **your** Steadfast broker. |
| **Output** | **Output** means the sale and/or invoice value of goods manufactured and/or processed by **you** in the course of **your business** at the premises. |
| **Rate of Gross Profit** | **Rate of Gross Profit** means the **gross profit**, expressed as a percentage, earned on the **turnover** during the financial year immediately before the date of the **damage** 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**. |
| **Rent Receivable** | **Rent Receivable** means the amount of the rent received or receivable (including base rental, turnover rental, and contributions to outgoings) from the letting of property at the **premises**. |

| | |
|---|---|
| **Revenue** | **Revenue** means the revenue earned during the twelve (12) months immediately before the date of **damage**, less the cost of any related purchases (after any discounts) and other expenses. And revenue is extended to include the loss of any government approved incentives, subsidies or development allowances **you** are entitled to in relation to **your business**. |
| **Shortage in Turnover** | **Shortage in Turnover** means the amount by which the **turnover** during a period will, in consequence of the **damage**, fall short of the part of the **standard turnover** which related to that period. |
| **Standard Rent Receivable** | **Standard Rent Receivable** means the **rent receivable** during that period in the twelve months immediately before the date of the **damage** which corresponds with the **indemnity period** 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**. |
| **Standard Revenue** | **Standard Revenue** means the **revenue** earned within that period in the twelve months immediately before the date of the **damage** which corresponds with the **indemnity period** 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**. |
| **Standard Turnover** | **Standard Turnover** means the **turnover** during that period in the twelve months immediately before the date of the **damage** which corresponds with the **indemnity period** 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**. |
| **Turnover** | **Turnover** means the amount (less discounts allowed) paid or payable to **you** for goods sold and delivered and for services rendered and for **rent receivable** (unless loss of **rent receivable** is shown as separately insured in the **schedule** with a specific **sum insured**) in the course of **your business** at the **premises**. |
| **Uninsured Working Expenses** | **Uninsured Working Expenses** means those working expenses of **your business** which **you** have elected not to insure under this **section**, and which are specified in the **schedule**. |

## Option 1 – 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** in respect of each item shown in the **schedule**, the amount of the loss resulting from such interruption or interference.

Provided that:

a. the payment is in accordance with the 'How we settle your claim' and 'Common Clauses' provision for the item;

b. **we** have paid for or admitted liability in respect of such **damage** to **your property insured** under the relevant **section** of **your 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**, and it would otherwise be covered under the relevant section but for the application the application of an **excess**; and

d. **our** liability in no case will exceed in respect of each item the **sum insured** shown in the **schedule** for that item.

Insurance on an 'Insurable gross profit basis' provides protection with regard to loss under the following items where a **sum insured** is shown for these in the **schedule**:

Item 1. Gross Profit

Item 2. Additional increase in cost of working

Item 3. Accounts receivable

Item 4. Claim preparation expenses

Item 5. Loss of Rent Receivable

## How we settle your claim

### 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**.

**Gross profit underinsurance provision:**

If the **sum insured** shown in the **schedule** for 'Insurable Gross Profit' at the commencement of each **period of insurance** is less than eighty percent (80%) of your annual **gross profit** (or its proportionately increased multiple where the **indemnity period** exceeds twelve months), the amount payable will be proportionately reduced.

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

Underinsurance calculation example:

> **You** make a claim for a reduction in **gross profit** totalling $400,000[a].
> The **sum insured** shown in the **schedule** for 'Insurable Gross Profit' is $600,000[b] with a twelve (12) month **indemnity period**.
> **Your gross profit** for the year immediately prior to the date of the insured damage was $1,000,000.
> 80% of the **gross profit** for the year immediately prior to the date of the insured damage is $800,000[c].
> Our payment to you would be reduced to $300,000[d], less any **excess**.

| $400,000[a] x the percentage of $600,000[b] / $800,000[c] = $300,000[d] |
|---|

### 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'.

### Item 5. Loss of Rent Receivable.

See 'Common Clauses'.

## Option 2 – 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** in respect of each item shown in the **schedule**, the amount of the loss resulting from such interruption or interference.

Provided that:

a. the payment is in accordance with the 'How we settle your claim' and 'Common Clauses' provision for the item;

b. **we** have paid for or admitted liability in respect of such **damage** to **your property insured** under the relevant **section** of **your 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**, and it would otherwise be covered under the relevant section but for the application the application of an **excess**; and

d. **our** liability in no case will exceed in respect of each item the **sum insured** shown in the **schedule** for that item.

Insurance on an 'Annual revenue basis' provides protection with regard to loss under the following items where a **sum insured** is shown for these in the **schedule**:

Item 1. Annual revenue

Item 2. Additional increase in cost of working

Item 3. Accounts receivable

Item 4. Claim preparation expenses

Item 5. Loss of Rent Receivable

## How we settle your claim

### Item 1. Annual Revenue

This item is limited to the loss of **revenue** and increase in the cost of working. The amount payable as compensation under this item 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 **section**.

**Annual revenue underinsurance provision:**

If the **sum insured** shown in the **schedule** for 'Annual Revenue' less than eighty percent (80%) of the annual **revenue** (or its proportionately increased multiple where the **indemnity period** exceeds twelve months), the amount payable will be proportionately reduced.

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

Underinsurance calculation example:

**You** make a claim for a reduction in **revenue** totalling $400,000[a].
The **sum insured** shown in the **schedule** for 'Annual Revenue' $600,000[b] with a twelve (12) month **indemnity period**.
**Your revenue** for the year immediately prior to the date of the insured damage was $1,000,000.
80% of the **revenue** for the year immediately prior to the date of the insured damage is $800,000[c].
Our payment to you would be reduced to $300,000[d], less any **excess**.

| |
|---|
| $400,000[a] x the percentage of $600,000[b] / $800,000[c] = $300,000[d] |

### 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'.

### Item 5. Loss of rent receivable

See 'Common Clauses'.

## Option 3 - additional increase in cost of working only basis

## What you are covered for

If 'Additional increase in cost of working' is shown in the **schedule** with a specific **sum insured** and cover is not taken for insurable **gross profit** or loss of **rent receivable**, in the event of interruption of or interference with **your business** in consequence of **damage** to any **property insured** or any part thereof used by **you** at the **premises** for the purpose of **your business**, **we** will pay **you** in respect of each item the amount of the loss resulting from such interruption or interference.

Provided that:

a. the payment is in accordance with the 'How we settle your claim' provision for the item;

b. **We** have paid for or admitted liability in respect of such **damage** to **your property insured** under the relevant **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 the **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 **section** but for the application of an **excess**;

d. **Our** liability in no case will exceed in respect of each item the **sum insured** shown in the **schedule** or the sublimit shown in this **section**, for that item; and

e. cover for 'Item 4. Claim preparation and proving expenses' is only provided if this item is shown in the **schedule** with a specific **sum insured**.

Insurance on an additional increase in cost of working only basis provides protection with regard to loss under:

Item 2. Additional increase in cost of working.

Item 3. Accounts Receivable.

Item 4. Claim preparation expenses.

## How we settle your claim

### 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'.

## Common Clauses

The following clauses are applicable to 'insurable gross profit basis' and 'annual revenue basis':

### Accumulated Stocks

In adjusting any loss, we will take into account any reduction in **turnover** or loss of **revenue** in consequence of the **damage** is postponed by reason of the **turnover** or loss of **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** or loss of **revenue** (as the case may be) during the **indemnity period**.

### 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** or **revenue** and/or resuming and/or maintaining normal **business** operations and/or services.

**We** will not pay more for any one **event** than:

a. $25,000; or

b. the **sum insured** for 'Additional increase in cost of working' shown in the **schedule**;

whichever is the greater.

### Item 3. Accounts receivable

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

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

b. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the **damage** occurs, as compared with such average for the same months of the preceding year;

c. the amount determined under (a), increased or decreased by the percentage calculated under (b) above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said **damage** occurs; and

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 uncollectable by **you**;

   iii. all unearned interest and service charges; and

   iv. settlement or term discounts normally allowed.

**We** will not pay more for any one **event** than:

a. $7,500; or

b. the **sum insured** for 'Accounts receivable' shown in the **schedule**;

whichever is the greater.

### Item 4. Claim preparation expenses

In addition to the amount payable under 'General policy conditions applicable to all sections', 'Claims preparation expenses 'of the **policy we** will pay **you** up to $10,000 or the amount shown in the **schedule** whichever is higher, for the costs of such reasonable professional fees as may be payable by **you** and other such reasonable expenses necessarily incurred by **you** and not otherwise recoverable, for preparation and negotiation of claims under this **section**.

### 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 charges and expenses of **your business** payable out of **rent receivable** as may cease or be reduced in consequence of the **damage**.

**Loss of rent receivable underinsurance provision:**

If the **sum insured** shown in the **schedule** for 'Loss of Rent Receivable' 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 proportionately reduced.

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

### Departmental provision

**We** will apply the cover provided by this **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 **standard rent receivable** from letting of property at the **premises** will be regarded as the proceeds of one such department.

### Government incentives

"**Gross profit**" is extended to include the loss of any Government approved incentives, subsidies or market development allowances **you** are entitled to in relation to **your business**. **We** will pay for the reduction in **your gross profits** 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**", "**annual revenue**", "**rate of gross profit**", "**standard turnover**" "**standard revenue**", shall instead have the following meanings wherever they appear in this **section**:

| Term | Definition |
|---|---|
| **Annual turnover** | **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. |
| **Annual revenue** | **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. |
| **Rate of gross profit** | **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** | **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**. |
| **Standard revenue** | **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**. |

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 **section**, **you** hold a salvage sale during the **indemnity period**:

a. 'Option 1 – insurable gross profit basis', Item 1. Gross Profit.', of this **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.

### Sum Insured

**Our** liability to **you** will in no case exceed in respect of each item the **sum insured** expressed against that item in the **schedule**. 'Extra covers' and "additional benefits" are within the total **sum insured** of this **section** and not additional to the total **sum insured**.

### Turnover Output

Where "business interruption" is covered under the **policy** and in the event of **damage** giving rise to a claim under this **section**, at **your** option, the word "**output**" may be substituted for the term "**turnover**" provided that only one such meaning (**turnover** or **output**) shall be operative in connection with any one **event** involving **damage**.

For the purpose of this **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, 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**.

### Underinsurance deletion

If the sum insured shown in the schedule for:

a. 'Insurable gross profit'; or

b. 'Annual revenue',

has been calculated using the **LMI BICalculator** and your 'GST exclusive sales income' figures from your Business Activity Statement are as stated in the calculation from the approved calculator, then this clause will not apply.

## Extra covers

This **section** is extended to include the following extra covers.

The extra covers (1) to (5) inclusive are payable provided that the **sum insured** expressed against the relevant item(s) in the **schedule** is not otherwise exhausted.

**1. Contractual damages**

Following a claim under option 1 – insurable gross profit, Item 1. gross profit, **we** will also pay:

a. for 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, 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 **sum insured** 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 **section**.

**3. Extension of the indemnity period**

When extra cover '(2) Catastrophe inflation protection' in the property damage **section** applies and the **indemnity period** stated in the **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** or an 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 normal period in which the results of any **business** are affected in consequence of the **damage**. This extra cover does not increase the **sum insured** applicable to the cover shown in the **schedule**.

**4. Closure or evacuation**

**We** will also pay **you** for interruption 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 vermin or pests or defects in the drains or other sanitary arrangements, occurring at the **premises**;

b. as a result of injury, illness or disease caused by the consumption of food or drink supplied at or from **your premises** during the **period of insurance**;

c. as a result of murder or suicide occurring at the **premises**; or

d. as a result of shark or crocodile attack occurring within a 20 kilometre radius of the **premises** during the **period of insurance**.

The maximum **we** will pay for losses arising from this extra cover (4) is $200,000 or 25% of the **sum insured** during any one **period of insurance**, whichever is the lesser.

The **indemnity period** applicable to losses arising from this extra cover (4) is 3 months irrespective of the **indemnity period** stated in **your schedule**.

**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 registered **vehicles** or trailers owned or operated by **you**, while such **vehicles** are at the **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 ten (10) kilometre radius of the **premises** which shall prevent or hinder the use or access to the **premises** provided that:

a. the **damage** would have been covered under the property damage **section** if the property in the vicinity of the **premises** had been insured under that **section**;
b. the **damage** prevents or hinders the use of or access to the **premises** for a continuous period greater than 48 hours; and
c. the **damage** results in the interruption of or interference with **your business**.

**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 threat of **damage** to property within a 50 kilometre radius of the **premises.**

The maximum **we** will pay for losses arising from this extra cover (6) is $200,000 or 25% of the **sum insured** during any one **period of insurance**, whichever is the lesser.

The **indemnity period** applicable to losses arising from this extra cover (6) is 3 months irrespective of the **indemnity period** stated in **your schedule**.

## Additional benefits

This **section** is extended to include the following additional benefits. Additional benefits (1) to (9) inclusive are payable provided that the **sum insured** expressed against the relevant item(s) in the **schedule** is not otherwise exhausted.

**1. Computer installation**

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

a. the **damage** would have been covered under the property damage **section** if the computer facilities had been insured under that **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 – unspecified**

**We** will treat **damage** to unspecified property within **Australia** at:

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

b. the premises of customers of goods or materials or services including their direct suppliers and customers; or

c. storage premises neither owned nor operated by **you** where **you** store goods or materials,

as **damage** for the purposes of this **section**, provided that **our** liability will not exceed 20% of the **sum insured** applicable to this **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**,

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

i. the **damage** would have been covered under the property damage **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**,

provided that **we** will not cover **you** for more than 20% of the **sum insured** or the amount shown in the **schedule**, whichever is the greater.

**4. Landlord's property and Other non-owned property used by you at the premises**

**We** will pay for interruption to or interference with **your business** that is caused by **damage** to **your** landlord's and/or other non-owned property used by **you** at the premises.

**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 **section**, provided that:

a. the **damage** to the property of the major tenant would have been covered under the property damage **section** if such **damage** had been to **property insured** under that **section**;

b. the **damage** results in a reduced pedestrian count in the commercial 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 **Australia** over which raw materials, components and **stock** are conveyed to or from the **premises** as being **damage** for the purposes of this **section** if the following apply:

a. the **damage** would have been covered under the property damage **section** if such **damage** had been to **property insured** under that **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 extend **your** cover for interruption to **your business** that is caused by or results from **damage** to **your property insured** stored or being processed at any premises in **Australia** not occupied by you.

**Our** total liability under this additional benefit will not exceed 20% of the **sum insured**.

**8. Transit**

**We** will extend **your** cover 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 **Australia** and outside of the **premises** occupied by **you**, up to an amount not exceeding 20% of the **sum insured** in respect of any one **event**.

**9. Utilities**

**We** will treat **damage** to the following utilities which supply **your business**:

a. any land-based telecommunications system within **Australia**;

b. any electricity supply system; or

c. water supply or sewerage works; or

d. gas supply system,

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

i. the **damage** would have been covered under the property damage **section** if such **damage** had been to **property insured** under that **section**; and

ii. the interruption of supply extends for greater than 48 hours unless the utility which was **damaged** was at or immediately adjacent to **your premises**; and

iii. the **damage** results in hindering or stopping the supply of electricity, gas, water or telecommunications to the **premises** or sewage from the **premises**; and

iv. the **damage** results in interruption of or interference with **your business**.

## Exclusions

There is no cover for any personal injury, damage to property, loss, damage**,** destruction, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any disease determined at any time before or during the **period of insurance** to be a listed human disease under the Biosecurity Act 2015 (Cth) (as amended from time to time, replaced or substituted) or which is the subject of a Human Biosecurity Emergency under the Biosecurity Act 2015 (Cth) (as amended from time to time, replaced or substituted) and whether the disease manifested or was discovered or occurred at the location of **your premises** or elsewhere.

