

# Chubb Industrial Special Risks Insurance

## Steadfast ISR Mark IV Modified Crime Perils Policy Schedule

Policy Number: 02IZ024232

Insured: Individual Churches (Churches  
Insurance Scheme – Master Schedule)

30 September 2019 to 30 September 2020

CHUBB®

# Chubb Industrial Special Risks Insurance Steadfast ISR Mark IV Modified Crime Perils Policy Schedule

## Chubb Industrial Special Risks Insurance Policy

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This Policy incorporates the Schedule, Sections, Definitions, Conditions, Exclusions, Endorsements, Memoranda and Warranties (if any) and any other terms herein contained which are to be read together and any word or expression to which a specific meaning has been given in any part of this Policy shall bear this meaning wherever it may appear unless such meaning is inapplicable to the context in which the word or expression appears.

**Whereas** the Insured named in the Schedule has paid or agreed to pay to the Insurer(s) specified below the Premium shown on the Schedule, now the Insurer(s) agree(s), subject to the terms, Conditions, Exclusions, Memoranda, Warranties, limitations and other provisions contained herein or endorsed hereon, to indemnify the Insured as specified herein against loss arising from any insured events which occur during the Period of Insurance stated in the Schedule or any renewal thereof.

**Provided That** the total liability of the Insurer(s) at any one Situation shall not exceed the appropriate Limit or Sub-Limit(s) of Liability as stated in the Schedule or such amount(s) as may be substituted therefor by endorsement or memorandum hereon or attached hereto and that each Insurer specified below shall only be liable to contribute to any loss covered by this Policy that proportion of the loss as is specified beside its name.

Signed on Behalf of the Insurer(s)

<b>Insurer</b>	Chubb Insurance Australia Limited
<b>Policy No.</b>	02IZ024232
<b>Proportion</b>	100.00%



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Chubb Insurance Australia Limited  
ABN 23 001 642 020 AFSL 239687

## Chubb Industrial Special Risks

<b>Insured</b>	Individual Churches Scheme (ISR)	
	And	
	<ul style="list-style-type: none"> <li>a) subsidiary companies, organisations and other associated companies as defined under Section 50AAA of the Corporations Act 2001 (Commonwealth), and</li> <li>b) social and sports clubs (including the committees and officers from time to time of unincorporated bodies) and the trustees of the Insured's superannuation and pension funds and welfare organisations, and</li> <li>c) all organisations and other entities to whom (whether mortgagees, lessors, joint ventures or other parties with a legal or equitable interest in the Property Insured) the named Insured has a responsibility to maintain insurance;</li> <li>d) all for their respective interests, rights and liabilities and to the extent that they are not more specifically insured.</li> </ul>	
<b>Business</b>	Principally Place of Worship and associated activities and any other activity incidental thereto.	
<b>Situation</b>	<p>Principally</p> <p>663-669 King Georges Road, Penhurst, NSW 222 AUSTRALIA</p> <p>and any other situation/premises in Australia owned or occupied by the Insured for the purposes of the Business or elsewhere in Australia where used by the Insured or where the Insured is undertaking work or has goods or property (including where goods or property are stored, or undergoing processing, repairs, maintenance, overhaul or improvements).</p>	
<b>Jurisdiction</b>	Australia	
<b>Governing Law</b>	Australia	
<b>Period of Insurance</b>	From:	4.00pm on 30 September 2019, Local Standard time of Issuing office.
	To:	4.00pm on 30 September 2020, Local Standard time of Issuing office.
<b>Interest</b>	<p><b>Section 1 – Material Loss or Damage:</b></p> <p>All real and personal property (including money) of every kind and description (except as specifically excluded) belonging to the Insured or for which the Insured is responsible or has assumed responsibility to insure prior to the occurrence of any loss or destruction.</p> <p><b>Section 2 – Consequential Loss:</b></p> <p>Gross Profit, Payroll, (or Gross Rentals or Gross Revenue if appropriate), Additional Increase in Cost of Working, Professional Fees &amp; Claims Preparation.</p>	
<b>Declared Values</b> (In accordance with the Basis of Settlement)	<p><b>Section 1 – Material Damage</b></p> <p>The following Property Insured:</p>	

	Buildings	\$269,043,400
	Contents other than Stock	\$55,218,550
	Stock	Included Above
	<b>Total:</b>	<b>\$324,261,950</b>
<b>Section 2 – Consequential Loss of Profits</b>		
	Gross Profit	\$1,000,000
	Payroll	\$1,000,000
	Claims Preparation Costs	\$100,000
	Additional Increased Cost of Working	\$2,000,000
	<b>Consequential Loss Total:</b>	<b>\$4,100,000</b>
	<b>Grand Total:</b>	<b>\$328,361,950</b>
<b>Limit(s) of Liability</b>	The amounts set out hereunder represent the Insurer's maximum Limits of Liability for any one loss or series of losses arising out of any one original source or cause at any one Situation, subject to any Sub-Limits of Liability specified elsewhere in the Policy and the Schedule. The Limit of Liability applies in excess of any applicable Deductible.	
	<b>Sections 1 and 2 Combined:</b>	\$15,000,000
<b>Sub-Limit(s) of Liability</b>	The liability of the Insurer shall be further limited in respect of any one loss or series of losses arising out of any one event at any one Insured Premises as set out hereunder and it is understood and agreed that such Sub-Limit(s) shall not increase the liability of the Insurer beyond the Limit(s) of Liability expressed above.	
	Loss or destruction of or damage by, to or in respect of:	
	<b>Section 1: Material Loss or Damage</b>	
	Damage Diminution and Accidental Discharge Costs (B)	\$25,000
	Loss Minimisation (B)	\$25,000
	Personal Property of Employees and Others (B) (per person)	\$5,000
	Personal Property of Employees and Others (B) (any one event)	\$50,000
	Accompanied Baggage in Australia (C) (per person)	\$5,000
	Accompanied Baggage in Australia (C) (any one event)	\$10,000
	Liability to Make Enquiries (A)	\$25,000
	Statutory Inquiries	\$25,000

Unpacking Expenses	\$10,000
Liability for Duty	\$50,000
Landscaping (C)	\$100,000
Cost of Clearing Blocked Drains, Pipes, Filters and Pumps (B)	\$50,000
Expediting Expenses	\$50,000
Loss of Land Value (B)	\$100,000
Customers' Goods	\$50,000
Securities (A)	\$20,000
Works of Art, Antiques and Curios	\$50,000
Abandoned Undamaged Portion of a Building	\$250,000
Extra Cost of Reinstatement	\$500,000
Additional Extra Cost of Reinstatement (B)	\$100,000
Removal of Debris	\$1,000,000
Theft or Any Attempt Thereat	\$100,000
Theft of Property in Open Air	\$20,000
Money	\$20,000
Weather Damage to Certain Property	\$25,000
Fusion	\$25,000
Decorative Livestock (Fire Cover Only)	\$10,000
Temporary Removal Exemption (B)	\$100,000
Exploratory Costs	\$50,000
General Property - Limit per person	\$5,000
General Property - Limit per person (in the annual aggregate)	\$50,000
Glass	Replacement Value
Property in the Open Air (weather perils)	\$10,000
Property in Transit	\$50,000
Unspecified Damage (Defined below)	\$1,000,000

Unspecified Damage, for the purpose of any Limit or Sub-limit of Liability or Deductible as shown in the Schedule, means Damage caused by any peril or circumstance not more specifically covered or excluded by this Policy other than: fire; lightning; thunderbolt; explosion; implosion; collapse; earthquake; subterranean fire; volcanic eruption; impact; aircraft and/or other aerial devices

and/or articles dropped therefrom; sonic boom; theft; breakage of glass; loss of money; the acts of persons taking part in riots or civil commotions or of strikers or locked-out workers or of persons taking part in labour disturbances or of malicious persons or the acts of any lawfully constituted authority in connection with the foregoing acts or in connection with any conflagration or other catastrophe; storm and/or tempest and/or rainwater and/or wind and/or hail, and/or flood, and/or water or other liquids or substances discharged, overflowing or leaking from apparatus, appliances, pipes or any other system at the premises or elsewhere; or other peril mentioned under the heading in the Schedule, Sub-Limits of Liability.

**Section 2: Consequential Loss**

Item 1 - Gross Profit	\$1,000,000
Item 2 - Claims Preparation Costs	\$100,000
Item 3 - Payroll	\$1,000,000
Item 4 - Additional Increased Cost of Working	\$2,000,000
Denial or Prevention of Access - Physical Loss or Damage	\$250,000
Contractual Fines and Penalties	\$100,000
Interdependency - Australia	\$100,000
Customers and Suppliers - Unspecified Worldwide	Not Insured
Unspecified Suppliers' and/or Customers' Premises (Australia & New Zealand) - Single Limit (B)	\$250,000
Remote Premises of Public Utilities	\$250,000
Other Contributing Properties	\$10,000
Royalties	Not Insured
Accounts Receivable (B)	\$100,000
Human Infectious &/or Human Contagious Disease Endorsement (in the annual aggregate)	\$250,000
Trade Exhibitions	\$100,000

**Combined Section 1 - Material Damage and Section 2 - Consequential Loss**

Acquired Companies (D)	\$2,000,000
Declarations of Acquired Property (B)	\$2,000,000
Flood (Per Event)	\$5,000,000
Machinery Breakdown	\$20,000
EDP Breakdown	\$20,000

	Changes in a Temperature Controlled Environment (Deterioration of Stock)	\$5,000
	Increased Cost of Working as a result of Electronic Breakdown	\$10,000
<b>Indemnity Period</b>	Human Infectious &/or Human Contagious Disease	3 Months
	All Other Losses	24 Months
<b>Pay-Roll Limits</b> As defined herein	100% for	52 Weeks
<b>Uninsured Working Expenses</b> (Applicable only to the definition of Gross Profit)	The words and expressions used herein shall have the meanings usually attached to them in the books and accounts of the Insured unless otherwise defined in this policy.	
	As Declared	
<b>Deductibles</b>	The Insured shall bear the following amounts in respect of each loss or series of losses arising out of any one event:	
	<b>Section 1: Material Loss or Damage</b>	
	Earthquake, Subterranean Fire or Volcanic Eruption	a) \$20,000; or b) an amount equal to 1% of the total Declared Values for Property Insured at the Situation where the loss occurs;  Whichever is the lesser.
	Flood	\$5,000
	Named Cyclone	\$25,000
	All Other Losses	\$1,500
	<b>Section 2: Consequential Loss</b>	
	Denial or Prevention of Access - Physical Loss or Damage	48 Hrs
	Unspecified Suppliers' and/or Customers' Premises (Australia & New Zealand) - Single Limit (B)	48 Hrs
	Remote Premises of Public Utilities	48 Hrs
Human Infectious &/or Human Contagious Disease Endorsement	48 Hrs	
Note: Should more than one Deductible appear under this Policy for any claim or series of claims arising from one Event, such Deductibles shall not be aggregated - the highest single level of Deductible only shall apply.		

The Limit of Liability and Sub-limits of Liability apply in excess of any applicable Deductible.

**Wording**

Steadfast ISR Mark IV Modified including the following Chubb endorsements;

- Chubb Amount of Policy Not Reduced by Loss
- Chubb Electronic Data Endorsement
- Chubb Electronic Equipment and/or Device Endorsement
- Chubb Human and or Human Contagious Disease Endorsement
- Chubb Sanctions Endorsement
- Chubb Terrorism Exclusion
- Chubb Transmission & Distribution Lines Endorsement
- Abandoned Undamaged Portion of a Building
- Accounts Receivable (B)
- Accumulated Stocks
- Acquired Companies (D)
- Additional Extra Cost of Reinstatement (B)
- Adjustment of Premium
- Alteration (A)
- Alteration (B)
- Amended Proviso
- Amount of Policy not Reduced by Loss
- Application of Deductibles
- Automatic Reinstatement
- Award Liability for Employees' Clothing and/or Tools (B)
- Basis of Settlement (C)
- Basis of Settlement (D)
- Basis of Settlement (E)
- Basis of Settlement (G)
- Branded Goods (B)
- Breach Of Conditions
- Business Hours
- Cancellation by the Insured
- Changes In A Temperature Controlled Environment
- Classification of Property Insured
- Co-Insurance Clause
- Consolidated Period
- Constructive Total Loss
- Contract Works Existing Structure (B)
- Contractual Fines and Penalties (B)
- Cost of Clearing Blocked Drains, Pipes, Filters and Pumps (B)
- Customers' Goods
- Damage Diminution and Accidental Discharge Costs (B)



- Declarations of Acquired Property (B)
- Declared Values (B)
- Decorative Livestock (Fire Cover Only)
- Demolition and Removal of Owned Property
- Demolition of Damaged Property
- Departmental Clause
- Depreciation of Undamaged Stocks (B)
- Edp Breakdown
- Election to Claim Indemnity Value (B)
- Event (C)
- Expediting Expenses
- Exploratory Costs
- Extra Cost of Reinstatement Provision (v) Deleted
- Extra Cost of Reinstatement Elsewhere
- First Loss Insurance Theft and Money
- Flood
- Flood Amended Definition
- Floor Space Ratio Index (Plot Ratio) (A)
- General Property
- Goods Sold But Not Delivered (A)
- Goods and Services Tax (A)
- Government Incentives
- Gross Profit Average Under-Insurance Amended (B)
- Gross Profit 80 percent Average Under-Insurance
- Heritage Protection
- Hold-up Theft
- Impermanent Removals
- Insured Pay-Roll
- Insurers' Rights
- Interdependency Australia
- Item No. 1 Amended
- Jewellery and Furs of Employees and Others (B)
- Labels, Containers and Wrappings
- Landscaping (C)
- Leased Equipment (Residual Value)
- Liability for Duty
- Liability to Make Enquiries
- Loss Discovered Late
- Loss Minimisation (B)
- Loss of Land Value (B)
- Machinery Breakdown (Physical Damage And Expediting Costs)
- Misdescription, Non-Disclosure and Alteration

- Money Carriers Other Insurance
- Notification of Claims (B)
- Nuclear Exempt Equipment
- Order Of Priority Subrogation Recoveries
- Other Contributing Properties (A)
- Other Insurance
- Output Replacement
- Pairs and Sets (A)
- Paved Areas (B)
- Payroll Amended Definition
- Personal Property of Employees and Others (B)
- Pollution and Contamination (C)
- Pressure Vessel Perils (B)
- Pressure Vessel Perils Section 2
- Prevention of Imminent Damage
- Progress Payments
- Property Insured (B)
- Property at Outside Stores and Outworkers Premises (B)
- Public Authorities, Storage Lease and Hire Agreements
- Reduced Margin
- Reinstatement Elsewhere
- Reinstatement of Damage by the Insured
- Reinstatement of Undamaged Property
- Reinstatement or Replacement Provision (vi)
- Remote Premises of Public Utilities (B)
- Resulting Damage to Pressure Vessels
- Royalties Receivable (B)
- Salvage Sale
- Securities (A)
- Severance pay
- Sprinkler Installations (C)
- Statutory Inquiries
- Subrogation
- Subrogation Waiver (Other Interested Parties)
- Subrogation Waiver (Partners)
- Subsidence Caused by Seismological Disturbance
- Temporary Removal Exemption (B)
- Termination of Cover Under Section 2 (A)
- Theft in Open Resultant Damage
- Theft of Property in Open Air
- Trade Exhibitions (A)
- Travellers Cheques

- TurnoverOutput Alternative Amended
- Undamaged Ancillary andor Peripheral Equipment
- Undamaged Foundations (A)
- Undamaged Foundations (B)
- Unpacking Expenses
- Unspecified Suppliers' andor Customers' Premises (ANZ) (Single Limit) (B)
- Unspecified Suppliers' andor Customers' Premises - (Worldwide) (C)
- Valuation of Property Employees and Others
- Weather Damage to Certain Property
- Works of Art, Antiques and Curios

All other endorsements to be agreed.

<b>Rate</b>	As Agreed
<b>Commission</b>	As Agreed
<b>Fire/Crime Split</b>	70.0% / 30.0%
<b>Premium</b> Premiums are for period stated herein unless otherwise noted and which amounts are provisional and shall be adjusted in accordance with the Conditions of the Policy	As Agreed
<b>Capacity</b>	100%
<b>Conditions</b>	This Policy is subject to: <ul style="list-style-type: none"> <li>• Chubb Privacy Statement</li> <li>• General Insurance Code of Practice</li> </ul>

Regards,



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03 9242 5194  
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## Chubb Specific Endorsements

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Notwithstanding anything contained herein to the contrary, it is hereby declared and agreed that the following endorsements are made to the policy:

### **CHUBB AMTPLOS**

#### Chubb Amount of Policy Not Reduced by Loss

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The Memorandum "Amount of Policy Not Reduced by Loss" is amended by adding the words "if required" after the word "payment".

Any clause in the policy which gives Automatic reinstatement shall not apply in respect of limits stated to be in the annual aggregate during any one period of insurance.

