

# Sportspack Property Insurance

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[sportscover.com](https://www.sportscover.com)

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# Information

## Documentation

Your Policy comprises:

- a. The Policy wording which contains the Policy Terms, Conditions and Exclusions relating to the Policy.
- b. The Policy Schedule which sets out the specific terms applicable to Your cover.

These documents should be read together.

The Policy wording and the Policy Schedule form Your legal contract with Us so please keep them in a safe place for future reference.

If You require further information about this product, please contact Your Broker or Sportscover Australia Pty Ltd at [www.sportscover.com](http://www.sportscover.com)

## Your Duty of Disclosure – The things You need to tell Us

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

### You do not have to tell Us about any matter

- that diminishes the risk
- that is of common knowledge
- that We know or should know in the ordinary course of Our Business as an insurer, or
- which We indicate We do not want to know.

### If You do not tell Us

- If You do not comply with Your Duty of Disclosure We may reduce or refuse to pay a claim or cancel Your Policy. If Your non-disclosure is Fraudulent We may also have the option of avoiding the contract from the beginning.

## Important Notices

### 1. Cover

The terms, conditions and limits of Your insurance are fully set out in the Policy and the Policy Schedule. You should satisfy Yourself that the cover provided meets Your requirements.

### 2. Claims

This Policy does not provide cover in relation to Events that occurred before the contract was entered into.

### 3. Excess

Excess or deductible is the sum of Money we will not pay in respect of a claim. This Policy and the Policy Schedule detail the deductibles which may be applicable.

### 4. "Average" / Underinsurance

The Property Insurance Covers, Fire and Perils and Business Interruption, are 'Subject to Average' whereby if the Property Insured under this Policy shall at the commencement of any Damage be collectively of greater value than such Sum Insured, then You will be liable for the difference and shall bear a rateable share of the loss accordingly.

If at the time of the Damage the Sum Insured of each applicable item is less than the total value of the Property Insured at the inception of the Period of Insurance, then Our liability for the Damage will be proportionately reduced and You will be considered to be Your own insurer for the difference.

This means that if You under declare values on the day of commencement of the Period of Insurance, You may not receive full compensation in the event of a loss occurring. Please refer to page 26 of the Policy wording for further information.

## Complaints

Whilst we will do everything possible to provide a high quality of service to you, we recognise that occasionally there may be some aspect of our service or a decision we have made, or claim we have denied that you wish to question, draw our attention to or dispute.

To assist you we have a Complaints handling process which complies with the General Insurance Code of Practice.

## Step 1:

If you have a complaint, please email us on [idr@sportscover.com](mailto:idr@sportscover.com) or contact us by telephone on

**03 8562 9100**. Please include details of your complaint so that we may address them without delay. We will endeavour to review and respond to your complaint within 15 business days.

## Step 2:

If you are not happy with our decision or the manner in which your complaint was handled, you may contact Lloyd's Underwriters' General Representative in Australia to have the complaint further reviewed:

### Lloyd's Underwriters' General Representative in Australia

**Postal Address:** Suite 2, Level 21 Angel Place  
123 Pitt Street  
Sydney NSW 2000

**Telephone Number:** (02) 9223 1433

**Facsimile Number:** (02) 9223 1466

**Email:** [idraustralia@lloyds.com](mailto:idraustralia@lloyds.com)

## Step 3:

At any point, you may contact the Financial Ombudsman's Service (FOS) to request assistance with your complaint. If after consideration by Sportscover and the Lloyd's Underwriters' General Representative in Australia you are not satisfied, FOS will review the complaint with a final determination which is binding on Sportscover.

You may contact the **Financial Ombudsman Service (FOS)** at:

**Postal address:** Financial Ombudsman Service Limited  
GPO Box 3  
Melbourne VIC 3001  
(Australia)

**Hours:** 9am - 5pm Melbourne time weekdays

**Telephone:** 1300 78 08 08 or 03 9613 7366

**Fax:** 03 9613 6399

**Email:** [info@fos.org.au](mailto:info@fos.org.au)

**Website:** [www.fos.org.au](http://www.fos.org.au)

## Policy Terms and Conditions:

### Insurer

This Policy is underwritten by Syndicate 3334 at Lloyd's (Sportscover), registered address in Australia is 271-273 Wellington Road, Mulgrave VIC 3170.

This is to certify that in accordance with the authorisation granted under contract number specified in the Schedule to Sportscover Australia Pty Ltd, Syndicate 3334 at Lloyd's have agreed to insure You, in accordance with the terms and conditions of this Policy. You or Your representative can obtain further details of Syndicate 3334 by requesting them from Us.

In accepting this insurance, We have relied on the information and statements that You have provided on the proposal form (or declaration). You should read this Policy carefully and if it is not correct contact Us.

### Our agreement with You

This Policy is a legal contract between You and Us. You pay Us the premium, and We provide You with the cover You have chosen as set out in the Policy for Events occurring during the Period of Insurance shown on Your Policy Schedule or any renewal period.

The amount of any Excess that applies to Your Policy will be shown on Your Policy Schedule.

The exclusions in the section headed "General Exclusions" and conditions in the section headed 'General Conditions' apply to this Policy.

### Other interested parties

You must tell Us of the interests of all parties (e.g. financiers, owners, lessors) who will be covered by this insurance. We will protect their interests only if You have told Us about them and We have noted them on Your Policy Schedule.

### Paying Your Premium

You must pay Your premium prior to the commencement of this Policy or by the due date. If We do not receive Your premium by this date or Your payment is dishonoured this Policy will not operate and there will be no cover.

## **Preventing Our right of recovery**

If You have agreed not to seek compensation from another person who is liable to compensate You for any Loss, Damage or liability which is covered by this Policy, We will not cover You under this Policy for that Loss, Damage or liability.

## Definitions

Wherever used in this Policy the following words have the following special meanings.

<u>Term or Word</u>	<u>General Definitions applicable throughout the Policy</u>
<b>Australia</b>	means Australia and all of its States and Territories including all external territories.
<b>Business</b>	means the Business described in the Policy Schedule including the provision and management of canteens, social, sports and welfare organisations for the benefit of Your Employees, first aid, fire and ambulance services and maintenance of Your Premises.
<b>Club Member</b>	Means any person registered as a member as per the club by-laws regardless of the category of membership.
<b>Damage</b>	means accidental physical Damage, destruction or Loss. <b>"Damaged"</b> has a corresponding meaning to Damage.
<b>Employee(s)</b>	means any person engaged under a contract of service or apprenticeship with You, but does not include any person employed under such contract who is excluded from the definition of 'worker' under any workers' compensation legislation.
<b>Endorsement</b>	means an individual Endorsement document that We give You that attaches to and forms part of Your Policy. This document varies the terms and conditions of Your Policy.
<b>Event</b>	means an event or series of events that arise from one source or original cause.
<b>Excess</b>	means the amount You first bear in relation to any cover for a claim under this Policy. <b>"Deductible"</b> has a corresponding meaning to Excess. The amount of the Excess is shown in the Policy Schedule.
<b>Glass</b>	means glass, sanitary ware and plastic material used as glass.
<b>Money</b>	means current coin, bank notes, currency notes, cheques, credit card sales and/or discount house vouchers, postal orders, money orders, unused postage and revenue stamps, and including the value of stamps contained in franking machines



<b>Occurrence</b>	means an Event which results in Damage to the Property, neither expected nor intended from Your standpoint. All Damage to Property arising out of continuous or repeated exposure to substantially the same general conditions will be construed as arising out of one Occurrence.
<b>Period of Insurance</b>	means the period referred to in the Policy Schedule or any further period for which the renewal has been agreed.
<b>Policy</b>	means this document; the Policy Schedule, the proposal, and any Endorsement(s) that together are to be considered as one document.
<b>Policy Schedule</b>	means the schedule attaching to this Policy confirming currency of the Policy or the Policy Schedule subsequently issued on renewal or variation or by way of Endorsement.
<b>Premises</b>	means the Buildings referred to in the Policy Schedule and occupied by You for the purposes of the Business.
<b>Property</b>	means any tangible Property both real or personal of every kind and description belonging to You or that You are responsible for.
<b>Sum Insured</b>	means the applicable Sum Insured specified in the Policy Schedule.
<b>Terrorism</b>	means an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.
<b>Theft</b>	means the dishonest appropriation of Property or Money belonging to You, with the intention of permanently depriving You of it.
<b>War</b>	means undeclared war, civil war, insurrection, rebellion, revolution, war-like act by military force or military personnel, destruction or seizure or use for a military purpose, and including any consequences of any of these.

**We, Our, Us**

means Sportscover Australia Pty Ltd, under an authority from the Insurer.

**You, or Your**

means the person(s) or parties shown as the Insured in the Schedule including all club/association Members and associates.

## Scope of Cover

### This part explains what You are insured against

The following Sections form part of Your Policy **only** when they are shown in the Policy Schedule.

## Fire and Perils Section

### Cover

We will pay up to the Sum Insured in accordance with the Basis of Settlement for Property shown in the Policy Schedule that is Damaged at the Premises during the Period of Insurance by any of the following Insured Perils:

### Fire and Perils means

- 1.**
  - a.** fire resulting from explosion or otherwise, but excluding spontaneous combustion, fermentation, heating or any process involving the direct application of heat. This exclusion shall be limited to the item or items immediately affected and shall not extend to other Property Damaged as a result of such spontaneous combustion, fermentation, heating or any process involving the direct application of heat;
  - b.** lightning or thunderbolt; or
  - c.** attempts by civil authorities to prevent the spread of fire.
- 2.** Aircraft or other aerial devices or articles dropped therefrom or sonic boom;
- 3.** Earthquake, subterranean fire, volcanic eruption provided that We will not pay or contribute an amount equal to 1% of the Total Sum Insured of the Property at all the Premises or \$20,000 which ever is the lesser;
- 4.** Storm, tempest, rainwater, snow, sleet, wind, hail but not:
  - a.** by water from or action of the sea, tsunami, tidal wave, storm surge, high water, Flood;
  - b.** to gates, fences, retaining walls, shade-cloth, exterior textile awnings or blinds;
  - c.** to Property in the open air unless such Property is a permanent structure designed to function without the protection of walls or roof;
  - d.** erosion, subsidence, landslide, collapse or any other movement of earth;
  - e.** from water seeping, percolating or otherwise penetrating into the Building(s) as a result of structural defects, faulty design or faulty workmanship in the construction; or

- f. caused by water entering Building(s) through an opening in the wall or roof made for the purpose of alterations, additions, renovations, or repairs.
5. water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other systems.
  6. riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances or whereby Damage occurs as a result of vandalism by persons not being tenants (including Damage or destruction to Property caused by Theft or any attempt thereat) or any lawfully constituted authority in connection with the foregoing acts but not by:
    - a. cessation of work whether total or partial;
    - b. cessation, interruption, or retarding, of any process or operation as a direct result of strikes, labour disturbances or locked out workers; or
  7. explosion, but not Damage to boilers (other than boilers used for domestic purposes only), economisers, vessels under pressure or their Contents resulting from their own explosion;
  8. impact by:
    - a. vehicles designed primarily for use on land;
    - b. animals, but not Damage by eating, chewing, clawing or pecking of animals or birds;
    - c. trees or branches of trees. This peril includes the reasonable costs associated with the removal and disposal of the tree or branches which caused the Damage. But excludes Damage caused by felling or lopping of trees either by You or by someone acting with Your permission; or
    - d. communication masts, towers, antennae or satellite dishes.