## Specific conditions applicable to this section

### Books of account

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

# Theft

## About this section

This **section** covers the physical loss of or physical damage to **property insured** from theft or attempted theft, armed hold up or an actual or threatened assault.

## Definitions

**Some words have special meaning wherever they appear in this section. These words and their meanings are listed below. Wherever they appear in this section they are shown in bold. The singular shall include the plural and vice versa.**

| Term | Definition |
|---|---|
| **Category** or **Categories** | **Category** or **Categories** means the category into which property can be designated from the following:<br>1. **Contents** including **stock** (excluding **money**, **tobacco/ cigarettes** and alcohol).<br>2. **Contents** excluding **stock** (excluding **money**, **tobacco/ cigarettes** and alcohol).<br>3. **Stock** (excluding money, tobacco/cigarettes and alcohol).<br>4. Tobacco/Cigarettes.<br>5. Alcohol.<br>6. **Specified Items** (excluding **money**, **tobacco/ cigarettes** and alcohol). |
| **Shoplifting** | **Shoplifting** means the illegal act of obtaining **stock** (including any **specified items** that are **stock**) without payment, while posing as a customer and/or shopper. This includes acts of physical **theft** as well as deceptive conduct such as impersonation, misrepresentation, or the use of fraudulent information to induce the release of goods under false pretences. |
| **Tobacco/ Cigarettes** | **Tobacco/Cigarettes** means cigarettes, cigars and tobacco shown in the **schedule** as " Cigarettes tobacco/ ". |
| **Theft** | **Theft** means theft or attempted theft. |

## What you are covered for

Provided "Theft" is shown as taken in the **schedule**, **we** will cover **you** for physical loss of or physical damage to **your contents**, **specified items, stock**, alcohol and/or **tobacco/cigarettes** occurring during the **period of insurance** at **your premises** caused by one or more of the following:

1. **Theft** by any person who forcibly and violently enters or attempts to enter the **premises**;
2. **Theft** by any person unlawfully concealed on the **premises**;
3. **Theft** by any person who threatens or commits physical violence to **you**, **your employees** or other persons;
4. **Theft** by armed hold-up at the **premises**;
5. **Theft** by any person who breaks into any locked cabinet and/or counter and/or showcase which is located on the **premises**.

## How we settle your claim

At **our** option (acting reasonably), **we** will:

a. with respect to **stock** and **specified items** owned as **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 **contents** and **specified items** owned as **contents**:
   i. repair or replace the **contents**; or
   ii. pay **you** the cost of repair or replacement of the **contents**.

For each **category**, **we** will not pay more than the **sum insured** shown in the **schedule** within this **section**, except to the extent stated under the headings "Extra covers" and Additional benefits"".

## Excess

The **excess** that applies is shown in the **schedule.**

## Extra covers

If we accept **your** claim for **theft** of **property insured** during the period of insurance, we will also provide the following extra covers.

Any amounts payable under these extra covers apply in addition to the **sum insured**.

1. **Damage to rented Buildings**

If **you** are a tenant, **we** will cover **you** for damage to **buildings** that **you** occupy as a tenant if **you** are legally liable for that damage under the terms of **your** lease.

The maximum amount **we** will pay for this extra cover is $20,000 or any higher amount shown in the **schedule** for 'Damage to rented premises'.

2. **Seasonal increase of cover**

**We** will automatically increase the **sum insured** in respect of **stock**, alcohol and **tobacco/cigarettes** by 50% for losses occurring during the **seasonal increase period**.

3. **Removal of debris**

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

If an occurrence results in a claim being paid under this **section** and another **section**, the highest single **limit** under the relevant **section** applies. The benefit of removal of debris shall not be cumulative under the **policy**.

The maximum amount **we** will pay for this extra cover is $5,000 for any one claim.

4. **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** of **property insured**.

The maximum amount **we** will pay for this extra cover is $2,000 for any one claim.

If an occurrence results in a claim being paid under this **section** and another **section**, the highest single **limit** under the relevant **section** applies. The benefit of removal of debris following forensic investigation shall not be cumulative under the **policy**.

5. **Temporary protection and security guards**

**We** will pay the reasonable and necessary cost of temporary protection and repairs and the employment of guards/ watchmen for the safety and protection of the **building** pending repair of damage to the **building** caused by a **theft**.

The maximum amount **we** will pay for this extra cover is $10,000 for any one claim.

If an occurrence results in a claim being paid under this **section** and another **section**, the highest single **limit** under the relevant **section** applies. The benefit of removal of debris following forensic investigation shall not be cumulative under the **policy**.

### 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 insured** or water at the **premises** occurring during the **period of insurance**.

The basis on which the amount payable for this extra cover is to be calculated will be the amount of the water 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 changes in the suppliers' 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**.

The maximum amount **we** will pay for this extra cover is $10,000 for any one **event**.

If an occurrence results in a claim being paid under this **section** and another **section**, the highest single **limit** under the relevant **section** applies. Metered water charges shall not be cumulative under the **policy**.

## Additional benefits

**We** will also provide the following additional benefits in this **section**.

Unless stated otherwise below,

**Additional benefits payable in addition to the sum insured:**

Any amounts payable under additional benefits (1-6) apply in addition to the **sum insured**.

### 1. Damage to Buildings

If **you** are a property owner, **we** will cover **you** for the cost to repair **your buildings** caused by a **theft**.

The maximum amount **we** will pay for this additional benefit is $20,000.

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

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

The maximum amount **we** will pay for this additional benefit is $10,000 for any one **event**.

**3. Employee dishonesty**

**We** will cover **you** for loss of **stock**, **contents**, alcohol or **tobacco/cigarettes** as a direct result of dishonesty by any of **your employees** occurring during the **period of insurance**, which is discovered within 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 **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 one of **your employees**; or

f. fraud or dishonesty committed by any of **your employees** committed with **your** connivance.

Exclusion '(1) Theft by persons' under this **section**, so far as it relates to loss or damage due to **theft** committed by an **employee**, does not apply to this additional benefit.

The maximum amount **we** will pay for this additional benefit is $5,000 for any one **event**.

If **you** are also insured under the money **section**, the benefits payable for **employee** dishonesty shall not be cumulative and shall be limited to $5,000 in the aggregate per **event**.

**4. Death benefit**

If any person is injured while protecting or attempting to protect the property from **theft** and death results from that injury within twelve (12) months, **we** will pay $10,000 to the estate of that person.

If **you** are also insured under the money **section**, the benefits payable for death following assault shall not be cumulative and shall be limited to $10,000 per person.

**5. Replacement of locks, keys, and combinations**

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

a. as a result of **theft** covered under this **section**, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated;

b. keys, magnetic keys, cards or similar devices are stolen or accidentally lost;

c. the sequence of numbers or letters are accidentally lost or become known to any unauthorised person; or

d. circumstances have allowed the unauthorised duplication of keys, magnetic keys or similar devices;

Following a **theft** covered by this **section**, **we** will also pay the reasonable cost of:

a. opening **safes** or **strongrooms** because of the **theft** of keys or combinations;

b. replacing and developing security film exposed;

c. restoring the security system to its former functionality.

If **you** are also insured under the money **section**, the benefit payable for "Replacement of locks, keys and combinations" shall not be cumulative.

The maximum amount **we** will pay for this additional benefit is $5,000 for any one **event**.

**6. Rewriting of Records**

**We** will pay for the cost of additional clerical and professional costs, incurred by **you** to rewrite **your** necessary **business** records if they are lost, destroyed or damaged whilst located at **your premises** or off site anywhere in **Australia**, by an **event** which **you** are covered for in this **section**.

The maximum amount **we** will pay for this additional benefit is $25,000 during any one **period of insurance**.

## Additional benefits included within the sum insured

Provided that the **sum insured** is not exceeded, **we** will provide cover for the following additional benefits (7 - 12).

### 7. Illegal electronic fund transfer

If the **policy** covers **contents** and, following entry into the **premises** arising from one of the **events** listed under the heading "What you are covered for", **we** will pay financial loss sustained by **you** arising from the electronic transfer of funds from **your** bank account to a bank account not controlled by **you**.

This additional benefit does not cover:

a. any financial loss arising from the misuse or illegal use of corporate credit cards or financial transaction cards by **your employees** or any other person acting in collusion with **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**.

The maximum amount **we** will pay for this additional benefit is limited to:

a. $20,000; or

b. the **contents** sum insured;

whichever is the lesser

### 8. Illegal use of corporate financial transaction card

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

This additional benefit does not cover any financial loss arising from the misuse or illegal use of corporate credit cards by **your employees** or any other person acting in collusion with **your employee** or by any member of **your family**;

The maximum amount **we** will pay for this additional benefit is limited to:

a. $5,000; or

b. the **contents** sum insured;

whichever is the lesser any one loss or **event**.

**9. Theft of external property**

**We** will cover **you** for loss or damage as a result of **theft** occurring during the **period of insurance** to **contents** that are securely and permanently attached (other than by means of a flexible or tensile cord to a power point) to the outside of the **building**.

The maximum amount **we** will pay for this additional benefit is limited to:

a. $25,000; or
b. the **contents** sum insured;

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

**10. 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 **property insured** in the **building** as a result of **theft** where there are no signs of forcible and violent entry to or exit from the **building**.

The maximum amount **we** will pay for this additional benefit is limited to:

a. $20,000; or
b. the **contents** sum insured;

whichever is the lesser; or

c. when an amount higher than $20,000 shown in the **schedule** for 'Theft without forcible and violent entry'.

Provided that:

**We** will not cover **you**:

a. if the **theft** is from any open-sided structure such as, but not limited to, verandas or yards or other open spaces even if they are partially or fully enclosed; or
b. for **theft** involving **shoplifting**.

**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 boundaries of the **premises.**

The maximum amount **we** will pay for this additional benefit is limited to:

a. $5,000; or
b. the **contents** sum insured;

whichever is the lesser; or

c. any amount higher than $5,000 shown in the **schedule** for 'Theft of property insured in the open air'.

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

a. for **theft** involving **shoplifting**;
b. **theft** of **contents** or **stock** in open air unless the **premises** after **business hours** are 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.

**12. Working from Home**

**We** will cover **you** for **theft** of **property insured** used by **you** or any of your **employees** for the purpose of conducting **your business** whilst located at their normal place of residence.

The maximum amount **we** will pay for this additional benefit is limited to:

a. The highest **sum insured** shown in the **schedule** for **contents** at any one **premises**; or

b. $5,000;

whichever is the lesser.

## Exclusions

In addition to the General Exclusions, this **section** does not cover the following matters:

**1. Theft by persons**

Loss of or damage to property caused by or in any way contributed to by dishonest acts by **you**, **your** directors, partners, **employees** or any members of **your family**, other than following forcible and violent entry by an **employee** or a member of **your family**.

**2. Property**

Loss of or damage to:

a. jewellery, furs, bullion, property made of gold or silver or precious stones exceeding $10,000 any one **event** and $2,000 any one item unless they are **stock**;

b. **vehicles** unless they are:

   i. **stock**;

   ii. fork lift trucks and similar appliances that are used for hauling or conveying goods at the **premises**;

c. **glass** unless it is **stock**;

d. **animals** unless they are insured as **stock**; or

e. plants, shrubs, landscaping materials or growing crops, pastures or standing timber.

**3. Open air**

Loss of or damage of **property insured** from any open space, whether fenced or unfenced, outside the walls of the **buildings,** except as provided under additional benefits "(9) Theft of external property" and "(11) Theft of property insured in the open air".

**4. Access**

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

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 5, Employee dishonesty;

b. Additional Benefit 10, Theft without forcible and violent entry (not property in the open air); and

c. Additional Benefit 11, Theft of property insured in the open air

**5. Unexplained disappearance**

Loss arising from unexplained disappearance, **shoplifting**, unexplained or inventory shortage, clerical or accounting errors or shortages in supply or delivery of materials to or from the **premises**.

**6. Valuables**

Loss of or damage to **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 unless in a securely locked **safe** or **strongroom** outside **business hours**.

## Specific conditions applicable to this section

**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**.

# Money

## About this section

This **section** covers the loss of or damage to **your business money** from defined events shown as insured in the **schedule**. The **money** may be **in transit** or in the **building** at **your premises**.

## Definitions

**Some words have special meaning wherever they appear in this section. These words and their meanings are listed below. Wherever they appear in this section they are shown in bold. The singular shall include the plural and vice versa.**

| Term | Definition |
|---|---|
| **Financial Service Provider** | **Financial Service Provider** means a bank, building society or credit union or an agency for any of these. |
| **In custody** | **In custody** means in **your** private residence or in the custody and control of persons authorised by **you** at their private residences until the next **business** day when the **money** can be deposited in the bank. |
| **In transit** | **In transit** means **money** in **your** personal custody or in the custody of persons authorised by **you** whilst in transit within **Australia**. Transit is deemed to commence when the **safe** or **strongroom** is unlocked for the removal and immediate transport of the **money** from the **building**. **Money** in transit includes **money** while contained in the night **safe**, or **strongroom** night depository chute or **Automatic Teller Machine** of any **Financial Services Provider**. **Our** liability ceases at the time **your Financial Services Provider** ceases trading on the next **business** day following the deposit therein. Wages and salaries collected from the bank but not paid to **employees** is "in transit" until it is physically in the control of **employees**. |
| **Money** | **Money** has the meaning in "General Definitions" and includes (for the purposes of this **section** only) funds held in electronic form in a bank account. |

## What you are covered for

Provided "Money" is shown as taken in the **schedule**, **we** will cover **you** for loss of or damage to the following categories of **money** which occurs during the **period of insurance** as a result of the defined events described below and shown in the **schedule:**

a. Money in transit;

b. Money in the building during business Hours;

c. Money in the building at any time while contained in a locked safe or strongroom;

d. Money in the building outside business hours;

e. Money In custody; or

f. Blanket cover, being **money** covered under (a) to (e) above.

## How we settle your claim

**We** will pay **you** the amount of any **money** that is lost or damaged.

The maximum **we** will pay in respect of:

a. **Money in transit** at the time of the loss or damage is the **money in transit sum insured**;

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 sum insured**;

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 sum insured**;

d. **Money** in the **building** in a securely locked **safe** or **strongroom** at the time of the loss is the **money** in the **building** in a securely locked **safe** or **strongroom sum insured**;

e. **Money in custody** at the time of the loss or damage is the **money in custody sum insured**.

When 'Blanket cover' is selected, the maximum **we** will pay, for each category of loss or damage is the **sum insured** shown in the **schedule** for 'Blanket cover'. This means that for each category listed above, **we** will cover losses up to the specified **sum insured** individually.

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

a. if the securities can with **our** approval be replaced, the cost of replacement paid or payable by **you**; or

b. if the securities cannot or are not to be replaced by **you**; the greater of:

   i. the price for which **you** purchased them; or

   ii. the closing **market value** on the last **business** day prior to the date of discovery by **you** of the loss or destruction of the securities, or if the time of discovery by **you** is after the close of the market, their closing **market value** on the day of discovery by **you** of the loss or destruction of the securities.

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

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

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

If the **safe** or **strongroom** is lost or damaged, **we** will at **our** option (acting reasonably):

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

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

## Excess

The **excess** that applies is shown in the **schedule**.

## Extra covers

If we accept **your** claim for loss or damage to **money** during the **period of insurance**, **we** will also pay or provide the extra covers set out below.

Any amounts payable under these extra covers apply in addition to the **sum insured**.