### **CHUBB ELECDATA**

#### Chubb Electronic Data Endorsement

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

- a) This policy does not insure:
- i. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data,
  - ii. error in creating, amending, entering, deleting or using Electronic Data, or
  - iii. total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all

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

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

- b) However, in the event that a peril listed below (being a peril insured by this policy but for this exclusion) is caused by any of the matters described in paragraph (a) above, this Policy, subject to all its provisions, will insure:
- i. physical loss of or damage or destruction to Property Insured directly caused by such listed peril, and/or
  - ii. consequential loss insured by this Policy

Further, this exclusion does not apply in the event that a peril listed below (being a peril insured by this policy but for this exclusion) causes any of the matters described in paragraph (a) above Fire, Explosion, Lightning, Windstorm, Hail, Tornado, Cyclone, Hurricane, Earthquake, Volcano, Tsunami, Flood, Freezing, Weight of Snow, Impact by Aircraft or other aerial objects dropped therefrom, Impact by any Road Vehicle or Animal, Bursting Overflowing Discharging or Leaking of Water Tanks Apparatus or Pipes, or Theft of Electronic Data solely where such Theft is accompanied by Theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data

- c) For the purposes of the Basis of Settlement provision in this Policy, computer systems records includes Electronic Data as defined in paragraph (a) above

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Any terrorism exclusion in this Policy or any endorsement thereto prevails over this endorsement.

**CHUBB  
ELCEQP**

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**Chubb Electronic Equipment and/or Device Endorsement**

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This policy does not insure against any loss, damage, cost, claim or expense, directly or indirectly, proximately or remotely, whether in whole or in part caused by, resulting from, contributed to, aggravated by or consisting of any malfunction, derangement or inability of

- a) the failure of any Electronic Equipment and/or Device to recognise, interpret, calculate, compare, differentiate, sequence or process data consisting of, dependent on or deduced from one or more dates or time or,
- b) Any change, repair, alteration, correction or modification of any part or parts of any Electronic Equipment and/or Device to correct or prevent any anticipated or actual condition or circumstances stated in (a.) above.

***Electronic Equipment and/or Device*** includes but is not limited to computers, computer equipment, coding, programs, instructions or any software stored on electronic, electromechanical, electromagnetic data processing or electronically controlled equipment and media:

1. computer hardware, including microprocessors;
2. computer application software;
3. computer operating systems and related software;
4. computer networks;
5. microprocessors (computer chips) not part of any computer system;
6. any other computerized or electronic equipment or components;
7. whether the property of the Insured or not.

**CHUBB  
HINFCTD**

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**Chubb Human and or Human Contagious Disease Endorsement**

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Loss as insured by this Policy resulting from interruption of or interference with the Business directly arising from an occurrence or outbreak at the Insured's premises only and limited to:

closure or evacuation of the whole or part of the Premises by order of any Government, Local Government or other Statutory Authority consequent upon:

1. Any occurrence of a human infectious or human contagious disease at the Premises,
2. Food or drink poisoning,
3. The discovery of vermin or pests at the Premises,
4. Defects in the drains or other sanitary arrangements at the Premises,
5. Any occurrence of murder or suicide at the Premises.

shall be deemed to be Damage to the property used by the Insured at the Premises.

In respect of Item 1, any occurrence of any prescribed human infectious or human contagious diseases under the Quarantine Act 1908 and subsequent amendments are excluded from this coverage.

*For the Purpose of this Extension:*

Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the Damage, beginning with the date when closure or evacuation of the whole or part of the Premises occurs as ordered by any Government,

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Local Government or other Statutory Authority and ending not later than three months thereafter.

The Insurer shall not be liable under this Extension for any costs incurred in the cleaning, repair, replacement, and recall or checking of property.

The Insurer shall only be liable for loss arising at those Premises which are directly subject to the Damage.

**CHUBB  
SANCTIONS**

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Chubb Sanctions Endorsement

The Insurer(s) shall not be deemed to provide cover and the Insurer(s) shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer(s) 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, United States of America or the Commonwealth of Australia.

**CHUBB  
TERROR**

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Chubb Terrorism Exclusion

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

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

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

**CHUBB  
TRANDIST**

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Chubb Transmission & Distribution Lines Endorsement

Notwithstanding any provision to the contrary in the Policy or any endorsement thereto, it is understood and agreed that this Policy does not cover losses in respect of all overhead transmission and distribution lines including wire, cables, poles, pylons, standards, towers, or other supporting structures which may be attendant to the transmission or distribution of electrical power, telecommunications, or any other communications signals.

This exclusion applies to the aforementioned equipment which is located beyond a radius of 300 metres (or 1000 feet) of an insured location.

It is understood and agreed that utility service interruption and/or suppliers extension and/or contingent business interruption coverages are not subject to this exclusion, provided that these are not part of a transmitters or distributors Policy.





## Product Endorsements

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Notwithstanding anything contained herein to the contrary, it is hereby declared and agreed that the following endorsements are made to the policy:

	<b>Section 1 – Material Loss or Damage</b>
	<b>The Indemnity</b>

### **SFAST13 RUINSXB4**

#### Abandoned Undamaged Portion of a Building

If any building is Damaged and due to the exercise of statutory powers or delegated legislation or authority by any government department, local government or other statutory Authority, reinstatement of such building is carried out upon another site, then the abandoned undamaged portion of such building shall be deemed to have been destroyed; provided that if the presence of such abandoned undamaged portion of the building increases the sale value of the original site, the increase in sale value shall be regarded as salvage and the amount thereof shall be payable to the Insurer(s) by the Insured upon completion of any sale of the site or shall be deducted from the total amount otherwise payable by the Insurer(s) under this policy, whichever shall occur later.

Our liability shall not exceed the amount of the sub-limit stated in the Schedule of the policy against “Abandoned Undamaged Portion of a Building” for any one loss or series of losses arising out of any one event or occurrence.

All differences relating to the amount of such increase in site value shall forthwith be referred to the decision of two registered valuers; one to be appointed by each of the parties to this policy. If the two valuers do not agree, their differences shall be referred to the decision of a third valuer, appointed by the President of the Australian Institute of Valuers as an expert, whose decision shall be binding.

### **SFAST13 BDEBPCB4**

#### Accounts Receivable (B)

*(Inoperative unless a sub-limit for Accounts Receivable is shown in the Schedule)*

The insurance under this item is limited to the loss sustained by the Insured in respect of all outstanding debit balances if the Insured is unable to effect collection thereof as a direct result of Damage to records of accounts receivable. The Insurers will also pay:

- (i) interest charges at the Reserve Bank of Australia rates on any loan to offset impaired collections pending repayment of such amounts rendered uncollectible in consequence of the Damage;
- (ii) interest lost by the Insured in consequence of such impaired collections;
- (iii) additional expenditure necessarily and reasonably incurred in tracing and establishing the amounts of accounts receivable; and
- (iv) collection expenses in excess of normal collection costs, incurred in consequence of the Damage.

Where there is proof that a loss covered by the policy has occurred, but the Insured cannot accurately establish the total amount of accounts receivable outstanding at the date of Damage, such amount shall be computed as follows:

- (a) Determine the total amount of accounts receivable outstanding on the last working day of the fiscal month which ended twelve months before the beginning of the month in which the Damage occurs.

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- (b) Calculate the average increase or decrease in the monthly total amounts of accounts receivable outstanding on the last working day of each of the twelve months immediately preceding the month in which Damage occurs.
  - (c) The amount determined under paragraph (a), increased or decreased by the percentage calculated in accordance with paragraph (b) shall be deemed to be the total amount of accounts receivable outstanding at the time and date of the Damage.
  - (d) The amount determined under paragraph (c) shall be adjusted as may be necessary to provide for any demonstrable variance from the amount so determined occurring before but during the month in which the Damage occurs; due consideration also being given to normal monthly trends in receipts.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an equitable amount to provide for doubtful debts. The cover hereby granted shall be subject to the sub-limit stated in the Schedule against 'Accounts Receivable'.

**SFAST13  
STOCKVS4**

Accumulated Stocks

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The words "of finished goods" are deleted from the Memorandum under this heading.

**SFAST13  
ACQCPC4**

Acquired Companies (D)

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The Memorandum to Section 1 headed 'Acquired Companies' is deleted and the following Memorandum substituted for it in the MEMORANDA TO ALL SECTIONS:

"This Policy extends to include:

property located in Australia belonging to companies and other organisations: a controlling interest in which is acquired by the Insured during the Period of Insurance;

property located in Australia for Damage to which such companies or other organisations are legally responsible or for which they have assumed responsibility to insure prior to the occurrence of any Damage; and

any loss suffered by any such companies or organisations which is the subject of indemnity under Section 2 of this Policy.

The Insured must, within one (1) month of acquisition, declare in writing to the Insurer(s):

- (a) the name of the company or other organisation and the nature of its business;
- (b) the nature and extent of the property to be insured;
- (c) the value of the indemnity provided, calculated in accordance with the relevant basis of settlement clauses;

and must pay any additional premium required and comply with any reasonable directions of the Insurer(s) with respect to the security or safety of that property.

The business of the acquired company or other organisation must be similar to the Business stated in the Schedule.

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For the purpose of this Memorandum, a controlling interest shall, in the case of a company, mean the acquisition of shares carrying more than 50% of votes capable of being cast at a general meeting of all shareholders in the company.

All such property shall be Property Insured for the purpose of the Adjustment of Premium Memorandum and the Insured shall make declarations with respect to it accordingly and with respect to the indemnity provided under Section 2.“

**SFAST13**  
**ADDECPC4**

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**Additional Extra Cost of Reinstatement (B)**

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(Applicable to buildings, machinery, plant and all other property and contents other than those specified in items (b) to (i) under Basis of Settlement).

The policy extends to cover the additional extra cost of reinstatement including demolition or dismantling of the insured property damaged, necessarily incurred by the Insured to comply with the requirements of any Act of Parliament or regulation made thereunder or any by-law or regulation of any municipal or other statutory authority and not otherwise recoverable under the terms and conditions of the policy.

Provided that the indemnity afforded by this clause:

- (a) shall be limited in respect of each loss or series of losses arising out of any one event to the amount shown in the Policy Schedule against Additional Extra Cost of Reinstatement (B), which amount shall be separate from and additional to the Limit of Liability expressed in the Schedule of the policy in respect of buildings, machinery, plant and all other property and contents other than those specified in items (b) to (i) under Basis of Settlement;
- (b) shall not include the additional cost incurred in complying with any such Act, regulation, by-law or requirement with which the Insured has been duly required to comply prior to the happening of the damage; and
- (c) shall not be subject to the Co-insurance Memorandum contained in Section 1 of the policy.

The work of reinstatement (which may be carried out wholly or partially upon another site or sites if the aforesaid Act, by-law or regulation so necessitates subject to the liability of the Insurer(s) not being thereby increased) must be commenced and carried out with reasonable despatch, failing which the Insurer(s) shall not be liable to make any payment beyond the amount that would have been payable under the policy if this Memorandum had not been incorporated therein.

Our liability shall not exceed the amount of the sub-limit stated in the Schedule of the policy against “Additional Extra Cost of Reinstatement (B)” for any one loss or series of losses arising out of any one event or occurrence.

**SFAST13**  
**ADJPMXB4**

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**Adjustment of Premium**

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The memorandum to all Sections, headed ‘Adjustment of Premium’ is extended to include the following clause:

- “(f) If any claim paid or payable under Section 1 and/or 2 of the policy in respect of Damage occurring during the period of insurance is reduced due to under-insurance in accordance with the provisions of a Co-insurance or Average clause or clauses, the insurer(s) shall waive any additional premium for that period of insurance, which would otherwise be payable in accordance with this memorandum.”

**SFAST13  
ALTERVS4**

Alteration (A)

---

Condition 2 is extended to include the following additional provision:

“Provided further that paragraphs (a) and (b) of this Condition 2 shall not apply if such alteration(s) are neither known to nor made by an officer of the Insured who is responsible for Insurance.”

**SFAST13  
ALTERXS4**

Alteration (B)

---

The preamble to paragraphs (a) to (d) of Condition 2 is amended to read:

“Subject to Section 54 of the *Insurance Contracts Act 1984*, the Insurer(s) shall not be liable for loss, destruction of or damage to any property insured hereunder caused or contributed to by any alteration after the commencement of this Policy.”

**SFAST13  
NOAVEXB4**

Amended Proviso

---

The proviso to The Indemnity is amended to read:

*“Provided that only Clause (a) above shall be subject to any Co-insurance clause or memorandum contained in this Policy.”*

**SFAST13  
LETGOVS4**

Amount of Policy not Reduced by Loss

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The Memorandum under this heading is amended to commence with the words: "Unless the Insured requests otherwise".

**SFAST13  
APPLYXS4**

Application of Deductibles

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Deductibles shall apply to the Limits and Sub-Limits of Liability in accordance with the Schedule but the Limits and Sub-Limits of Liability shall only be applied in excess of the relevant deductible.

**SFAST13  
TOPUPXS4**

Automatic Reinstatement

---

The Memorandum applicable to all Sections and headed "Amount of Policy not Reduced by Loss" is further amended to read:

“The Insurance under each section and/or item of this Policy and the Indemnity Period shall be automatically reinstated in the event of any loss in consideration of the payment by the Insured upon request by the Insurer(s) of a pro-rata additional premium calculated on the amount of the loss settlement at the rate(s) agreed for the Period of Insurance.”

**SFAST13  
AWARDPC4**

Award Liability for Employees' Clothing and/or Tools (B)

---

The policy extends to indemnify the Insured for legal liability under any Federal or State Award or Determination for loss or destruction of or damage to employees' clothing and/or tools.

**SFAST13  
BASIPCC4**

Basis of Settlement (C)

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In Section 1, Basis of Settlement (c) is amended to read:

“(c) On material in process of manufacture:

The replacement cost of the raw materials and the cost of labour and other manufacturing costs expended thereon at the time and the place of the damage.”

**SFAST13  
BASIPCD4**

Basis of Settlement (D)

---

In Section 1, Basis of Settlement (d) is amended to read:

“(d) On finished goods manufactured by the Insured:

The replacement cost of the raw materials and the cost of labour and other manufacturing costs expended thereon before any allowance for profit, calculated at the time and place of the damage, or the cost of re-stocking such goods within a reasonable time, whichever is the lesser. If such goods are obsolete, the Basis of Settlement (whether or not such goods are replaced) shall be the original cost to the Insured of such goods or the indemnity value, whichever is the lesser.

**SFAST13  
BASIPCE4**

Basis of Settlement (E)

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In Section 1, Basis of Settlement (e) is amended to read:

“(e) On computer systems records, computer software, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books, and other records of every description:

The cost of repairing, replacing, reproducing or restoring same, including information contained therein or thereon, but excluding the value to the Insured of the said information or, if repair, replacement, reproduction or restoration is not carried out with reasonable despatch, the replacement cost of materials as blank stationery at the time and place of the damage.”

**SFAST13  
BASIPCG4**

Basis of Settlement (G)

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In Section 1, Basis of Settlement (g) is amended to read:

“(g) On glass:

The cost incurred in repairing or replacing the broken glass in accordance with Australian Standard AS 1288-2006 or its current equivalent, including:

- 
- (i) temporary shuttering and/or hiring of security service pending replacement of broken glass; and
  - (ii) sign-writing or ornamentation on glass, replacement burglar alarm tapes or protective films on glass, removing and re-fixing of window and show-case frames and fittings, heat reflecting material or process on glass.”

**SFAST13  
BRANDPC4**

Branded Goods (B)

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The final sentence of the Memorandum under this heading is amended to read:

“If such salvage is not disposed of by sale then the value of the salvage shall be deemed to be the market value of the goods after brands, labels or names have been removed by or on behalf of the Insured.”

**SFAST13  
BREAKXB4**

Breach Of Conditions

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Any breach of a condition without the knowledge or consent of the Insurance Officer of the Insured shall not prejudice or invalidate this insurance provided that due diligence is exercised at all times by the Insured.

**SFAST13  
BUSHRXS4**

Business Hours

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For the purposes of Property Exclusion 2(c), the Insured's business hours shall mean the period during which the Insured's premises are actually occupied for business purposes and during which the Insured or employees of the Insured are in the premises.

**SFAST13  
CANCNXS4**

Cancellation by the Insured

---

Paragraph (a) of Condition 5 is amended to read:

“This Policy may be cancelled at any time at the request of the Insured, in which case the Insurer(s) will be entitled to a pro rata proportion of the premium, subject to any adjustment in accordance with the Adjustment of Premium Memorandum, for the time this Policy has been in force.”

**HOTUPXB4**

Changes In A Temperature Controlled Environment

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Notwithstanding the provisions of Perils Exclusion 6(c), or Property Exclusions 12 and 16, the policy extends to include loss, destruction of or damage to stocks caused by or arising from changes in a temperature controlled environment where such change arises out of mechanical, hydraulic, electrical or electronic breakdown of the temperature controlling equipment for a period of not less than twelve (12) hours.

The liability of the Insurer(s) shall be limited to the sub-limit stated in the schedule of the policy against "Changes in a Temperature Controlled Environment" for any one loss or series of losses arising out of any one event or occurrence at any one location.

**SFAST13  
CLASSPC4**

Classification of Property Insured

---

For the purpose of ascertaining the classification under which any property is insured, the Insurer(s) agree to accept the designation applied to such property by the Insured in its records, provided that such property is not specifically excluded by this policy.

**SFAST13  
AVDELPC1**

Co-Insurance Clause

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Provision (iii) of the Reinstatement and Replacement memorandum is deleted together with The Co-insurance memorandum and the Declared Values Memorandum

The following additional memorandum shall apply to Section 1 of the Policy:

Average/Under-Insurance

The Insured is required to insure for full value calculated in accordance with the appropriate Basis of Settlement Clauses, as at the commencement of the Period of Insurance and, in relation to any Property Insured acquired after the commencement of the Period of Insurance, as at the time of acquisition of that property.