## Basis of Settlement

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

1. a. Business Records

For Damage to Business Records; books, plans, computer print outs, patterns, and other Business records, the cost of repairing, replacing, reproducing or restoring same, including information contained therein or thereon, but excluding the value to You of the said information; or, if repair, replacement, reproduction or restoration is not carried out with reasonable dispatch, the Replacement Cost of materials as blank stationery at the time and place of the Damage.

- b. All other Property that is Damaged

For all other Property that is Damaged We will pay for the cost of Reinstatement.

## **2. Rebuilding at another location**

Following Damage to a Building under this Fire and Perils Section You have the option of rebuilding that Building at the location where the Damage happened or at any other location in Australia. Provided that:

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

## **Limitations of Cover**

### **1. Categories of Property**

We will only pay for Property at specific Premises that can be correctly designated to one of the Categories of Property shown in the Policy Schedule for that Premises.

### **2. Sum Insured**

- a.** For each specific Category of Property at a specific Premises We will only pay up to the Sum Insured shown for that Category of Property at that Premises; and
- b.** For each specific Premises where Damage happens, the Sum Insured for each Category of Property that suffers Damage will be reduced by any payment made or due to be made by Us following Damage covered by this Fire and Perils Section.

### **3. Total Sum Insured**

- a.** We will not pay more than the Total Sum Insured that applies to the specific Premises where the Damage happens; and
- b.** The Total Sum Insured will be reduced by any payment made or due to be made by Us following Damage covered by this Fire and Perils Section.

### **4. Cash Settlement**

If You request a cash settlement or if Reinstatement is not carried out, We will only pay the lesser of:

- a.** amount calculated by applying the Depreciation Factor to the cost of Reinstatement; or

- b. the Pre Damage Value less the Damaged Value.

## 5. "Average" / Under Insurance

For each specific Category of Property at a specific Premises if the Sum Insured at the start of the Period of Insurance is less than 85% of the Replacement Cost of all Property located at that Premises that can be designated to that Category, then when there is a claim for Property that can be designated to that Category which exceeds 5% of that Sum Insured, We will pay that proportion of the cost of Reinstatement that the Sum Insured bears to 85% of the Replacement Cost of all Property at that Premises that can be designated to that Category.

Provided that any additional costs incurred when You comply with the requirements of any lawful authority (as described in Extensions of Cover A, 1. Extra Cost of Reinstatement) will be omitted from the calculation of the Replacement Cost.

Average / Underinsurance puts You in a position where You proportionally share losses.

The effect of these Average / Underinsurance clauses can be shown by using the following formula:

### For the Fire and Perils Section:

$$\begin{array}{c} \boxed{\text{Your declaration of value}} \quad \div \quad \boxed{\text{85\% of actual value at the Situation}} \quad \times \quad \boxed{\text{amount of loss}} \\ \\ = \quad \boxed{\text{Amount payable by Us (not exceeding the Sums Insured)}} \end{array}$$

Under the Fire and Perils Section this formula is not applied if:

- a. The Sum Insured is 85% or more of the actual value.
- b. The Claim is less than 5% of Your declared value.

Please contact Us if You would like more precise details of:

- a. How Average/Underinsurance might affect You.
- b. How to calculate declared replacement values.

## 6. Directors and Employees Property

Cover for Damage to the personal Property of directors, partners and employees, of Your Business is limited to \$2000 any one person or \$10,000 in the aggregated for any one Loss.

## **7. Excess**

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

## **Exclusions**

Unless shown in the Policy Schedule, We will not pay for Damage to:

- a.** furs, jewellery, gold, silver, platinum, pearls, diamonds, sapphires, rubies and other precious stones unless these items are Stock and Stock is shown in the Policy Schedule as insured;
- b.** Money;
- c.** Glass;
- d.** Property in transit outside the Premises other than Property that is covered by Extensions of Cover C, 1. Restricted Transit;
- e.** aircraft, locomotives, rolling stock and all watercraft whilst in water and watercraft that are not Stock;
- f.** registered motor vehicles including but not limited to motor cycles, caravans and trailers;
- g.** animals;
- h.** bridges, docks, jetties, piers, roadways, tunnels and wharves;
- i.** canals, dams, reservoirs, other than tanks and their Contents;
- j.** standing timber, growing crops, plants, land including top soil and fill, landscaping, gardens and pastures;
- k.** Property being constructed, built, erected, altered or dismantled, including all associated materials or supplies; provided that this Exclusion (k) does not apply to:
  - (i)** such Property if the total value of work is less than \$250,000 and it is also less than 20% of the Sum Insured shown for Buildings at the Premises concerned; and
  - (ii)** that portion of the Building or part of any Property that is not directly affected by such work;
- l.** mining Property and any equipment located beneath the surface of the ground;
- m.** Property while it is undergoing any process where Damage results from its being processed;
- n.** landlords fixtures and fittings unless these are included as part of the Sum Insured for Buildings; or

- o. Property awaiting or undergoing demolition and this Exclusion shall apply to all Contents, fittings, Plant and Machinery associated with such Property (regardless of the fact these items were intended to be removed prior to demolition).

## Optional Limitation of Cover

### Indemnity

If Indemnity is shown in the Policy Schedule then:

**1. The following Basis of Settlement will apply instead of that shown previously:**

Basis of Settlement – Indemnity

When Property is Damaged at a Premises during the Period of Insurance We will pay the cost to repair or replace that Property less an equitable amount for age, wear, tear, depreciation, and remaining useful life of that Property as well as the useful life of the individual items or components that are Damaged;

and

**2. Limitations of Cover 5. "Average" / Under-insurance is replaced with the following clause:**

"Average" / Under Insurance on an Indemnity Basis

For each specific Category of Property at specific Premises if the Sum Insured at the start of the Period of Insurance is less than 85% of the current value of all Property located at that Premises that can be designated to that Category then:

When there is a claim, for Property that can be designated to that Category which exceeds 5% of that Sum Insured, We will pay that proportion of the value of the claim that the Sum Insured bears to 85% of the current value of all Property at that Premises that can be designated to that Category.

Provided that:

- a. the value of the claim will be calculated first in accordance with the basis of settlement; and
- b. the only extensions of cover that shall apply is Extensions of Cover C, **7. Minimisation of Damage**



## Extensions of Cover A – Included within the Total Sum Insured for each Premises

When Property at a specific Premises is Damaged by an Insured Peril, then provided that We do not pay more in the aggregate than the Total Sum Insured for that Premises We will pay for the following costs that are incurred as a result of that Damage:

### 1. Extra Cost of Reinstatement

- a. The additional costs incurred by You in complying with the requirements of any lawful authority that are imposed after the Damage but limited to costs directly relating to that portion of the Building actually Damaged; or
- b. If the Reinstatement cost of the Damaged Building is more than 50% of the Replacement Cost of the whole Building then We will pay the additional costs incurred by You in complying with statutory regulations that are imposed after the Damage for both the Damaged and undamaged portion of the Building.

Provided that We will not pay for any costs that would have been incurred when complying with statutory regulations that applied to the Property or Premises prior to the Damage.

These additional costs can be omitted from the calculation of the Replacement Cost of Property, as required in paragraph 5 Under-Insurance of the Limitation of Cover.

### 2. Temporary Repairs

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

### 3. Demolition and Debris Removal

Up to \$100,000 for the reasonable costs incurred by You for:

- a. the demolition and removal of Property that is Damaged;
- b. the demolition of any Property that is necessary to allow Reinstatement of Property that has been Damaged; and
- c. the cleaning up, removing, storing and disposing of Damaged Property at or from:
  - (i) the Premises; and
  - (ii) any other location that You are legally required to remove debris from or clean up, provided that You do not own Property at this other location and Your liability did not result from an agreement made after the start of the Period of Insurance unless this liability would have existed anyway.

Provided that We will not pay more than 20% of the Total Sum Insured for the Premises

where the Damage happened.

#### **4. Loss of Land Value**

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

Provided that:

- a. this shall be calculated by subtracting the land value after rebuilding or after We have agreed that rebuilding is not possible from the land value before the Damage;  
  
and
- b. We will not pay more than 10% of the Sum Insured shown for Buildings at the Premises where the Damaged happened.

#### **5. Floor Space Ratio or Index**

When the cost of rebuilding a Building that is Damaged costs more than 50% of the Replacement Cost of the entire Building, and rebuilding is only permissible subject to a reduced floor space to land area ratio or index, then We will also pay the cost of rebuilding that would have been incurred had a reduced floor space ratio or index not been applicable, less the actual incurred cost of rebuilding in accordance with the reduced floor space ratio or index, including the additional costs incurred to meet the requirements of any lawful authority as described in Extensions of Cover A, 1.Extra Cost of Reinstatement.

#### **6. Fees and Costs**

Fees and costs such as but not limited to architects, engineers and other consultants fees necessarily incurred in Reinstatement of Property that is Damaged.

### **Extensions of Cover B – In addition to the Total Sum Insured for each Premises**

Following Damage covered by this Cover Section to Property at a specific Premises, We will pay in addition to the Total Sum Insured for that Premises the following costs that result from the cause of the Damage

#### **1. Fire Fighting Costs**

The costs of refilling fire fighting appliances and any additional cost incurred by You in putting out a fire that causes Damage.

Provided that the wages of any full time members of Your fire brigade are not covered by this extension and this cover is limited to \$25,000 during the Period of Insurance.

#### **2. Exploratory Costs**

The reasonable cost incurred by You to find the source of a leak when liquids have caused Damage to Property.

Provided that this cover:

- a. is limited to \$25,000 during the Period of Insurance; and
- b. does not apply to the cost of locating the source of molten material.

### **3. Temporary Protection and Watchmen**

The reasonable cost incurred by You to protect the Property including the cost of temporary repairs and the hiring of watchmen.

Provided that this cover is limited to \$25,000 during the Period of Insurance.

### **4. Capital Additions**

Reasonable costs incurred by You up to \$100,000 in the aggregate during the Period of Insurance for the Reinstatement of:

- a. alterations to Buildings; and
- b. other capital additions; that have been made at a specific Premises during the Period of Insurance.

Provided that this cover does not apply to:

- a. Property that cannot be correctly designated to a Category that has a Sum Insured shown in the Policy Schedule for that Premises;
- b. Property that can be categorised as Stock; and
- c. costs that during the Period of Insurance are in the aggregate greater than 20% of the Sum Insured for Buildings at the Premises.

## **Extensions of Cover C**

### **1. Restricted Transit**

We will cover each Category of Property shown in the Policy Schedule for Damage during transit within Australia that is caused by fire, explosion, wind, earthquake and malicious persons.

Provided that the most We will pay under this additional cover is the lesser of \$25,000 or 10% of the Category Sum Insured.

### **2. New Premises – Temporary Cover**

We will temporarily extend the cover provided by this Cover Section to Property at any new

Premises that is used by Your Business for the first time during the Period of Insurance.

Provided that:

- a. this temporary cover is limited to a period of 14 consecutive days from the day that You first use the new Premises;
- b. this temporary cover is not available to Property that cannot be correctly designated to one of the Categories of Property that has a Sum Insured;
- c. this temporary cover is only available to Property that is of a similar type to that insured by this Cover Section;
- d. for each specific Category of Property shown in the Policy Schedule this temporary cover is limited to 50% of the Sum Insured for that Category, or if more than one Premises is shown in the Policy Schedule then this 50% limitation will apply to the lowest Sum Insured that applies to a specific Category of Property;
- e. the new Premises has Buildings, fire protection and security features that are similar to those at one of the Premises (shown in the Policy Schedule); and
- f. You provided Us with full details of the new Premises within 14 days of You first using the new Premises.