**1. Seasonal increase of cover**

**We** will automatically increase the **sum insured** by 50% for losses occurring 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 **money**.

The maximum amount **we** will pay for this extra cover is $5,000 for any one claim.

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

**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 **money**.

The maximum amount **we** will pay for this extra cover is $2,000 for any one claim.

If **you** are also insured under the theft **section**, the benefit payable for "Removal of debris following forensic investigation" shall not be cumulative.

**4. Temporary protection and security guards**

**We** will pay **you** the costs necessarily and reasonably incurred by **you** in effecting temporary protection and the employment of guards/watchmen to safeguard the **money** at the **premises** as a result of theft or attempted theft of **money** occurring during the **period of insurance** and that is insured under this **section**.

The maximum amount **we** will pay for this extra cover is $10,000 for any one **event**.

If an **event** results in a claim being paid under this **section** and another **section** of the **policy**, the highest single **limit** under the relevant **section** applies. The extra cover of "Temporary protection and security guards" shall not be cumulative under the **policy**.

## Additional benefits

**We** will also provide the following additional benefits.

**Additional benefits payable in addition to the sum insured:**

Any amounts payable under additional benefits (1-7) apply in addition to the **sum insured**.

**1. Bank and public holidays extension**

The **sums insured** 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** or **strongrooms** and the "seasonal increase of cover" extra cover.

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

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

The maximum amount **we** will pay for this extra cover is $10,000 for any one claim.

If **you** are also insured under the theft **section**, the benefits payable under this additional benefit shall not be cumulative.

**3. Employee dishonesty**

**We** will cover **you** for loss of **money** as a direct result of theft or dishonesty by any of **your employees** occurring during the **period of insurance**, which is discovered within forty-five (45) days of its occurrence.

Exclusion (1)(c), of this **section**, so far as it relates to loss or damage due to theft or attempted theft committed by an **employee**, does not apply to this additional benefit.

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 **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.

The maximum amount **we** will pay for this additional benefit is $5,000 for any one **event**.

If **you** are also insured under the money **section**, the benefits payable for **employee** dishonesty shall not be cumulative and shall be limited to $5,000 in the aggregate per **event**.

**4. Death benefit**

If any person is injured while protecting or attempting to protect **money** from theft or attempted theft and death results from that injury within twelve (12) months, **we** will pay $10,000 to the estate of that person. This amount is in addition to any amount **we** pay for loss of **money**.

If **you** are also insured under the theft **section**, the benefits payable for death following assault shall not be cumulative and shall be limited to $10,000 per person.

**5. Loss of or damage to safes or strongrooms and cash carrying bags**

If **money** is stolen or there is an attempt at stealing **your money** from **your safe** or **strongroom**, **we** will pay **you**:

a. the cost of opening the **safe** or **strongroom** and to repair or replace any loss or damage to the **safe** or **strongroom** that was caused by the theft; and

b. for loss of or damage to **your** cash carrying bag that was caused by the theft or attempted theft.

The maximum amount **we** will pay for this additional benefit is $10,000.

**6. Replacement of locks, keys and combinations**

Following an **event** covered by this **section we** will pay the reasonable cost of:

a. replacing locks, keys, magnetic keys or cards or similar devices or combinations used in **your business** and the cost of opening **safes** or **strongrooms**. This additional benefit shall also apply if there are reasonable grounds to suspect that:

   i. keys or combinations have been stolen or duplicated without **your** authority;

   ii. keys, magnetic keys or card or similar devices are accidentally lost;

   iii. the combinations become known by an unauthorised duplication of keys, magnetic keys or card or similar devices.

b. replacing and developing security film exposed because of theft or attempted theft;

c. opening **safes** or **strongrooms** because of the theft of keys or combinations during a theft of **money** covered under this **section**.

If **you** are also insured under the theft **section**, the highest single **limit** under the relevant **section** applies. The benefit payable for "Replacement of locks, keys and combinations" shall not be cumulative.

The maximum amount **we** will pay for this additional benefit is $10,000 for any one **event**.

**7. Traveller's money**

**We** will cover **you** for loss of **money** belonging to **you**, occurring while such **money** is in **your** personal custody, or in the custody of **your employee**, while travelling anywhere in the world in connection with **your business**.

The maximum amount **we** will pay for this additional benefit is $10,000.

## Additional benefits included within the sum insured

Provided that the **sum insured** is not exceeded, **we** will provide cover for the following additional benefits (8 - 10).

**8. Counterfeit currency**

**We** will pay for losses sustained by **you** due to the acceptance in good faith in exchange of merchandise, **money** or services, of counterfeit Australian currency notes.

The maximum amount **we** will pay for this additional benefit is limited to:

a. The highest **sum insured** shown in the **schedule** for **money** at any one **premises**; or

b. $5,000;

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

**9. Illegal use of financial or credit cards**

Cover is included for financial loss arising from the illegal use of financial transaction or credit cards by any unauthorised person excluding any financial loss arising from the misuse or illegal use of financial transaction or credit cards by **your employees** or any other person acting in collusion with an **employee** of **yours**.

The maximum amount **we** will pay for this additional benefit is limited to:

a. The highest **sum insured** shown in the **schedule** for **money** in relation to each item of **money** at any one **premises**; or

b. $5,000

whichever is the lesser any one loss or **event**

**10. Temporary cover for new premises**

Cover is extended to include **money** at, new premises or **in transit** to or from any new premises occupied by **you** after the commencement of the **period of insurance**, within **Australia**, for 90 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 **schedule**; and

b. the **money** insured described in the **schedule**.

**You** must provide **us** with full details of the new premises within ninety (90) days of **you** first using the premises.

If **we** agree to cover the **money** at the new premises beyond the ninety (90) consecutive day period, **you** must pay or agree to pay **us** any additional premium **we** ask for.

The maximum amount **we** will pay for this additional benefit cover is limited to 20% of the **sum insured** shown in the **schedule** in relation to each item of **money** covered under this **section**.

## Exclusions

1. **We** will not pay for loss or damage caused by:

   a. clerical or accounting errors;

   b. errors in receiving or paying out **money**; or

   c. dishonest acts of **your** directors, partners, **employees** or any member of **your family** other than theft by an **employee** following visible forcible and violent entry.

2. **We** will not pay for loss of or damage to:

   a. **money** whilst contained in an unattended **vehicle** that is not locked;

   b. **money** from a **safe** or **strongroom** opened by a key or by use of a combination which has been left on the **premises** outside **business hours**;

   c. **money**, except as provided under additional benefit – "Traveller's Money", whilst it is outside **Australia**; or

   d. **money** that does not belong to **you** in or from an **Automatic Teller Machine**.

# Glass

## About this section

This **section** covers **breakage** of **glass** shown as insured in the **schedule** at the **premises**.

## Definitions

**Some words have special meaning wherever they appear in this section. These words and their meanings are listed below. Wherever they appear in this section they are shown in bold. The singular shall include the plural and vice versa.**

| Term | Definition |
|---|---|
| **Breakage** | **Breakage** means:<br>a. for plate or sheet **glass** or porcelain, a fracture extending through the entire thickness of the **glass** or porcelain;<br>b. for laminated **glass**, a fracture extending through the entire thickness of a lamination but not any other damage or disfiguration. |
| **External Glass** | **External glass** means glass, or plastic material used as glass fixed in external windows, doors, showcases or skylights and any ceramic tiled shop fronts forming part of the **building**. |
| **Glass** | **Glass**, for the purpose of this **section**, means **internal glass**, **external glass** and **specified glass**. |
| **Internal Glass** | **Internal glass** means:<br>a. glass, or plastic material used as glass in internal partitions, windows and doors, glass in counters, glass forming shelves and/or stock restraints, interior showcases, fixed mirrors and other fixed internal glass including ceramic vitreous China urinals, toilet pans and hand basins; and<br>b. frames of showcases, display cabinets and counters containing the broken glass. |
| **Sign** | **Sign** means glass or plastic that forms part of a sign. |
| **Specified Glass** | **Specified glass** means glass specifically shown in the **schedule** under specified glass. |

## What you are covered for

Provided "Glass" is shown as taken in the **schedule**, **we** will cover **you** for **breakage** of **glass** to the following categories of **glass** described below and shown in the **schedule,** which **you** own or for which **you** are legally responsible occurring during the **period of insurance** at the **premises**:

a. External Glass;

b. Internal Glass;

c. Specified Glass;

d. Advertising Signs.

## How we settle your claim

**We** will pay for the cost of replacement of broken **glass** with **glass** of similar manufacture and quality including the reasonable costs of 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 requirements of Standards Australia, any statute or regulation when replacing the **glass**.

## Excess

The **excess** that applies is shown in the **schedule**.

## Extra covers

When **we** agree to pay a claim under this **section** for loss or damage to insured **glass**, **we** will also pay or provide the extra covers set out below.

Any amounts payable under these extra covers apply in addition to the **sum insured**.

**1. Costs**

**We** will also pay for the following costs provided they are reasonably incurred by **you** and are directly related to breakage of **glass** covered under this **section**:

a. replacing sign writing, reflective materials or ornamentation affixed to the broken **glass**.

b. replacing burglar tape or wiring affixed to the broken **glass**.

c. replacing shatter resistant or reflective film affixed to the broken **glass**.

d. temporary shuttering, boarding up or other protection reasonably necessary for the safeguarding of the **premises** or **contents** therein, pending replacement of the broken **glass**.

e. replacing damaged window frames and tiled shop fronts, but with due allowance for wear and tear.

The maximum amount **we** will pay for this extra cover is $10,000 during any one **period of insurance**.

**2. Destruction of stock or contents**

**We** will also pay for destruction of, or damage to **your stock** or **contents**, caused by broken **glass** following the **breakage** of **glass.**

The maximum amount **we** will pay for this extra cover is limited to:

a. the value at cost, of the **stock** or **contents** destroyed or damaged, less any amount realised from the sale or salvage or;

b. the sum of $10,000,

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

## Additional benefits

**We** will also provide the following additional benefits in this **section**.

Any amounts payable under these additional benefits apply in addition to the **sum insured**.

**1. Malicious damage**

If **you** are a tenant and responsible under the terms of a rental agreement for insuring **glass**, **we** will pay for the cost of replacement of insured **external glass** which has suffered malicious damage. This additional benefit is payable even where there is no **breakage** of insured **external glass**.

**2. Advertising Signs**

**We** will cover **you** for loss of or damage to **signs** at the **premises** if they are damaged during the **period of insurance**.

The maximum amount **we** will pay for this extra cover is $10,000 or any higher amount shown in the **schedule** for "Advertising signs".

## Exclusions

This **section** does not cover the cost to repair or replace broken **glass**:

1. where the **breakage** is caused by physical loss or damage is covered under the property damage **section** whether cover under that **section** has been arranged or not;
2. which is **stock**;
3. which is chipped or in poor condition when the **period of insurance** commences to the extent the condition of the **glass** caused or contributed to the loss; or
4. which is part of any glasshouse, conservatory, radio, television screen, computer screen, vase, picture, crystal, crockery, china, or **glass** item normally carried by hand.

# Public and Products Liability

## About this section

This **section** only forms part of **your policy** when 'Public and Products Liability' is shown as taken in the **schedule.**

## Definitions

**Some words have special meaning wherever they appear in this section. These words and their meanings are listed below. Wherever they appear in this section they are shown in bold. The singular shall include the plural and vice versa.**

| Term | Definition |
|---|---|
| **Advertising Injury** | **Advertising Injury** means injury arising out of:<br>a. defamation; or<br>b. any breach of the misleading or deceptive conduct provisions of any Australian consumer protection legislation; or<br>c. any infringement of copyright or passing off of title or slogan; or<br>d. unfair competition, piracy, misappropriation of advertising ideas or style of doing business; or<br>e. an invasion of privacy,<br>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** | **Business** means the business as described in the **schedule** and shall include:<br>a. the ownership of **premises** and/or the tenancy thereof by **you**.<br>b. the provision of any sponsorship, charities, galas, first aid, medical, ambulance or fire fighting service by **you** or on **your** behalf.<br>c. private work undertaken by **your employees** for any of **your** directors, partners, proprietors, officers or executives.<br>d. 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**.<br>e. participation in any exhibition by **you** or on **your** behalf.<br>f. the hire or loan of plant and/or equipment or goods to other parties.<br>g. conducted tours of **your premises**. |

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| **Compensation** | **Compensation** means monies paid or agreed to be paid by judgment, award or settlement for **personal injury** and/or **property damage** and/or **advertising injury**. Provided that such compensation is only payable in respect of an **occurrence** to which this **section** applies. |
| **Employment Practices** | **Employment Practices** means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination in respect of **your employees**. |
| **Excess** | **Excess** means the amount **you** must pay as a contribution to **your** claim or series of claims, arising out of any one **occurrence**. The excess applicable to this insurance appears in the **schedule**. The excess applies to all amounts for which **we** will be liable, including the indemnity provided by "Defence costs and supplementary payments". |
| **General Liability** | **General Liability** means **your** legal liability for **personal injury**, **property damage** or **advertising injury** caused by or arising out of an **occurrence** happening in connection with **your business** other than **products liability**. |
| **Geographic limit** | **Geographic limit** means:<br>a. anywhere in the world except North America;<br>b. North America but only with respect to:<br>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 or supervise manual work in North America;<br>ii. **products** exported to North America without **your** knowledge. |
| **Incidental Contracts** | **Incidental Contracts** means:<br>a. any written rental agreement and/or lease and/or hiring agreement 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;<br>b. any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work done for such authorities or entities;<br>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; |

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| **Incidental Contracts cont.** | 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;<br>e. liabilities assumed by **you** under a written contract for the lease or hire of real or personal property, which does not require **you** as the lessee or hirer to insure the property itself;<br>f. those contracts designated in the **schedule**. |
| **Medical Persons** | **Medical Persons** means persons including but not limited to medical practitioners, medical nurses, dentists and first aid attendants. |
| **Named insured** | **Named insured** means:<br>a. the person(s), companies or firms named in the **schedule** as the 'insured',<br>b. all existing **subsidiary companies** (including **subsidiary companies** thereof) of the persons described in clause (a) above incorporated in the **Australia** and/or any other organisations under their control;<br>c. all **subsidiary companies** (including **subsidiary companies** thereof) of the persons described in clause (a) above and/or any other organisations under their control incorporated in **Australia** and which are constituted or acquired by them after the commencement of the **period of insurance**.<br>d. every **subsidiary company** and/or other organisation of the persons described in clause (a) above which is divested during the **period of insurance**, but only in respect of claims made against such divested **subsidiary company**, related or controlled corporation or organisation caused by or arising out of **occurrences** insured against by the **policy**, which occurred prior to the divestment. |
| **North America** | **North America** means:<br>a. the United States of America and the Dominion of Canada,<br>b. any state, territory or protectorate incorporated in, or administered by, the United States of America or the Dominion of Canada; and<br>c. any country or territory subject to the laws of the United States of America or the Dominion of Canada. |
| **Occurrence** | **Occurrence** means an **event**, including continuous or repeated exposure to substantially the same general conditions, which results in **personal injury** and/or **property damage** and/or **advertising injury** that is neither expected nor intended (except for the matters set out in item (e) of the definition of '**personal injury**') from **your** standpoint.<br>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**. |