In the event of a claim, the moneys otherwise payable under Section 1 of this Policy shall be the proportion that the Insured's declaration at the time of the commencement of the Period of Insurance of the value of all property insured at the Situation to which the damaged item or items belong bears to 80% of the value of all such property as at the time of commencement of the Period of Insurance calculated in accordance with the appropriate Basis of Settlement Clauses.

This Memorandum shall not apply if the amount of the damage does not exceed 10% of the amount of the Insured's declaration of value for that Situation.

The Co-Insurance memorandum shall not apply to any claim for theft of Money to which a Sub-Limit(s) of Liability has been stated in the Schedule.

For the purposes of the application of this Clause, the Insured's Declared Values at any Situation shall not include any allowance for Extra Cost of Reinstatement or for the costs and expenses referred to in the additional cover provided in Sub-Clauses (b) to (g).

Provided further that this Clause is deleted for property forming part of the property insured, which has been insured under this Policy for the full value stated in a Valuation prepared by an Approved Valuer not less than three years before the commencement of the Period of Insurance, and which an Approved Valuer has updated not more than twelve months prior to the commencement of the Period of Insurance.

Approved Valuer means a Certified Practising Valuer registered with The Australian Property Institute within the relevant property discipline."

**SFAST13  
OPCONSXS4**

Consolidated Period

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The term Consolidated Period means the sum of the number of weeks specified in the Schedule applicable to clause (a)(i) of Item No. 3 and the percentage specified in the Schedule of the remaining portion of the Indemnity Period applicable to clause (a)(ii) of Item No. 3.

**SFAST13  
SEALDXB4**

Constructive Total Loss

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For the purposes of this endorsement there shall be deemed to be a constructive total loss when the Property Insured specified herein or any part thereof is reasonably abandoned:

- (a) because its actual total loss seems unavoidable; or
- (b) because it could not be preserved from actual total loss without an expenditure which would exceed its repaired and/or recovered value.

It is understood and agreed that the words “actual total loss” shall mean loss, destruction or damage (and not merely physical loss, destruction or damage) of or to the Property Insured specified herein or any part thereof.

**SFAST13  
EXISTPC4**

Contract Works – Existing Structure (B)

---

This exclusion is amended to read:

- “14 (a) property included in a project of construction, erection, alteration or addition, including the partial dismantlement of existing structures, where the total contract value of all work to be carried out at any one situation during such activity exceeds 10% of the Limit of Liability or \$500,000, whichever is the lesser. Provided that this Exclusion 14(a) shall apply only to the works comprising such construction, erection, alteration or addition and not to any original or existing structures.”

**SFAST13  
FINESPC4**

Contractual Fines and Penalties (B)

---

The following item is added to Basis of Settlement Clause (Section 2):

“Item No. 5.

The Insured is indemnified with respect to fines and penalties for breach of contract and the amount payable as indemnity hereunder shall be such sum(s) as the Insured shall be legally liable to pay and shall pay in discharge of fines and/or penalties incurred in consequence of the Damage, for non completion or late completion of orders, inability to meet contract specifications or cancellation of orders.”

Our liability shall not exceed the amount of the sub-limit stated in the Schedule of the policy against “Contractual Fines and Penalties (B)” for any one loss or series of losses arising out of any one event or occurrence.

**SFAST13  
PIPESXP4**

Cost of Clearing Blocked Drains, Pipes, Filters and Pumps (B)

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The Indemnity clause is extended to include additional costs necessarily and reasonably incurred by the Insured in the clearance of blocked pipes, drains, gutters, sewers, filters, pumping equipment and the like during the Period of Insurance, including exploratory costs, at the Premises as a direct result of damage as insured herein. Our liability shall not exceed the amount of the sub-limit stated in the Schedule of the policy against “Cost of Cleaning Blocked Drains, Pipes, Filters and Pumps (B)” for any one loss or series of losses arising out of any one event or occurrence.



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For the purpose of the application of Provision (iii) of the Reinstatement or Replacement Memorandum or the Co-Insurance Memorandum, the Insured's declared values at any Situation shall not include any allowance for the costs referred to in this extension.

**SFAST13  
SALESXB4**

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Customers' Goods

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The policy extends to insure goods belonging to the Insured's customers at the Premises, to the extent that such goods are not otherwise insured. Our liability shall not exceed the amount of the sub-limit stated in the Schedule of the policy against "Customers' Goods" for any one loss or series of losses arising out of any one event or occurrence.

**SFAST13  
NODAMPC4**

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Damage Diminution and Accidental Discharge Costs (B)

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In paragraph (c) of The Indemnity in Section 1, the words "for the purpose of preventing or diminishing imminent damage to property" are amended to read: "for the purpose of preventing imminent damage or minimising damage to Property Insured".

The indemnity under paragraph (c) extends to include costs and expenses incurred to switch off and re-set alarms following an occurrence caused by an insured peril.

The indemnity under paragraph (c) shall apply whether or not Damage occurs to Property Insured in circumstances giving rise to indemnity under Section 1 of this Policy. Our liability shall not exceed the amount of the sub-limit stated in the Schedule of the policy against "Damage Diminution and Accidental Discharge Costs (B)" for any one loss or series of losses arising out of any one event or occurrence.

**SFAST13  
ACQPRPC4**

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Declarations of Acquired Property (B)

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The following paragraph is added to the Adjustment of Premium Memorandum, at the end of paragraph (b):

"The Insured shall also make such declarations to the Insurer(s) under paragraph (b)(i) in respect of acquisitions of Property Insured, provided that no such declaration shall be required upon acquisition when the value of the acquisition does not exceed the amount stated in the Schedule against 'Declarations of Acquired Property (B)', of the Insured's total declaration of value under Section 1 as at the commencement of the Period of Insurance.

Notwithstanding the acceptance of a total variation in the Declared Values up to the amount stated in the Schedule of the policy against 'Declaration of Acquired Property (B)' under sub-limits of liability, Section 1: Material Damage, nothing here shall be construed as automatically noting or providing an increase in the Limit of Liability under the policy."

**SFAST13  
NODEPC4**

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Declared Values (B)

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The memorandum to Section 1 under this heading is extended to include the following paragraphs:

"If asset movements between Situations used by the Insured have resulted in an under-declaration of value(s) at a Situation and an offsetting over-declaration of value(s) at one

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or more other Situation(s), then such factors shall be taken into account when calculating the test for the application of Co-insurance/Under-insurance.

Declared values shall not include any allowance for Extra Cost of Reinstatement nor any of the costs and expenses referred to under any of the clauses, except clause (g), of The Indemnity.”

**SFAST13  
CAGEFOP4**

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**Decorative Livestock (Fire Cover Only)**

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Property Exclusion 6 is amended to read:

“6. Livestock, animals, birds or fish (other than birds or fish used solely for decorative purposes and only in respect of loss arising from fire only).”

Our liability shall not exceed the amount of the sub-limit stated in the Schedule of the policy against “Decorative Livestock (Fire Cover Only)” for any one loss or series of losses arising out of any one event or occurrence.

**SFAST13  
HANDYVS4**

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**Demolition and Removal of Owned Property**

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The words "*which is no longer useful for the purpose it was intended*" are deleted from Clause (f) (iii) of The Indemnity in Section 1.

**SFAST13  
DEMOLXS4**

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**Demolition of Damaged Property**

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The first paragraph of Perils Exclusion 1(b) is amended to read:

“(b) resulting from confiscation, nationalisation, requisition or damage to property by or under the order of any Government or Public or Local Authority, unless such order involves the demolition of property deemed unsafe following damage by any peril not otherwise excluded by this Policy.”

**SFAST13  
SPLITVS4**

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**Departmental Clause**

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The Memorandum under this heading is amended to read:

“If the Business is conducted in departments or business units the independent trading results of which are ascertainable, the provisions of Clauses (a) and (b) of Item nos. 1 and 3 shall apply separately to each department or unit affected by the Damage.”

**SFAST13  
DEPRPCB4**

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**Depreciation of Undamaged Stocks (B)**

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The following paragraph is inserted after paragraph (i) of the Basis of Settlement clause in Section 1:

“(j) Notwithstanding anything contained in this Policy to the contrary, in particular Property Exclusion 12 and Perils Exclusion 9, the Insurer will, to an extent not exceeding the value of the goods in storage remaining after its liability for any such

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direct loss has been determined and subject otherwise in all respects to the terms and conditions of this insurance, except as specifically varied hereby, also hold themselves liable for damage caused by deterioration of such goods due to the Insured's inability to process the goods in the normal way as a result of damage caused by any peril or circumstance insured by this Policy to any property used by the Insured."

**EDPBDXB4**

Edp Breakdown

---

Section 1 - Material Loss or Damage is extended to cover electronic data processing systems including peripheral and ancillary equipment and media against any sudden and unforeseen loss, destruction or damage whilst such property is within the precincts of the Situation and/or Premises and working or at rest or being dismantled, moved, reassembled or reinstated for the purpose of cleaning, adjustment, inspection, repair, overhaul or relocation but only after successful commissioning at the Situation and/or Premises.

The following "Exclusions - Applicable to all Sections" shall not apply to the cover granted by this endorsement:

Exclusion Number

Property 16  
Perils 4(a)  
Perils 4(c)  
Perils 4(e)  
Perils 6(c)

Provided that the liability of the Insurer(s) shall not exceed the amount of the sub-limit stated in the schedule of the policy against "Data Processing/Media Breakdown" for any one loss or series of losses arising out of any one event or occurrence at any one location.

**SFAST13  
INDCLPC4**

Election to Claim Indemnity Value (B)

---

Basis of Settlement (a) is extended to include the following extra provision:

"Provided further that if the Insured elects to claim the Indemnity Value of any Damaged property, the Insurer(s) shall be liable for no greater proportion of the loss of such property than the amount that the Insured's declaration, made at the time of commencement of the Period of Insurance, of the value of such property, bears to eighty per cent (80%) of the actual value of such property at the time of commencement of the Period of Insurance, but not exceeding the Limit of Liability expressed in the Schedule. Any amount recoverable under the Extra Cost of Reinstatement Memorandum shall not be taken into account in determining the Insurer's proportion of the loss of such property."

**SFAST13  
EVNTCVS4**

Event (C)

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The Memorandum applicable to all Sections and headed "Event" is amended to read:

"Only for the purpose of the application of any deductible: all loss, destruction or damage resulting from earthquake, volcanic eruption, subterranean fire or atmospheric

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disturbance occurring during each period of 72 consecutive hours shall be considered as one event whether continuous or sporadic in its sweep and/or scope and whether the loss, destruction or damage was due to the same seismological or meteorological conditions. Each event shall be deemed to have commenced on the first happening of any such loss, destruction or damage, not within the period of any previous event.”

**SFAST13  
EXPEDXB4**

Expediting Expenses

---

The policy extends to include reasonable costs and expenses incurred by the Insured for express carriage rates and extra payments for overtime, night, Sunday or holiday working incurred in connection with the repair or reinstatement of the Property Insured directly or indirectly arising from an event insured by the policy. . Our liability shall not exceed the amount of the sub-limit stated in the Schedule of the policy against “Expediting Expenses” for any one loss or series of losses arising out of any one event or occurrence.

**SFAST13  
XPLORXS4**

Exploratory Costs

---

Paragraph (c) of The Indemnity extends to include exploratory costs necessarily and reasonably incurred by the Insured to prevent imminent damage or diminish damage to Property Insured by any peril insured against by this Policy.

**SFAST13  
UNLIMXB4**

Extra Cost of Reinstatement – Provision (v) Deleted

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Provision (v) of the Extra Cost of Reinstatement memorandum is deleted.

**SFAST13  
ECRELXS4**

Extra Cost of Reinstatement Elsewhere

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Provision (i) of the Extra Cost of Reinstatement Memorandum is amended by deleting the words "if the requirements of the aforesaid Act, Regulation or By-Law so necessitate".

**SFAST13  
THEFTXS4**

First Loss Insurance – Theft and Money

---

The Average/Under-insurance Memorandum shall not apply to any claim for theft or Money to which a Sub-Limit or Sub-Limits of Liability apply as stated in the Schedule.

Neither Provision (iii) of the Reinstatement or Replacement Memorandum nor the Co-insurance Memorandum shall apply to any claim for theft of Money to which a Sub-Limit or Sub-Limits of Liability apply as stated in the Schedule.

**SFAST13  
FLOODXB4**

Flood

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Paragraph (a) of Perils Exclusion 3 is deleted.

**SFAST13  
DRAINXS4**

Flood – Amended Definition

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The definition of "flood" forming part of Perils Exclusion 3 (a) is amended to read:

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

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

**SFAST13  
FSRIAVS4**

Floor Space Ratio Index (Plot Ratio) (A)

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The words "in the event of any building(s) being damaged so as to constitute total loss or constructive total loss" are amended in the Memorandum under this heading to read: "if any building(s) being Property Insured is/are damaged and the cost of reinstatement is more than 50% of the cost of reinstatement if the building(s) had been totally destroyed".

General Property

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The following clause is added to THE INDEMNITY – Section 1:

Damage to general property including mobile phones, portable computers and other portable equipment whilst anywhere in Australia including whilst in transit (Property Exclusion 1 and Perils Exclusion 6 (a) shall not apply to this Clause).

Excluding always property stolen from an unlocked and unattended vehicle.

Limited to the Sub-Limit of Liability stated in the Schedule against General Property.

**SFAST13  
UNDELXB4**

Goods Sold But Not Delivered (A)

---

The Basis of Settlement under Section 1(d) of the Policy is extended to include the following clause:

“On goods sold but not delivered for which the Insured is responsible and with regard to which, under the conditions of sale, the sale contract is by reason of the Damage, cancelled either wholly or to the extent of the Damage; the contract price.”

**SFAST13  
GASTIZA4**

Goods & Services Tax (A)

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Basis of Settlement – Additional Clause

**Sections 1 & 2**

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Where settlement is made under Section 1 of this policy wholly or partly by way of:

payment for the acquisition of goods, services or other supply;

payment of compensation instead of payment for the acquisition of goods, services or other supply,

the Insurer shall reduce the settlement amount by:

3. the amount of any input tax credit that the insured is or will be entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to the acquisition of such goods, services or supply;
4. the amount of any input tax credit that the Insured would be entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the monetary compensation been applied to acquire such goods, services or supply.

**SFAST13  
BOOSTXB4**

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**Government Incentives**

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The definition of "Turnover" is extended to include financial incentives or concessions granted to the Insured by any Australian or State Government Department in recognition of specific performance in the development of market opportunities or employment of disadvantaged persons.

**SFAST13  
GPAVDPC1**

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**Gross Profit – Average/Under-Insurance Amended (B)**

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The final paragraph of Item No 1 is amended to read:

'Provided that if the estimated value of Gross Profit declared at the commencement of the Period of Insurance is less than eighty per cent (80%) of the sum produced by applying the Rate of Gross Profit to the Annual Turnover (appropriately increased if the Indemnity Period exceeds twelve months) which should have been achieved if the Damage had occurred on the day of commencement of the Period of Insurance, the amount payable hereunder shall be appropriately reduced.'

This provision shall not apply if the amount of the loss does not exceeds ten per cent (10%) of the estimated value of Gross profit declared at the commencement of the Period of Insurance.

Provided further that the proviso to Item No 1 is deleted where the estimated value of Gross Profit declared at the commencement of the Period of Insurance has been stated in a Valuation prepared by LMI Group, MSM Loss Management, Martin Minett Claims Preparation or a valuer approved by the Insurer.

**SFAST13  
GP8oAVP4**

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**Gross Profit – 80% Average/ Under-Insurance**

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The final paragraph of Item No 1 is amended to read:

"Provided that if the estimated value of Gross Profit declared at the commencement of the Period of Insurance is less than eighty per cent (80%) of the sum produced by applying the Rate of Gross Profit to the Annual Turnover (appropriately increased if the Indemnity Period exceeds twelve months) which would have been achieved if the Damage had

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occurred on the day of commencement of the Period of Insurance, the amount payable hereunder shall be proportionately reduced."

This provision shall not apply if the amount of the loss does not exceed ten per cent (10%) of the estimated value of Gross Profit declared at the commencement of the Period of Insurance.

**Rate of Gross Profit** means the proportion that the Gross Profit bears to the Turnover during the financial year immediately before the day of commencement of the Period of Insurance.

**Annual Turnover** means the Turnover during the twelve months immediately before the day of commencement of the Period of Insurance."

**NATTRXS4**

Heritage Protection

---

The following paragraph is inserted after paragraph (i) of the Basis of Settlement Clause:

In the case of a building with architectural features and/or structural materials possessing an ornamental or historical character, or for which the original materials are not available, the first paragraph of Basis of Settlement (a) shall be deemed to be amended to read:

The cost necessary to replace, repair, rebuild or restore the building to a reasonably equivalent appearance and capacity, using the original design and suitably equivalent materials.

This Endorsement shall not be subject to any Co-insurance Clause or

Co-insurance Memorandum contained in Section 1 of the Policy.

**HOLDUPC4**

Hold-up/Theft

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Perils Exclusion 7(d) is amended by adding the words:

"Provided that this exclusion shall not apply to loss caused by hold-up and/or theft or any attempt thereat."

**SFAST13  
IMPERXS4**

Impermanent Removals

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For the purposes of Property Exclusion 1, the term 'temporary removal' means removal for a particular purpose, other than insured property out on hire, with the intention that the property be returned to the place from which it has been removed when that purpose has been served.