### **3. Automatic Reinstatement**

At each Premises when a Category Sum Insured and a Total Sum Insured is reduced following Damage covered by this Cover Section We will automatically increase these reduced amounts to their value immediately before the Damage, Provided that You pay or agree to pay the additional premium required by Us

### **4. Disposal of Salvage**

We will not sell or dispose of any salvage with out giving You the opportunity to buy it at its salvage value, but this extension does not allow You to abandon Property to Us

### **5. Other Parties/Waiver of Subrogation**

We will extend cover to include all other parties that have an insurable interest in the Property who You told Us about including lessors, financiers, trustees, mortgagees, owners and others are specifically noted in Your records; and

We waive any rights and remedies or relief that We are entitled to by way of subrogation against any of these parties.

### **6. Temporary Removal to Other Premises**

We will extend the cover provided by this Cover Section to Property while it is temporarily removed from a Premises shown in the Policy Schedule to some other Premises in Australia.

Provided that:

- a. this extension of cover is not provided to Property in transit;
- b. this extension of cover is only available to Property that can be correctly designated to a Category that has a Sum Insured shown for the Premises at which this Property is normally located; and
- c. the most We will pay under this additional cover is the lesser of \$100,000 or 10% of the Sum Insured for the Category of Property that applies to this Property at the Premises at which the Property is normally located.

## **7. Minimisation of Damage**

We will pay for the reasonable cost of removing Property from the Premises and any Damage resulting from the removal if the Premises are threatened by fire or any other perils insured by any Cover Section of Your Policy provided that the purpose of the removal was to prevent or minimise Damage.

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

If shown in the Policy Schedule the following extensions shall apply:

### **1. Transit – Fire / Collision / Overturning**

When transit is shown in the Policy Schedule We will provide cover for Damage to Property in a vehicle owned by You or operated by You while in transit within Australia that is caused by fire, collision of the vehicle or overturning of this vehicle.

Provided that this cover is limited to the Sum Insured shown for transit

### **2. Flood**

When Flood is shown in the Policy Schedule, We will provide cover for Damage to Property caused by Flood.

Provided that this cover is limited to the Sum Insured shown for Flood.

### **3. Accidental Damage**

When accidental Damage is shown in the Policy Schedule, cover is extended to include accidental Damage of Property not otherwise excluded by this cover Section at the Premises or while temporarily at any other Premises in Australia.

Provided that this cover is limited to the Sum Insured shown for accidental Damage and is subject to the following Exclusions:

## Accidental Damage Exclusions

- a. We will not pay for breakage of Glass.
- b. We will not pay for Property while it is undergoing any process where Damage results from it being processed.
- c. We will not pay for any Property awaiting or undergoing demolition and this Exclusion shall apply to all Contents, fittings, Plant and Machinery associated with such Property (regardless of the fact these items were intended to be removed prior to demolition).
- d. We will not pay for Damage caused by or arising from:
  - (i) Theft, other than physical Damage to Property at the Premises during Theft or any attempted Theft;
  - (ii) any legal liability that You have other than the legal liability that is covered within the Demolition and Debris Removal clause 3.(c)(ii) that is shown under the Heading Extensions of Cover - A ;
  - (iii) the incorrect siting of Buildings as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any statutory regulations;
  - (iv) demolition ordered by any lawful authority as a result of failure by You to comply with any lawful requirement;
  - (v) any unexplained shortage or inventory shortage or disappearance of Property;
  - (vi) Pollution or Contamination of Property except when caused directly by fire, lightning, explosion, impact by aircraft or other aerial devices or articles dropped from them, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing and discharging of water tanks, apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal;
  - (vii) Flood;
  - (viii) storm, rainwater, wind, hail or snow; provided that this is limited to Damage to retaining walls or to Property in the open unless such Property forms part of a permanent structure designed to function without the protection of walls or roof ;
  - (ix) the action of the sea, tidal wave or high water unless caused by or arising from tsunami;
  - (x) erosion, landslide, subsidence, settling, seepage, shrinkage or expansion of earth, vibration or earth movement other than earthquake, subterranean fire or volcanic eruption.
- e. We will not pay for consequential Loss of any kind.

- f.** We will not pay for Damage caused directly by or arising directly from:
- (i)** Breakdown;
  - (ii)** gradually operating causes such as but not limited to wear and tear, mildew corrosion, disease, oxidisation, fading, tree roots, evaporation, change in flavour, colour, temperature or texture;
  - (iii)** vermin, insects, termites, scratching, denting, chipping or defacing;
  - (iv)** latent defect, inherent defects, faulty workmanship, faulty material, structural defects or faulty design;
  - (v)** the cessation, interruption or retarding of any process or operation either totally or partially
  - (vi)** Fraud or dishonesty by You or Your directors, partners, Employees, officers or any other persons who have an interest in the Property;
  - (vii)** deliberate and unauthorised corruption, amendment or erasure of data by You or Your directors, partners, Employees, officers or any other person who has an interest in the Property whether acting alone or in collusion with any other person;
  - (viii)** the gaining of access by any person other than You or Your directors, partners, Employees, officers or any other person who has an interest in the Property to Your computer via any communication system that is used by Your computer system;
  - (ix)** the operation or presence of any computer program that alters or erases data or programs in a manner that is undesired by You; or
  - (x)** explosion or implosion of any pressure vessels (including any boilers) that legally require to be tested, inspected or certified.

## Special Condition

Sprinkler / Alarm Installation

If You are responsible for any:

- 1.** fire sprinkler equipment; or
- 2.** fire or smoke detection equipment;

located at the Premises, then We will not pay for any Damage caused by fire at the Premises unless all such equipment that You are responsible for is maintained in good condition and is working effectively at all times.

## Fire & Perils Section Definitions

In addition to the General Definitions the following definitions shall apply specifically to words used in this cover section.

### Term or Word

### Fire & Perils Section Definitions

#### **Breakdown**

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

#### **Building(s)**

means a permanently fixed structure that consists of a roof and external walls that completely enclose an area beneath the roof when doors and windows that form part of the structure are closed.

Provided that when the word Building(s) is used in the Policy Schedule to describe a Category of Property insured it is agreed that the following Property is included in that Category:

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



Building.

### **Category**

means the Category into which Property insured in the Fire and Perils Cover can be designated from the following:

- 1.** Building(s);
- 2.** Plant and Machinery (& all other Contents) excluding Stock;
- 3.** Stock; or
- 4.** Specific Items.

Specific Items are any items of Property that are specified in the Policy Schedule.

Provided that when Property is being designated to these categories We agree to accept the designation used by You in Your records.

**"Categories"** shall have a corresponding meaning to Category.

### **Contents, Plant and Machinery**

means:

Business furniture, fixtures and fittings, machinery plant and equipment and all other Contents either Your own or for which You may be responsible for the purposes of the Business at the Premises;

directors', partners' and Employees' personal effects but only so far as they are not otherwise insured up to a limit of a limit of \$2,000 any one person or \$10,000 in the aggregate for any one Occurrence; or

Business records including computer systems records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, Business books and other records of every description.

### **Damage Value**

means the value of the Property that is Damaged after the Damage. This value must take account of the Pre Damage Value and any real reduction in value of the Property following the Damage

### **Depreciation Factor**

means the number calculated by dividing the Pre Damage Value of any item by its Replacement Cost.

### **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:

- (i)** a lake (whether or not it has been altered or modified);
- (ii)** a river (whether or not it has been altered or modified);

- (iii) a creek (whether or not it has been altered or modified);
- (iv) another natural watercourse (whether or not it has been altered or modified);
- (v) a reservoir;
- (vi) a canal; or
- (vii) a dam.

**Insured Peril**

means any of the Insured Perils that are shown in the Fire and Perils Section under the heading Cover.

**Pollution or Contamination**

means the discharge, dispersal, release or escape of smoke or soot from industrial operations (other than sudden and unforeseen discharge, dispersal, release or escape consequent upon Damage at the Situation), vapours, fumes, acids, alkalis, chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon any Property, land, atmosphere or any water course or body of water (including ground water).

**Pre Damage Value**

means the value of the Property that is Damaged immediately before the Damage. This value must take account of wear and tear, maintenance, construction, general condition and the anticipated future useful life of the Property.

**Reinstatement**

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

**Replacement Cost**

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

**Stock**

means merchandise or materials of trade either manufactured or in the course of manufacture, goods held in trust or on commission either belonging to You or for which You are legally responsible.

**Total Sum Insured**

means the amount shown in the Policy Schedule as the Total Sum Insured for a specific Premises.

## Business Interruption Section

### Cover

If the Business carried on by You is interrupted or interfered with as a result of Damage (occurring during the Period of Insurance) to:

- 1.** Property insured under any of the following Sections of this Policy
  - a.** Fire and Perils; or
  - b.** Theft of Property; or
  - c.** Glass; or
- 2.** Property insured under another insurance Policy, and
  - a.** that insurer has paid or admitted liability under its Policy or would have paid or admitted liability but for the application of an Excess; and
  - b.** the Damage would have been covered under one of the sections of this Policy shown in 1. above and You elected to take such cover; or
- 3.** Property used but not owned by you,
  - a.** For which You are not legally responsible; and
  - b.** Have not assumed a liability to insure, at the Situation,
  - c.** And such Damage would have been insured under one of the sections of this Policy shown in 1. above.

We will, after taking into account any sum saved during the Indemnity Period in respect of such charges and expenses of the Business as may cease or be reduced in consequence of the interruption or interference, indemnify You in respect of:

#### Item 1. Gross Income

- a.** The amount by which the Gross Income during the Indemnity Period in consequence of the Damage falls short of the Standard Income; and
- b.** The additional expenditure necessarily and reasonably incurred by you for the sole purpose of minimising the reduction in Gross Income during the Indemnity Period by not exceeding the reduction in Gross Income thereby avoided.

If during the Indemnity Period, services are rendered other than at the Situation, for the benefit of the Business either by You or by others on Your behalf, the Money paid or payable in respect of those services will be brought into account in arriving at the amount of the Gross Income during the Indemnity Period.

## **Item 2: Payroll**

### **a. Loss of Payroll**

**(i)** During the Initial Period the Rate of Payroll applied to the Shortage in Income, less any Payroll saved in consequence of the Damage.

**(ii)** During the Remaining Period the Rate of Payroll applied to the Shortage in Income, less any Payroll saved in consequence of the Damage;

but not exceeding the insured percentage of, the Rate of Payroll applied to the Shortage in Income, plus any Payroll saved in consequence of the Damage during the Initial Period.

### **b. Additional Expenditure**

The additional expenditure necessarily and reasonably incurred by You for the sole purpose of minimising the Loss of Payroll during the Indemnity Period but not exceeding the Loss of Payroll thereby avoided.

### **c. Option to Consolidate**

At Your option, the Initial Period may be increased to the period shown in the Policy Schedule as the consolidated period. This means that the cover for the rest of the Remaining Period will be restricted to the amount of Payroll saved during the consolidated period.

## **Item 3: Increased Cost of Working**

The cost of further expenditure not otherwise recoverable under this Section necessarily and reasonably incurred during the Indemnity Period in consequence of the Damage for the purpose of resuming or maintaining the normal operation of the Business

## **Item 4: Reinstatement of Documents**

The necessary and reasonable cost of legal, clerical and other charges actually incurred in reinstating Documents.

## **Item 5: Book Debts**

The Loss of Your book debts or book debts of a Client where You are responsible for them, which are, or become, irrecoverable as a result of Damage to books of accounts or other Business records, calculated on the difference between:

### **a. The Outstanding Debit Balances; and**

**b. Additional Expenditure**

The additional expenditure, incurred with Our previous consent, in tracing and establishing Client debit balances after the date of the Occurrence of the Damage

**Item 6. Gross Rentals**

- a.** The amount by which the Gross Rentals earned during the Indemnity Period fall short of the Standard Gross Rentals.
- b.** Any additional expenditure necessarily and reasonably incurred by You for the sole purpose of minimising the Loss suffered during the Indemnity Period but not exceeding the reduction in Gross Rentals thereby avoided.