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| **Occurrence cont.** | 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** | **Personal Injury** means:<br>a. bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and mental injury, including loss of consortium or services resulting therefrom;<br>b. false arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation;<br>c. wrongful entry or wrongful eviction or other invasion of privacy;<br>d. defamation, unless arising out of **advertising injury**;<br>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;<br>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** | **Products** means anything manufactured, constructed, erected, assembled, installed, grown, extracted, produced or processed, treated, altered, modified, repaired, serviced, bottled, labelled, handled, sold, supplied, re-supplied or distributed, imported or exported, by **you** or on **your** behalf (including **your** predecessors in **your business**), including any packaging or containers thereof, including the design, formula or specification, directions, markings, instructions, advice or warnings given or omitted to be given in connection with such **products** and anything which, by law or otherwise, **you** are deemed to have manufactured in the course of **your business** including discontinued **products** provided always that for the purpose of this insurance the term '**products**' shall not be deemed to include:<br>a. food and beverages supplied by **you** or on **your** behalf primarily to **your employees** as a staff benefit;<br>b. any vending machine or any other property rented to or located for use of others but not sold by **you**;<br>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. |

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| **Products Liability** | **Products Liability** means **your** legal liability for **personal injury** and/or **property damage** caused by or arising out of any **products** or the reliance upon a representation or warranty made at any time with respect to such **products**, but only where such **personal injury** and/or **property damage** occurs away from **premises** owned or leased by or rented to **you** and after physical possession of such **products** has been relinquished to others. |
| **Property Damage** | **Property Damage** means:<br>a. physical loss, destruction of or damage to tangible property, including the loss of use thereof at any time resulting therefrom; and/or<br>b. loss of use of tangible property which has not been physically lost, destroyed or damaged, provided such loss of use is caused by physical damage of other tangible property. |
| **Tool of Trade** | **Tool of Trade** means a **vehicle** that has tools, implements, machinery or plant attached to or towed by the **vehicle** and is being used by **you** at **your 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** | **Work Site** means any premises or site where any work is performed for and/or in connection with **your business** together with all areas surrounding such premises or site and/or all areas in between such premises or site that **you** shall use in connection with such work. |
| **You, your** | **You, your** means each of the following to the extent specified below:<br>a. the named insured;<br>b. every past, present or future director, stockholder or shareholder, partner, proprietor, officer, executive or **employee** of the **named insured** (including the spouse of any such person while accompanying such person on any commercial trip or function in connection with **your business**) or volunteers while such persons are acting for or on behalf of the **named insured** and/or within the scope of their duties in such capacities;<br>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;<br>d. every principal in respect of the principal's liability arising out of:<br>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 |

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| **You, your cont.** | coverage and limits of liability as are provided by the **policy**; or<br>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 the **policy**;<br>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 the **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 the **policy**;<br>f. every officer, member, **employee** or voluntary helper of the **named insured**'s canteen, social and/or sporting clubs, first aid, medical, ambulance or fire fighting services, charities, welfare and/or child care facilities, while acting in their respective capacities as such;<br>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;<br>h. the estates, legal representatives, heirs or assigns of:<br>i. any deceased or insolvent persons; or<br>ii. persons who are unable to manage their own affairs by reason of mental disorder or incapacity,<br>who would otherwise be indemnified by the **policy**, but only in respect of liability incurred by such persons as described in clauses (h) (i) and (h) (ii) above;<br>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 the **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 the **policy**. |

## What you are covered for

Provided "Public and Products Liability" is shown as taken in the **schedule**, **we** agree 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** in connection with **your business** and caused by or arising out of an **occurrence**.

**Defence costs and supplementary payments**

With respect to the indemnity provided by the **policy** under the "What you are covered for" above, **we** will:

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. **We** will have regard to **your** interests and act reasonably.
2. pay all charges, expenses and legal costs incurred by **us** and/or by **you** with **our** written consent:
    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-judgement interest awarded against **you** on that part of the judgement payable by **us**; and
    c. all interest accruing on **our** portion of any judgement 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 **section** but **we** shall have no obligation to apply for or furnish any such bond; and
    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 bond and/or security.

5. pay expenses incurred by **you** for:

   a. rendering first aid and/or surgical or medical relief to others at the time of any **personal injury** (other than any medical expenses, which **we** are prevented from paying by any law);

   b. temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up and/or unpinning thereof; and

   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 **section**;

   c. any Royal Commission or Government inquiry arising out of any alleged breach of statute, or other similar judicial enquiry into circumstances relating to any **occurrence**, claim or potential claim which would be the subject of indemnity under this **section**; and

   d. any inquiry, 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 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 **section**.

However, in respect of any claims or suits originating in any court in North America, the applicable limit of liability shown in the **schedule** for this **section** 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 the **policy**.

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 costs incurred with **our** written consent.

## Limits of liability and excess

Subject to:

i. the “Claims preparation expenses” provision of under “General Terms and Conditions”;

ii. the “Defence costs and supplementary payments” clause above;

iii. sub-paragraph 5 of additional benefit “Property in your physical and legal control” below,

for:

a. **general liability** the limit of liability specified in the **schedule** represents the maximum amount which **we** shall be liable to pay in respect of any one claim or series of claims arising out of any one **occurrence**.

b. For **products liability** the limit of liability specified in the **schedule** represents the maximum amount which **we** shall be liable to pay in respect of any one claim or series of claims, 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**.

## Exclusions

**We** do not cover any liability:

**1. Advertising Injury**

for **advertising injury**:

a. resulting from statements made at **your** direction with knowledge that such statements are false;

b. resulting from failure of performance of contract but this exclusion shall not apply to claims for unauthorised appropriation of advertising ideas contrary to an implied contract;

c. resulting from any incorrect description of **products** or services;

d. resulting from any mistake in advertised price of **products** or services;

e. resulting from failure of **your products** or services to conform with advertised performance, quality, fitness or durability; or

f. incurred by **you** if **your** principal occupation or **business** is advertising, broadcasting, publishing or telecasting.

**2. Aircraft, Hovercraft**

for **personal injury** and/or **property damage** arising from:

a. the ownership, operation, or use by **you** of any **aircraft** or **hovercraft**; or

b. any property used for the purpose of an airport or any **aircraft** landing strip.

**3. Aircraft products**

arising out of any **products** which **you** knew or had reasonable cause to believe would be or is intended for incorporation into any critical part, the structure, machinery or controls of any **aircraft**.

**4. Asbestos**

for **personal injury**, **property damage** (including loss of use of property) or **advertising injury** directly or indirectly arising out of, resulting from or in consequence of, contributed to or aggravated by asbestos in whatever form or quantity. This exclusion shall not apply to actual or alleged loss, cost, expenses or liability where such loss, cost, expense or liability is not related to asbestos content of goods, materials or products or completed operations.

**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 for **personal injury** and/or **property damage**:

a. arising out of the rendering of or failure to render professional medical advice by **medical persons** employed by **you** to provide first aid and other medical services on **your premises** provided **your** principal occupation or **business** is not a medical or health service;

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; or

b. assume liability for **personal injury** and/or **property damage** and/or **advertising injury** regardless of fault.

Provided that this exclusion shall not apply with regard to:

i. liabilities which would have been implied by law in the absence of such contract or agreement;

ii. liabilities assumed under **incidental contracts**;

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 **schedule** or in any **endorsement(s)** to the **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** however this exclusion shall be interpreted to apply with respect to damage to the specific part and only that part of such **product** to which the damage is directly attributable.

**8. 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; or

c. related to advertising, broadcasting, publishing or telecasting activities conducted by **you** or on **your** behalf.

**9. Electronic Data**

caused or contributed by or arising directly or indirectly out of or in connection with the total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **electronic data**, where this is the only loss or damage that occurs.

**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 affected.

   Provided that the **policy** will respond to the extent that **your** liability would not be covered under any such policy, fund, scheme or self-insurance arrangement had **you** complied with its obligations pursuant to such law.

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; or

   ii. any law relating to **employment practices**.

For the purpose of exclusions (10)(a) and (10)(b):

i. the term "worker" means any person deemed to be employed by you pursuant to any workers compensation Law. Voluntary workers, secondees and work experience students (if any) shall not be deemed to be your employees.

ii. the term "bodily injury" means bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom.

**11. Faulty workmanship**

for the cost of performing, completing, correcting or improving any work undertaken by **you**.

**12. 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.

**13. 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**.

**14. Pollutants**

a. for **personal injury** and/or **property damage** directly or indirectly arising out of the discharge, dispersal, release or escape of **pollutants** into or upon land, the atmosphere or any watercourse or body of water; or

b. for the cost of testing and monitoring for, removing, nullifying, or cleaning up of **pollutants**.

Provided that, with respect to any such liability which may be incurred anywhere other than North America, exclusions (15(a) and (15)(b) shall not apply where such discharge, dispersal, release or escape is caused by a sudden, identifiable, unintended and unexpected **event** from **your** standpoint which takes place in its entirety at a specific time and place.

**15. Property in your physical or legal control**

for damage to property not belonging to **you** but in **your** physical and legal control other than the property described in “Additional benefit – Property in your physical and legal control”.

**16. Property owned by you**

for **property damage** to property owned by **you**.

**17. 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.

**18. Product recall**

for damages, costs or expenses arising out of the withdrawal, recall, inspection, repair, reconditioning, modification, reinstallation, replacement or loss of use of any **products** where such **products** are withdrawn or recalled from the market or from use by any person or organisation because of any known, alleged or suspected defect or deficiency in such **products**.

**19. Silica**

arising out of or in any way connected with the inhalation of, or exposure to silica in any form.

**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 affected),

but exclusions (a) and (b) shall not apply to:

c. Personal injury where:

iii. that compulsory liability insurance or statutory indemnity does not provide indemnity, and

iv. 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**.

d. any **vehicle** (including any tool or plant forming part of or attached to or used in connection with such **vehicle**) whilst being operated or used by **you** or on **your** behalf as a **tool of trade** at **your premises** or on any **work site**;

e. the delivery or collection of goods to or from any **vehicle**;

f. the loading or unloading of any **vehicle**;

g. any **vehicle** temporarily in **your** custody or control for the purpose of parking;

h. **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

i. **property damage** arising out of the movement or removal by **you** or by any **employee**(s) with the permission of the **vehicle**'s owner of any **vehicle** or trailer not belonging to **you** which is interfering with access to or from **your premises** or any site where **you** are carrying out work, provided that the maximum amount which **we** shall be liable to pay in respect of any one claim or series of claims arising out of any one **occurrence** will be $10,000.

**21. Watercraft**

for **personal injury** and/or **property damage** arising from the ownership, maintenance, operation or use by **you** of any **watercraft** exceeding ten (10) metres in length.

Provided that this exclusion shall not apply with regard to claims arising out of:

a. **watercraft** used in operations carried out by any independent contractors for whose conduct **you** may be held liable; or

b. **watercraft** owned by others and used by **you** for **your business** entertainment.

## Additional benefit

**1. Property in your physical and legal control**

Exclusion 15 will not apply with regards to:

1. **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;
2. **Property damage** to **premises** or part(s) of **premises** (including their **contents**) leased or rented to, or temporarily occupied by, **you** for the purpose of **your business**, but no cover is provided by the **policy** if **you** have assumed the responsibility to insure such **premises;**
3. **property damage** to:
   i. premises (and/or their **contents**) temporarily occupied by **you** for the purpose of carrying out work in connection with **your business**; or
   ii. any other property temporarily in **your** possession for the purpose of being worked upon;

   but no indemnity is granted for damage to that part of any property upon which **you** are or have been working if the damage arises solely out of such work;
4. **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**; or
5. notwithstanding exclusion (6) contractual liability, **property damage** to any property (except property that **you** own) not mentioned in clauses (1), (2), (3) and (4) of this additional benefit 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 clause (5) shall not exceed:
   i. $250,000; or
   ii. any amount set out in the **schedule**;

   whichever is greater in respect of any one claim or series of claims arising out of any one **occurrence**.

## Specific conditions applicable to this section

**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 is covered by the **policy**; and

b. all such additional information that **we** may reasonably require and every demand, writ, summons, proceedings, impending prosecution or inquest and all reasonable 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, make any admission, offer, promise or payment in connection with any **occurrence** or claim. If **you** do, **we** may reduce or refuse **your** claim to the extent **we** are prejudiced;

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 affected without **our** consent until **we** have had a reasonable opportunity of inspection; and

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 **section**.

**3. Our rights regarding claims**

a. **We** may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If **we** do this, **we** will do it in **your** name. **We** have full discretion in the conduct of any legal proceedings and in the settlement of any claim. **We** will act reasonably having regard to **your** interests and will keep **you** informed if **you** ask **us** to. **You** must take reasonable steps to co-operate by giving **us** any statements, documents or assistance **we** reasonably 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 the **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. Adjustment of premium**

If the first premium or any renewal premium for this **section** 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 and frequency 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 reasonably require as soon as reasonably practicable. **We** will adjust the premium payable for that period based on the amount of premium **we** would have charged had **you** provided the information contained in the records at the commencement of that period. 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 the **policy**, the difference must be paid by **you** or will be refunded by **us**.

**5. Cross liabilities**

This insurance extends to each of the parties comprising of **you**, 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 as **you** 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, claims conditions, general policy conditions, exclusions and definitions of the **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 for all parties combined, as the case may be, exceed the applicable limit of liability as specified in the **schedule**.

**6. Inspection and audit**

**We** shall be permitted, but not obligated, to inspect **your premises** and operations at any reasonable time and frequency. 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 reasonable time and frequency during the currency of the **policy** and within three (3) years after the final termination of the **policy** but only with regard to matters which in **our** opinion are relevant to the **policy**.

**7. Release**

Where **you** are required by contractual agreement to release any Government or public or Local Authority or other Statutory Authority from liability for loss, destruction or damage or legal liability insured against under the **policy**, such release is allowed without prejudice to this insurance.

Notwithstanding general policy conditions applicable to all **sections** "Waiver of subrogation rights", **we** agree to waive all **our** rights of subrogation against any such **authority** in the event of any **occurrence** for which a claim for indemnity may be made under the **policy**.

**8. Subrogation and allocation of the proceeds of recoveries**

Subject to "Waiver of subrogation rights" in the 'General policy conditions applicable to all sections', any corporation, organisation or person who claim under this insurance shall, at **our** request and at **our** expense, do and concur in doing and permit to be done all such acts and things that may reasonably be required by **us** for the purpose of enforcing any rights and remedies, or for obtaining relief or indemnity from any other organisation(s) or person(s), to which **we** shall be or would become entitled upon **us** paying for or indemnifying **you** in respect of legal liability under this insurance.

Should **you** incur any legal liability which is not covered by this insurance:

a. due to the application of an **excess**; and/or

b. where the amounts of any judgments or settlements exceed the applicable limit of liability,

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

## Optional benefits applicable to this section

The following optional benefits are operative when included as covered in the **schedule**:

## 1. Motor Trade Cover

a. Motor trade, excluding testing and delivery.

Additional benefit 'Property in your physical or legal control' under this **section** is extended to include **vehicles** for repair, servicing, maintenance or storage whilst within the confines of **your premises** or whilst left stationary in the immediate vicinity of **your premises** in any public or private road or thoroughfare subject to **our** liability not exceeding $100,000 when shown in the **schedule** for 'motor trade, excluding testing and delivery' for any one **occurrence**.

An **excess** of $500 is applicable for each and every claim made under this optional cover.

Exclusion (20) 'Vehicles' under this **section** does not apply to **property damage** arising from any **vehicle** (not owned by or leased to **you**) whilst within the confines of **your premises**.

b. Motor trade, including testing and delivery.