**SFAST13  
INSRXXS4**

Insured Pay-Roll

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The term Insured Pay-Roll means the declared value of estimated Pay-Roll in respect of the Consolidated Period referred to in Item No. 3 and specified in the Schedule, declarable as at the day of commencement of the Period of Insurance.

**SFAST13  
COND9VS4**

Insurers' Rights

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The words "without thereby incurring any liability" in Condition 9 are amended to read "without thereby admitting any liability".

**SFAST13  
IDEPAXB4**

Interdependency – Australia

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Loss as insured by Section 2 of the policy resulting from interruption of or interference with the Business in consequence of Damage to property not insured by Section 1 of the policy and situated at any other premises in Australia owned and/or occupied by the Insured for the purpose of the Business shall be deemed to be resulting from Damage to property used by the Insured at the Premises.

Our liability shall not exceed the amount of the sub-limit stated in the Schedule of the policy against "Interdependency" for any one loss or series of losses arising out of any one event or occurrence.

**SFAST13  
ITEM1PC4**

Item No. 1 Amended

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In the first paragraph of this Basis of Settlement, the words "loss of Gross Profit" are amended to read: "actual loss of Gross Profit".

**SFAST13  
JEWLFPC4**

Jewellery and Furs of Employees and Others (B)

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The words "*jewellery, furs*" in Property exclusion 3 shall not apply to personal property belonging to employees and directors of the Insured not otherwise insured at the Insured's premises.

**SFAST13  
LABELXB4**

Labels, Containers and Wrappings

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In the event of damage affecting labels, containers or wrappings, the insurer(s) shall not be liable for more than an amount sufficient to pay the cost of new labels, containers or wrappings, and the cost of reconditioning the goods, but in no case shall the insurer(s) be liable for more than the insured value of the damaged merchandise.

**SFAST13  
LANDSCP4**

Landscaping (C)

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This Policy extends to include damage to landscaping; which term shall mean lawns, gardens, plants, shrubs, trees, rockwork, ornamentation and the like. Our liability shall not exceed the amount of the sub-limit stated in the Schedule of the policy against "Landscaping (C)" for any one loss or series of losses arising out of any one event or occurrence.

Leased Equipment (Residual Value)

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**SFAST13  
LEASEXB4**

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The basis of settlement under Section 1 of the policy is extended to include the following clause, notwithstanding clause (a):

On machinery, plant and equipment leased on a Residual Value basis; in the event of actual or constructive total loss, the amount for which the lessee is contractually liable to the lessor, but not exceeding the sum represented by rent payable under such lease(s) for the period commencing on the date of physical loss, destruction or damage and ending on the retirement date(s) of such lease(s), plus the current market value of the property immediately before its loss or damage or the Residual Value, whichever is the greater, less any salvage value, but in any case not exceeding 10% above replacement value. In the event of damage which does not amount to a constructive total loss, the cost of repair in accordance with the provisions of the Reinstatement or Replacement and Extra Cost of Reinstatement Memorandum as set out herein.

For the purpose of this basis of settlement, the term “Residual Value” shall mean the minimum amount which the lessee has guaranteed that the leased property will realise, being the same amount which the lessee has agreed would be payable to acquire such property upon the retirement date of the lease.

**SFAST13  
LDUTYVB4**

Liability for Duty

---

The policy extends to include the Insured’s liability for customs, excise and other duties which the Insured becomes liable to pay in the event of Damage to Property Insured, but not exceeding the sub-limit specified in the Schedule.

**SFAST13  
ENQUIXB4**

Liability to Make Enquiries

---

This policy extends to include costs and expenses incurred by the Insured in respect of any legal liability to make enquiries consequent upon physical loss, destruction or damage insured by this policy, but not exceeding the sub-limit stated in the schedule.

**SFAST13  
LATERXB4**

Loss Discovered Late

---

Property Exclusion 2(d) is amended to read:

(d) where the loss is not discovered within fifteen (15) working days of the event.

**SFAST13  
LOSMPCB4**

Loss Minimisation (B)

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Clause (c) of The Indemnity in Section 1 is extended to incorporate such reasonable costs (including travelling expenses) incurred to avert or minimise losses by perils insured by this Policy, including the protection, safeguard or recovery of Property Insured. Our liability shall not exceed the amount of the sub-limit stated in the Schedule of the policy against “Loss Minimisation (B)” for any one loss or series of losses arising out of any one event or occurrence.

Loss of Land Value (B)

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**SFAST13  
LNDVPCB4**

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Notwithstanding the provisions of Perils Exclusion 9 and Property Exclusion 8:

- (a) in the event of the absolute refusal by the competent local or government Authority to allow the reconstruction of the Premises following destruction or damage, the Insurer(s) shall pay by way of indemnity the amount of excess of the Land Value before the destruction or damage to improvements, over the Land Value after, the destruction or damage to improvements; or
- (b) in the event of the competent local or government Authority allowing only partial reconstruction of the Premises after destruction or damage, the Insurer(s) shall pay by way of indemnity the deficiency between the Land Value after such reconstruction and the Land Value before the destruction or damage;

less any sum paid by way of compensation by such Authority arising out of the action referred to in (a) or (b) above. The liability of the Insurer(s) shall be limited to the sub-limit stated in the Schedule of the policy against 'Loss of Land Value' for any one loss or series of losses arising out of any one event or occurrence at any one location.

Definition

**LAND VALUE** The sum certified by the Valuer General as being the value of the land so described in the policy after due allowance has been made for variations in or other circumstances affecting such value either before or after the damage or which would have affected the value had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the true Land Values pertaining both before and after the damage.

Special Conditions

Settlement shall be made following the ruling of the competent local or government Authority resulting in the loss of land value. Should settlement have been made however and subsequently the ruling of the competent local or government Authority be changed prior to completion of the reconstruction, resulting in an increase in the Land Value, that part of the claim paid in excess of the revised Land Value shall be refunded to the Insurer(s).

All differences relating to the Land Value arising out of the Policy shall forthwith be referred to the decision of two registered valuers; one to be appointed by each of the parties and in case the two registered valuers do not agree, of a third valuer, appointed by the President of the Australian Institute of Valuers as an expert, whose decision shall be binding.

**BDOWNXB4**

**Machinery Breakdown (Physical Damage And Expediting Costs)**

Property Exclusion 16 is deleted and the policy extends to indemnify the Insured for damage to Machinery occasioned by or happening through any mechanical, electrical, electromechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non-operation of any kind except as otherwise specifically excluded. For the purpose of this endorsement:

1. "Machinery" means any apparatus, including electronic control equipment, whether functioning independently or as part of a collection of apparatus, which generates, contains, controls, transmits, receives, transforms or utilises any form or source of energy or power.
2. The following specific exclusions shall apply to this endorsement and shall take precedence over the exclusions applicable to all sections of the policy:

### Property Exclusions

Physical loss or destruction of or damage to:

- (a) any sewer piping, underground gas piping, piping forming part of any sprinkler system or water piping other than boiler feed water piping, boiler condensate return piping or water piping connecting to or used with an airconditioning system;
- (b) any structure, foundation or setting (other than a bedplate) supporting or housing any Machinery, or the lining or fire wall of any unfired vessel;
- (c) any vehicle or mobile equipment whilst being driven on a public thoroughfare (but damage to such vehicle or mobile equipment whilst being used at any situation as a tool of trade is not excluded);
- (d) any aircraft or floating vessel;
- (e) any elevator, crane, hoist, power shovel, dragline or conveyor (but not any pressure vessel or electrical equipment used with such items of Machinery);
- (f) any computer or electronic data processing equipment;
- (g) any X-ray machine, spectrograph, gauges or other apparatus using radioactive materials, any radio or television apparatus;
- (h) any penstock, draft tube or well casing;
- (i) any steam or gas turbine-generator with a capacity exceeding 250 horsepower or equivalent;
- (j) electrical wiring and fittings associated with lighting and power circuits.

### Perils Exclusions

The Insurer(s) shall not be liable in respect of

- a)
  - (i) wear and tear and gradual deterioration (whether by wasting, grooving, rust, corrosion, erosion or otherwise) nor for the cost of maintenance work generally;
  - (ii) gradually developing flaws, deformation, distortion, cracks or partial fractures;

Provided that Perils Exclusions (a)(i) and (ii) shall be limited to the part(s) of the Machinery immediately so affected and shall not apply to any other part(s) of the Machinery undergoing sudden and unforeseen damage in consequence thereof.

- (b) repair or renewal of non-metallic parts and expendable tools, blades, edges, moulds, dies, templates, screens, sieves, ropes, belts and like items subject to rapid wear and tear unless repair or renewal thereof is necessitated by the occurrence of damage (as insured by this endorsement) to any other part(s) of the Machinery;
- (c) damage:
  - (i) arising from the intentional application of any tool or process to the Machinery during the course of repair, alteration, modification, maintenance or overhaul thereof.
  - (ii) to the Machinery resulting from the imposition of abnormal conditions relating to testing or intentional overloading of or experiments with the Machinery, unless the Insurer(s) shall have agreed in writing to grant indemnity under this endorsement whilst the Machinery is being operated under such conditions.
  - (iii) to the Machinery resulting from fault(s) or defect(s) therein known to the Insured or to responsible employees of the Insured but not disclosed to the Insurer(s) at the commencement of the Period of Insurance.
- (d) consequential loss of any kind (including consequential loss due to lack of performance, loss of contract or payment in respect of any contractual fine or penalty due to late or non-performance of services by the Insured).

The insurance under this endorsement includes expediting expenses, which shall mean:

- (a) penalty rates for wages during overtime, shift, night, Sunday or holiday working;
- (b) payment for carriage by express passenger, fast goods or other rail or road transport;
- (c) payment for carriage by air freight via licensed airline(s) operating a regular scheduled service but not by aircraft chartered for such carriage, unless agreed in writing with the Insurer(s).

The Insurer(s) liability for expediting expenses shall not exceed 50% of the normal cost of repair or replacement of the damaged Machinery.

**SFAST13  
UNDISYB4**

Misdescription, Non-Disclosure and Alteration

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Condition 1 of the policy is extended to include the following paragraph:

Notwithstanding the provisions of Conditions 1 and 2, the Insured shall not be prejudiced by any unintended and/or inadvertent error, omission or misdescription of the risk, interest or property insured under the policy, failure to advise the Insurer(s) of any change of risk, interest or property insured or failure to comply with any statutory requirement, provided that the Insured's officer responsible for insurance shall, upon becoming aware of any such unintended and/or inadvertent act, error or omission, inform the Insurer(s) as soon as reasonably practicable and that the Insured shall, upon request, pay any reasonable extra premium to the Insurer(s) from the date of the increase in risk.

**SFAST13  
MONEYVS4**

Money Carriers – Other Insurance

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The first paragraph of Property Exclusion 2(a) is amended to read:

- “(a) whilst being carried by professional money carriers, professional carriers or common carriers which is insured by any person or entity other than the Insured except to the extent of any Damage in excess of the amount of that insurance.”

**SFAST13  
CLMSBVS4**

Notification of Claims (B)

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The first paragraph of Condition 6 is amended to read:

On the happening of any loss, destruction or damage, the Insured shall forthwith give notice thereof in writing to the Insurer(s) and shall as soon as reasonably practicable deliver to the Insurer( s) a claim in writing containing as particular an account as may be reasonably practicable of the items of property lost, destroyed or damaged and the amount of Damage having regard to their value at the time this occurred and of the amount of any claim under Section 2 of this Policy, together with details of any other insurances which may apply to the claim.

**SFAST13  
RADIAXB4**

Nuclear: Exempt Equipment

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Perils Exclusion 2 is amended by adding the following:

“This Exclusion (2) does not apply to any radiations emitted by spectrometers, x-ray units, diathermy machines, equipment for radio and television broadcasting,

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telecommunications equipment, radar installations or industrial and commercial appliances used for sealing plastics or for welding, heating, drying and cooking.”

**SFAST13**  
**BITE1XS4**

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Order Of Priority – Subrogation Recoveries

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Paragraph (b) of Condition 10 is amended to read:

“(b) Recoveries, whether effected by the Insurer or the Insured, shall be applied, net of the expense of such recovery, first to the satisfaction of the Insured's loss in excess of the claim paid under this Policy (disregarding the amount of any Deductible applicable), secondly to the Insurer as reimbursement of the amount(s) paid in settlement of the Insured's claim and thirdly to the Insured in satisfaction of any Deductible amount applicable. Recovery from reinsurance shall not be deemed a recovery for the purpose of this paragraph (b).”

**SFAST13**  
**OCPBIPC4**

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Other Contributing Properties (A)

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Any loss resulting from interruption of or interference with the Business in consequence of Damage to any other property (not more specifically mentioned in this Policy) at any situation in Australia not owned or operated by the Insured, but which wholly or partly prevents delivery of materials, goods or services to the Insured and/or to the Insured's customers shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises.

Our liability shall not exceed the amount of the sub-limit stated in the Schedule of the policy against “Other Contributing Properties (A)” for any one loss or series of losses arising out of any one event or occurrence.

**SFAST13**  
**CONTBXB4**

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Other Insurance

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Condition 4 is deleted.

**SFAST13**  
**BETTAVB4**

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Output Replacement

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Notwithstanding anything contained to the contrary in the Reinstatement or Replacement Memorandum, it is hereby declared and agreed that of the interest described in Basis of Settlement (a) of this policy, any property that has a measurable output and which is capable of replacement with a new item or items that perform a similar function shall be valued for insurance purposes as follows and values for the settlement of any loss or damage in respect thereof shall be on the same basis:

- (a) If property lost, destroyed or damaged is to be replaced by an item or items that have the same or a lesser total output, then the insurable value thereof is the new installed cost of such replacement item or items as would give the same total output as the property lost, destroyed or damaged.
- (b) If property lost, destroyed or damaged is to be replaced by an item or items that have a greater total output and the new installed cost of such replacement property is no greater than the replacement value of the property lost, destroyed or damaged then no deductions shall be made from any claim for the improved output.

- 
- (c) If the property lost, destroyed or damaged is to be replaced by an item or items that have a greater total output and the new installed cost of such replacement property is greater than the replacement value of the property lost, destroyed or damaged, then its insurable value is the greater of:
- (i) the cost of replacement with similar property in a condition equal to but not better or more extensive than its condition when new; and
  - (ii) that proportion of the new installed cost that the output of the lost, destroyed or damaged property bears to the output of the replacement item or items.

The difference between the insurable value so calculated and the new installed cost of the replacement item or items shall be borne by the Insured.

No payment beyond the value of the destroyed property at the time of the happening of its damage shall be made hereunder until a sum equal to the value for settlement determined according to paragraphs (a), (b) and/or (c) hereof shall have been actually incurred.

Provided that in the event of partial loss or damage where property is to be repaired, the Insurer(s) shall pay the cost of restoration of the damaged property to a condition substantially the same but not better nor more extensive than its condition when new and provided further that the liability of the Insurer(s) shall not exceed the sum representing the cost that the Insurer(s) could have been called upon to pay if such property had been wholly destroyed.

**SFAST13  
PRSETXB4**

Pairs and Sets (A)

---

The basis of settlement under Section 1(h) of the policy is extended to include the following clause, notwithstanding clause (a):

“On personal property comprising a pair or set:

The difference between the market or replacement value (whichever is greater) before the loss and the market or replacement value (whichever is greater) after the loss.”

**SFAST13  
PAVEDPC4**

Paved Areas (B)

---

This exclusion is amended to read:

- “9 (a) bridges, canals, roadways (other than driveways, vehicle parking or manoeuvring areas and other paved areas at the Premises used or occupied by the insured for the purposes of its business) and tunnels, dams and reservoirs (other than tanks) and their contents.
- (b) railway tracks (other than on the premises occupied or used by the Insured for the purpose of its business.”

**SFAST13  
FBTSPVB4**

Payroll: Amended Definition

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The definition of Payroll in Section 2 of the policy is amended to read:

The remuneration (including but not limited to payroll tax, fringe benefits tax, bonuses, holiday pay, sick pay, long service leave, workers' compensation insurance premiums and/or accident compensation levies, superannuation and pension fund contributions and the like) paid to all employees of the Insured.

**SFAST13**  
**PPROSTB4**

Personal Property of Employees and Others (B)

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The wording of clause (g) of the indemnity is amended to read:

- (g) Damage to personal property, tools and effects (excluding money) of directors and employees whilst on the Insured's premises and damage to visitor's personal effects (excluding money) whilst on the Insured's premises, but only to the extent that such property is not otherwise insured.

Our liability for any one loss or series of losses arising out of any one event or occurrence is limited to the amount of the sub-limits stated in the Schedule of the policy against "Personal Property of Employees and Others (B)"

**SFAST13**  
**POLNSTC4**

Pollution and Contamination (C)

---

The following Perils Exclusion 10 is added to the Policy:

Notwithstanding anything to the contrary contained herein, this policy does not cover loss or destruction or damaged resulting from pollution or contamination except (unless otherwise excluded) loss or destruction of or damage to property or any part thereof used by the Insured at the premises for the purpose of the business caused by:

Pollution or contamination at the premises which itself results from fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious person, earthquake, storm, flood, bursting, overflowing discharging or leaking of water tanks, apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal.

any of the perils listed in (a) above which itself results from pollution or contamination.