**Item 7. Accountants' Fees**

The reasonable cost of accountants' and other professionals', fees and other expenses, necessarily incurred by You in producing or certifying the bills, accounts or particulars required by Us, in respect of any claim made under this Section.

**Limitations of Cover**

**1. Sum Insured**

Our total liability during any one Period of Insurance or for any claim arising out of the one Event, in respect of each Item specified on the Policy Schedule , will not exceed the Sum Insured shown on the Policy Schedule for that Item.

**2. Underinsurance/Average**

Where at the date of the Occurrence of the Damage the Sum Insured as shown in the Policy Schedule for:

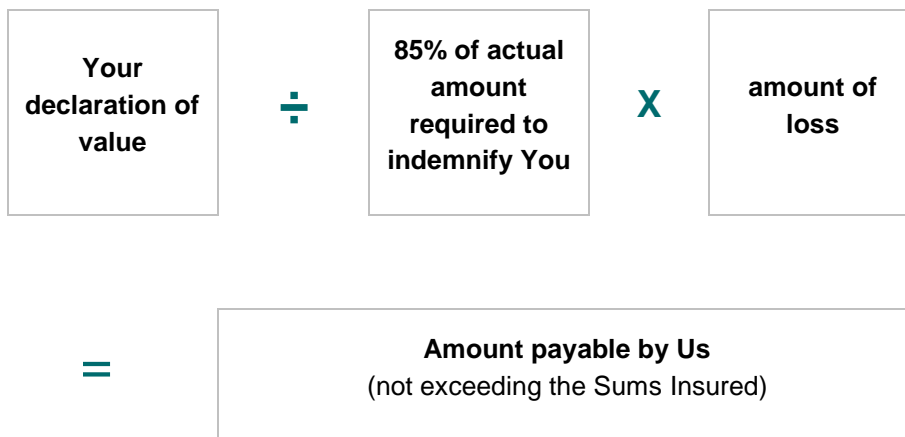
- a.** Gross Income is less than eighty-five percent (85%) of the Annual Income (appropriately increased if the Indemnity Period exceeds twelve (12) months);
- b.** Payroll is less than the sum produced by applying the Payroll limits set out in the Policy Schedule to eighty-five (85%) of the amount produced by applying the Rate of Payroll to the Annual Income (appropriately increased if the Indemnity Period exceeds twelve (12) months);
- c.** Book Debts is less than eighty-five percent (85%) of the total amount of Outstanding Debit Balances;

- d. Gross Rentals is less than eight-five percent (85%) of the Annual Gross Rentals (appropriately increased if the Indemnity Period exceeds twelve (12) months);

then the amount payable for those Items will be proportionately reduced. This limitation of cover shall not apply if the claim does not exceed ten percent (10%) of the Sum Insured for that Item.

The effect of these Average / Underinsurance clauses can be shown by using the following formula:

**For the Business Interruption Section:**



Under the Business Interruption Section this formula is not applied if:

- a. The Sum Insured is 85% or more of the actual value.
- b. The Claim is less than 10% of Your declared value.

Please contact Us if You would like more precise details of:

- c. How Average/Underinsurance might affect You.
- d. How to calculate declared replacement values.

**3. Excess**

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

**4. New Business**

In the Event of Damage occurring before the completion of the first year's trading of Your Business;

- a. Annual Gross Rentals and Annual Income shall mean the proportional equivalent, for a period of twelve (12) months of the actual Gross Rentals or income, realised;
- b. Rate of Payroll means the proportion which the Payroll bears to Gross Income;
- c. Standard Gross Rentals and Standard Income shall mean the proportional equivalent, for a period equal to the Indemnity Period of twelve (12) months of the actual Gross Rentals, income, realised.

## Exclusion

We will not be liable for any claim under this section if the Damage occurs after the Business has been dissolved, wound up or is being carried on by a liquidator or receiver or has ceased to operate.

## Extensions of Cover – Included within the Sum Insured

### 1. Departmental Clause

If the Business is conducted in departments, divisions or locations, the independent trading results of which are ascertainable, in the Event of Damage giving rise to a claim under this section, the provisions of this insurance will apply separately to each department, division or location affected by the Damage.

### 2. Gross Income/Output Option

In the Event of Damage giving rise to a claim under this section, at Your option, the term "Output" may be substituted for the term "Gross Income" wherever appearing in this section. Provided that only one such term will operate in connection with any one Occurrence involving Damage.

### 3. Accumulated Stocks Clause

In adjusting any Loss, account will be taken and equitable allowance made, if any Shortage in Income due to Damage, is postponed by reason of the Gross Income being temporarily maintained from accumulated Stocks.

### 4. Reinstatement of Sum Insured

Following a claim under this Cover Section (other than a claim for total Loss) We will reinstate the Sum Insured from the date of Loss, provided You pay or agree to pay any additional premium that may be required by Us.

### 5. Government Incentives

The pecuniary Loss under Item 1 Gross Income and Item 2 Payroll of this Cover Section includes the Loss of any Government approved incentives, subsidies or market development allowances to which You are entitled in relation to the Business resulting from interruption of or interference with Your Business in consequence of Damage giving rise to a claim.

#### **6. Unspecified Suppliers' and/or Customers' Premises**

Any Loss as insured by Section 1 of this Policy, resulting from interruption of, or interference with, the Business as a consequence of Damage to Property:

- a. at suppliers' and/or customers' Premises; or
- b. preventing movement of goods to, or from, a suppliers' or customers' Premises, anywhere in Australia, shall be deemed to be Loss resulting from Damage to Property used by You at Your Premises, subject to a limit of twenty percent (20%) of the Sum Insured shown in the Policy Schedule for Item 1. Gross Income or Item 2. Payroll.

For the purposes of this extension of cover, Premises does not include domestic Premises

#### **7. Murder, Suicide or Disease**

The Occurrence of any of the circumstances set out in this extension of cover shall be deemed to be Damage to Property used by You at the Situation.

- a. Murder or suicide occurring at the Situation
- b. the outbreak of human infectious or contagious disease occurring within a 20 kilometre radius of Your Situation; or
- c. closure or evacuation of Your Business by order of a government, public or Statutory Authority consequent upon:
- d. the discovery of an organism likely to result in a human infectious or contagious disease at the Situation,
- e. vermin or pests at the Situation, or
- f. defects in the drains or other sanitary arrangements at the Situation; or

Cover under b. and c. under this extension of cover does not apply in respect of Highly Pathogenic Avian Influenza in Humans or other diseases declared to be quarantinable diseases under the Australian Quarantine Act 1908.

#### **8. Prevention of Access, Public Utilities, Computer Installations, Commercial Complexes**

Any Loss insured by Section 1 of this Policy, resulting from interruption of, or interference with, the Business as a consequence of Damage to:

- a. property within 20km of the Business which prevents or hinders access to, or use of, the property, or



- b.** property, either at or away from the Situation, within Australia, belonging to or under the control of suppliers of electric power, gas, communications, water or sewerage reticulation control systems, from which You obtain services, or
- c.** Computer installations, including ancillary equipment, data processing media utilised by You anywhere in Australia, or
- d.** property in any commercial complex of which the Business forms a part or in which the Business is contained, which results in cessation or diminution of trade, including any cessation or diminution of trade due to temporary falling away of custom,

shall be deemed to be Loss resulting from Damage to Property used by You at the Premises.

## Extensions of Cover – In addition to the Sum Insured

The following extensions of cover apply whether or not the Sum Insured shown on the Policy Schedule has been exhausted.

### 1. Fines and Damages

Following a claim under Item 1. Gross Income and Item 2. Payroll for which We have agreed to indemnify You , this insurance extends to include liability,

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

The amount payable shall not exceed five percent (5%) of the Total Sum Insured for Gross Income and Payroll.

### 2. Accountants Fees

In the Event of Damage giving rise to a claim under this Section, We will pay the reasonable cost of accountants' and other professionals' fees and other expenses, necessarily incurred by You in producing or certifying the bills, accounts or particulars required by Us, in respect of any claim made under this Section.

Our maximum liability under this Additional Benefit will not exceed \$5,000 plus any amount shown on the Policy Schedule for accountants' fees.

## **Business Interruption Section Definitions**

In addition to the General Definitions the following definitions shall apply specifically to words used in this cover section.

### **Term or Word**

### **Business Interruption Section Definitions**

#### **Annual Gross Rentals**

means the Gross Rentals earned during the twelve (12) months immediately before the date of the Occurrence.

This amount will be adjusted as necessary to provide for the trend of the Business and variations in, or other circumstances affecting the Business, either before or after the date of Occurrence of the Damage, or which would have affected the Business, had the Damage not occurred, so that the figures thus adjusted, 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.

#### **Annual Income**

means the Gross Income during the twelve (12) months immediately before the date of the Occurrence of the Damage.

This amount will be adjusted as necessary to provide for the trend of the Business and variations in, or other circumstances affecting the Business, either before or after the date of Occurrence of the Damage, or which would have affected the Business, had the Damage not occurred, so that the figures thus adjusted, represent as nearly as may be reasonable practicable, the results which but for the Damage, would have been obtained during the relative period after the Damage.

#### **Client**

means the persons, partnerships or bodies whether incorporated or unincorporated, to whom You owe Money or by whom Money is owed to You, for services rendered in the course of the Business.

#### **Documents**

means written or printed: deeds, wills, agreements, manuscripts, maps, plans, drawings, records, computer data, designs, books of account, books, letters, certificates, and other documents or forms of any nature (excluding any bearer bonds or coupons, bank or currency notes, other negotiable instruments, book debts) all belonging to You or in Your custody or for which You are legally

responsible or have assumed a responsibility to insure.

### **Gross Income**

means the total of:

- 1.** The amount paid or payable to You for goods sold and services rendered;
- 2.** Gross Rentals;
- 3.** All other sources of income received in the course of the Business;
- 4.** The amount of closing Stock and work in progress at the end of Your financial year;

Less

- 1.** Purchases of Stock and consumables;
- 2.** The amount of opening Stock and work in progress at the beginning of Your financial year; and
- 3.** Uninsured Working Expenses.

### **Gross Rentals**

means the amount receivable by You in accordance with a lease or agreement existing at the time of Damage to the Building(s).

### **Indemnity Period**

means the period beginning with the date of the Occurrence of the Damage and ending not later than the last day of the period specified in the Policy Schedule, during which the results of the Business are affected as a consequence of the Damage. Under Weekly Income,

the Indemnity Period begins three (3) days after the date of the Occurrence of the Damage.

### **Initial Period**

means the period shown in the Policy Schedule which immediately follows the date of the Damage.

### **Output**

means the sale value of goods manufactured by You in the course of the Business, less purchases of Stock and consumables, and Uninsured Working Expenses.

**Outstanding Debit Balances**

means the total of the Outstanding Debit Balances of all Clients appearing in Your books of account as at the date of the Occurrence or the Event giving rise to a claim adjusted for:

1. Bad debts;
2. Amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the Occurrence of the Damage) to Your Clients' accounts in the period between the date to which the last entry relates and the date of Occurrence of the Damage; and
3. Any abnormal condition of trade which had or could have had a material effect on the Business so that the figure thus adjusted, represents as nearly as reasonably practicable the debit balances that would have been recovered had the Damage not occurred.