Additional benefit 'Property in your physical or legal control' under this **section** is extended to include:

i. **vehicles** for repairs, servicing, maintenance or storage whilst within the confines of **your premises** or whilst left stationary in the immediate vicinity of **your premises** in any public or private road or thoroughfare subject to **our** liability not exceeding the **sum insured** shown in the **schedule** for 'motor trade, including testing and delivery' any one **occurrence**; and

ii. **property damage** to any registered **vehicle** not owned or leased by **you** but in **your** physical or legal control for the purpose of repairs, servicing or garaging whilst such **vehicle** is on any public roadway or thoroughfare whilst being tested and/or collected and/or delivered subject to **our** liability not exceeding $100,000 when shown in the **schedule** for 'motor trade, including testing and delivery' for any one **occurrence**;

An **excess** of $500 is applicable for each and every claim made under this optional cover.

Exclusion (20) 'Vehicles' under this **section** does not apply to:

i. **property damage** arising from any **vehicle** (not owned by or leased to **you**) whilst within the confines of **your premises**; and

ii. **property damage** to any other property not being **your** own or used by **you** or on **your** behalf caused by the **vehicle** as described and used in item b) above. The maximum amount **we** will pay for **property damage** under this clause is the **sum insured** shown in the **schedule** for 'motor trade, including testing and delivery'.

The cover provided by optional benefits (1)(a) and (1)(b) above shall not apply to any **property damage** arising from:

a. the use of any unsafe or unroadworthy **vehicle** unless such condition could not reasonably be detected by **you**. This exclusion shall not apply if such **property damage** was not caused or contributed to by such unsafe or unroadworthy condition; or

b. the use of a **vehicle** by:

i. any person with **your** consent who is not licensed under any relevant law to drive such a **vehicle**; or

ii. anyone whose faculties are impaired by any drug or intoxicating liquor or by any person who is convicted of driving whilst under the influence of intoxicating liquor at the time of the **property damage**; or

iii. anyone whose blood alcohol reading exceeds the legal limit (subject to any laws to the contrary); or

iv. anyone who refuses to provide or allow the taking of a sample of breath, blood or urine for testing or analysis as required by the law of any State or Territory where the **property damage** occurred.

**We** will cover **you** if **you** have allowed a person to drive a **vehicle** in **your** physical or legal control and **you** can prove that **you** were not aware that the **vehicle** was being driven by or in charge of that person when they were so affected or unlicensed.

## 2. Consumer Protection Cover for Queensland Electricians

If consumer protection cover is shown as taken in the **schedule**, **we** will insure all amounts which **you** become legally liable to pay as **compensation**, in connection with **your business** conducted in Queensland, up to the limit of liability for this optional benefit in respect of:

a. any liability to pay for the cost of rectifying any **domestic electrical work** required because of **defects** in the **electrical work**;

b. any **Australian Consumer Law Liability**;

c. in the case of **domestic electrical work** performed in Queensland:

i. any liability arising from any consequential financial loss reasonably incurred by the **home** owner as a result of any **defects** or non-completion of the **domestic electrical work** (as described in (ii) below), including but not limited to:

the loss of any deposit or progress payment (or any part of any deposit or progress payment); and
the cost of alternative accommodation, removal and storage costs that are reasonably and necessarily incurred; or

ii. any liability arising from non-completion of the **domestic electrical work** due to:

**Your** death or legal incapacity;
Your disappearance; or
**You** becoming insolvent;

iii. the cancellation or suspension of **your** electrical contractor's licence under the Electrical Safety Act 2002 (Qld) and the Electrical Safety Regulation 2013 (Qld); or

iv. the early termination of the **contract** by the **home** owner as a result of **your** wrongful failure or refusal to complete the **domestic electrical work**;

d. liability in respect of **personal injury** or **property damage** occurring during the **period of insurance** arising out of **completed electrical works**;

e. liability arising from the testing and certification of **electrical work**;

f. liability arising from incorrect advice or design, arising within Queensland and in connection with **your business**.

## Definitions applicable to the consumer protection cover for Queensland Electricians

| Term | Definition |
|---|---|
| **Australian Consumer Law Liability** | **Australian Consumer Law Liability** means any liability that arises as a result of **your** conduct in connection with **electrical work** that contravenes the Competition and Consumer Act 2010 (Cth) or the Fair Trading Act 1989 (Qld) other than liability for any fine or penalty imposed. |
| **Certificate means** | **Certificate means**:<br>a. the 'Certificate of testing and compliance' referred to in section 227 of the Electrical Safety Regulations 2013 (Qld) or any subsequent amendment thereto; or<br>b. the 'Certificate of testing and safety' referred to in section 26 of the Electrical Safety Regulations 2013 (Qld) or any subsequent amendment thereto. |
| **Completed Electrical Work** | **Completed Electrical Work** means:<br>a. **electrical work** for which **you** have issued a **Certificate**; or<br>b. **electrical work** that **you** have connected to an electricity supply. |
| **Consumer** | **Consumer** means any person who owns or resides in a **home**; |
| **Contract** | **Contract** means a contract to carry out **domestic electrical work** and includes a domestic building contract or other building contract that includes **domestic electrical work.** |
| **Defects** | **Defects** means:<br>a. defects in relation to **domestic electrical work**:<br>b. a failure to carry out the **electrical work** in accordance with any plans and specifications set out in the **contract**;<br>c. a failure to use materials in the **electrical work** that are good and suitable for the purpose for which they are used, but does not include any material supplied by the **home** owner;<br>d. the use of materials in the **electrical work** that are not new (unless the **contract** permits use of materials that are not new), but does not include any material supplied by the **home** owner;<br>e. a failure to carry out the work in accordance with, and in compliance with, all current standards, laws and legal requirements including, without limiting the generality of this paragraph, the Electrical Safety Act 2002 (Qld) and the Electrical Safety Regulation 2013 (Qld);<br>f. a failure to carry out the work with reasonable care and skill and, in the case of **domestic electrical work**, a failure to complete the work:<br>i. by the date (or within the period) specified by the **contract**; or<br>ii. within a reasonable time, if no date (or period) is specified; |

| | |
|---|---|
| | g. if the **contract** states the particular purpose for which the **electrical work** is required, or the result which the **home** owner wishes the work to achieve, so as to show that the **home** owner relies on **your** skill and judgment, a failure to ensure that the **electrical work** and any material used in carrying out the **electrical work**, but does not include any material supplied by the **home** owner:<br>i. are reasonably fit for that purpose; or<br>ii. are of such a nature and quality that they might reasonably be expected to achieve that result;<br>h. a failure to maintain a standard or quality of **electrical work** specified in the **contract**. |
| **Disappearance** | **Disappearance** means cannot be found after due search and inquiry. |
| **Domestic Electrical Work** | **Domestic Electrical Work** means **electrical work** performed or intended to be performed on or in relation to:<br>a. a **home**; or<br>b. any **building** or structure on land on which a **home** is or is intended to be situated; or<br>c. any electrical appliance which belongs to a **home** but the **electrical work** is completed at the **your premises**. |
| **Electrical Work** | **Electrical Work** has the same meaning as defined in section 18 Electrical Safety Act 2002 (Qld) or any subsequent amendment or amendment legislation thereto. |
| **Home** | **Home** means any residential premises but does not include:<br>a. any residence that is not intended for permanent habitation;<br>b. a rooming house;<br>c. a motel, a residential club, a residential hotel or a residential part of licensed premises;<br>d. a nursing home, a hospital or accommodation associated with a hospital; or<br>e. the common areas under the control of a body corporate for residential home units, villas, townhouses, duplex, triplex, quadruplex or other **homes**. |
| **Non-Domestic Electrical Work** | **Non-Domestic Electrical Work** means **electrical work** that is not carried out on a **home**. |

## Additional payments applicable to the consumer protection cover for Queensland Electricians

**We** will also pay reasonable legal costs and expenses incurred by **you** with **our** prior written consent for the defence or enforcement of an action against **you** or **us**.

**We** will cover **you** for **electrical work** for which a **Certificate** is required for liability in respect of **personal injury** or **property damage** occurring during the **period of insurance** arising out of **completed electrical works**.

## Limit of liability applicable to the consumer protection cover for Queensland Electricians

**Our** liability to pay compensation as a result of an **occurrence** under insuring clauses (a) to (c) of this optional benefit will not exceed $50,000 any one claim or series of claims arising from the one **occurrence**, including the cost of rectifying the relevant **domestic electrical work**.

If a judgment or an amount required to settle a claim exceeds the limit of liability, **our** liability to pay costs and expenses under additional payments applicable to the consumer protection cover is limited to the proportion the limit of liability bears to the amount required to be paid to dispose of the claim and in all cases will not exceed $50,000.

**Our** liability to pay compensation under insuring clauses (e) to (f):

for **personal injury** or **property damage** as a result of an **occurrence** shall form part of and not exceed the **general liability** limit of liability stated in the **schedule** for this **section**; or
for **products liability our** total aggregate liability in respect of or in any way related to **your products** shall form part of and not exceed the **products liability** limit of liability stated in the **schedule** for this **section**.

## Limitations of cover applicable to the consumer protection cover for Queensland Electricians

**Seven (7) year limitation on claims**

**We** will not accept any claims first notified to **us** after the expiration of seven (7) years from:

a. the date of issue of a **Certificate** in relation to that work; or
b. if **you** did not issue a **Certificate** in relation to the work, seven (7) years after the date **you** stopped carrying out that work.

The cover under paragraphs (a), (b) and (e) of the insuring clause of this optional benefit will continue to apply even if **you** cease to be a licensed or registered electrical contractor before the end of that period and even if **you** cease to maintain the **policy**.

## Exclusions applicable to the consumer protection cover for Queensland Electricians

**We** will not pay for:

**1. Advertising Injury**

Liability arising out of **advertising injury**.

**2. Product liability**

Liability arising out of a product **defect** provided that:

a. **We** agree that if **we** intend to rely on this exclusion, **we** will bear the onus of establishing that the claim (or part of the claim) results from a product **defect**; and

b. **We** agree that nothing in this clause removes the cover given to **you** in relation to **you** supplying or using any appliance, material, substance or other thing that **you** were aware was defective, or that **you** should reasonably have been aware was defective.

**3. Wear and Tear**

Liability resulting from:

a. fair wear, tear or depreciation of **electrical work**; or

b. a failure by the **home** owner to reasonably maintain **electrical work**.

**4. Non-Domestic Electrical Work**

Liability for consequential financial loss arising from **non domestic electrical work**.

**5. Damages for delay**

Liability arising out of claims for liquidated damages for delay, or damages for delay, that may arise under a **contract** provided that nothing in this clause removes the cover given to **you** by the **policy** in relation to any increase in rectification costs caused by a delay.

**6. Legal Costs**

Liability arising out of legal costs not directly or indirectly related to:

a. the enforcement of the consumer protection cover; or

b. a liability the consumer protection cover provides cover to **you**.

## Specific Conditions applicable to consumer protection cover for Queensland Electricians

**1. Limitation for common property**

This clause applies if:

a. **electrical work** is carried out on land in a plan of subdivision containing common property; and

b. a claim is paid by **us** in relation to the common property.

**We** will reduce the amount **we** will pay under the consumer protection cover in respect of any one **home** on land in the plan of subdivision by an amount calculated by dividing the amount of the claim paid by **us** in relation to the common property by the number of **homes** on land in the plan of subdivision.

**2. Limitation concerning non-completion of work**

If **you** fail to complete **electrical work** for any reason then the consumer protection cover does not cover **you** for claims for the whole or a specified part of any payment made under a **contract** that exceeds the value of the **electrical work** completed at the time of payment.

**3. Compliance with court orders**

**We** agree to comply with any order made against **you** by a court, tribunal, external dispute resolution body of which **you** are a member or any other competent judicial body, in respect of any liability for which **you** are indemnified under the consumer protection cover (including any **excess** that **you** may be obliged to pay to **us**).

**4. Deemed acceptance of claims**

**We** agree to accept liability for a claim for **domestic electrical work** if **we** do not notify the person making the claim within 90 days from when **we** receive the claim in writing that **we** accept or dispute the claim, unless **we** obtain an extension of time from:

a. the person making the claim in writing; or

b. the Disputes Tribunal.

This clause does not apply to any liability arising out of **completed electrical works**.

**5. The Act will prevail in the case of conflict with consumer protection cover**

**We** agree that if any term of the consumer protection cover conflicts, or is inconsistent, with the Electrical Safety Act 2002 (Qld) and the Electrical Safety Regulation 2013 (Qld) then the consumer protection cover is to be read and to be enforceable as if it complied with that legislation.

**6. Domestic Electrical Work Claims and Non-disclosure**

This clause only applies to **domestic electrical work**.

**We** agree that **we** will not refuse to pay a claim for **domestic electrical work** under the consumer protection cover on the ground that the consumer protection cover was obtained by misrepresentation, fraud or non-disclosure by **you** or anyone acting on **your** behalf.

**You** agree however, that if **we** make a payment under the consumer protection cover to, or for the benefit of, a **home** owner under the circumstances contemplated by this clause, by doing so **we** are not restricting **our** right to recover that payment from **you**.

**7. Excess**

**You** must pay **us** the **excess** specified in the **schedule** for each claim. **You** are not liable to pay an **excess** more than once in relation to any claim comprising more than one **defect** or two or more claims that relate to the same **defect**.

**8. We must give effect to Certificates**

This clause only applies to **domestic electrical work**.

If **we** give **you** a certificate stating that **you** are covered by this insurance, **we** agree that **we** will not refuse to pay a claim on that insurance under the consumer protection cover on the ground that the **you** have not paid the premium for the insurance.

**You** agree that if **we** make a payment under the consumer protection cover to, or for the benefit of a **home** owner under the circumstances in this clause, by doing so, **we** are not restricting **our** right to recover that payment from **you**.

**9. Deemed notice of defects**

**We** agree that if a person gives notice of a **defect** in writing to **you** or **us**, that person is to be taken for the purposes of the consumer protection cover to have given notice of every **defect** of which the **defect** notified is directly or indirectly related, whether or not the claim in respect of the **defect** that was actually notified has been settled.

**10. Claimant may enforce the consumer protection cover directly in certain cases**

**We** and **you** agree:

a. that a person who is entitled to claim against **you** in respect of any liability for which **you** are indemnified under the consumer protection cover may enforce the consumer protection cover directly against **us** for the person's own benefit if:

any **event** under **domestic electrical work** performed in Queensland occurs; or
**you** refuse to make a claim against **us**; or
there is an irretrievable breakdown of communication between **you** and **us**; and

b. that for the purpose of that enforcement the person has the same rights and entitlements as **you** would have had under any legislation applicable to **you**; and

c. that **we** will pay to the person the full amount of any liability for which **you** are indemnified under the consumer protection cover despite any failure by **you** to pay any **excess** that **you** are required to pay.

**11. Section 54 of the Insurance Contracts Act 1984 to apply**

**We** acknowledge that Section 54 of the Insurance Contracts Act 1984 (Cth) applies to the consumer protection cover. **We** agree however that **we** will not rely on Section 54 to reduce **our** liability under the consumer protection cover or to reduce any amount that is otherwise payable in respect of a claim by reason only of a delay in a claim being notified to **us** if:

a. the person who makes the claim notifies **you** either orally, or in writing; or

b. that person or **you** notify **us** in writing:

as soon as reasonably possible after the person first became aware; or
might reasonably be expected to have become aware, of some fact or circumstance that might give rise to the claim.

**12. You must co-operate with us**

**You** agree, in relation to a claim or prospective claim:

a. to make reasonable efforts to assist and inform **us** or **our** agent; and

b. to attend the relevant building site for the purpose of inspecting, rectifying or completing **electrical work** (unless the building owner refuses **you** access to the site).

**We** may reduce the amount of a claim by a **home** owner by an amount that reasonably represents the cost resulting from an unreasonable refusal by the owner to give **you** access to a building site if **we** have asked **you** to attend the site under any **Australian Consumer Law Liability**.