**SFAST13**  
**BOILBVS4**

Pressure Vessel Perils (B)

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The second paragraph of The Indemnity in Section 2 is amended to read:

"Provided that the Insurer(s) will not be liable for any loss under this Section unless the Insured's property lost, destroyed or damaged is insured against such Damage (loss arising out of destruction or damage by the explosion, implosion, rupture, collapse, bursting, cracking or overheating of any boiler, economiser or other pressure vessel, including pipes, valves, and other apparatus forming part of any of these and in respect of any of which a certificate is required to be issued under the terms of any statute or regulation being excepted from this provision) and the insurer or insurers by which such property is insured shall have paid for or admitted liability in respect of such Damage unless no such payment shall have been made or liability shall not have been admitted therefore solely owing to the operation of a provision in such insurance excluding liability for loss below a specific amount."

**SFAST13**  
**BOIL2VS4**

Pressure Vessel Perils – Section 2

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The final sentence of Property Exclusion 17 is amended to read:

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“The provisions of this Exclusion shall not apply to Section 2 of this Policy.”

**SFAST13**  
**EVADEVS4**

Prevention of Imminent Damage

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The clause immediately following Perils Exclusion 1(b) is amended to read:

“Notwithstanding the provisions of Perils Exclusion 1(b), the Insurer(s) shall be liable for loss or destruction of or damage to Property Insured and for the reasonable cost of removal of such property including Damage resulting from such removal, in each case for the purpose of preventing or diminishing imminent Damage by, or inhibiting the spread of, fire or any other cause not excluded under this Policy.”

**SFAST13**  
**PAYGOVS4**

Progress Payments

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The words "may be made" in Condition 15 are amended to read "shall be made".

**SFAST13**  
**PROPBXS4**

Property Insured (B)

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The first paragraph of the definition of The Property Insured is amended to read:

“All tangible property both real and personal property of every kind and description (except as hereinafter excluded) belonging to the Insured or for which the Insured is responsible, or has assumed responsibility to insure prior to the occurrence of any Damage, including all such property in which the Insured may acquire an insurable interest or for Damage to which the Insured becomes responsible or assumes responsibility to insure, after the commencement of the Period of Insurance.

**SFAST13**  
**THERPCB4**

Property at Outside Stores and Outworkers Premises (B)

---

The following sentence is inserted at the end of the first paragraph of The Indemnity in Section 2:

“Loss as insured by this Policy arising from an interruption of or interference with the Business in consequence of Damage to any property belonging to the Insured or for Damage to which the Insured is responsible, while such property is at any storage premises within Australia or at any situation within Australia where the Insured has any work or process carried out by contractors, shall be deemed to be loss arising from Damage to property used by the Insured at the Premises for the purpose of the Business.”

**SFAST13**  
**NOSUBVS4**

Public Authorities, Storage Lease and Hire Agreements

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The Memorandum headed ‘Subrogation Waiver’ is extended to include the following clause:

“The Insured may, without prejudicing its position under this Policy:



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release any statutory governmental, semi-governmental or municipal authority from any liability if required by any contract to do so;

agree to enter into a contract for storage of goods or merchandise even if the terms of the contract include a disclaimer clause; and

agree to enter into a lease for occupancy of any building or part of a building or a lease or hiring of property where the terms of the lease or hiring include a disclaimer clause in favour of the lessor or the owner.”

**SFAST13**  
**LOWERXS4**

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Reduced Margin

If, in consequence of Damage giving rise to a claim under this Policy, Turnover is maintained at a reduced Rate of Gross Profit, an equitable allowance shall be made for the loss of Gross Profit resulting from an increase in the ratio to Turnover of stock usage or purchases (adjusted for stock variations). No allowance shall be made for an increase in the ratio to Turnover of any other uninsured expenses.

**SFAST13**  
**RELOCS4**

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Reinstatement Elsewhere

The bracketed words in Provision (i) of the Reinstatement or Replacement Memorandum are amended to read:

“(which may be carried out wholly or partially upon any other sites and in any manner suitable to the requirements of the Insured, but subject to the liability of the Insurer(s) not being thereby increased).”

**SFAST13**  
**UMAKEXB4**

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Reinstatement of Damage by the Insured

If the Insured shall, after obtaining the consent of the Insurer(s), reinstate damaged property insured, the Insurer(s) shall pay the cost of such reinstatement including the value of labour and other overhead charges expended thereon together with a reasonable margin for profit. The liability of the Insurer(s) shall not exceed the amount that would otherwise have been payable hereunder had such reinstatement been carried out by outside contractors.

**SFAST13**  
**REFIXXS4**

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Reinstatement of Undamaged Property

Paragraph (f) (iii) of The Indemnity is extended to include the cost of reinstating any property belonging to the Insured that has been necessarily demolished and removed for the purpose of the reinstatement or replacement of Property Insured damaged by any peril insured against by this Policy.

**SFAST13**  
**RRFLEXB4**

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Reinstatement or Replacement Provision (vi)

The following additional Provision (vi) is included:

- 
- “(vi) If the Insured elects to reinstate destroyed property with dissimilar property whether or not to be used for a similar purpose as the destroyed property, the Insurer(s) shall pay the lesser of:
- (a) the cost of the dissimilar property; or
  - (b) an amount equal to the replacement cost that would have been payable if the destroyed property had been reinstated by similar property in a condition equal to but not better or more extensive than its condition when new.”

**SFAST13  
UTILXPC4**

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**Remote Premises of Public Utilities (B)**

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The Memorandum headed ‘Public Utilities Extension’ is amended to read:

“Any loss resulting from interruption of or interference with the Business directly or indirectly in consequence of Damage, anywhere in Australia to land based premises of any communication station, electric power station or sub-station, gasworks, waterworks, sewerage pumping or sewerage treatment works of a supply undertaking from which the Insured obtains communication services, electric current, gas, water or sewage service shall be deemed to be loss resulting from Damage to Property used by the Insured at the Premises. It shall not be a condition precedent to liability under this endorsement that payment shall be made or liability admitted for damage under Section 1 of the policy.

The cover provided by this extension shall be subject to the sub-limit stated in the Schedule against Remote Premises of Public Utilities (B).”

**SFAST13  
RDPVSVS4**

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**Resulting Damage to Pressure Vessels**

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Property Exclusion 17 is extended to include the following provision:

“Provided that the Insurer(s) will indemnify the Insured for any Damage to the aforementioned items caused directly by any circumstances not excluded under Section 1 of this Policy, notwithstanding that these circumstances may in turn have been caused by any of the circumstances specified in this Property Exclusion 17.”

**SFAST13  
ROYALPC4**

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**Royalties Receivable (B)**

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*(This clause is only operative when a sub-limit is shown in the Schedule)*

Loss of royalties receivable in consequence of Damage to property at the specified premises anywhere in the world of any company, firm or person identified in the Schedule against ‘Royalties Receivable’ shall, subject to the sub-limit stated in the Schedule, be deemed to be loss resulting from Damage to property used by the Insured at the Premises.

**SFAST13  
SALVGPC4**

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**Salvage Sale**

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In the Salvage Sale memorandum, the final paragraph is amended to read:

“Shortage in Turnover shall mean: the amount by which the Turnover during a period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall

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short of the part of the Standard Turnover which relates to that period, from which shall be deducted the Pay-roll paid out of the proceeds of the salvage sale.”

**SFAST13  
SECURXS4**

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Securities (A)

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Basis of Settlement (e) is amended by deleting the word ‘securities’. In the case of Securities (which shall mean certificates of stock, bonds, coupons and all other types of securities), the basis of valuation shall be:

- “(a) if, with the approval of the Insurer(s), the Securities can be replaced, the cost of replacement paid or payable by the Insured; or
- (b) if the Securities cannot or are not to be replaced by the Insured, the greater of:
  - (i) the price for which the Insured purchased them and
  - (ii) the closing market value on the last business day prior to the date of discovery by the Insured of the loss or destruction of the Securities or, if the time of discovery by the Insured is after the close of the market, their closing market value on the day of discovery by the Insured of the loss or destruction of the Securities.
- (c) in the case of a loss of subscription, conversion or redemption privileges through the loss of any Security, the value of such privileges immediately preceding the expiration thereof.

such valuation being in the currency in which the loss was sustained. Losses sustained in currencies other than Australian dollars shall be settled by converting the amount of loss to Australian dollars at the market rate as set by the Reserve Bank of Australia at the time of settlement of the loss or such other rates as may be expressly agreed with the Insurer(s). If there is no market price or value on the relevant day stated herein, then the value shall be agreed between the Insured and the Insurer(s) or, in default thereof, the Insured and the Insurer(s) shall submit to arbitration and be bound by the decision of the Umpire.”

**SFAST13  
SEVERXB4**

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Severance pay

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*(Not operative unless the Schedule contains a sub-limit for Severance Pay)*

The insurance under this item is limited to such further additional expenditure beyond that recoverable under Clause (a) of Item No. 3 as the Insured is obligated or has agreed to pay under industrial awards, determinations, decisions or agreements for severance pay and/or in lieu of notice to employees whose services are terminated during the Indemnity Period in consequence of the Damage.

**SFAST13  
SPRAYPC4**

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Sprinkler Installations (C)

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Condition 3 is amended with the words "or are required by law to be protected" being deleted, and the following paragraphs added:

“Where the sprinklered Premises are leased to a tenant and the lease provides that the tenant shall provide for maintenance of the installation, any failure so to do will not prejudice the rights of the Insured, provided that the Insured, upon becoming aware of the failure, shall either immediately provide for maintenance of the installation or

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immediately give notice in writing to the Insurer(s) and on demand pay such reasonable additional premium as the Insurer(s) may require.

Where the Insured or a tenant responsible to provide for maintenance of the installation enters into an agreement for maintenance with a contractor and such agreement provides in substance that the Insured or tenant shall indemnify and/or hold harmless and/or release from liability the contractor in respect of loss, destruction or damage which may occur as a result of any peril insured against by this policy, the insurance hereby shall not be prejudiced by the Insured or the said tenant agreeing to such provision.

The Insured's officer responsible for insurance shall, upon becoming aware of such agreement, inform the Insurer(s) as soon as reasonably practicable and a reasonable additional premium will be paid if required by the Insurer(s)."

**SFAST13  
PAYQCXS4**

Statutory Inquiries

---

Paragraph (a) of The Indemnity shall extend to include costs and expenses incurred by the Insured in connection with Statutory Inquiries following Damage to Property Insured but not exceeding the sub-limit stated in the Schedule.

The term 'Statutory Inquiries' shall mean any judicial, coronial or other form of inquiry or hearing established by or at the direction of any government, semi-government, local or planning authority as a direct result of Damage to Property Insured.

For the purpose of the application of Provision (iii) of the Reinstatement or Replacement Memorandum or the Co-insurance Memorandum, the Insured's declared values at any Situation shall not include any allowance for the costs and expenses referred to in this extension.

**SFAST13  
SUBROPC4**

Subrogation

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The words "or paying any moneys under Section 2 of this Policy" are added at the end of paragraph (a) of Condition 10.

**SFAST13  
OTHERXB4**

Subrogation Waiver (Other Interested Parties)

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The wording of the memorandum to all Sections, headed "Subrogation Waiver", is extended to include the following paragraph:

Any party described in the memorandum to Section 1, headed "Interests of Other Parties", unless the Insured expressly agrees to the pursuit of recovery action against that party.

Subrogation Waiver (Partners)

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**SFAST13  
PTNERXB4**

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The wording of the memorandum to all Sections, headed “Subrogation Waiver”, is amended to read:

The Insurer(s) agree(s) to waive any rights and remedies or relief to which it/they may become entitled by subrogation against:

- a) any Insured named or described by this policy (including its directors, partners, officers, employees or servants);
- b) any corporation or organisation (including its directors, officers, partners, employees or servants) owned or controlled by any Insured named herein or subsidiary to any Insured named herein or any co-owner of the property insured hereunder.

**SFAST13  
SUBSDVS4**

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Subsidence Caused by Seismological Disturbance

Perils Exclusion 7(c) is extended to include the following provision:

“Provided that this Exclusion 7(c) shall not apply if Damage is caused by or arises out of an earthquake or seismological disturbance.”

**SFAST13  
AWAYBXS4**

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Temporary Removal Exemption (B)

The final sentence of Property Exclusion 1 is amended to read:

“This Exclusion shall not apply during temporary removal of property (other than stock and/or merchandise), including unregistered motor vehicles other than where used as stock and/or merchandise of the Business, to any situation within the Commonwealth of Australia and whilst at such situation. Whilst such property is in transit (excluding loading, unloading and storage in transit), cover is limited to physical loss, destruction or damage caused by fire, lightning, explosion, earthquake, aircraft, riot, strikes, malicious damage and storm and/or tempest.”

**SFAST13  
BICOVXB4**

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Termination of Cover Under Section 2 (A)

Condition 13 of the policy is amended to read as follows:

“If during the currency of the policy the Insured:

- (a) permanently discontinues or ceases to carry on the Business or if the Insured's proprietary interest in the Business ceases otherwise than by death; or
- (b) (being a corporation) is placed in liquidation, provisional liquidation, under official management, under the control of a receiver and manager or if control over its assets is assumed by a receiver; or
- (c) (being a natural person) becomes bankrupt;

then the insurance under Section 2 shall cease unless its continuance is admitted in writing by the Insurer(s). Such termination of cover shall not apply if any of the events stated in clauses (a), (b) or (c) are caused by loss, insured by Section 2 of the policy, resulting from interruption of or interference with the Business in consequence of Damage to property used by the Insured at the Premises.”

**SFAST13**  
**RDAIRVS4**

Theft in Open – Resultant Damage

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Perils Exclusion 6(a) is extended to include the following additional provision:

“Provided further that the Insurer(s) will indemnify the Insured for any Damage to Property Insured caused directly by any circumstances not excluded under Section 1 of this Policy, notwithstanding that these circumstances may in turn have been occasioned by or happened through theft of property (other than Money in transit) in the open air.”

**SFAST13**  
**THEFOAP4**

Theft of Property in Open Air

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Perils Exclusion 6(a) is deleted for any losses arising from theft of property in the open air up to the amount of the Sub-Limit shown in the Policy Schedule.

Provided that cover is only afforded only for property within the boundaries of the Insured’s locations, as specified on the Schedule

**SFAST13**  
**EXHIBXB4**

Trade Exhibitions (A)

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Loss as insured by Section 2 of the policy resulting from interruption of or interference with the Business due to curtailment of any trade exhibition anywhere in the world in consequence of Damage thereat and/or to property exhibited therein by the Insured shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises.

Provided that the liability of the Insurer(s) shall be limited to the sub-limit stated in the Schedule of the policy against ‘Trade Exhibitions’ for any one loss or series of losses arising out of any one event or occurrence.

**SFAST13**  
**TRCHQVS4**

Travellers Cheques

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The definition of Money extends to include travellers cheques.

**SFAST13**  
**OPALTXB4**

Turnover/Output Alternative Amended

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The memorandum headed Turnover/ Output Alternative in Section 2 of this Policy is amended to read:

“If it gives a more equitable result in determining the actual loss sustained by the Insured, the term ‘Output’ may be substituted for the term ‘Turnover’ and, for the purpose of this Section, ‘Output’ shall mean the sale and/or invoice value of goods manufactured and/or processed by the Insured in the course of the Business at the Premises. Provided that only one such term shall be operative in connection with any one event involving Damage.”

If the meaning set out above is used, the memorandum ‘Trading Elsewhere After Damage’ shall be altered to read as follows:

“If during the Indemnity Period goods shall be manufactured and/or processed other than at the Premises for the benefit of the Business either by the Insured or by others on the

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Insured's behalf the sale value of the goods so manufactured and/or processed shall be brought into account in arriving at the Output during the Indemnity Period.”

And the memorandum titled ‘Accumulated Stocks’ shall be altered to read as follows:

“In adjusting any loss under this Section, account shall be taken and equitable allowance made if any Shortage in Output due to the Damage is postponed by reason of the Output being temporarily maintained from accumulated stocks.”

**SFAST13**  
**OBSOLXB4**

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**Undamaged Ancillary and/or Peripheral Equipment**

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If plant and machinery is destroyed but its ancillary and/or peripheral equipment is not destroyed but upon replacement of the destroyed plant and/or machinery the ancillary and/or peripheral equipment is rendered superfluous, then such equipment shall be deemed to be destroyed and its salvage value shall be payable to the Insurer(s) by the Insured upon completion of any sale or shall be deducted from the total amount otherwise payable by the Insurer(s) under the policy, whichever shall occur later.

**SFAST13**  
**FDNOKVB4**

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**Undamaged Foundations (A)**

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When Property Insured is damaged but its foundations are not destroyed and, due to the exercising of statutory powers or delegated legislation or authority by any government department, local government or other statutory Authority, reinstatement of the Property Insured is carried out upon another site or sites, then the abandoned foundations shall be deemed to have been destroyed: If the presence of the abandoned foundations increases the sale value of the original site, then such increase shall be regarded as salvage and shall be payable to the Insurer(s) by the Insured upon completion of the sale, or shall be deducted from the total amount otherwise payable by the Insurer(s) under this Policy, whichever shall occur later.

All differences relating to the amount of such increase in site sale value shall forthwith be referred to the decision of two registered valuers, one to be appointed by each of the parties to this policy. If the two valuers fail to agree, their differences shall be referred to the decision of a third valuer, appointed by the President of the Australian Institute of Valuers as an expert, whose decision shall be binding.

**SFAST13**  
**FOUNDXS4**

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**Undamaged Foundations (B)**

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The term ‘foundations’ shall be deemed to include services, such as but not limited to conduits, pipes, cables and wiring, which are built in to footings, foundations or concrete floor slabs.