**Payroll**

means the remuneration (including but not limited to payroll tax, fringe benefits tax, bonuses, holiday pay, sick pay, workers compensation insurance premiums, accident compensation levies, superannuation and pension fund contributions and the like) paid to all of Your Employees.

**Rate of Payroll**

means the proportion which the Payroll bears to the Gross Income during the financial year immediately before the date of the Occurrence of the Damage.

**Remaining Period**

means the period shown in the Policy Schedule which immediately follows the Initial Period.

**Shortage in Income**

means the amount by which the Gross Income during a period following Damage falls short of that part of the Standard Income which relates to that period in consequence of that Damage.

This amount will be adjusted as necessary to provide for the trend of the Business and variations in, or other circumstances affecting the Business, either before or after the date of Occurrence of the Damage, or which would have affected the Business, had the

Damage not occurred, so that the figures thus adjusted, 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.

### **Situation**

means anywhere in Australia where You have Property or where You carry on the Business, have goods or other Property stored or being processed or have work done, including the main place of Business specified in the Policy Schedule and any other Premises shown in the Policy Schedule.

### **Standard Gross Rentals**

means the Gross Rentals earned during that period in the twelve (12) months immediately before the date of the Occurrence of the Damage which corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds twelve (12) months).

This amount will be adjusted as necessary to provide for the trend of the Business and variations in, or other circumstances affecting the Business, either before or after the date of Occurrence of the Damage, or which would have affected the Business, had the Damage not occurred, so that the figures thus adjusted, 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.

### **Standard Income**

means the Gross Income during that period in the twelve (12) months immediately before the date of the Occurrence of the Damage which corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds twelve (12) months).

This amount will be adjusted as necessary to provide for the trend of the Business and variations in, or other circumstances affecting the Business, either before or after the date of Occurrence of the Damage, or which would have affected the Business, had the Damage not occurred, so that the figures thus adjusted, 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.

### **Uninsured Working Expenses**

means the uninsured working expenses shown in the Policy Schedule.

## Theft Section

### Cover

We will pay for the cost of replacing or repairing Property that is lost or Damaged by Theft at the Premises following:

1. visible forcible and violent entry into or exit from Buildings at the Premises;
2. a person hiding on the Premises;
3. an actual, attempted or threatened armed hold up; or
4. an actual, attempted or threatened assault or violent act.

Provided that the Theft happens during the Period of Insurance.

### Limitations of Cover

#### 1. Categories of Property

We will only pay for Property that can be correctly designed to one of the Categories that are shown as insured in the Policy Schedule.

#### 2. Sum Insured and Reinstatement of Sum Insured

- a. For each specific Category of Property We will only pay up to the Sum Insured that applies to that specific Category of Property.
- b. Following Loss or Damage covered by this Cover Section We will reduce the Sum Insured for those Categories that are affected by the Loss or Damage by an amount equal to any payments made or due to be made by Us.
- c. When a Sum Insured is reduced following a Theft We will automatically increase this reduced Sum Insured to its value immediately before the Theft, provided that:
  - (i) the maximum amount We will pay in any one Period of Insurance is limited to twice the Sum Insured; and
  - (ii) You pay or agree to pay the additional premium We require.

#### 3. Excess

You are liable for the Excess for each and every Event that results in Loss or Damage

## Exclusions

We will not pay for:

1. Theft from any open sided structure such as but not limited to verandahs, yards or other open spaces whether they are partially or fully enclosed by a Building or not;
2. Theft when entry has been made using keys or security codes;
3. Theft of Money or negotiable instruments such as but not limited to cheques, vouchers, stamps and tickets;
4. Theft of motor vehicles unless motor vehicles are specifically shown as insured in the Policy Schedule for this Cover Section;
5. consequential loss of any kind; and
6. the dishonest manipulation of any database or computer system.

## Extensions of Cover – Included within the Sum Insured

### 1. Damage to Premises

Provided that the Sum Insured for a specific Premises is not exceeded We will pay for the cost of repairing Buildings that are physically Damaged during a Theft at that Premises.

### 2. New Premises – Temporary Cover

We will temporarily extend the cover provided by this Cover Section to Property at any Premises that is used by Your Business for the first time during the Period of Insurance, provided that:

- a. this temporary cover is limited to a period of 14 consecutive days from the day that You first use the new Premises;
- b. this temporary cover is not available to Property that cannot be correctly designated to one of the Categories that are shown as insured in the Policy Schedule.
- c. this temporary cover is only available to Property that is of a similar type to that insured by this Cover Section;
- d. for each specific Category of Property shown in the Policy Schedule this temporary cover is limited to 50% of the Sum Insured for that Category; or if more than one Premises is shown in the Policy Schedule then this 50% limitation will apply to the lowest Sum Insured that applies to a specific Category of Property;
- e. the new Premises has Buildings and security features that are similar to those at one

of the Premises (shown in the Policy Schedule); and

- f. You provide Us with full details of the new Premises within 14 days of You first using the new Premises.

### **3. Locks and Keys**

If during the Period of Insurance keys used at the Premises are accidentally lost We will pay in addition to the Sum Insured the cost incurred to replace these keys and other costs that are necessarily incurred to restore the security of the Premises to the same level of security that existed prior to the Loss of these keys.

Provided that the maximum amount that We will pay during the Period of Insurance is limited to \$1,000

### **4. Temporary Protections and Watchmen**

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

Provided that the maximum amount that We will pay during the Period of Insurance is limited to \$2,000.

### **5. Clothing and Personal Effects**

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

Provided that the maximum amount that We will pay during the Period of Insurance is limited to \$1,000.

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

If shown in the Policy Schedule the following extensions shall apply:

### **1. Additional Damage to the Premises**

If additional Damage to Premises is shown in the Policy Schedule then in addition to the cover provided under Extensions of Cover 1 - Damage to Premises We will pay up to the amount shown in the Policy Schedule for the cost of repairing Buildings at the Premises that are physically Damaged during a Theft.

### **2. Theft without Forcible Entry**

If Theft without Forcible Entry is shown in the Policy Schedule then We will cover Loss or Damage to Property caused by Theft from any Buildings at the Premises even if there is



no visible forcible and violent entry.

## Special Condition

### Alarm System

If any alarm system is fitted to the Premises and You are responsible for this system We will not pay for Loss or Damage by Theft unless:

1. the alarm system is maintained in good condition and is working effectively; and
2. the alarm system is put into full and proper operation whenever the Premises are closed for Business and are not attended by You or any of Your Employees.

## Theft Section Definitions

In addition to the General Definitions the following definitions shall apply specifically to words used in this cover section.

### Term or Word

### Theft Section Definitions

#### Category

Category means the Category into which Property insured under the Theft Cover can be designated from the following:

1. All Contents, excluding Stock;
2. Stock excluding alcohol, cigarettes and tobacco goods;
3. Alcohol, cigarettes, cigars and tobacco goods; or
4. Specified Items.

Specified Items are any items of Property that are specified in the Policy Schedule.

Provided that when Property is being designated to these categories We agree to accept the designation used by You in Your records.

**“Categories”** shall have a corresponding meaning to Category.

#### Contents

means business furniture, fixtures and fittings, machinery plant and equipment and all other contents (excluding Stock) either Your own

or for which You may be responsible for the purposes of the Business at the Premises.

**Stock**

means merchandise or materials of trade either manufactured or in the course of manufacture, goods held in trust or on commission either belonging to You or for which You are legally responsible.

## Money Section

### Cover

#### 1. Blanket Cover

When Blanket Cover is shown in the Policy Schedule We will pay up to the Sum Insured for Loss of Money during the Period of Insurance at any of the specified locations described in 2. below.

#### 2. Specified Locations

When shown in the Policy Schedule We will pay up to the Sum Insured for Loss of Money during the Period of Insurance for the following categories of Money:

- a. Money in Transit (and wages)
  - (i) Money in transit or in a night Safe or automatic teller machine until removed by a bank Employee; and
  - (ii) Money on the Premises that has been withdrawn from a bank specifically for the payment of any wages or salaries.

Provided that:

- this cover is only provided up until the close of Business on the day of withdrawal after which this cover is limited to 40% of that specific withdrawal; and
- cover is not provided if the Money is not in a Locked Safe or Locked Strongroom during non Business Hours;

#### b. Money on the Premises

Money on the Premises during Business Hours but limited to the amount as shown on Policy Schedule outside Business Hours when not contained in a Locked Safe or Locked Strongroom;

#### c. Money in a Locked Safe or Locked Strongroom

#### d. Money in Your custody

Money in Your personal custody or the personal custody of an authorised person while in a private residence that is not at the Premises shown in the Policy Schedule.

## Limitations of Cover

### Excess

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

## Exclusions

We will not pay for:

1. Theft from an unattended vehicle that is not Locked;
2. Theft from a Safe or Strongroom when the locking device is opened by:
  - a. a key, magnetic key or card, or similar device;
  - b. a sequence of numbers or letters, or numbers and letters; or
  - c. any combination of the security devices shown in 2.(a) and 2.(b) above, when these security devices are left unsecured on the Premises while You are not there.
3. Theft from a Safe or Strongroom that is not Locked when You are not there.
4. Shortage due to error or omission;
5. Loss discovered more than 7 working days after such Loss;
6. Loss due to fraudulent or dishonest acts unless Loss occurred from Theft following visible, forcible and violent entry;
7. Loss due to the dishonest manipulation of any database; and
8. consequential Loss of any kind.

## Extensions of Cover – Included within the Sum Insured

### 1. Reinstatement of Sum Insured

When a Sum Insured is reduced following a Loss We will automatically increase this reduced Sum Insured to its value immediately before the Loss.

Provided that:

- a. the maximum amount We will pay during the Period of Insurance is limited to twice the Sum Insured; and
- b. You pay or agree to pay any additional Premium We require.

## Extensions of Cover – In addition to the Sum Insured

### 1. Damage to Safes or Strongrooms

If blanket cover or Money in Safes or Strongrooms is shown in the Policy Schedule, then We will pay up to \$1,000 for Damage to Safes and Strongrooms following Theft or an attempted Theft of Money;

## **2. Clothing and Personal Effects**

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

provided that the total amount payable under this extension is limited to \$1,000 during the Period of Insurance.

## **3. Keys, locks and combinations**

If blanket cover or Money in Safes or Strongrooms is shown in the Policy Schedule then:

**a.** We will pay up to \$1,000 to replace locks, keys or combinations to any Safe or Strongroom if:

- keys are accidentally Lost;
- combination becomes known by any unauthorised person; or
- circumstances have allowed the unauthorised duplication of keys;

**b.** We will also pay the cost of opening Safes and Strongrooms following Loss of Keys or combinations;

provided that the total amount payable under this extension is limited to \$1,000 during the Period of Insurance;

## **4. Temporary Protection and Watchmen**

We will pay for costs necessarily incurred by You to safeguard the Premises following Theft or attempted Theft that is covered by this Cover Section, including but not limited to:

- a.** temporary repairs; or
- b.** the employment of watchmen or guards;

provided that the total amount payable under Your Policy is limited to \$2,000 during the Period of Insurance.

## **5. Bank Holiday Increase**

The Sum Insured and the limits of Loss for items shown in the Policy Schedule are increased by 100% on days that are bank or public holidays and this increase shall continue to apply up until 4pm on the first bank trading day after such holiday;

provided that this extension of cover does not apply to:

- a.** Damage to Safes and Strongrooms; and

- b. Money on Premises outside Business Hours.

## Extensions of Cover – Optional Extensions

If shown in the Policy Schedule the following extensions shall apply:

### 1. Additional Damage to Safes and Strongrooms

When Additional Damage to Safes and Strongrooms is shown in the Policy Schedule then the \$1,000 limit for Extensions of Cover 1. Damage to Safes and Strongrooms is increased to the limit shown in the Policy Schedule.