**13. Notification of Claims**

**We** and **you** both agree that **we** will notify the Electrical Licensing Board or equivalent regulatory body in writing of the settling or payment of any claim under the consumer protection cover.

## 3. Consumer Protection Liability for Victorian Plumbing Work

This cover only applies to plumbing work undertaken for or on behalf of a consumer in Victoria, under Licensed Plumbers General Insurance Order 2002, by **you** or someone acting on **your** behalf during the **period of insurance**.

This insurance complies with all of the requirements of the Ministerial Order, Licensed Plumbers General Insurance Order, dated 20th June 2002.

## What is covered?

- The cost of rectifying **your** plumbing work that is required because of a **defect** in that work.
- **Your** legal liability to pay compensation arising from any plumbing work performed by **you** during the **period of insurance** that contravenes sections 18, 29, 34, 60 or 61 of Schedule 2 of the Competition and Consumer Act 2010 (Cth) or Section 9, 11 or 12 of the Fair Trading Act 1999 (Vic).
- **Your** legal liability to pay compensation:
  - for consequential financial loss reasonably incurred by any building owner as a result of any defect in or non-completion of, **domestic plumbing work** performed during the **period of insurance**;
  - arising from non-completion of **domestic plumbing work** performed during the **period of insurance**; or
  - for non-completion of plumbing work during the **period of insurance** when that plumbing work is included within a contract in which the nondomestic plumbing work component does not exceed 20% of the total value of that contract.

- **We** will pay up to:
  - $50,000 for any one claim or series of claims related to **domestic plumbing work** for which a **compliance certificate** is required, or if a **compliance certificate** relates to more than one home, an amount not exceeding $50,000 for each home;
  - $100,000 for any one claim or series of claims in relation to a **compliance certificate** for non-domestic plumbing work; and
  - the reasonable cost of rectifying plumbing work under the **trade practices liability** cover.
  - The most **we** will pay under this cover in any one **period of insurance** is $5,000,000 including GST.

## What is not covered?

Subject to section 54 of the Insurance Contracts Act 1984 (Cth), there is no cover under this extra cover for any loss, damage or liability arising directly or indirectly out of, or caused by, or connected with:

- wear and tear or depreciation related to **your** work;
- failure of the building owner to reasonably maintain **your** work;
- consequential financial loss resulting from or in any way connected with non-domestic plumbing work;
- claims for liquidated damages for delay, or damages for delay, that arise under contract. This exclusion does not apply to any increase in rectification costs caused by the delay;
- the whole or a specified part of any payment made under a contract when:
  - that contract has not been fulfilled as a result of non-completion; and
  - that payment is in excess of the value of the work completed at the time of that payment;
- damage to property which is owned, rented or leased by **you**;
- damage to plumbing work for which a **compliance certificate** is not required;
- actual or deemed occupation of or ownership of any real property by **you**;
- any claims caused by or arising out of:
  - any infringement of copyright, trademark, registered design or patent;
  - plagiarism;
  - breach of confidentiality; or
  - unauthorised use of any intellectual property of others;
- circumstances which result in claims made against anyone insured under this **policy** by or on behalf of:
  - anyone else insured under this **policy**;
  - the spouse or child of any anyone insured under this **policy**; or
  - a company, trust or entity which is operated controlled, managed or owned by **you;**
- any loss caused by or arising out of the insolvency, bankruptcy or liquidation of any third party;
- for any breach of the Competition and Consumer Act 2010 (Cth) or similar law of any state or territory of **Australia** or conditions implied by that law other than as provided under "What is covered" above in this extra **section**;
- any loss or damage giving rise to any claim under section 9 (a) of the Ministerial Order resulting from a **product defect**;

- any claims first notified to **us**:
  - after the expiration of six years from the date of issue of a **compliance certificate** in relation to that plumbing work; or
  - if **you** did not issue a **compliance certificate** in relation to the work that is insured, six years after **you** stopped carrying out that work.

## Special Conditions Relating to this Extra cover:

1. Compliance with legal orders: **We** will comply with any order made against **you** to pay compensation by a court, the Victorian Civil and Administrative Appeals Tribunal or any other competent judicial body, in respect of liability for which **you** are indemnified under this extra cover, including any **excess** which **you** may have to pay to **us**.

2. Deemed acceptance of claims: In relation to **domestic plumbing work** only, if **we** do not notify **you** otherwise within 90 days of **us** receiving written notification of a claim being made against **you** that **we** accept or dispute the claim, **we** will be deemed to have agreed to indemnify **you** for the claim. This is subject to any extension of time that **we** get in writing from **you** or the Victorian Civil and Administrative Appeals Tribunal.

3. Misrepresentation, fraud or non-disclosure: **We** will not refuse to pay a claim under this cover in relation to **domestic plumbing work** on the grounds that this insurance was obtained by misrepresentation, fraud or non-disclosure by **you** or anyone acting on **your** behalf. However, if **we** have to pay a claim to or for the benefit of any building owner, **we** may bring a claim for recovery directly against **you** or anyone acting on **your** behalf.

4. Non-payment of premium: In relation to **domestic plumbing work** only if **we** issue a certificate stating that **you** are covered for the insurance set out in this extra cover, **we** will not refuse to pay a claim on the ground that **you** have not paid the premium. However, if **we** have to pay a claim to or for the benefit of any building owner, **we** are entitled to recover that payment from **you**.

5. Deemed notice of **defect**: If a person gives notice of a **defect** in writing to **you** or to **us**, that person is to be taken for the purposes of this cover to have given notice of every **defect** of which the **defect** notified is directly or indirectly related, whether or not the claim in respect of the **defect** that was actually notified has been settled.

6. Claimant may enforce this cover directly in some cases:

   a person who is entitled to claim against **you** in respect of any liability for which **you** are indemnified under this cover may enforce this cover directly against **us** for their own benefit if; or
   **you** refuse or decline to make a claim under this **policy**; or
   there is an irretrievable breakdown of communication between **you** and **us**; or
   the claim relates consequential financial loss reasonably incurred by any building owner as a result of any **defect** in, or non-completion of, **domestic plumbing work**; or
   a person is otherwise entitled to do so under the Insurance Contracts Act 1984 (Cth).

   For the purposes of this condition, that person has the same rights and entitlements as **you** would have under any legislation applicable to **you** and **we** will pay to that person the full amount of any liability for which **you** are indemnified under this extra cover despite any failure by **you** pay the **excess**.

7. Section 54 of the Insurance Contracts Act 1984 (Cth) to apply: **We** acknowledge that Section 54 of the Insurance Contracts Act 1984 (Cth) applies to this **policy**. Notwithstanding this, **we** will not rely on Section 54 to reduce **our** liability under this cover or to reduce any amount that is otherwise payable in respect of any claim by reason only of a delay in a claim being notified to **us**, when:
    - the person who makes the claim against **you** notified **you** of the claim either orally or in writing; or
    - the person who makes the claim against **you** notified **us** in writing, within 180 days of the date when the person first became aware, or might reasonably be expected to have become aware, of some fact or circumstances that might give rise to the claim.
8. Cancellation: **We** may only cancel this cover in accordance with the law. If **we** cancel, **we** agree that cancellation of this cover will only take effect 30 days after **we** give notice to **you** and the Plumbing Industry Commission of Victoria of the proposed cancellation.
9. Notification of settled claims: **We** will notify the Plumbing Industry Commission of Victoria in writing of the settling or payment of any claim under this cover.
10. Claims co-operation: **You** must at **our** request, inspect, rectify or complete any plumbing work relating to a claim under this **policy**, unless the building owner or any person acting on their behalf refuses **you** access to the site. **We** may then reduce the amount of the claim by an amount that reasonably represents the cost resulting from the refusal.
11. Conflict with ministerial order: If the terms of this extra cover conflict, or are inconsistent with, the Ministerial Order known as the Licensed Plumbers General Insurance Order 2002 made under the Building Act 1993 (Vic), then **you** are insured in accordance with the terms of the Ministerial Order.
12. Legislation amendment: A reference to a specific Act, Regulation, Ministerial Order or legislation in this cover also means any amendment, revision or replacement of that specific Act, Regulation, Ministerial Order or legislation.

## Definitions for Victorian Plumbing Work

The following definitions will apply to these terms in this Consumer protection liability for Victorian Plumbing work optional benefit:

| Term | Definition |
|---|---|
| **Compliance certificate** | **Compliance certificate** means a certificate referred to in section 221ZH of the Building Act 1993 (VIC), as amended or replaced from time to time. |
| **Defect** | **Defect** means a defect as that term is defined in clause 14 of the Licensed Plumbers General Insurance Order 2002, as amended or replaced from time to time. |
| **Domestic plumbing work** | **Domestic plumbing work** refers to plumbing work performed in relation to any structure which is used for residential purposes. It includes any: |

| Term | Definition |
|---|---|
| **Domestic plumbing work cont.** | home, **building** or structure on land on which a home is intended to be situated;<br>part of commercial or industrial premises that is used for residential purposes;<br>houseboat (other than a houseboat that is more than 8 metres in length).<br>The following structures are excluded:<br>any structure not intended for permanent occupation for residential purposes;<br>a rooming house within the meaning of the Residential Tenancies Act 1997 (Vic);<br>a motel, residential hotel, residential club or residential part of a licensed premises under the Liquor Control Act 1998 (Vic);<br>a nursing home, hospital or accommodation associated with a hospital; or<br>any residence that the regulations made under the Domestic Building Contracts Act 1995 (Vic) state is not a home or for the purposes of the definition of 'home' in that legislation. |
| **Product defect** | **Product defect** means a defect in any appliance, material, substance, or other object that was supplied or used by **you** in connection with private plumbing work. |
| **Trade practices liability** | **Trade practices liability** means any liability to pay compensation (including liability for consequential financial loss) arising from **your** contravention of sections 18, 29, 34, 60 or 61 of the Australian Consumer Law (Schedule 2 of the Competition and Consumer Act 2010 (Cth)), as amended or replaced from time to time. |

# General Property

## About this section

This **section** covers portable and valuable items that **you** usually carry around with **you** in the course of **your business** anywhere in the world.

## Definitions

**Some words have special meaning wherever they appear in this section. These words and their meanings are listed below. Wherever they appear in this section they are shown in bold. The singular shall include the plural and vice versa.**

| Term | Definition |
|---|---|
| **Accidental** | **Accidental** means unexpected and unintended from **your** standpoint. |
| **Unspecified Items** | **Unspecified Items** means an item of **contents** or **stock** that is not a **specified item** where 'unspecified items' are shown in the **schedule**. |

## What you are covered for

Provided "General Property" is shown in the **schedule** as taken, **we** will cover **you** for **accidental** physical loss of or physical damage to **your property insured** anywhere in the world during the **period of insurance**.

## How we settle your claim

**We** will at **our** option (acting reasonably), we will:

1. with respect to **property insured** owned as **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**.
2. with respect to **property insured** own as **contents**, either:
    i. pay **you** the replacement cost of the contents at the time of the **accidental** loss or damage; or
    ii. repair the **contents** to a condition equal to but not better or more extensive than its condition when new; or
    iii. replace the **contents** with a new item that has the same features that are nearly the same as (but not less than) the item being replaced.

## Limitations of cover

**Unspecified items**

The maximum amount **we** will pay in respect of any one **unspecified item** is $3,000.

**Specified items**

The maximum amount **we** will pay in respect of each **specified item** is the **sum insured** shown in the **schedule** for that item.

**Stock**

**We** will not pay for damage once **stock** has been used or incorporated into any property or product

## Excess

The **excess** that applies is shown in the **schedule**.

## Additional benefit

**We** will also provide the following additional benefit in this **section**.

Any amount payable under this additional benefit shall apply in addition to the **sum insured**.

**1. Theft of other equipment**

**We** will cover **you** for theft of any property (excluding money and stock) not belonging to **you** but in **your** physical or legal control for the purposes of **your business** occurring during the **period of insurance** anywhere in the world.

This additional benefit does not cover theft committed by any member of **your family** or by any **employee** of **yours** or committed by any person whilst lawfully at **your premises**.

**We** will not cover **you** under this additional benefit unless the **property insured** was:

a. in a securely locked **vehicle** and the theft was consequent upon forcible and violent entry to the **vehicle**;

b. securely and permanently affixed to a **building** or **vehicle** and theft is consequent upon forcible and violent removal of the **property insured**;

c. in a **vehicle** and was securely chained to that **vehicle** by a steel chain having a link diameter of 10 mm or greater and a padlock with a security rating under AS 4145.4 (or any subsequent amendment) of 6 (or its equivalent) or above;

d. in **your** private residence or the private residence of **your employee** who has been authorised by **you** to have the custody and control of the **property insured**. However, **we** will not cover any theft by a tenant;

e. securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building.

**We** will not cover any theft:

i. committed by any person while lawfully in the building; or

ii. of **property insured** which is unattended in areas of the building; or

iii. stolen as a consequence of armed hold-up or the threat of physical violence.

The maximum amount **we** will pay for this additional benefit is $2,000 during any one **period of insurance**.

## Exclusions

This **section** does not cover:

1. loss of or damage to any **unspecified item** of property unless **your schedule** shows that **you** have cover for **unspecified items**;
2. loss of or damage caused by or arising out of:
    a. wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause;
    b. moths, termites or other insects or vermin;
    c. scratching, biting or chewing by any **animal**;
    d. chipping, scratching, denting or marring that does not materially affect the use or operation of the **property insured**;
    e. change in colour, loss of weight, change in flavour, texture or finish;
    f. the action of light, atmospheric conditions, variations or extremes of temperature, inherent vice or latent defect;
    g. any form of **fungus**, rust or oxidation, wet or dry rot or corrosion unless these are the direct result of an **event** covered under this **section** of the **policy**;
    h. mechanical, hydraulic, electrical or electronic breakdown, burn-out, failure, malfunction or derangement of any equipment or device;
    i. smut or smoke from industrial operations (other than sudden and unforeseen resultant damage);
    j. any faults or defects in any item of insured property that **you** or any of **your employees** knew about before taking out this **section**; or
    k. faulty materials or faulty workmanship;
3. loss of or damage to **money** or documents of any kind;
4. loss of use, loss of earning capacity and any other **consequential loss**;

5. loss of or damage to property as a result of:

   a. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **electronic data**;

   b. breakdown or malfunction of the processing system including operator error or omission in creating, amending, loading, deleting or using **electronic data**;

   c. total or partial inability or failure to receive, send, access or use **electronic data** for any time or at all;

   d. a fraudulent act committed by any member of **your family** or by any **employee** of **yours** or committed by any person whilst lawfully at **your premises**.

6. **We** will not cover loss of or damage to **property insured** which is:

   a. covered under any other **section** of the **policy**;

   b. being constructed, erected, altered, manufactured, cleaned or repaired; or

   c. not being used by **you** in accordance with the manufacturer's instructions if loss or damage is caused or contributed to by such non-compliance.

7. **We** will not cover any legal liability of whatsoever nature.

# Machinery Breakdown

## About this Section

This **section** covers the **breakdown** of **machinery** shown as insured in the **schedule** at **your premises**.