**SFAST13**  
**UNPAKXB4**

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**Unpacking Expenses**

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This policy extends to include costs and expenses incurred by the Insured in taking inventory (including unpacking, repacking and restocking) to identify, quantify and value any property physically lost, destroyed or damaged by any peril insured against by this Section including examination of property not belonging to but in the care, custody or control of the Insured. Our liability shall not exceed the amount of the sub-limit stated in

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the Schedule of the policy against "Unpacking Expenses" for any one loss or series of losses arising out of any one event or occurrence.

**SFAST13**  
**SANZiBPC4**

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Unspecified Suppliers' and/or Customers' Premises (Australia & New Zealand) (Single Limit) (B)

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Loss resulting from interruption of or interference with the business in consequence of Damage to property at the premises, anywhere in Australia or New Zealand, of any direct producer or direct merchant shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises.

The liability of the Insurer(s) under this endorsement, in respect of any one loss or series of losses arising out of any one event or occurrence at any one premises, shall be limited to amount stated in the Sub-Limit of Liability noted in the Schedule against Unspecified Suppliers and/or Customers Premises.

For the purposes of this endorsement, the term 'premises of a producer' refers to premises, other than those described in the Public Utilities Extension to Section 2 of the policy, at which any of the goods or services used directly by the Insured are produced, assembled or stored. The term 'premises of a merchant' refers to premises to which the Insured directly provides goods or services.

It is understood and agreed that the following peril exclusion will apply to this endorsement:

- i) Earthquake in New Zealand

**SFAST13**  
**UNSPZC4**

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Unspecified Suppliers' and/or Customers' Premises - (Worldwide) (C)

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*(This clause is only operative when a sub-limit is shown in the Schedule)*

Notwithstanding anything contained in this Policy to the contrary, Loss resulting from interruption of or interference with the business in consequence of Damage to property at the premises, anywhere in the world (excluding Afghanistan, Albania, Angola, Armenia, Azerbaijan, Belarus, Bosnia-Herzegovina, Bulgaria, Burma / Myanmar, Democratic Republic of Congo, Cuba, Eritrea, Georgia, Republic of Guinea, Iran, Iraq, Ivory Coast {Republic of Côte d'Ivoire}, Kazakhstan, Kampuchea, Kyrgyzstan, Laos, Lebanon, Liberia, Libya, Macedonia, Montenegro, North Korea, Mongolia, Romania, Rwanda, Serbia, Sierra Leone, Somalia, Sudan {North and South}, Syria, Tajikistan, Tibet, Turkmenistan, Ukraine, Uzbekistan, Zaire and/or Zimbabwe) of any producer or merchant shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises. The liability of the Insurer(s) under this endorsement, in respect of any one loss or series of losses arising out of any one event or occurrence at any one premises, shall be limited to the sub-limit stated in the Schedule, in respect of any one loss or series of losses arising out of any one event or occurrence.

For the purposes of this endorsement, the term "premises of a producer" refers to premises, other than those described in the Public Utilities Extension to Section 2 of the policy, at which any of the goods or services used by the Insured are produced, assembled or stored. The term "premises of a merchant" refers to premises to which the Insured provides goods or services.



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The extension specifically excludes losses arising from:

- (i) Earthquake, tsunami, volcanic eruption, hydrothermal or geothermal activity, or subsequent fire,
- (ii) Flood, or
- (iii) Storm.

**SFAST13**  
**VALPRXB4**

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**Valuation of Property – Employees and Others**

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Clause (h) of the Basis of Settlement under Section 1 is amended to read:

- (h) on personal property, tools and effects of the insured’s directors, employees and of visitors to the Insured’s premises: the replacement cost at the time and place of replacement.

**SFAST13**  
**STORMXB4**

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**Weather Damage to Certain Property**

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Property Exclusion 13 is deleted. Our liability shall not exceed the amount of the sub-limit stated in the Schedule of the policy against “Weather Damage to Certain Property” for any one loss or series of losses arising out of any one event or occurrence.

**SFAST13**  
**ANTIQXS4**

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**Works of Art, Antiques and Curios**

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The following paragraph is inserted after paragraph (i) of the Basis of Settlement clause in Section 1:

“On works of art, antiques and curios, none of which form part of the stock in trade or merchandise of the Business:

Notwithstanding the first paragraph of Basis of Settlement (a), the cost of restoring and repairing to a condition substantially the same as before the Damage plus any reduction in market value caused by the Damage. If restoration or repair is not possible, the market value immediately before the Damage.”

Our liability shall not exceed the amount of the sub-limit stated in the Schedule of the policy against “Works of Art, Antiques and Curios” for any one loss or series of losses arising out of any one event or occurrence.

**Additional Endorsements**

**CRIMEPC2**

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**ISR Crime Policy**

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This policy will only indemnify the Insured against loss arising from burglary and/or theft and will not indemnify the Insured for subsequent damage resulting therefrom or loss resulting from interruption of or interference with the business as a consequence of burglary and/or theft damage

## Section 1 - Material Loss Or Damage

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### The Indemnity

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In the event of any physical loss, destruction or damage (hereinafter in Section 1 referred to as “damage” with “damage” having a corresponding meaning) not otherwise excluded happening during the period of insurance at the Situation to the Property Insured described in Section 1 the Insurer(s) will, subject to the provisions of this Policy including the limitation on the Insurer(s) liability, indemnify the Insured in accordance with the applicable Basis of Settlement.

Subject to the liability of the Insurer(s) not being increased beyond the Limit(s) of Liability already stated herein, the Insurer(s) will also indemnify the Insured for:

- a) architects’, surveyors’, consulting engineers’, legal and other fees and clerks of works’ salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in reinstatement consequent upon damage to property hereby insured but not such costs, fees and salary for preparing any claim hereunder;
- b) any fee, contribution or other impost payable to any Government, Local Government or other Statutory Authority; where payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to reinstate any building(s) insured hereunder; provided that the Insurer(s) shall not be liable for payment of any fines and/or penalties imposed upon the Insured by any such Authorities;
- c) costs and expenses necessarily and reasonably incurred for the purpose of extinguishing fire at or in the vicinity of property hereby insured or threatening to involve such property or for the purpose of preventing or diminishing imminent damage to property hereby insured by any other peril insured against by this Policy, including damage to gain access and the cost of replenishment of fire fighting appliances and charges incurred for the purpose of shutting off the supply of water or other substance following accidental discharge from any fire protective equipment or otherwise escaping from intended confines;
- d) costs and expenses necessarily and reasonably incurred for the temporary protection and safety of property hereby insured pending repair or replacement consequent upon damage recoverable hereunder;
- e) (e)cost of replacing locks and/or keys and/or combinations where if as a result of theft or any attempt thereat the keys and/or combinations are stolen or if there are reasonable grounds to believe the keys may have been duplicated; also the cost of opening safes and/or strongrooms as a result of theft of keys and/or combinations;
- f) costs and expenses necessarily and reasonably incurred in respect of:
  - i) the removal, storage and/or disposal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs consequent upon damage to property insured by this Policy and occasioned by a peril insured against;
  - ii) the Insured’s legal liability in respect of removal, storage and/or disposal of debris, notwithstanding Excluded Peril 8 in relation to premises, roadways, services, railway or waterways of others, for such costs together with the cost of cleaning provided that such liability was not assumed by the Insured under an agreement entered into after the commencement of the Period of Insurance or any renewal thereof unless liability would have attached in the absence of such agreement.

Provided that the insurance under this section does not extend to any liability that the Insured may incur as a consequence of pollution of any kind.
  - iii) the demolition and removal of any property belonging to the Insured which is no longer useful for the purpose it was intended, providing such demolition and removal is necessary for the purpose of the reinstatement or replacement of Property Insured under this section and is consequent upon damage to the Property Insured by a peril hereby insured against.

- g) damage to clothing and tools of trade belonging to directors and employees of the Insured whilst on the Premises.

Provided that the insurance under Clauses (b) to (g) inclusive above shall not be subject to application of any Co-insurance clause or memorandum contained in this Policy.

### The Property Insured

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All tangible property both real and personal of every kind and description (except as hereinafter excluded) belonging to the Insured or for which the Insured is responsible, or has assumed responsibility to insure prior to the occurrence of any damage, including all such property in which the Insured may acquire an insurable interest during the Period of Insurance.

It is understood and agreed that the terms “personal property” shall include Money (which shall mean 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) whilst contained in the Situation and whilst in transit to and from the Situation anywhere in Australia, including whilst contained in the night safe of any bank or financial institution where the Insured transacts business, and in the personal custody of the Insured and/or persons authorised by the Insured whilst contained in their private residences.

### Basis Of Settlement

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For the purpose of ascertaining the classification under which any property is insured, the Insurer(s) agree(s) to accept the designation applied to such property by the Insured in its records, provided that such property is not specifically excluded by this Policy.

- a) On buildings, machinery, plant and all other property and contents (other than those specified below); The cost of reinstatement, replacement or repair in accordance with the provisions of the Reinstatement and Replacement and Extra Cost of Reinstatement Memoranda as set out herein.
- b) On raw materials, supplies and other merchandise not manufactured by the Insured: The replacement cost at the time and the place of replacement, provided that replacement shall have been carried out with reasonable despatch or, if such property is not replaced, the original cost to the Insured of such property or the indemnity value, whichever is the lesser. If such property is obsolete, the Basis of Settlement whether or not such property is replaced shall be the original cost to the Insured of such property or the indemnity value, whichever is the lesser.
- c) On material in process of manufacture: The replacement cost of the raw materials and the cost of labour and other manufacturing costs expended thereon at the time and the place of the damage.
- d) On finished goods manufactured by the Insured: The replacement cost of the raw materials and the cost of labour and other manufacturing costs expended thereon before any allowance for profit, calculated at the time and place of the damage or the cost of re-stocking such goods within a reasonable time, whichever is the lesser. If such goods are obsolete, the Basis of Settlement whether or not such goods are replaced shall be the original cost to the Insured of such goods or the indemnity value, whichever is the lesser.
- e) On computer systems records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description: The cost of repairing, replacing, reproducing or restoring same, including information contained therein or thereon but excluding the value to the Insured of the said information or, if repair, replacement, reproduction or restoration is not carried out with reasonable despatch, the replacement cost of materials as blank stationary at the time and place of the damage.
- f) On patterns, models, moulds, jigs, templets, dies or lasts: The cost of repair or replacement (if repaired or replaced with reasonable despatch) otherwise the value of such property to the Insured calculated at the time and place of the damage, but not exceeding the cost of replacement.
- g) On glass:  
The cost incurred in repairing or replacing the broken glass including:
- i) temporary shuttering and/or hiring of security service pending replacement of broken glass.
  - ii) signwriting or ornamentation on glass,

- iii) replacement burglar alarm tapes on glass,
  - iv) removing and re-fixing of window and show-case frames and fittings,
  - v) heat reflecting material or process on glass.
- h) On directors' and employees' clothing and tools of trade:  
The replacement cost at the time of replacement, subject to due allowance for wear and tear, depreciation and betterment.
- i) On empty premises awaiting demolition:  
The salvage value of the building materials and/or landlord's fixtures and fittings, net of demolition costs.

Provided that if the Insured elects to claim the indemnity value of any damaged property, the Insurer(s) will pay to the Insured the value of such property at the time of the happening of the damage or at its/their option reinstate, replace or repair such property or any part thereof. In any event the Insurer(s) will pay costs incurred by the Insured in accordance with the provisions of the Extra Cost of Reinstatement Memorandum.

## Memoranda To Section 1

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Except to the extent that this Policy is hereby modified under the following Memoranda, the terms, Conditions and limitations of this Policy shall apply.

### Interests Of Other Parties

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The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties specifically noted in the records of the Insured shall be automatically included without notification or specification; the nature and extent of such interest to be disclosed in event of damage.

Where the insurance covers the interest of more than one party, any act or neglect of an individual party will not prejudice the rights of the remaining party/parties; provided the remaining party/parties shall, immediately on becoming aware of any act or neglect whereby the risk of damage has increased, give notice in writing to the Insurer(s) and on demand pay such reasonable additional premium as the Insurer(s) may require.

Notwithstanding the foregoing paragraph it is understood and agreed that in the event of any of the parties referred to herein being entitled to the benefits of any "Concessions Agreement", which it may have entered into with the Insurer(s), the said "Concessions Agreement" will take precedence over the foregoing paragraph.

### Branded Goods

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Any salvage of branded goods and/or merchandise, the Insured's own or held by the Insured in trust or on commission, and/or goods sold but not delivered, shall not be disposed of by sale without the consent of the Insured. If such salvage is not disposed of by sale then the value of the salvage shall be deemed to be the market value of the goods after brands, labels or names have been removed by or on behalf of the Insured.

### Declared Values

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The Schedule of Declared Values at each Situation (in accordance with the applicable Basis of Settlement) shall not include any allowance for Extra Cost of Reinstatement nor any of the costs and expenses referred to under clauses (b) to (g) of "The Indemnity".

### Reinstatement Or Replacement

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Applicable to buildings, machinery, plant and all other property and contents; other than those specified in items (b) to (i) under Basis of Settlement.

The basis upon which the amount payable is to be calculated shall be the cost of reinstatement of the damaged property insured at the time of its reinstatement, subject to the following Provisions and subject also to the terms, Conditions and Limit(s) or Sub-Limit(s) of Liability of this Policy.

For the purpose of the insurance under this memorandum “reinstatement” shall mean:

a) Where property is lost or destroyed:

In the case of a building, the rebuilding thereof or in the case of property other than a building, the replacement thereof by similar property; in either case in a condition equal to, but not better or more extensive than, its condition when new.

b) Where property is damaged:

The repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than, its condition when new.

#### Provisions

- i) The work of rebuilding, replacing, repairing or restoring as the case may be (which may be carried out upon any other site(s) and in any manner suitable to the requirements of the Insured, but subject to the liability of the Insurer(s) not being thereby increased), must be commenced and carried out with reasonable dispatch, failing which the Insurer(s) shall not be liable to make any payment greater than the indemnity value of the damaged property at the time of the happening of the damage.
- ii) When any property insured to which this memorandum applies is damaged in part only, the liability of the Insurer(s) shall not exceed the sum representing the cost which the Insurer(s) could have been called upon to pay for reinstatement if such property had been wholly destroyed.
- iii) Property insured under this memorandum is separately subject to the following Co-insurance clause:

In the event of damage to any property insured hereunder at any situation caused by any event hereby insured against, the Insurer(s) shall be liable for no greater proportion of such damage than the amount that the Insured’s declaration of value of property insured at such situation on the day of the commencement of the Period of Insurance bears to the sum representing eighty-five per cent (85%) of the cost that would have been incurred in reinstatement if the whole of such property had been destroyed on that day, but not exceeding the Limit of Liability expressed in the Schedule.

Provided that if the sum actually incurred or expended in rebuilding or replacing the damaged property, within the meaning of sub-paragraph (a) of the abovementioned definition of reinstatement, exceeds the amount that would have been payable under this Policy if this memorandum had not been incorporated herein, but is less than the cost of reinstatement as above defined, then the sum so actually incurred or expended shall, for all purposes of this memorandum, be deemed to be the cost of reinstatement of the property.

Provided further that the above clause shall not apply if the amount of the damage does not exceed five (5%) per cent of the amount of the Insured’s declaration aforementioned.

- iv) No payment beyond the amount that would have been payable under this Policy if this memorandum had not been incorporated herein shall be made until a sum equal to the cost of reinstatement shall have been actually incurred.

Provided that where the Insured reinstates or replaces any lost or destroyed property at a cost that is less than the cost of reinstatement (as defined) but greater than the value of such property at the time of the happening of its loss or destruction, then the cost so incurred shall be deemed to be the cost of reinstatement.

- v) All other Industrial Special Risks and/or Fire and Named Perils insurances covering the property effected by or on behalf of the Insured shall be on a similar reinstatement basis.

#### Extra Cost Of Reinstatement

Applicable to buildings, machinery, plant and all other property and contents; other than those specified in items (b) to (i) under Basis of Settlement.

This Policy extends to include the extra cost of reinstatement (including demolition or dismantling) of damaged property necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority; subject to the following Provisions and subject also to the terms, Conditions and Limit(s) or Sub-Limits of Liability of this Policy.

### *Provisions*

- i) The work of reinstatement (which may be carried out wholly or partially upon any other site(s), if the requirements of the aforesaid Act, Regulation or By-Law so necessitate, subject to the liability of the Insurer(s) not being thereby increased), must be commenced and carried out with reasonable dispatch, failing which the Insurer(s) shall not be liable to make any payment beyond the amount which would have been payable under this Policy if this memorandum had not been incorporated herein.
- ii) The amount recoverable shall not include the additional cost incurred in complying with any such Act, Regulation, By-Law or requirement with which the Insured had been required to comply prior to the happening of the damage.
- iii) Co-insurance shall not be applied to the amount recoverable under this memorandum and any amount specified shall not be taken into account for Co-insurance purposes in terms set out in any clause contained in this Policy.
- iv) All other Industrial Special Risks and/or Fire and Named Perils insurances covering the property effected by or on behalf of the Insured shall be on a similar basis.
- v) If the cost of reinstatement of damaged property insured is less than fifty per cent (50%) of that which would have been the cost of reinstatement if such property had been destroyed, the amount recoverable hereunder shall be limited to:
  - a) the extra cost necessarily incurred in reinstating only that portion damaged; or
  - b) whilst applying to such property insured, the Sub Limit stated herein;

whichever is the greater. In the event of a Sub-Limit not being stated in this Policy the Insurer's liability shall be limited to the amount as described in sub-paragraph (a) of this provision.