## Money Section Definitions

In addition to the General Definitions the following definitions shall apply specifically to words used in this cover section.

### Term or Word

### Money Section Definitions

#### **Business Hours**

means Your Business and office hours including overtime hours when You are on the Premises for Business purposes.

#### **Locked**

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

#### **Loss/Losses**

means accidental loss, Damage or destruction.

#### **Safe**

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

#### **Strongroom**

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

## Glass Section

### Cover

If Glass is accidentally broken during the Period of Insurance, We will pay for the actual cost of replacing and fixing the Glass in its frame or in its normal location, with Glass of a similar type and quality to the Glass that is broken.

### Basis of Settlement

In the Event of a Breakage of Glass shown in the Policy Schedule, We will, at Our option:

1. Replace the broken Glass in compliance with the requirement of the Standards Association of Australia and any Statutory Authority; or
2. Pay the cost of replacement of such Glass.

### Limitations of Cover

#### 1. Types of Glass

We will only pay for internal or external Glass if they are shown in the Policy Schedule

#### 2. Excess

You are liable for the Excess for each and every Event that results in a breakage.

### Exclusions

We will not pay for Damage to:-

1. Property during installation or removal of Glass
2. Glass that is Stock; and
3. Glass that is only scratched, chipped or discoloured,
4. Glass where a Premises becomes unattended and remains so for any period of more than thirty (30) consecutive days, unless Our written agreement to continue the cover has been obtained.

## Extensions of Cover–In addition to the Sum Insured

### 1. Additional Benefits

If Glass shown in the Policy Schedule is accidentally broken during the Period of Insurance then We will pay the costs that are necessarily incurred by You to:

- a. Effect temporary repairs, install shuttering and employ watchmen or guards;
- b. Repair or replace:
  - (i) frames, sign-writing, alarm tapes, coatings; or
  - (ii) fittings or Stock;

that are Damaged as a result of Glass breakage;

- c. Remove and refit fixtures and tiles to allow the repair or replacement of broken Glass; and
- d. Arrange after hours services, express delivery and labour at overtime rates.

Provided that the total of all payments under this extension is limited to \$5,000 during the Period of Insurance.

### 2. Extra Cost of Replacement

If Glass shown in the Policy Schedule is broken We will pay any additional costs incurred by You to comply with current Building regulations that relate to the Glass that is broken.

### 3. Damaged Stock

If Glass shown in the Policy Schedule is broken We will pay to repair or replace Stock that is Damaged by such broken Glass.

Provided this extension of cover is limited to \$2,000 during the Period of Insurance.

## Extensions of Cover – Optional Extensions

If shown in the Policy Schedule the following extensions shall apply:

### 1. Advertising (or identification) Signs

If Advertising Signs are shown in the Policy Schedule then We will pay up to \$2,000 for accidental Loss or Damage of identification or advertising signs.



## **2. Increased Additional Benefits**

If Increased Additional Benefits are shown in the Policy Schedule then the \$5,000 limit for Extensions of Cover 1. Additional Benefits is increased to the limit shown in the Policy Schedule.

## Employee Dishonesty Section

### Cover

We will indemnify You against Loss up to the Limit of Indemnity stated in the Policy Schedule for the value of Property (including Money) as a direct result of Fraud that occurs during the Period of Insurance and is committed by an Employee or Club Member performing their rostered duty.

Provided that:

1. You are able to identify which of Your Employee or Employees or Club Member/s are responsible; and
2. the Fraud is discovered;
  - a. during the Period of Insurance; or
  - b. during the year that follows the Period of Insurance; and
3. You have provided to Us the Claim Documents.

### Basis of Settlement

1. Our total liability for all Losses and Claims Preparation Fees during the Period of Insurance shall not exceed the Limit of Indemnity shown on the Policy Schedule.
2. Our liability for all Losses relating to acts of Fraud or dishonesty committed, by one Employee or any group of Employees, or any number of groups of Employees that contain one common Employee, will not exceed the Limit Any One Employee or Club Member shown on the Policy Schedule.
3. Our liability will be reduced by the sum of all Moneys to which an Employee who caused a Loss would have been entitled, but which are retained by You or which You are entitled to retain.
4. We will be liable only for that part of the Loss that exceeds the Excess shown on the Policy Schedule or on any Endorsement to this Section.

### Limitations of Cover

#### 1. Excess

You are liable for the Excess for each and every Event.

#### 2. Discovery

We will not pay for any Loss that occurs after:

- a. You become aware of an act of Fraud; or
- b. You suspect Your Employee or Club Member has committed an act of Fraud.

### **3. Reduced Limit of Indemnity**

The Limit of Indemnity for the Period of Insurance will be reduced by any payment made or due to be made under this Policy.

## **Special Conditions**

### **1. Notification of Loss**

You must:

- a. Notify Us in writing within 14 days after discovery by You of Loss, or any act of Fraud or dishonesty, by an Employee or Employees or Club Member, or reasonable cause for suspicion thereof, which may give rise to Loss; and
- b. Deliver to Us as soon as practicable, but no later than 3 months after the notice in (a), the Claim Documents and full details in writing of Your claim under this Section and the Loss.

### **2. Observance of System of Audit, Supervision and Checks**

You must observe the system of audit, supervision and checks which, in connection with this section, You stated to Us that You observe.

### **3. Notification of Alteration of Risk**

You must as soon as practicable notify Us in writing, of any change that will or might increase the risk, including:

- a. A change in the nature of Your Business;
- b. Your non-observance of the system of audit, supervision and checks which, in connection with this Section, You stated to Us that You observe;

so that We may either cancel this Section or agree to the variation of its terms and conditions.

### **4. Prevention of Further Loss After Discovery**

You must, immediately when You discover Loss, take all reasonable steps to regain possession of the Money, negotiable instruments or Property and take all reasonable steps to prevent further Loss occurring.

## Employee Dishonesty Section Definitions

In addition to the General Definitions the following definitions shall apply specifically to words used in this cover section.

### Term or Word

### Employee Dishonesty Section Definitions

#### **Act**

Means an act of fraud or dishonesty committed by an Employee.

#### **Claims Documents**

means

1. The Documentation created in the preparation of, or evidencing, a claim; and
2. All records and Documents which may assist Us to investigate:
  - a claim; or
  - a Loss; or
  - Your right of recovery in consequence of a Loss;

including electronic records, computer records, video and audio recordings, working papers, internal memoranda, reports, accounting records and audit Documents.

#### **Employee**

means any person who is an employee of Yours in the Business, but does not include a director of a corporation or a trustee of a trust while carrying out duties as a director or trustee only.

#### **Fraud**

means any misappropriation, fraudulent act or dishonest act by any of Your Employees or Club Members whilst carrying out rostered duties.

#### **Limit of Indemnity**

means the Limit of Indemnity of Employee Dishonesty insurance shown in the Policy Schedule for all losses during the Period of Insurance.

**Limit any one Employee**

means the Limit per Employee for Employee Dishonesty insurance, shown in the Policy Schedule, in respect of any Loss or all Losses caused by an act or acts of the one Employee.

**Loss**

means direct Loss;

**1.** of:

- a.** Money;
- b.** Negotiable instruments; or
- c.** Property;

which:

- (i)** belong to You; or
- (ii)** are in Your possession and for the Loss of which, You are liable;

**2.** occurring in the ordinary course of Your Business**3.** caused directly by an act of Fraud or dishonesty;

- a.** of an identified Employee or Club Member and
- b.** omitted within twelve (12) months before discovery by You of the act of Fraud or dishonesty

## General Property Section

### Cover

We will pay for Loss of General Property insured anywhere in Australia.

### Basis of Settlement

We may at Our option repair or replace any lost or damaged General Property, or pay the lesser of the amount of the Loss or Damage up to the market value, or the General Property sum insured stated in the Policy Schedule.

We will not pay for the cost of any alterations, improvements or overhauls carried out on the occasion of repair or replacement resulting from a Loss.

Where the Loss is confined to part of the item of General Property, We shall pay for the repair or replacement of that item plus the cost of any dismantling and reassembling necessary.

### Exclusions

We will not pay for Loss or Damage directly or indirectly caused by:

- 0.1** Mechanical or electronic breakdown or derangement unless as a consequence of a Loss;
- 0.2** Cracking, scratching or breakage of glass or fragile items or surfaces unless as a consequence of Loss;
- 0.3** Loss or Damage caused by rust or oxidation, mildew, mould, moths, vermin, insects, change of colour, or any process of heating, drying, cleaning, dyeing or alteration to the item of General Property;
- 0.4** The action of light or atmospheric conditions or gradually developing conditions, vibration, wear and tear or depreciation;'
- 0.5** Destruction, Loss or Damage arising from unexplained inventory shortages or disappearances resulting from clerical or accounting errors, or shortage in the supply or delivery of materials to or from you.
- 0.6** Loss or Damage to data, including operating systems or application programs, that is not accompanied by evidence of visible and identifiable physical destruction, loss or damage to the data carrying media.
- 0.7** Destruction, Loss or Damage caused by the gaining of access by any person other than You or Your Employees to Your computer system via communication media.
- 0.8** Destruction, Loss or Damage caused by computer virus.

- 0.9** Dishonesty by You or others to whom the item of General Property may be delivered, entrusted, loaned or rented;
- 0.10** Action of the Sea, tidal wave, high water or flood.
- 0.11** Theft without forcible and violent entry to locked premises or vehicles containing the General Property.
- 0.12** We will not pay for Loss or Damage to sporting equipment while in use.
- 0.13** We will not pay for consequential loss of any description.
- 0.14** We will not pay Your Deductible.

## **General Property Section Definitions**

In addition to the General Definitions the following definitions shall apply specifically to words used in this cover section.

### **Term or Word**

### **General Property Section Definitions**

#### **General Property**

means the items of property owned by You or for which You are legally responsible which are stated in the Schedule including any accessories or carrying cases.

#### **Loss**

means loss or damage caused by or arising from a sudden and unforeseen accident.

#### **Sea**

means oceans, bays, ports or tidal waves.

## Machinery Breakdown Section

### Cover

We will pay for Breakdown of Insured Items in accordance with the Basis of Settlement and up to the sum insured but only if the Insured Item is commissioned, is within the location and is in the ordinary course of working at the time the damage occurs.

### Additional Benefits

- 2.1** If an item of machinery or a boiler or pressure vessel similar to an item already insured under Section 8 is commissioned during the Period of Insurance, We will extend cover to that item after it is commissioned but the item must be free of material defect and in sound working condition at the time it is commissioned as far as You are aware, the item must not be operated until You have met any statutory requirements for inspection and/or certification of the item and You pay us such additional premium as We may require. The addition of any item does not alter the sum insured stated in the Schedule.
- 2.2** Where we have admitted a Claim under Section 8, We will pay up to \$5,000 for the cost of hiring temporary plant or the cost of effecting temporary repair or expediting permanent repair including overtime working or the use of express or air freight if the sum insured is not otherwise exhausted.
- 2.3** Where statutory requirements oblige You after a breakdown covered by this section to changeover to a new specification of gas system, We will pay the additional costs involved subject always to the sub-limit specified in the Schedule.

### Optional Benefit

We will pay (up to the sum insured stated in the Schedule) for Loss or Damage to refrigerated goods owned by **You** or for which **You** are legally responsible whilst contained within any refrigeration unit insured under Section 8, caused by deterioration happening during the **Period of Insurance**, resulting from a change in temperature due to:

- 3.1** Breakdown of the refrigeration machinery and where a **Claim** has been admitted in respect of the item of machinery;
- 3.2** The accidental escape of refrigerant liquid or gas from the refrigeration machinery or from pipes forming part of it;
- 3.3** The operation of fuses or overload devices protecting the refrigeration machinery;
- 3.4** Failure of the public power supply to the point of attachment to the Building resulting from accidental Damage outside the location.