## Definitions

**Some words have special meaning wherever they appear in this section. These words and their meanings are listed below. Wherever they appear in this section they are shown in bold. The singular shall include the plural and vice versa.**

| Term | Definition |
|---|---|
| **Blanket Machinery** | **Blanket Machinery** means all **machinery** at the **premises** other than **specified machinery**. |
| **Boilers, pressure plant, pressure pipe systems** | **Boilers, pressure plant, pressure pipe systems** mean 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** | **Breakdown** means the actual breaking, seizing, deformation or melting of any part of the **machinery** while that **machinery** is in use that is caused by mechanical, electrical or electronic defect within the **machinery** and that causes sudden malfunction that requires repair or replacement before the **machinery** can resume normal operations. |
| **Controlled Atmospheric Conditions** | **Controlled Atmospheric Conditions** means an atmosphere in which oxygen, carbon dioxide and nitrogen concentrations as well as temperature and humidity are regulated. |
| **Expendable Items** | **Expendable Items** means:<br>a. electrical and electronic glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements; or<br>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** | **Hazardous Substance** means:<br>a. any pollutant, contaminant or other substance declared by a **government authority** to be hazardous to health or the environment; or<br>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** | **Machinery** means **blanket machinery** and **specified machinery** being, any of the following equipment provided it is owned, leased, operated or controlled by **you** and used in **your business**:<br>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:<br>i. any **boiler** foundation, any refractory or insulating material;<br>ii. any part of a **boiler** or fired pressure vessel that does not contain steam or water; or<br>iii. any buried piping, any drainage piping, any sprinkler piping and its accessory equipment;<br>b. any mechanical or electrical equipment that generates, transmits or utilises mechanical or electrical power, but not including:<br>i. any **vehicle**, or mobile equipment;<br>ii. any **watercraft** or **aircraft**; or<br>iii. any elevator or escalator. |
| **Specified Machinery** | **Specified Machinery** means **machinery** shown in the **schedule** as specified machinery. |

## What you are covered for

Provided "Machinery Breakdown" is shown as taken in the **schedule**, **we** will cover **you** for:

a. **breakdown** of **machinery** shown in the **schedule** which occurs at the **premises**; and

b. direct physical loss of or physical 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 of or damage to air conditioners unless **your schedule** shows that **you** are covered for air conditioners under this **section**.

## How we settle your claim

If **we** agree to pay a claim for **breakdown** of **machinery**, **we** will at **our** option (acting reasonably) 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. **We** will extend this period to the extent that **we** caused or contributed to the delay.

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.

In order to be sure that **you** are covered under this **policy you** should always contact **us** for approval before **you** incur costs **you** wish to claim. If **you** do not, **we** will pay for costs incurred up to the amount **we** would have authorised had **you** asked **us** first.

## Excess

The **excess** that applies is shown in the **schedule.**

## Limitations of cover

The maximum **we** will pay is the **sum insured** as shown in the **schedule** for the relevant **blanket machinery** or **specified machinery**.

1. In the event of **breakdown**, **we** will at **our** option (acting reasonably) pay to **you**, up to the **sum insured** 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. changes for overtime work on public holidays where necessarily and reasonably incurred;
    d. freight within **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), 1(f) and (1)(g) 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**, settlement will be as follows:

   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 sum insured for the machinery.

4. Where **we** are not able to replace the **machinery** exactly (for example, if exact materials are no longer manufactured), **we** will reinstate in a reasonable manner, up to the **sum insured**.

5. Where components 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.

6. If the **sum insured** for a **specified machinery** item is less than 80% of the value of the **specified machinery** item at the **premises** at the time of commencement of the **period of insurance** and there is a claim for **breakdown** to **specified machinery we** will pay for no greater proportion of the claim that the **sum insured** bears to 80% of the reinstatement or replacement cost of the **specified machinery** on the day of commencement of the **period of insurance**.

Under-insurance will not apply if the amount of the claim is less than 5% of the **sum insured.**

Every **specified machinery** item is separately subject to this clause.

## Additional benefits

If **we** agree to pay a claim under this **section** for **breakdown of machinery**, **we** will also pay or provide the additional benefits set out below.

Any amounts payable under these additional benefits apply in addition to the **sum insured**.

**1. Hazardous Substances**

If a **hazardous substance** is involved in or released by a **breakdown** of the **machinery we** cover **you** for the increase in cost to repair, replace, clean up or dispose of, damaged **property insured**.

**We** will not pay more than $25,000 for each **event** under this additional benefit.

**2. Inflation protection**

The **sum insured** on items of **machinery** 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 **machinery**. Provided that where the **sum insured** is exhausted, **we** will pay an additional amount of up to $5,000 in respect of this additional benefit.

## Extra cover

**1. Additional Items**

If **you** hire or purchase and commission at **your premises** any items similar to items already insured under this **section**, **we** will consider these items to be added to the insurance by this **section**, giving the same cover as for similar items already insured.

Provided that:

a. cover for additional items shall not exceed the total **sum insured** for the items already insured under this **section**;

b. **You** give **us** written notice within 90 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; and

e. the **limits** and **excess** as shown in the **schedule** shall be the same as for similar items already insured.

## Optional benefit

The following optional benefit does not apply unless stated in the **schedule**.

**1. Deterioration of stock in cold storage**

Provided "deterioration of **stock**" is shown in the **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 where **we** have agreed to pay a claim under this **section** for the **breakdown** of such **machinery**;

b. malfunctioning or failure of the thermostats, controls, fuses, circuit breakers or overload devices which are owned by **you** and are protecting a refrigeration chamber, but not including 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 **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**.

### How we settle your claim

If **we** agree to pay for a claim for deterioration of refrigerated **stock**, **we** will at **our** option (acting reasonably), 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 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 **sum insured** shown in the **schedule** for this optional benefit, except to the extent stated under "seasonal increase of cover".
In order to be sure that **you** are covered under this **policy you** should always contact **us** for approval before **you** incur costs **you** wish to claim. If **you** do not, **we** will pay for costs incurred up to the amount **we** would have authorised had **you** asked **us** first.

### Seasonal Increase of cover

**We** will automatically increase the **sum insured** in respect of **stock** in trade by 50% during the **seasonal increase periods** increases.

### Excess

**You** are liable for the **excess** for each and every **event** that results in claim under this optional benefit as a result of **breakdown**.

### Specific exclusions applicable to this optional benefit

What **you** are not covered for under this optional benefit

In addition to the exclusions for this **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. This means **we** don't cover **you** for anything not expressly described in the **sections** of this **policy**. Some examples of what **we** won't pay for include loss of use or loss of earning capacity, and

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; or

   iii. shortage of power generation fuel or water.

### Specific conditions applicable to this optional benefit

In respect to **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.

## Exclusions applicable to this section

**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:

   a. wear and tear due to normal operation;

   b. wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation;

   c. damage to a safety or protective device caused by its own operation;

   d. the chipping or scratching of painted or polished surfaces; or

   e. slowly developing deformation or distortion.

3. the cost of:
    a. carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
    b. alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or at a separate operation;
    c. modification or alteration of insured plant to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
    d. replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting;
    e. repair of scratches, chipping or discolouration to painted or polished surfaces, unless resulting from insured damage;
    f. repair of a slowly developing deformation, distortion or fatigue of any part;
    g. repair of blisters, laminations, flaws or grooving even when accompanied by leakage;
    h. repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking;
    i. repairs to shaft keys requiring tightening, fitting or renewal;
    j. damage caused by the movement of foundations, masonry or brick work unless these results from **breakdown** of any **machinery** or any part of **machinery**; or
    k. removal or installation of underground pumps and well casings. Unless specifically noted in the **schedule**, this exclusion does not apply to submersible pumps.
4. **breakdown** of **machinery** which **you** knew or reasonably should have known to be defective before the **breakdown** occurred.
5. any **consequential loss** or loss of use of any kind.
6. loss or damage caused by or arising out of:
    a. earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption;
    b. cyclone, storm, hail, lightning, thunder, wind, rainwater;
    c. **flood**;
    d. the sea, including tidal wave, tsunami, storm surge or high-water;
    e. fire, smoke or soot;
    f. water seeping or percolating the **building** from outside;
    g. water, liquids or substances discharged or other means used to extinguish a fire; or
    h. vandalism or malicious damage.

7. **breakdown**, loss or damage caused by explosion, other than:
    a. the sudden and violent rending of any **boilers**, **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 an 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 schedule** shows they are covered.
18. **breakdown** of **machinery** 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 additional benefit “(1) Hazardous Substances.”

## Specific conditions

**1. Adherence to statutory requirements**

If any insured **machinery** 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** as specified in the license.

**2. Inspection**

**We** or **our** authorised representatives have the right to make inspections of **machinery** at any reasonable time and frequency. 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** 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 days of receiving the direction, **we** may refuse to pay or may reduce the amount of a claim to the extent additional costs are incurred as a result and cancel **your policy** (to the extent permitted by law).

**4. One breakdown**

If either:

a. a **breakdown** of **machinery** causes the breakdown of other **property insured**; 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 **sum insured** and any other **limit** or sub-limit in this **section**.

# Electronic Equipment Breakdown

## About this Section

This **section** covers the **breakdown** of **electronic equipment** shown as insured in the **schedule** at **your premises**.

## Definitions

Some words have special meaning wherever they appear in this **section**. These words and their meanings are listed below. Wherever they appear in this **section** they are shown in bold. The singular shall include the plural and vice versa.

| Term | Definition |
|---|---|
| **Breakdown** | **Breakdown** means the actual breaking, seizing, deformation or melting of any part of the **electronic equipment** while that **electronic equipment** is in use that is caused by mechanical, electrical or electronic defect within the **electronic equipment** and that causes sudden malfunction that requires repair or replacement before the **electronic equipment** can resume normal operations. |
| **Computer equipment** | **Computer equipment** means a 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.<br>Computer equipment does not include software. |
| **Electronic equipment** | **Electronic equipment** means any of the following equipment listed as specified electronic equipment in the **schedule** provided it is owned, leased, operated or controlled by **you** and used in **your business**:<br>a. any electronic machine, device or instrument used for research, diagnosis or medical treatment;<br>b. telecommunication transmission and receiving equipment;<br>c. lighting facilities, audio visual, amplification and surveillance equipment;<br>d. office machines owned by **you** or for which **you** are legally responsible; and<br>e. computer equipment. |

| Term | Definition |
|---|---|
| **Expendable items** | **Expendable items** mean:<br>a. electrical and electronic glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements; and<br>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** | **Hazardous substance** means:<br>a. any pollutant, contaminant or other substance declared by a **government authority** to be hazardous to health or the environment; or<br>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. |

## What you are covered for

Provided "Electronic Equipment Breakdown" is shown as taken in the **schedule we** will cover **you** for:

a. breakdown of **electronic equipment** shown in the **schedule** which occurs at the premises; and

b. direct physical loss of or physical damage to other **property insured** as a result of that **breakdown**,

provided that the **breakdown** of **electronic equipment** occurs during the **period of insurance**.

## How we settle your claim

If **we** agree to pay a claim for **breakdown** of **electronic equipment we** will at **our** option (acting reasonably) 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 **electronic equipment** which is greater than the cost of repairing or replacing the entire piece of such **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. **We** will extend this period to the extent that **we** caused or contributed to the delay.

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 **sum insured** as shown in the **schedule**.

1. In the event of **breakdown, we** will at **our** option (acting reasonably) pay to **you**, up to the **sum insured** 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. changes for overtime work on public holidays where necessarily and reasonably incurred;

    d. freight within **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**; and

    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 **sum insured**.

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 **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.**

3. 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**, settlement will be as follows:

    a. 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

    b. the sum insured for the electronic equipment.

4. Where **we** are not able to replace the **electronic equipment** exactly (for example, if exact **electronic equipment** is no longer manufactured), **we** will replace in a reasonable manner, up to the **sum insured**.

5. Where components 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.

## Excess

The **excess** that applies is shown in the **schedule.**

## Limitations of cover

**1. Depreciation**

If **we** decided 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 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.

**2. Excess**

**You** must pay the amount of any **excess** shown in the **schedule** for each claim **you** make.

## Additional benefits

If **we** agree to pay a claim under this **section** for **breakdown** of **electronic equipment**, **we** will also pay or provide the additional benefits set out below.

Any amounts payable under these additional benefits apply in addition to the **sum insured**.

**1. Hazardous Substances**

If a **hazardous substance** is involved in or released by a **breakdown** of the **electronic equipment we** cover **you** for the increase in cost to repair, replace, clean up or dispose of, damaged **property insured**.

**You** will not pay more than $25,000 for each claim under this additional benefit.

**2. Inflation protection**

The **sum insured** on items of **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 **electronic equipment**. Provided that where the **sum insured** is exhausted, **we** will pay an additional amount of up to $5,000 in respect of this additional benefit.

**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 equipment breakdown **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 **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 the electronic equipment breakdown **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 no greater than that of reinstatement in its original form.

**We** will not pay more than $15,000 for each claim under this additional benefit.

### 5. Computers – increased costs

**We** will insure **you** for the increased costs which **you** incur following the **breakdown** of **computer equipment** which **we** have agreed to pay a claim for under the electronic equipment breakdown **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 the electronic equipment breakdown **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 the electronic equipment breakdown **section**; and

c. **We** agree 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**; and

g. the cost of reinstating the **electronic data** contained on the **media**.

If **we** agree to pay a claim, **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 not pay more than $15,000 for each claim under this additional benefit.

## Extra cover

### 1. Additional Items

If **you** hire or purchase and commission at **your premises** any items similar to items already insured under this **section**, **we** will consider these items to be added to the insurance by this **section**, giving the same cover as for similar items already insured.

Provided that:

a. cover for additional items shall not exceed the total **sum insured** for the items already insured under this **section**;

b. **you** give **us** written notice within 90 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; and

e. the **limits** and **excess** as shown in the **schedule** shall be the same as for similar items already insured.

**2. Electronic equipment away from the premises**

The cover under this electronic equipment breakdown **section** is extended to include:

a. loss or damage occurring during the **period of insurance** to laptop computers, notebooks, or mobile **electronic equipment** away from the **premises**; and

b. **breakdown** of **your** laptop computers, notebooks, or mobile **electronic equipment** anywhere in **Australia** provided that the laptop computers, notebooks, or mobile **electronic equipment** are specified in the **schedule** under the **section**.

## Exclusions

**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:

   a. wear and tear due to normal operation;

   b. wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation;

   c. damage to a safety or protective device caused by its own operation;

   d. the chipping or scratching of painted or polished surfaces; or

   e. slowly developing deformation or distortion.

3. the cost of:

   a. carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;

   b. alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or at a separate operation;

   c. modification or alteration of insured plant to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);

   d. replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting;

   e. repair of scratches, chipping or discolouration to painted or polished surfaces, unless resulting from insured damage;

   f. repair of a slowly developing deformation, distortion or fatigue of any part;

g. repair of blisters, laminations, flaws or grooving even when accompanied by leakage;

h. repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking;

i. repairs to shaft keys requiring tightening, fitting or renewal; or

j. damage caused by the movement of foundations, masonry or brick work unless it results from **breakdown** of any **electronic equipment** or any part of **electronic equipment**.

4. **breakdown** of **electronic equipment** which **you** knew or reasonably should have known to be defective before the **breakdown** occurred.

5. any **consequential loss** or loss of use of any kind.

6. loss or damage caused by or arising out of:

   a. earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption;

   b. cyclone, storm, hail, lightning, thunder, wind, rainwater;

   c. **flood**;

   d. the sea, including tidal wave, tsunami, storm surge or high-water;

   e. fire, smoke or soot;

   f. water seeping or percolating the **building** from outside;

   g. water, liquids or substances discharged or other means used to extinguish a fire; or

   h. vandalism or malicious damage.

7. **breakdown**, loss or damage caused by explosion.

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 an exclusion contained therein or 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 **electronic equipment** 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. breakdown of electronic equipment which is useless or obsolete to your business.
18. loss or damage caused by or arising out of pollution, contamination or a **hazardous substance**, however caused, except as provided for in additional benefit (1) **hazardous substances**.