### Floor Space Ratio Index (Plot Ratio)

Subject to the terms, Conditions and Limit(s) or Sub-Limit(s) of Liability of this Policy, in the event of any building(s) being damaged so as to constitute total loss or constructive total loss and, as a result of the exercise of Statutory powers and/or authority by any Government Departments, Local Government or any other Statutory Authorities reinstatement of such building(s) as before is prohibited and reinstatement is only permissible subject to a reduced floor space ratio index; the Insurer(s) agree(s) to pay in addition to any amount payable on reinstatement of such building(s) the difference between:

- a) The actual cost of reinstatement incurred in accordance with the reduced floor space ratio index.
- AND
- b) The cost of reinstatement which would have been incurred had a reduced floor space ratio index not been applicable.

In arriving at the amount payable under (a) and (b) above, any payments made by the Insurer(s) shall include the extra cost of reinstatement, including demolition or dismantling of the insured property, necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made thereunder or any By-law or Regulation of any Municipal or other Statutory Authority.

Any payment made for the difference between (a) and (b) above shall be made as soon as the said difference is ascertained upon completion of the rebuilding works and certified by the architect acting on behalf of the Insured in the reinstatement of the building(s).

### Acquired Companies

This Policy extends to include property located in Australia belonging to companies and other organisations, a controlling interest in which is acquired by the Insured during the currency of this Policy; subject to the Insured declaring details of such acquisition within a reasonable period following the date of acquisition. Provided the business of the new acquisition shall be similar to the Business as stated in the Schedule.



For the purposes of this memorandum, a controlling interest shall in the case of a company, mean the acquisition of shares carrying more than fifty per cent (50%) of votes capable of being cast at a general meeting of ordinary shareholders in such company.

## Co-Insurance

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Unless otherwise stated herein to the contrary, this Policy is subject to the following Co-insurance memorandum:

In the event of damage to property insured hereunder at any situation caused by any peril hereby insured against, the Insurer(s) shall be liable for no greater proportion of such damage than the amount of the Insured's declaration of value of such property insured, at the situation where the damage occurred, on the day of the commencement of the Period of Insurance bears to the sum representing eighty-five percent (85%) of the actual value of property insured at such situation on the day of commencement of the Period of Insurance but not exceeding the Limit of Liability expressed in the Schedule.

Provided that this clause shall not apply if the amount of the damage does not exceed 5% of the amount of the Insured's declaration aforementioned.

It is expressly understood and agreed that the provisions of this Co-insurance Memorandum shall not apply in respect of that part of any claim which is made under the provisions of the Reinstatement and Replacement Memorandum.

## Section 2 – Consequential Loss

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### The Indemnity

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In the event of any building or any other property or any part thereof used by the Insured at the Premises for the purpose of the Business being physically lost, destroyed or damaged during the period of insurance by any cause or event not hereinafter excluded (loss, destruction or damage so caused being hereinafter termed "Damage") and the Business carried on by the Insured being in consequence thereof interrupted or interfered with, the Insurer(s) will, subject to the provisions of this Policy including the limitation on the Insurer(s) liability, pay to the Insured the amount of loss resulting from such interruption or interference in accordance with the applicable Basis of Settlement.

Provided that the Insurer(s) will not be liable for any loss under this Section unless the Insured's property lost, destroyed or damaged is insured against such Damage (loss arising out of destruction or damage by explosion of Boilers and/or Economisers excepted) and the insurer or insurers by which such property is insured shall have paid for, or admitted liability in respect of such Damage unless no such payment shall have been made or liability admitted therefor solely owing to the operation of a provision in such insurance excluding liability for loss below a specific amount.

### Basis Of Settlement

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#### *Item No. 1 - Loss Of Gross Profit*

The insurance under this item is limited to loss of Gross Profit due to: (a) Reduction in Turnover and (b) Increase in Cost of Working, and the amount payable as indemnity thereunder shall be:

a) In respect of Reduction in Turnover:

The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover.

b) In respect of Increase in Cost of Working:

The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided.



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

Provided that if the Declared Value of Gross Profit at the commencement of each Period of Insurance be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or its proportionately increased multiple thereof, where the Indemnity Period exceeds 12 months), the amount payable hereunder shall be proportionately reduced.

#### *Item No. 2 - Claim Preparation Fees*

The insurance under this item is to cover such reasonable professional fees as may be payable by the Insured, and such other reasonable expenses necessarily incurred by the Insured and not otherwise recoverable, for preparation of claims under the Insured's Material Damage and Consequential Loss insurance policies and the Insurer(s) shall indemnify the Insured for such reasonable fees and expenses.

#### *Item No. 3 - Pay-Roll*

The insurance under this item is limited to loss in respect of Pay-Roll and the amount payable as indemnity thereunder shall be:

- a) In respect of Reduction of Turnover:
  - i) During the portion of the Indemnity Period beginning with the occurrence of the Damage and ending not later than the number of weeks thereafter specified in the Schedule: The sum produced by applying the Rate of Pay-Roll to the Shortage in Turnover during the said portion of the Indemnity Period, less any saving during the said portion of the Indemnity Period, through reduction in consequence of the Damage in the amount of Pay-Roll paid.
  - ii) During the remaining portion of the Indemnity Period: The sum produced by applying the Rate of Pay-Roll to the Shortage in Turnover during the said remaining portion of the Indemnity Period, less any saving during the said remaining portion of the Indemnity Period, through reduction in consequence of the Damage, in the amount of Pay-Roll paid; but not exceeding the sum produced by applying the percentage of the Rate of Pay-Roll specified in the Schedule to the Shortage in Turnover during the said remaining portion of the Indemnity Period, increased by such amount as is deducted for savings under the terms of Clause (a) (i).

**Note:** At the option of the Insured, the number of weeks referred to in clause (a)(i) above may be increased to the number of weeks specified in the Schedule under the heading "Consolidated Period" provided that the amount arrived at under the provisions of clause (a)(ii) shall not exceed such amount as is deducted under clause (a)(i) for savings effected during the said increased number of weeks.

- (1) In respect of Increase in Cost of Working:

So much of the additional expenditure described in Clause (b) of Item 1 as exceeds the amount payable thereunder, but not more than the additional amount which would have been payable in respect of Shortage in Turnover under the provisions of clauses (a)(i) and (ii) of this item had such expenditure not been incurred.

Provided that if the Declared Value of Insured Pay-Roll at the commencement of each Period of Insurance be less than the sum produced by applying the Pay-Roll Limits to the sum produced by applying the Rate of Pay-Roll to the Annual Turnover (or its proportionately increased multiple thereof, where the Indemnity Period exceeds 12 months) the amount payable shall be proportionately reduced.

#### *Item No. 4 - (Additional) Increased Cost Of Working*

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

#### Definitions

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##### **Gross Profit:**

the amount by which:

- a) the sum of the Turnover and the amount of the Closing Stock and Work in Progress shall exceed

- b) the sum of the amount of the Opening Stock and Work in Progress and the amount of the Uninsured Working Expenses as set out in the Schedule

Note:

The amounts of the Opening and Closing Stocks and Work in Progress shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

**Turnover:**

the money (less discounts, if any allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the Business at the Premises.

**Indemnity Period:**

the period beginning with the occurrence of the Damage and ending not later than the number of months specified in the Schedule thereafter during which the results of the Business shall be affected in consequence of the Damage.

**Pay-Roll:**

the remuneration (including but not limited to payroll tax, bonuses, holiday pay, workers' compensation insurance premiums and/or accident compensation levies, superannuation and pension fund contributions and the like) of all employees.

**Shortage In Turnover:**

the amount by which the Turnover during a period shall, in consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period.

**Rate Of Gross Profit:**

The rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage.

**Annual Turnover:**

The Turnover during the 12 months immediately before the date of the Damage.

**Standard Turnover:**

The Turnover during the period in the 12 months immediately before the date of the damage which corresponds with the Indemnity Period.

**Rate Of Payroll:**

The Rate of Payroll to turnover during the financial year immediately before the date of the Damage.

To which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall 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.

## Memoranda To Section 2

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Except to the extent this Policy is hereby modified under the following Memoranda the terms, Conditions and limitations of this Policy shall apply.

### Turnover Elsewhere After Damage

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If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by the others on the Insured's behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

### Departmental Clause

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If the Business be conducted in departments of which the independent trading results of which are ascertainable, the provisions of clauses (a) and (b) of Item Nos. 1 and 3 shall apply separately to each department affected by the Damage.

#### New Business

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In the event of Damage occurring at the Premises before the completion of the first year's trading of the Business the terms 'Rate of Gross Profit', 'Annual Turnover', 'Standard Turnover' and 'Rate of Pay-Roll' shall bear the following meanings and not as within stated:

##### **Rate Of Gross Profit:**

The rate of Gross Profit earned on the Turnover during the period between the date of the commencement of the Business and the date of the Damage.

##### **Annual Turnover:**

The proportional equivalent, for a period of 12 months, of the Turnover realised during the period between the commencement of the Business and the date of the Damage.

##### **Standard Turnover:**

The proportional equivalent, for a period equal to the Indemnity Period, of the Turnover realised during the period between the commencement of the Business and the date of the Damage.

##### **Rate Of Pay-Roll:**

The rate of Pay-Roll to Turnover during the period between the date of the commencement of the Business and the date of the Damage.

Adjustments shall be made to the Rate of Gross Profit, Annual Turnover, Standard Turnover and Rate of Pay-Roll as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall 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.

#### Accumulated Stocks

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In adjusting any loss, account shall be taken and equitable allowance made if any Shortage in Turnover due to the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods.

#### Books Of Account

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Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Insurer(s) for the purpose of investigating or verifying any claim hereunder may be produced and certified by the Insured's auditors and their certificate shall be prima facie evidence of the particulars and details to which such certificate relates.

The words and expressions used herein shall have the meanings usually attached to them in the books and accounts of the Insured unless otherwise defined in this Policy.

#### Public Utilities Extension

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Any loss resulting from interruption of or interference with the Business in consequence of damage to property, caused by a peril damage as a result of which is insured hereunder, at any electricity station or sub-station, gas works or water works of a public supply undertaking which is situated on or immediately adjacent to the Premises shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises.

#### Turnover/Output Alternative

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If the Insurer and the Insured agree, the term “Output” may be substituted for the term “Turnover” and, for the purpose of this Policy, “Output” shall mean the sale and/or invoice value of goods manufactured and/or processed by the Insured in course of the Business at the Premises. Provided that only one such meaning shall be operative in connection with any one event involving Damage.

If the meaning set out above be used, the memorandum ‘Turnover Elsewhere After Damage’ shall be altered to read as follows:

*“If during the Indemnity Period goods shall be manufactured and/or processed other than at the Premises for the benefit of the Business either by the Insured or by others on the Insured’s behalf the sale and/or invoice value of the goods so manufactured and/or processed shall be brought into account in arriving at the Output during the Indemnity Period.”*

and the definition of Gross Profit shall be altered to read:

*“The difference between the sale value of production and the amount of the Uninsured Working Expenses”.*

#### Computer

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This Policy extends to include loss (not otherwise recoverable) resulting from interruption of or interference with the Business occasioned by Damage to computer installations, including ancillary equipment and data processing media utilised by the Insured anywhere in Australia.

#### Salvage Sale

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

i) Clause (a) of Item 1 of this Section shall, for the purpose of such claim, read as follows:

a) “In respect of Reduction in Turnover

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

ii) The definition of Shortage in Turnover shall, for the purpose of such claim, read as follows:

“Shortage In Turnover

Shall mean: The amount by which the Turnover during a period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period, from which shall be deducted the Pay-Roll paid out of the proceeds of the salvage sale.”

#### Premises In The Vicinity (Prevention Of Access)

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Loss as Insured by this Policy resulting from interruption of or interference with the Business in consequence of damage to property in the vicinity of the Premises caused by a peril, damage as a result of which is insured hereunder, which shall prevent or hinder the use thereof or access thereto, whether the Premises or property of the Insured therein shall be damaged or not, shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises.

Loss as insured by this Policy resulting from interruption of or interference with the Business in consequence of damage to property in the vicinity of and forming part of or contained in the complex of which the Premises forms part caused by a peril, damage as a result of which is insured hereunder, which results in a cessation or diminution of trade due to temporary falling away of potential custom whether the Premises or property of the

Insured therein shall be damaged or not shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises.

## Registered Vehicles &/Or Trailers

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Notwithstanding the provisions of Property Exclusion 5, this Policy extends to include loss resulting from interruption of or interference with the Business occasioned by Damage to registered vehicles &/or trailers whilst such vehicles or trailers are at the Premises owned or occupied by the Insured; provided always that this Policy does not cover loss resulting from physical loss, destruction of or damage to such vehicles &/or trailers whilst they are being used on any public highway or thoroughfare.

## Exclusions To All Sections

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### Property Exclusions

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This Policy does not cover physical loss, destruction of or damage to the following property or loss under Section 2 resulting therefrom:

(1) Property (except money) whilst in transit other than during the incidental movement of such property within situations occupied by the Insured. This exclusion shall not apply during temporary removal of property (other than stock and/or merchandise) and unregistered motor vehicles to any situation in the Commonwealth of Australia but, whilst such property is in transit, cover is limited to physical loss, destruction or damage caused by fire, lightning, explosion, earthquake, aircraft, riot, strikes, malicious damage and storm and/or tempest.

(2) Money:

a) whilst being carried by professional money carriers, professional carriers or common carriers which is more specifically insured excepting the excess amount over and above such more specific insurance which excess is held to be covered hereunder.

Provided that where in the ordinary course of business the Insured enters into an agreement with such carriers and such agreement provides that the Insured shall indemnify and/or hold harmless and/or release from liability such carriers in respect of loss, destruction or damage which may occur as a result of any event hereby insured against, this insurance shall operate as if this Property Exclusion 2(a) had been deleted.

b) stolen from an unlocked and unattended vehicle;

c) stolen from a safe or strongroom opened by a key or by use of details of a combination, either of which has been left at the Situation outside business hours, unless such key or combination details have been properly secured;

d) where the loss is not discovered within five (5) working days of the event;

e) where the loss arises out of:

i) kidnapping;

ii) bomb threat;

iii) hoax;

iv) extortion;

or any attempt threat.

(3) Jewellery, furs, bullion, precious metals or precious stones other than as stock and/or merchandise of the Business.

(4) (a) Any locomotive or rolling stock or watercraft other than as stock or merchandise of the

Business; provided always that no cover shall apply hereunder whilst any watercraft is on water.

- (1) Any aircraft (including its accessories and/or spare parts) other than as stock or merchandise of the Business; provided always that no cover shall apply hereunder during taxiing, take-off, flight or landing.
  
- (5) Vehicles or trailers registered or licensed to travel on a public road, provided that this exclusion shall not apply to mobile plant and equipment (excluding cars, sedans, panel vans and trucks) not otherwise insured whilst on any premises occupied or used by the Insured.
  
- (6) Livestock, animals, birds or fish.
  
- (7) Standing timber, growing crops and pastures.
  
- (8) Land, unmined or unrecovered oil, gas and mineral deposits, provided that this exclusion shall not apply to structural improvements on or in the land if such structural improvements are not otherwise excluded in this Policy.
  
- (9) (a) Bridges, canals, roadways and tunnels, dams and reservoirs (other than tanks) and their contents.
  - (1) Railway tracks (other than on the premises occupied or used by the Insured for the purpose of its business).
  
- (10) Docks, wharves and piers not forming part of any building.
  
- (11) Mining property located beneath the surface of the ground unless otherwise expressly stated in this Policy.
  
- (12) Property during the course of, and as a result of, its processing
  
- (13) (a) Gates fences, retaining walls, textile awnings and blinds;
  - (1) Property in the open air unless such property comprises or forms part of a permanent structure designed to function without the protection of the walls or roof;  
  
caused by wind, rainwater or hail.
  
- (14) (a) Property included in a project of construction, erection, alteration or addition, including the partial dismantlement of existing structures, where the total contract value of all work to be carried out at any one situation during such activity exceeds 10% of the Limit of Liability or



\$500,000, whichever is the lesser. Provided that this Exclusion 14(a) shall apply only to the works comprising such construction, erection, alteration or addition and not to any original or existing structures.

(1) Empty premises upon which demolition work has commenced.

(15) Oil and gas drilling and/or production rigs whilst offshore.

(16) All Machinery (as defined in this exclusion), electronic data processing equipment or electronic control equipment occasioned by or happening through any mechanical, electrical, electro-mechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non-operation of whatsoever kind.

Provided that Property Exclusion 16 shall not apply to any subsequent loss, destruction of or damage to such Machinery, electronic data processing equipment or electronic control equipment occasioned by or happening through any cause or event not otherwise excluded herein which results from any of the events referred to in this exclusion.

For the purpose of Property Exclusion 16, Machinery means: any apparatus whether or not functioning independently or as any component part of a collection of apparatus which generates, contains, controls, transmits, receives, transforms or utilises any form or source of energy or power.

(17) Any boiler (other than a boiler used for domestic purposes) economiser or other pressure vessel, including pipes, valves and other apparatus thereof in respect of which a certificate is required to be issued under the terms of any statute or regulation occasioned by or arising from explosion, rupture, collapse, bursting cracking or overheating thereof provided that this exclusion shall be limited to the aforementioned items immediately affected and shall not extend to other property as a result of such loss or destruction or damage. This exclusion shall not apply to Section 2 as specifically stated therein.