We may at **Our** option replace the refrigerated goods or pay for the cost of same.

We will not pay under this Optional Benefit for:

- 3.5** Consequential Loss, Damage or liability due to or arising from the deterioration or putrefaction of the goods;
- 3.6** Loss of or Damage to goods due to the failure of public supply services resulting from any deliberate act by the supply authority not performed for the sole purpose of safeguarding life or protecting any part of the public supply system;
- 3.7** Loss of or Damage to goods due to rationing not necessitated solely by accidental damage to the generating or supply equipment of the supply authority;
- 3.8** Loss or Damage to goods due to or resulting from disease, improper storage, Damage to packaging material, inadequate air circulation or non-uniformity of temperature within the cold storage space of the refrigeration machinery.

A Seasonal Increase of fifty (50%) per cent in the Sum Insured applies under this Optional benefit unless otherwise stated in the Schedule.

## Basis of Settlement

We will pay for:

- 4.1** The cost of replacement of the Damaged item where the Damaged item cannot be repaired, or the reasonable cost of restoring the Damaged item to its former working order **but not** the cost of any alterations, additions, improvements, modifications or overhauls. Where the components or manufacturer's specifications are no longer available due to obsolescence, the Basis of Settlement will be the cost of providing alternative suitable components equal to but not better than the original component being substituted;
- 4.2** The cost to replace insulating oil from transformers or capacitors or to replace oil and refrigerant gas from air conditioning units incurred as a result of Breakdown;
- 4.3** The cost of dismantling and re-erecting necessary to complete the repairs;
- 4.4** Ordinary freight costs to and from a repair shop;
- 4.5** Any Customs duties;
- 4.6** Charges for overtime and work on Public Holidays limited to twenty-five (25%) per cent of the sum insured for the insured item.

## Exclusions

We will not pay for:

- 5.1** Wear and tear;
- 5.2** Chipping, scratching or discolouration of painted or finished surfaces;
- 5.3** The deterioration of any pre-existing crack, fracture, blister, lamination, flaw or grooving which had not previously penetrated completely through the entire thickness of the material or item, notwithstanding that the repair of the part affected may be necessary either immediately or at some future time, except where caused by Breakdown and except where **You** did not know or should not reasonably have known of the pre-existing condition;
- 5.4** Damage to glass or ceramic components or defective tube joints or other defective joints or seams or any valve fitting, shaft seal, gland packing joint or connection except where caused by Breakdown or foundations, brickwork and refractory materials forming part of an insured item or expendable items including electrical and electronic glass bulbs, tubes, lamps, x-ray tubes, electrical contacts, fuses, heating elements, commutators, slip rings, conducting brushes, thermal expansion (TX) valves, thermostats, protective and controlling devices, overloads, track rails, wear plates, blades, cutting edges, tools, dies, engraved cylinders, moulds, templates, patterns, shear pins, saws, knives, chains, belts, ropes tyres, conveyor belts, pressure switches, bearings, valves, valve plates, filters and dryers;
- 5.5** Damage to computers, telecommunication transmitting and receiving equipment, electronic data processing equipment, research, diagnostic and electromedical equipment, lifts, escalators, electrical office machines, coin operated machines, gaming machines, storage tanks and vats, stationary and mobile pressure vessels containing explosive gases, mobile machinery, ducting, reticulating electrical wiring, water and gas piping and other plant and equipment not owned by **You** or not installed or used at the location otherwise unless stated in the Schedule.
- 5.6** Consequential Loss of any kind under Section 8 unless specifically stated;
- 5.7** Damage under Section 8 caused directly or indirectly by explosion except for the sudden and violent rending of any boiler or pressure plant or pressure pipe system caused by the force of internal fluid pressure or the pressure of ignited flue gases, or the bursting or disruption of turbines, compressors, engine cylinders, hydraulic cylinders, fly wheels or other parts subject to centrifugal force, transformers, switches or oil immersed switch gear but there is no cover for any explosion caused by any other chemical action or reaction;
- 5.8** The application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul;
- 5.9** Damage occurring during installation and erection other than dismantling, movement and re-erection for the purpose of cleaning, inspection, repair or installation in another position within the location, the carrying out of tests involving abnormal stresses including the intentional overload of any insured item or any raising or lowering operation in which a

single load is shared between more than one item of lifting equipment.

- 5.10** Damage for which any manufacturer, supplier, engineer or other person is liable under the provisions of any maintenance or warranty agreement with **You**;
- 5.11** Loss of oil, liquid or gas resulting from leakage from glands, seals, gaskets, and joints or from corroded, pitted or deteriorated parts;
- 5.12** The cost of converting refrigeration/air conditioning units from the use of chlorofluorocarbon refrigerant gas to any type of refrigerant gas;
- 5.13** Damage as a result of usage beyond the specifications set by the manufacturer.

## **Machinery Breakdown Section Definitions**

In addition to the General Definitions the following definitions shall apply specifically to words used in this cover section.

### **Term or Word**

### **Machinery Breakdown Section Definitions**

#### **Breakdown**

means unforeseen and sudden physical loss or Damage to an Insured Item from any cause not otherwise covered under Fire & Perils, Burglary or General Property Sections of the Policy or excluded under this section, happening during the Period of Insurance, and which requires repair or replacement before the insured item can be used again.

#### **Insured Item**

means all electrical, electronic and mechanical machinery and plant and any boilers and pressure vessels used by You in the Business.

## Electronic Equipment Section

### Material Damage To Electronic Equipment – Subsection A

**6.1** We will pay for Loss or Damage to the Insured Equipment in accordance with the Basis of Settlement and up to the sum insured but not if such Loss or Damage is:

**6.1.1** otherwise covered under Section 1, Section 3 or Section 6 of this policy; or

**6.1.2** excluded under the exclusions applicable to this Subsection or under **General Exclusions**.

provided always that such Loss or Damage occurs during the **Period of Insurance** and that the Insured Equipment has been commissioned, is within the location and at the time of Loss or Damage is functioning normally.

**6.2** We will also pay for Loss or Damage falling under sub-clause 2.1 above occasioned to Data Media as if it were Insured Equipment, including Data Media which is temporarily located elsewhere than within the location for the sole purpose of processing, safekeeping or related transit.

**6.3** The amount we will pay, calculated as per the basis of settlement clause, will be subject both the limit of indemnity and the deductible specified in the Schedule as applying to this section.

### Basis of Settlement - Subsection A

**7.1** The basis of settlement for **Claims** under Subsection A shall be:

**7.1.1** In the case of television and visual display picture and pickup tubes forming part of a piece of Insured Equipment:

**(a)** Where such Insured Equipment has been in use for less than twelve months, we will pay 100% of their new replacement value;

**(b)** Where such Insured Equipment has been in use for more than twelve months, we will pay the new replacement value as reduced by 3% for every month of use to a minimum settlement of 20% of the new replacement value;

**7.1.2** In the case of any other type of tube, bulb or valve forming part of the piece of Insured Equipment, we will pay a percentage of the new replacement value proportionate to the remaining useful life expectancy estimated by the manufacturer of the item;

**7.1.3** In the case of Data Media which is lost or damaged, we will pay for the replacement cost of such Data Media when empty but not the material contained

thereon;

- 7.1.4** In the case of all other pieces of Insured Equipment, we will settle on the basis of a total Loss where the cost of repairs equals or exceeds the actual value immediately prior to the Loss or Damage. Where the cost does not equal or exceed that amount, we will settle on the basis of Repairable Damage.

## Repairable Damage - Subsection A

- 0.1** Subject always to the right to deduct salvage value from any payment, and subject to the sum insured and deductible, we will pay:
- 0.1.1** all expenses necessarily and reasonably incurred to restore the damaged piece of Insured Equipment to its former state of functionality;
  - 0.1.2** the reasonable cost of dismantling the Insured Equipment for the purpose of such repairs and the reasonable cost of subsequent re-erection;
  - 0.1.3** the reasonable cost of ordinary freight to and from the place of repair;
  - 0.1.4** customs or other duties necessarily incurred in the process of repair.
- 0.2** With our prior permission only, we will pay the cost of materials and wages reasonably and necessarily incurred where repairs are conducted by **You** at **Your** own workshop.
- 0.3** To a combined maximum of 50% of the cost of replacement at ordinary rates, we will also pay:
- 0.0.1** such reasonable extra charges as are necessarily incurred as a result of work being carried out on weekends or on public holidays; and
  - 0.0.2** Express freight charges within Australia, where reasonably incurred and where a recognised airline on a schedule service is used, however not for a specially chartered aircraft.

## Total Loss – Subsection A

- 9.1** At Our option, we may:
- 9.1.1.** replace the piece of Insured Equipment with a similar and equivalent piece; or
  - 9.1.2** where the piece of Insured Equipment was under five years old as at the date of Loss pay You a sum equivalent to the cost of acquiring an equivalent piece; or
  - 9.1.3** where the piece of Insured Equipment was older than five years as at the date of Loss pay the Market Value attributable to that piece as at the date of Loss.

**9.2** To a combined maximum of 50% of the replacement at ordinary rates, we will also pay:

**9.2.1** such reasonable extra charges as are necessarily incurred as a result of work being carried out on weekends or on public holidays; and carried out on weekends or on public holidays; and

**9.2.2** Express freight charges within Australia, where reasonably incurred and where a recognised airline on a scheduled service is used, however not for a specially chartered aircraft.

## Special Extensions – Subsection A

### 0.1 Transit Cover

Cover is extended under Subsection A in respect of such pieces of Insured Equipment as are nominated in the Schedule, for Loss or Damage occurring during the normal course of transit anywhere in Australia subject to the exclusions detailed in sub-clause 6.1.1 below.

**10.1.1** Indemnity under the Transit Cover extension is not available in respect of Loss or Damage:

- a.** arising out of Theft or attempted Theft occasioned whilst the pieces of Insured Equipment are left unattended, however this exclusion does not apply to such items when within securely locked Premises or out of sight inside a securely locked motor vehicle provided such vehicle is not left parked overnight on the street;
- b.** occurring whilst the pieces of Insured Equipment are installed or carried in or on any aircraft, aerial device, vessel or watercraft , however this exclusion does not apply to such items when being carried by You or one of Your employees as personal hand luggage.

### 0.2 Power Surge Cover

**10.2.1** Cover is extended under Subsection A in respect of Loss or Damage arising out of a power surge occurring in the supply of electricity.

**10.2.2** A higher Unprotected Power Surge Deductible as stated in the Schedule shall apply where the piece of Insured Equipment affected is not fitted at the time of the power surge with an external surge protection device to both the power supply and data lines.

## Exclusions Applicable to Subsection A

- 0.1** We will not pay for Loss or Damage occasioned to expendable items, including fuses, batteries, belts, chains, tapes or ribbons or any other component ordinarily requiring periodic or frequent replacement.
- 0.2** Cover is not available under Subsection A in respect of Loss or Damage caused or arising out of:
  - a.** faults or defects of which You or Your employees were aware or ought reasonably to have been aware prior to the commencement of the Period of Insurance and which were not disclosed to Us;
  - b.** rust, corrosion, gradual deterioration or oxidation;
  - c.** wasting, wearing away or wearing out of any component of a piece of Insured Equipment in the course of ordinary use.
- 0.3** Cover is not available under Subsection A in respect of any kind of consequential Loss.
- 0.4** Cover is not available under Subsection A in respect of Damage in the form of scratching, chipping or discolouration of painted, polished or finished surfaces.
- 0.5** Cover is not available under Subsection A in respect of Loss or Damage to a piece of Insured Equipment occurring when the piece is not in Your possession, except as provided by sub-section 6 clause 6.1 (Transit Cover).
- 0.6** Cover is not available under Subsection A in respect of Loss or Damage caused or contributed to by Your failure to comply with the manufacturer's recommendations and instructions for the maintenance and use of all pieces of Insured Equipment.