## Specific conditions

**1. Adherence to statutory requirements**

If any insured 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 electronic equipment as specified in the license.**

**2. Inspection**

**We** or **our** authorised representatives have the right to make inspections of **electronic equipment** at any reasonable time and frequency. 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 **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 days of receiving the direction, **we** may refuse to pay or may reduce the amount of a claim to the extent that additional costs are incurred as a result and cancel **your policy** (to the extent permitted by law).

**4. One breakdown**

If either:

a. a **breakdown** of **electronic equipment** causes the breakdown of other **property insured**; 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 **sum insured** and any other **limit** or sub-limit in this **section**.

# Tax Audit

## About this section

This **section** covers the professional fees incurred by **you** in connection with an audit or investigation of **your business** tax affairs by a federal or state Commissioner of Taxation.

## Definitions

The following word has the following meaning for this **section** only. Wherever it appears in this **section** it is shown in bold. The singular shall include the plural and vice versa.

| Term | Definition |
|---|---|
| **Costs** | **Costs**: means professional fees paid to accountants or registered tax agents who are not **your employees**, for work undertaken in connection with the audit or investigation. |

## What you are covered for

Provided "Tax Audit" is shown as taken in the **schedule**, **we** will cover **you** for the reasonable and necessary tax audit **costs** you incur provided that **you** receive notification of an audit or investigation by any federal or state taxation authority during the **period of insurance**.

## How we settle your claim

**We** will cover the reasonable and necessary **costs you** incur following notification received during the **period of insurance** of an audit or investigation by any federal or state taxation authority relating to **your** liability to pay income tax, fringe benefits tax, capital gains tax, wholesale and sales tax, payroll tax, goods and services tax or superannuation contributions tax in respect of **your business** up to the **sum insured** specified in the **schedule** for this **section**.

## Excess

The **excess** payable for this **section** is shown in the **schedule** and applies to each and every claim made under this **section.**

## Exclusions

**We** will not be liable under this **section:**

1. for the imposition of any tax, fines, penalties, court costs, penalty tax or interest.
2. for **costs** incurred after completion of the audit or investigation.
3. where any proceedings were initiated, threatened, or started prior to the commencement of the **period of insurance**.

4. for **costs** arising from **your** improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by any federal or state taxation authority for the production of documents or the supply of information. Refusal or failure to comply will not be deemed improper, unwarranted or unjustified if **you** refuse or fail to comply upon the advice of **your** accountant or tax agent.
5. for **costs** from audits or investigations under customs legislation.
6. for **costs** from audits or investigations of income received or earned, or where the source of income is, outside **Australia** or where the services giving rise to the claim are performed by persons or entities ordinarily resident outside **Australia**.
7. for **costs** arising out of or relating to any fraud or fraudulent act or omission committed by **you** or on **your** behalf.
8. for **costs** arising from or relating to audits or investigations which result in **you**, or any person acting on **your** behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to any federal or state taxation authority and failing to notify the taxation authority without delay.

## Conditions applicable to this section

These conditions apply to this **section.**

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

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

In the event of a claim arising:

1. **You** must at all times keep **BZI** fully and continually informed of all material developments in relation to the claim and in relation to any audit;
2. **You** must take all necessary and reasonable steps to minimise any delays and the amount of any **costs** incurred or likely to be incurred in connection with any audit;
3. **BZI** or its duly appointed agent may make their own investigation into any matter which is or may be the subject of a claim. During this investigation, **we** may require cooperation from **your** accountants, registered tax agent and/or solicitor where necessary, to assist **us** in relation to any claim and any matter **we** wish to pursue with the taxation authority which is or may be the subject of a claim; and
4. If **we** pay an amount for a claim under this **section,** we will automatically reinstate the **sum insured** to the amount shown in the **schedule**. **You** will not have to pay any additional premium.

# Employee Dishonesty

## About this section

This **section** covers the theft of **your money**, **contents** or **stock** by any of **your employees** either acting alone or in collusion with any others.

## Definitions

The following word has the following meaning for this **section** only. Wherever it appears in this **section** it is shown in bold. The singular shall include the plural and vice versa.

| Term | Definition |
|---|---|
| **Money** | **Money**: means **money** as defined in "General Definitions" and includes (for the purposes of this section only) funds held in electronic form in a bank account. |

## What you are covered for

If 'Employee Dishonesty' is shown as taken in the **schedule**, then subject to the provisions of the **policy we** will pay **you** for loss of **money**, **contents** or **stock** as a result of any act of theft, fraud or dishonesty by any of **your employees**, either acting alone or in collusion with others, provided that the loss occurs during the **period of insurance**.

## How we settle your claim

**We** will, following collaboration with **you**:

a. in the case of loss of **money**, pay **you** the amount of lost **money**; and

b. in the case of loss of **contents** or **stock**, replace lost **contents** or **stock** or pay the **market value** of the **contents** or **stock**.

The maximum amount **we** will pay for all claims during the **period of insurance** is the **sum insured** specified in the **schedule** for this **section**.

## Excess

The **excess** payable for this **section** is shown in the **schedule** and applies to each and every claim made under this **section.**

## Additional benefits

Subject to the provisions of the **policy**, **we** will also provide the following additional benefits in this **section.**

Unless stated otherwise below, any amounts payable under these additional benefits do not apply in addition to the **sum insured**.

**1. Unidentified employees**

If a loss is alleged to have occurred as the result of the fraud or dishonesty of any one or more of **your employees** and **you** are unable to positively identify them, **we** will pay for the loss provided that **you** are able to provide evidence at **your** expense that the loss was due to the fraud or dishonesty of one or more **employees**.

**2. Retroactive cover**

The insurance provided under this **section** also applies to any loss by fraud or dishonesty committed during the currency of any previous policy provided that:

a. the discovery period in such previous policy has expired;

b. the fraud or dishonesty is discovered within:

   i. the **period of insurance** for the **policy**; or

   ii. 12 months of the termination of the **policy** or 12 months after termination of the employment of the **employee** concerned, whichever shall first occur;

c. the cover **we** provide will fall within and not be in addition to the **sum insured** for **employee** dishonesty shown in the **schedule**; and

d. We shall not be liable for any loss arising from an act of fraud or dishonesty committed more than 12 months before the inception of cover provided under this **section** of the **policy**.

**3. Welfare, social or sporting club cover**

The term '**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.

## Exclusions applicable to this section

In addition to the General policy exclusions applicable to all sections, this **section** does not cover the following matters.

**We** will not pay for any loss of **money**, **contents** or **stock**:

1. resulting from any further act of fraud or dishonesty after **you** first discover that the **employee** has previously engaged in provable dishonest conduct or has previous convictions for dishonest acts.

2. if the only proof of loss is shortage revealed by accounting records or inventory stock-take.

3. If the loss was discovered more than 12 months after the **period of insurance** has expired or more than 12 months after the termination of employment of the **employee** concerned.

4. that is not reported to **us** within 21 days of the discovery of any act of fraud or dishonesty on the part of any **employee** or any other matter in respect of which a claim may arise.
5. beyond the **sum insured** stated in the **schedule** for this **section** in respect of a series of related, continuous or repeated acts of fraud or dishonesty (whether by any one **employee** or any number of **employees** in collusion) even if the dishonest conduct continued during more than one **period of insurance**.

# Transit

## About this section

This **section** covers loss of or damage to goods belonging to **you** or for which **you** are legally responsible whilst in **transit** within **Australia**.

## Definitions

The following words have the following meanings in this **section** only. Wherever they appear in this **section** they are shown in bold. The singular shall include the plural and vice versa.

| Term | Definition |
|---|---|
| **Accident** | **Accident** means any event which results in physical loss of or damage to **property insured** which is unintended and unexpected or could not reasonably have been intended or expected by a person who has actual knowledge of the means of transportation of the **property insured**. |
| **Conveyance** | **Conveyance** means the **vehicle, aircraft**, vessel or train by which **your** goods are transported. |
| **General Average** | **General average** arises whenever an extraordinary sacrifice or expenditure is voluntarily and reasonably made or incurred in time of peril for the purpose of preserving goods at risk in a sea voyage. |
| **Transit** | **Transit** commences when the **property insured** are first moved in the warehouse or place of storage for the purpose of immediate loading onto the carrying **vehicle** or other conveyance for the commencement of transit, continues during the ordinary course of transit and terminates on delivery to any other warehouse or place of storage. |

## What you are covered for

If "Transit" is shown as taken in the **schedule**, then subject to the provisions of the **policy**, **we** will pay **you** for loss of or damage to **your property insured** occurring during the **period of insurance** whilst in **transit** within **Australia** caused by:

1. any **accident**; or
2. the deliberate act of a third party.

**We** will also pay the **general average** and/or salvage contribution that **you** are required to pay if **your** goods are being transported by sea between Australian ports and a **general average** is declared. **We** ensure **your** proportion of the **general average** and/or salvage contribution irrespective of the amount insured being less than the contributory value, subject always to the **sum insured** stated in the **schedule**.

In the event of a **general average** contribution arising under this **section**, contact **us** before signing any **general average** bond.

## How we settle your claim

In the event of loss of or damage to **property insured** covered under this **section**, the following basis of settlement will apply:

a. for **property insured** sold, **your** invoice value plus freight;

b. for **property insured** purchased, the purchase price shown on the invoice;

c. for other **property insured**, **market value** at the time of the loss plus freight if applicable.

The maximum **we** will pay for all loss or damage arising under this **section** during the **period of insurance** or for all loss or damage arising out of any one **event** is the **sum insured** for '**transit**'.

## Excess

The **excess** payable for this **section** is shown in the **schedule**.

## Extra covers

This **section** is extended to include the following extra covers.

Any amounts payable under these extra covers apply in addition to the **sum insured**.

**1. Onforwarding Costs**

Where, due to an **event** covered by this **section**, the **transit** is terminated short of the intended destination **we** will cover all reasonable costs incurred in transferring, storing and forwarding the goods to the original destination within **Australia**.

This extension does not include costs incurred arising from **your** insolvency or financial default.

The maximum **we** will pay under this extra cover is $25,000 for any one **event**.

**2. Removal of Debris**

This **section** covers all reasonable costs and expenses incurred in unloading, removing and disposing of damaged goods and clean-up of the accident site caused by an **event** insured under this **section.**

The maximum **we** pay under this extra cover is $25,000 for any one **event**.

## Exclusions applicable to this section

In addition to the General policy exclusions applicable to all sections, this **section** does not cover the following matters.
**We** will not pay for loss or damage to the following property:

1. **money**, credit cards or negotiable documents;
2. livestock;
3. explosives, petroleum products in bulk or gas in bulk;
4. jewellery, watches, furs, antiques, paintings, works of art, precious/semi-precious metals or precious/semi-precious stones or articles composed of any of them;
5. personal property of directors, partners and **employees** of **your business**.

**We** will not pay for any loss of or damage to **property insured** if the loss or damage is caused by electronic or mechanical derangement unless there is visible external physical damage which occurred during **transit** caused by an insured **event**.

**We** will also not pay for:

1. costs or expenses resulting from any delay, loss of market, depreciation or deterioration of **stock** or any **consequential loss** resulting from any loss of or damage to **property insured**;
2. any loss from an unattended **vehicle** left overnight unless within securely locked premises;
3. any loss caused by **your** wilful act or the wilful act committed by someone with **your** knowledge or connivance;
4. any loss caused by loss of ordinary weight or volume, ordinary leakage or ordinary wear and tear of the **property insured**;
5. caused by inherent vice or nature of the **property insured**;
6. arising from the insolvency or financial default of the carrier, unless these circumstances were outside **your** control and **you** could not reasonably be expected to have knowledge of it in the normal course of **your business**.

## Limitations on cover applicable to this section

### Benefit of Insurance and Waiver of Rights

The carrier or any other bailee cannot claim any benefit under this **section**.

**Your** rights are not prejudiced by **your** agreement with the carrier prior to **transit** exempting the carrier from liability but where any other person(s) is liable to compensate **you** for any loss or damage which is covered by this **section** but **you** have agreed before or after the loss of or damage to **insured property** has occurred not to seek recovery of any **money** from that person(s), then **we** will not provide cover under this **section** for such loss or damage or **we** may reduce **our** liability under the **policy** as permitted by law.

# FINANCIAL SERVICES GUIDE (FSG)

This Financial Services Guide (FSG) is an important document designed to help you decide whether to use the financial services offered.

It contains information about how Blue Zebra Insurance Pty Ltd, ABN 12 622 465 838, AFSL 504130 (BZI) administers the policy, arranges the policy.

## What financial services are provided?

BZI holds an Australian Financial Services Licence (AFSL) that allows BZI to provide you with general financial product advice about this Business Insurance product and to arrange this product and to provide claims handling and settling services. BZI is responsible for the provision of these services under its own AFSL.

BZI acts under a binder authority from the following insurers who are the issuers of this product:

- Chubb Insurance Australia Limited (Chubb) of Level 38, 225 George Street, Sydney NSW 2000
  (ABN 23 001 642 020, AFSL 239687);
- AIG Australia Limited (AIG) of Level 19, 2 Park Street, Sydney NSW 2000
  (ABN 93 004 727 753, AFSL 381686);
- HDI Global Specialty SE (HDI), acting through its Australian branch, HDI Global Specialty SE – Australia of Level 19, 20 Martin Place, Sydney NSW 2000
  (ABN 58 129 395 544, AFSL 458776)

This means that BZI can bind the insurers with this policy and can handle or settle claims on behalf of the insurers. BZI acts for the insurers when providing these services and not on your behalf. You can find full details of BZI and the insurers in the Introduction section on page 4 of the PDS.

Any advice given to you by BZI about SCTP Business Insurance will be of a general nature only and will not take into account your personal objectives, financial situation or needs. You need to determine whether this product meets your needs.

## How are we paid?

BZI is paid a commission by the insurer when you buy this Business Insurance policy. This commission is included in the premium that you pay and may be up to 35.5% of the premium paid excluding any government taxes and levies. BZI receives this commission from the insurers after you have paid the premium.

Commission received by BZI is used to meet our distribution expenses, which include any commission payable to your broker.

BZI may also add an agency fee to the premium that is charged. Any agency fee will be noted on your policy schedule.

BZI may also receive a share of the profit earned by the insurers if the insurers make an underwriting profit in accordance with the underwriting targets they have set. This amount is calculated and paid retrospectively only when the insurers exceed their underwriting targets in a given year.

BZI employees are paid an annual salary and may be paid a bonus based on business performance.

## Further information

For more information about remuneration or other benefits received for the financial services provided, please ask your broker or contact us using the details noted in this document within a reasonable time of receiving this FSG and before you choose to buy this product.

## Complaints

If you have a complaint about the financial services provided by BZI in relation to this product please refer to the "Complaints" section of the PDS on page 12 for details of the complaint resolution process.

## What professional indemnity insurance arrangements do we have in place?

BZI holds professional indemnity insurance covering errors and mistakes relating to the provision of financial services provided by BZI and our employees (even after they cease to be employed). BZI's policy meets the requirements of the Corporations Act 2001 (Cth).

## Who is responsible for this document?

The insurers are responsible for the PDS. BZI has authorised the distribution of this FSG.

This combined FSG and PDS was prepared on 26 October 2026. It applies to policies incepting on or after 1 January 2027.

# Blue Zebra

BZBPK_SF_PDS_270101

## Contact Details

Blue Zebra Insurance Pty Ltd
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**1300 171 535**

**info@bzi.com.au**

**bzi.com.au**

## For Claims

**www.bzi.com.au/newclaim**

**1300 253 692**

**Overseas phone: +61 1300 253 692**