## Data Replacement Costs – Subsection B

- 0.1** Where Loss or Damage is occasioned to a piece of Insured Equipment insured elsewhere under this policy, except under Section 6 (**General Property**), and where indemnity is granted under the relevant section, and where there is a Loss of information stored on Data Media within a piece of Insured Equipment as a direct consequence of such Loss or Damage, we will reimburse your reasonable expenses necessarily incurred to reproduce the data or information to restore the Data Media to a condition equivalent to that immediately prior to the Loss or Damage, however only:
  - 0.1.2** where such reproduction and restoration is necessary for the normal operation of the electronic data processing system of which the piece of Insured Equipment formed part;
  - 0.1.3** where at the time of Loss or Damage, the piece of Insured Equipment was at the location, at the Data Media Storage premises, temporarily at any alternative premises for the sole purpose of data processing or in transit for such purpose;

**0.1.4** to the extent of the Limit of Indemnity appearing in the Schedule.

**0.2** Under 8.1 above, we will only reimburse such expenses as are incurred within a period of twelve months after the date of the Loss or Damage.

**12.3** Cover under Subsection B is extended to loss of information which results from Loss or Damage to an electronic data processing system which is not owned by You and which You are not responsible for insuring, but which is being used by You at the time of the Loss or Damage to that system provided that indemnity would be available under Subsection A in respect of such Loss or Damage were such system insured under Subsection A.

### Conditions Applicable To Subsection B

**13.1** It is a condition precedent to indemnity under Subsection B that Data Media must be updated at least weekly and that duplicate copies of updated Data Media must be stored off site for safekeeping.

### Exclusions Application To Subsection B

**14.1** Cover is not available under Subsection B in respect of Loss or Damage caused or arising out of:

- a.** faults or defects of which You or Your employees were aware or ought reasonably to have been aware prior to the commencement of the Period of Insurance and which were not disclosed to Us;
- b.** rust, corrosion, gradual deterioration or oxidation;
- c.** wasting, wearing away or wearing out of any component of a piece of Insured Equipment in the course of ordinary use.

**0.2** Cover is not available under Subsection B in respect of any kind of consequential Loss.

**14.3** Cover is not available under Subsection B in respect of Loss or distortion of information, which does not arise from physical Loss or Damage to the Data Media.

**14.4** Cover is not available under Subsection B in respect of Loss or Damage caused or contributed to by Your failure to comply with the manufacturer's recommendations and instructions for the maintenance and use of all pieces of Insured Equipment.

### Increased Cost Of Working (Computer) – Subsection C

**0.1** Where Loss or Damage to a piece of Insured Equipment occurs in circumstances giving rise to indemnity under Subsection A of this section, and as a direct consequence the normal



operation of the electronic data processing system is interrupted, we will reimburse Your reasonable costs of implementing a substitute processing system provided such costs are necessarily incurred to enable the continuation of Your normal business operations during such interruption.

**0.2** We will deduct from any sum payable by Us any amount saved during the period of the interruption in respect of charges and expenses of the Business which cease or are reduced as a result of the Loss or Damage in respect of which indemnity has been granted under Subsection A, including any such savings occasioned by virtue of the interruption of the normal operation of the data processing system.

**0.3** The amount payable by Us will be limited to the costs incurred for a period of three months from the date of Loss or Damage, and subject always to the limit of indemnity and deductible stated in the Schedule.

## **Exclusions Applicable To Subsection C**

**0.1** Cover is not available under Subsection C in respect of:

**16.1.1** costs or expenses incurred during the Time Deductible Stated in the Schedule;

**16.1.2** costs or expenses, irrespective of when incurred, solely as a result of the discontinuance of manufacture by reason of obsolescence of the system or of any component part;

**0.0.3** costs or expenses arising out of the necessity to use the substitute processing system caused by the making of alterations or improvements to or the cleaning, alteration, adjustment, inspection, or maintenance of the electronic data processing system;

**0.0.4** costs or expenses arising out of any interruption which results directly or indirectly from any decision, action or inaction of any government or public or Statutory Authority.

## Electronic Equipment Section Definitions

In addition to the General Definitions the following definitions shall apply specifically to words used in this cover section.

### Term or Word

### Electronic Equipment Section Definitions

#### **Data Media**

means material carrying or capable of carrying information or data, including but not restricted to disk packs, discs (hard, floppy and compact), diskettes, tapes and cards.

#### **Insured Equipment**

means the pieces of electronic equipment described in the Schedule.

#### **Loss or Damage**

means physical loss or Damage to the Insured Equipment or the disappearance of such property in circumstances other than mysterious.

#### **Market Value**

means the retail value of items or equipment of similar type, capacity, age and condition.

## General Exclusions

### **This part explains what You are not insured against**

This Policy excludes Damage, 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 Damage:

#### **1. War and Terrorism**

- a.** War;
- b.** any act of Terrorism,
- c.** confiscation, nationalisation, requisition or Damage to Property by or under the order of any government or public or local authority.

Furthermore any Loss, destruction, Damage or 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 or in any way relating to 1 a. or 1 b. above is also excluded from the Policy.

Notwithstanding 1 c. above We will indemnify You for Loss, destruction, Damage, cost or expense for the removal of sound Property at the Premises for the purpose of preventing or diminishing imminent Damage by, or inhibiting spread of, fire or any other peril insured by this Policy except the Events described in 1 a. or 1 b. above.

## **2. Radioactivity**

- a.** ionising radiations or Contamination by radioactivity from any nuclear waste or from the combustion (including any self-sustaining process of nuclear fission) of nuclear fuel;

For the purpose of this exclusion only "combustion" shall include any self-sustaining process of nuclear fission.

- b.** nuclear weapons materials.

### **Your Policy does not cover:**

## **3. Alteration of the Risk**

If the risk of Loss, Damage, injury, illness or liability is significantly increased by any alteration in the circumstances that affect You or Your Business We will not cover any claims that are caused by or arise from such alteration unless:

- a.** You did not know of the alteration; or
- b.** You have notified Us of the alteration and We have agreed to accept the alteration in risk.

## **4. Acquisition of Companies**

Your Policy does not cover;

- a.** any company or other legal entity acquired by You during the Period of Insurance; or
- b.** any Property or liability associated with such company or any other legal entity or Business undertaking or operation;

unless You have notified Us of the acquisition and We have specifically agreed to this in writing.

## **5. Unoccupied Buildings and Premises**

Your Policy does not provide any cover at a Building or at a Premises after that Building or that Premises has been unoccupied by persons authorised by You for more than 30 consecutive days.

Provided that:

- a.** cover will apply at an unoccupied Building or Premises if We have specifically agreed to this in writing; and
- b.** cover will resume when that Building or that Premises is again occupied by persons authorised by You.

## General Conditions

These General Conditions apply to this Policy.

## Cancelling Your Policy

This Policy may be cancelled at any time at Your request in which case We will retain premium calculated at the short period rate for the time the Policy has been in force less Our administration fee. This calculation shall be made on a reasonable risk basis. We may cancel this Policy in accordance with the Insurance Contracts Act 1984 (as amended).

If however you request the cancellation of this Policy and We have been notified of a Claim or a pending Claim against this Policy, We will retain 100% of the premium.

## Changing Your Policy

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

1. We agree to it, and
2. We give You a new Policy Schedule detailing the change.

## Confidentiality

To the extent permitted by law You or any person acting on Your behalf shall not without Our prior written consent disclose:

1. the existence of Your Policy or any part of Your Policy;
2. the amount of Premium paid or payable for Your Policy;
3. the extent of cover provided by Your Policy; or
4. any other terms or conditions of Your Policy.

## Headings

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

## Inspection of Property

1. We will be permitted but not obligated to inspect Your Property and operations at any time.
2. Neither Our right to inspect nor Our failure to inspect nor the making of any inspection nor any report of any inspection may be used by You or others in any action or proceeding involving Us.
3. We may examine and audit Your books and records at any time during the Period of Insurance and within three years thereafter by that examination and audit will be restricted to matters which in Our opinion are relevant to the Policy.

## Notifications

All notices and communications to Us must be made or confirmed in writing by You and sent to the office where Your Policy was issued. Other forms of communication will not be acted upon by Us until confirmed in writing by You

## Notices

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

1. If it is delivered to You personally, or Your Broker or
2. If it is delivered or posted to Your address last known to Us.

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

## Other interests

You must not transfer any interests in this Policy without Our written consent. Any person whose interests You have told Us about and We have noted on Your Policy Schedule is bound by the terms of this Policy.

## Reasonable Care

You must:

- 1.** take all reasonable care to maintain all Premises, Plant and Machinery in sound condition
- 2.** take all reasonable care to prevent or minimise Damage, injury, illness or liability and ensure that You and Your Employees, servants and agents comply with all statutory obligations, by-laws or regulations imposed by all relevant public authorities for the:
  - a.** Safety of persons or Property
  - b.** disposal of waste products
  - c.** handling, storage or use of flammable liquids or substances, gases or toxic chemicals
  - d.** inspection and certification of all Plant and Machinery and equipment that is required by any statute or regulation to be certified.

## Sanctions

- 1.** We shall not provide any cover nor shall We be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

## Claims

### What You must do

If an Event happens which may give rise to a claim under this Policy You must:

- take all reasonable precautions to prevent further Loss or Damage
- inform the police immediately if the Property is lost or stolen, or Damaged as a result of vandalism
- Notify Us immediately of Event;
- provide Us with full written details of the Event within 30 days of learning that the Event happened;
- supply Us with all information and assistance as We may reasonably require;

- supply Us with written details of all policies that may pay or partially pay.
- co-operate with Us fully in any action We take if We have a right to recover any Money payable under this Policy from any other person.
- allow Us to use any legal rights held by You or held by any other party covered by Your Policy;
- allow Us to negotiate, defend or settle the claim, in Your name and on Your behalf; or in the name of and on Your behalf of any other party covered by Your Policy.

If in doubt at any time, ring Us or Your Broker for advice.



## What You must NOT do

You must not:

- negotiate, admit, repudiate or pay any claim without Our written permission. This applies to You or any other person making a claim under this Policy.
- authorise the repair or replacement of Damaged Property without Our Agreement.

## What We do

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;
- have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving Us any statements, Documents or assistance We require. This may include giving evidence in any legal proceedings;
- will make reasonable progress payments of a claim once We have agreed it is covered by Your Policy.

## What can affect a claim

- We will reduce the amount of a claim by the Excess shown in the Policy Terms and Conditions or on the Policy Schedule; provided that when a single Event results in You claiming under more than one Cover Section of Your Policy then only the single highest Excess will apply to all claims that arise out of the one Event.
- We may refuse to pay a claim if You are in breach of Your Duty of Disclosure or any of the conditions of this Policy, including any Endorsements noted on or attached to the Policy Schedule;
- We pay only once for Loss or Damage from the same Event covered by this Policy even if it is covered under more than one section of the Policy;
- We may be entitled to refuse to pay or to reduce the amount of a claim if it is in any way Fraudulent, or any Fraudulent means or devices are used by You or anyone acting on Your behalf to obtain any benefits under this Policy;