## Perils Exclusions

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The Insurer(s) shall not be liable under Sections 1 and/or 2 in respect of:

- (1) Physical loss, destruction of or damage to the Property Insured:
  - a) directly or indirectly occasioned by or happening through or connected with war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.
  - b) resulting from confiscation, nationalisation, requisition or damage to property by or under the order of any Government or Public or Local Authority.

Notwithstanding the provisions of Perils Exclusion 1(b) the Insurer(s) shall be liable for loss, destruction of or damage to, or the cost of removal of, sound property at the Premises for the purpose of preventing or diminishing imminent damage by, or inhibiting the spread of, fire or any other peril insured against under this Policy;

- (2) (a) Physical loss, destruction of or damage to the Property Insured;
  - (1) any legal liability of whatsoever nature;

directly or indirectly caused by or contributed to, by or arising from:

- i) ionising radiations or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel.

Note : For the purpose of this exclusion only, “combustion” shall include any self-sustaining process of nuclear fission;

- ii) nuclear weapons materials;

- (3) Physical loss, destruction or damage occasioned by or happening through:
  - a) flood, which shall mean the inundation of normally dry land by water escaping or released from the normal confines of any natural watercourse or lake (whether or not altered or modified), of reservoir, canal or dam;
  - b) water from or action by the sea, tidal wave or high water.

Provided that Perils Exclusions 3(a) and 3(b) shall not apply if loss, destruction or damage is caused by or arises out of an earthquake or seismological disturbance;

- (4) Physical loss, destruction or damage occasioned by or happening through:
  - a) moths, termites or other insects, vermin, rust or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour texture or finish, smut or smoke from industrial operation (other than sudden and unforeseen damage resulting therefrom);
  - b) wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
  - c) error or omission in design, plan or specification or failure of design;

- d) normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration;
  - e) faulty materials or faulty workmanship.
  - f) Provided that this Exclusion 4(a) to (e) shall not apply to subsequent loss, destruction of or damage to the Property Insured occasioned by a peril (not otherwise excluded) resulting from any event or peril referred to in this exclusion;
- (5) Physical loss, destruction or damage occasioned by or happening through:
- a) incorrect siting of buildings consequent upon;
    - i) error in architectural design or specification;
    - ii) faulty workmanship; or
    - iii) non compliance by the Insured (or anyone acting on behalf of the Insured) with the necessary permits issued by Government, Public or Local Authorities;
  - b) demolitions ordered by Government or Public or Local Authorities due to failure on the part of the Insured or their agents to obtain the necessary permits required;
- (6) Physical loss, destruction or damage occasioned by or happening through:
- a) theft of property (other than Money in transit) in the open air;
  - b) unexplained or inventory shortage, disappearance resulting from clerical or accounting errors, shortage in the supply or delivery of materials to or from the Insured;
  - c) (i) spontaneous combustion;
    - (1) spontaneous fermentation or heating or any process involving the direct application of heat.

Provided that Perils Exclusion 6(c)(i) and 6(c)(ii) 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 or heating or process involving the direct application of heat;

- (7) Physical loss, destruction or damage occasioned by or happening through:
- a) (i) fraudulent or dishonest acts, fraudulent misappropriation, embezzlement, forgery, counterfeiting, data corruption, unauthorised amendment of data and erasure by electronic or non-electronic means involving the Property Insured by the Insured or any employee(s) of the Insured acting alone or in collusion with any other person(s);
    - (ii) access by any person(s) other than the Insured or the Insured's employee(s) to the Insured's computer system via data communication media that terminate in the Insured's computer system.

Provided that this exclusion shall not apply to theft consequent upon forcible and violent entry upon premises or felonious concealment upon premises committed by an employee of the Insured;

- b) (i) the cessation of work whether total or partial;
  - (ii) the cessation, interruption or retarding of any process or operation;

as a result of strikes, labour disturbances or locked out workers;

Provided that Perils Exclusions 7(b)(i) and 7(b) shall not apply in respect of physical loss, destruction or damage directly caused by strikers, locked out workers or similar persons;

- c) erosion, subsidence, earth movement or collapse resulting therefrom;
- d) kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt thereat;

Provided that this Exclusion 7(a) to (d) shall not apply to subsequent loss, destruction or damage to the Property Insured occasioned by a peril (not otherwise excluded) resulting from any event or peril referred to in this exclusion;

- (8) Any legal liability of whatsoever nature other than as herein provided;
- (9) Consequential loss of any kind including consequential loss due to delay, lack of performance, loss of contract or depreciation in the value of land or stock, except as herein provided in Section 2.

## Memoranda Applicable To All Sections

Except to the extent that this Policy is hereby modified under the following Memoranda the terms, Conditions and limitations of this Policy shall apply.

### Amount Of Policy Not Reduced By Loss

The insurance under each section and/or item of this Policy and the Indemnity Period shall be automatically reinstated in the event of any loss in consideration of the payment by the Insured of a pro-rata additional premium calculated on the amount of the loss settlement at the rate(s) agreed for the Period of Insurance.

### Event

Only for the purpose of the application of any deductible: all loss destruction or damage resulting from earthquake occurring during each period of 72 consecutive hours shall be considered as one event whether such earthquake is continuous or sporadic in its sweep and/or scope and the loss, destruction or damage was due to the same seismological conditions. Each event shall be deemed to have commenced on the first happening of any such loss, destruction or damage not within the period of any previous event.

### Subrogation Waiver

The Insurer(s) agree(s) to waive any rights and remedies or relief to which it/they may become entitled by subrogation against:

- a) any corporation or organisation (including its directors, officers, employees or servants) owned or controlled by any Insured named herein or subsidiary to any Insured named herein or any co-owner of the property insured hereunder;
- b) any Insured named or described by this Policy (including its directors, officers, employees or servants).

### Adjustment Of Premium

- a) The Premium shown is provisional and is calculated on the Declared Values of:
  - i) Property Insured,
  - ii) Gross Profit and Insured Pay-Roll, on the day of commencement of each Period of Insurance.
- b) The Insured undertakes to declare the Insurer(s) within a reasonable time after the day of expiry of the Period of Insurance.
  - i) the value of Property Insured on the day of expiry of the Period of Insurance. For the purpose of this declaration, stock-in-trade and/or merchandise shall be taken at its average value during the Period of Insurance.

- ii) the amount of the Gross Profit earned and Pay- Roll paid, in accordance with the cover afforded in the respective items of Section 2, in the course of the Business during the accounting period of 12 months most nearly concurrent with the Period of Insurance.
- c) The provisional premium shall be adjusted by payment to the Insurer(s) of an additional premium or by allowance to the Insured of a return premium, as the case may be, calculated at the agreed rate on:
    - i) Fifty per cent (50%) of the difference between property declared in accordance with clauses (a)(i) and (b)(i).
    - ii) The full agreed rate hereunder on the difference between the amounts declared under clauses (a)(ii) and (b)(ii).
  - d) It is agreed to make allowance for any abnormal fluctuation in values and to charge a premium commensurate with the risk, such premium to be agreed between the parties to this agreement.
  - e) The Declaration of Values at the expiry of the Period of Insurance declared in accordance with this memorandum shall not be reduced as the result of loss, destruction or damage in respect of which a claim has been paid or is payable under this Policy.

## Conditions Applicable To All Sections

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### 1. Misrepresentation And Non-Disclosure

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If the Insured -

- i) failed to disclose any matter which the Insured was under a duty to disclose to the Insurer(s); or
- ii) made a misrepresentation to the Insurer(s) before this Policy was entered into

and if the Insurer(s) would not have entered into this Policy for the same premium and on the same terms and Conditions expressed in this Policy but for the failure to disclose or the misrepresentation.

then -

- a) the liability of the Insurer(s) in respect of any claim will be reduced to an amount to place the Insurer(s) in the same position in which the Insurer(s) would have been placed if such non-disclosure had not occurred or such misrepresentation had not been made; or
- b) if the non-disclosure or misrepresentation was fraudulent, the Insurer(s) may avoid this Policy.

### 2. Alteration

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The Insurer(s) shall not be liable for loss, destruction of or damage to any property insured hereunder caused or contributed to by any alteration after the commencement of this Policy -

- a) by removal of such property from the Premises other than as provided under the terms of Property Exclusion 1.
- b) in the trade or processes of manufacture carried on at the Premises or whereby the nature of the occupation or other circumstances affecting the Premises and/ or the Insured's property therein contained shall be changed in such a way as to increase the risk of loss, destruction or damage;

- c) whereby any premises containing any property insured hereunder shall become unoccupied, and so remain for a period of more than thirty days; or
- d) whereby the Insured's interest ceases except by will or the operation of law,

Provided that any such alteration, upon coming to the knowledge of the Insured's officer responsible for insurance, shall be immediately notified to the Insurer(s) and, if agreed to by the Insurer(s) in writing, an appropriate additional premium paid if required.

### 3. Sprinkler Installations - Applicable To Owned Premises Or Installations For Which The Insured Is Responsible

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The Insured warrants that in such of the Premises as are protected or as are required by law to be protected by an approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a fire brigade station, in or on the Premises, due diligence shall be used so that the same shall at all times be maintained in good working order.

The Insured further warrants that provision will be made for the regular maintenance of the installation in accordance with Australian Standard AS 1851 (part 3) Automatic Sprinkler Installation by the installing engineers or firm or, failing this, by a person or organisation who must be approved by the Insurer(s) to carry out such maintenance.

Notice of all alterations and additions to the automatic sprinkler installation shall be given by the Insured to the Insurer(s) as soon as reasonably practicable.

### 4. Other Insurance

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The Insured shall give written notice as soon as practicable to the Insurer(s) of any other insurance or insurances effected covering the Property Insured.

### 5. Cancellation

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- a) This Policy may be cancelled at any time at the request of the Insured, in which case the Insurer(s) will retain the customary short-period rate for the time this Policy has been in force.
- b) The Insurer(s) may also cancel this Policy by giving the Insured written notice to that effect where –
  - i) the Insured or any person who was at any time the Insured failed to comply with the duty of utmost good faith;
  - ii) the person who was the Insured at the time when this Policy was entered into failed to comply with the duty of disclosure;
  - iii) the person who was the Insured at the time when this Policy was entered into made a misrepresentation to the Insurer(s) during the negotiations for this Policy but before it was entered into;
  - iv) the Insured or any person who was at any time the Insured failed to comply with a provision of this Policy, including a provision with respect to the payment of the Premium;
  - v) the Insured has made a fraudulent claim under this Policy or any other policy of insurance (whether with the Insurer(s) or some other insurer) that provided insurance cover during any part of the period during which this Policy provides insurance cover;
  - vi) the Insured failed to notify the Insurer(s) of any specific act or omission where such notification is required under the terms of this Policy; or

- (1) the Insured acted in contravention of or omitted to act in compliance with any condition of this Policy which empowers the Insurer(s) to refuse to pay, or reduce its/their liability in respect of, a claim in the event of such contravention or omission.
- c) The Insurer(s) notice of cancellation takes effect at the earlier of the following times:
- i) the time when another policy of insurance between the Insured and the Insurer(s) or someother insurer, being a policy that is intended by the Insured to replace this Policy, is entered into; or
  - ii) 4.00 p.m. on the thirtieth business day after the day on which notice as given to the Insured.

In the event that the Insurer(s) cancel(s) this Policy, the Insurer(s) will repay to the Insured a rateable proportion of the Premium for the unexpired Period of Insurance from the date of cancellation.

## 6. Notification Of Claims

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On the happening of any loss, destruction or damage, the Insured shall forthwith give notice thereof in writing to the Insurer(s) and shall (within thirty (30) days after such loss, destruction or damage or such further time as the Insurer(s) may in writing allow), at the Insured's own expense, deliver to the Insurer(s) a claim, in writing containing as particular an account as may be reasonably practicable of the several articles or portions of property loss, destroyed or damaged and of the amount of loss, destruction or damage thereto, having regard to their value at the time of the loss, destruction or damage, together with details of any other insurances on any property hereby insured.

The Insured shall use due diligence and do and concur in doing all things reasonably practicable to minimise any interruption of or interference with the Business to avoid or diminish the loss and shall also deliver to the Insurer(s) a statement in writing of any claim certified by the Insured's auditor, with all particulars and details reasonably practicable of the loss and shall produce and furnish all books of accounts and other business books, invoices, vouchers and all other documents, proofs, information, explanations and other evidence and facilities as may reasonably be required for investigation and verification of the claim together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith.

No claim under this Policy shall be payable unless the Insured has complied with the terms of this condition.

## 7. Fraud

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If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on the Insured's behalf to obtain any benefit under this Policy, or if any destruction or damage be occasioned by the wilful act or with the connivance of the Insured, the Insurer(s), without prejudice to any other right(s) the Insurer(s) might have under this Policy, shall be entitled to refuse to pay such claim.

## 8. Reinstatement

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If the Insurer(s) elect(s) or become(s) bound to reinstate or replace any property, the Insured shall at the Insured's own expense produce and deliver to the Insurer(s) all such plans, documents and information as the Insurer(s) may reasonably require. The Insurer(s) shall not be bound to reinstate exactly or completely, but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend more than the applicable Limit of Liability.

## 9. Insurer(S) Rights

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On the happening of any loss, destruction or damage in respect of which a claim is or may be made under this Policy the Insurer(s) and every person authorised by the Insurer(s) may, without thereby incurring any liability, and without diminishing the right of the Insurer(s) to rely upon any Conditions of this Policy, enter, take or keep possession of any building or premises where the loss, destruction or damage has happened and may take possession of or require to be delivered to the Insurer(s) any of the property hereby insured and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner.

This condition shall be evidence of the leave and licence of the Insured to the Insurer(s) so to do. If the Insured or any one acting on the Insured's behalf shall not comply with the requirements of the Insurer(s) or

shall hinder or obstruct the Insurer(s) in doing any of the abovementioned acts, then all benefits under this Policy shall be forfeited. The Insured shall not in any case be entitled to abandon any property to the Insurer(s) whether taken possession of by the Insurer(s) or not.

#### 10. Subrogation

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- a) Any person claiming under this Policy shall at the request and at the expense of the Insurer(s) do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Insurer(s) for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Insurer(s) shall be or would become entitled or subrogated upon the Insurer(s) paying for or making good any destruction or damage under this Policy.
- b) If the Insurer(s) make(s) any recovery as a result of such action, the Insured may only recover from the Insurer(s) any amount by which the amount recovered by the Insurer(s) exceeded the amount paid to the Insured by the Insurer(s) in relation to the loss.

#### 11. Precautions To Prevent Loss

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The Insured shall take all reasonable precautions to prevent loss, destruction or damage to the property insured by this Policy.

#### 12. Insured's Action After Theft Or Damage

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The Insured shall, upon becoming aware of any loss by theft or of any wilful or malicious damage which may give rise to a claim under this Policy, take all practicable steps to trace and recover any missing property and to discover by whom the property was stolen or damaged.

#### 13. Termination Of Cover Under Section 2

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Notwithstanding anything contained herein to the contrary, if during any period in respect of which this Policy is in force:

- a) the Insured ceases to carry on the Business or any part of the Business is disposed of, permanently discontinued or the Insured's interest in the Business or such part thereof ceases otherwise than by death; or
- b) the Insured (being a corporation) is placed in liquidation (or provisional liquidation), is placed under Official Management, enters into a Scheme of Arrangement, has Receivers and/or Managers appointed over its assets or undertaking(s); or
- c) the Insured (being a natural person) becomes a bankrupt or enters into a scheme of arrangement or compromise or composition with creditors;

then the insurance cover provided under Section 2 of this Policy in respect of such Business or Insured shall automatically and forthwith cease.

In the event of the Indemnity period having begun to run in respect of any claim relating to such Business or part thereof, the Indemnity Period shall thereupon be at an end, unless its continuance be admitted by memorandum signed for or on behalf of the Insurer(s).

#### 14. Observance Of Terms And Conditions

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The due observance and fulfilment of these Conditions and the other terms of this Policy by the Insured, insofar as the same are capable of being construed as such, are conditions precedent to any liability of the Insurer(s) to make any payment under this Policy.

#### 15. Progress Payment

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Provided that liability has been admitted progress payments on account of any claim may be made to the Insured at such intervals and for such amounts as may be agreed upon production of a report by the Loss Adjuster (if appointed) provided such payment(s) shall be deducted from the amount finally determined upon adjustment of the claim.



## 16. Headings

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Headings have been included for ease of reference and it is understood and agreed that the terms and Conditions of this Policy are not to be construed or interpreted by reference to such headings.

## Privacy Statement

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In this Statement “We”, “Our” and “Us” means Chubb Insurance Australia Limited (**Chubb**).

“You” and “Your” refers to Our customers and prospective customers as well as those who use Our Website.

This Statement is a summary of Our Privacy Policy and provides an overview of how We collect, disclose and handle Your Personal Information. Our Privacy Policy may change from time to time and where this occurs, the updated Privacy Policy will be posted to Our [website](#).

### **Why We collect Your Personal Information**

The primary purpose for Our collection and use of Your Personal Information is to enable Us to provide insurance services to You. Sometimes, We may use Your Personal Information for Our marketing campaigns, in relation to new products, services or information that may be of interest to You. If You wish to opt out of Our marketing campaigns You can contact Our customer relations team on 1800 815 675 or email CustomerService.AUNZ@chubb.com.

### **How We obtain Your Personal Information**

We collect Your Personal Information (which may include sensitive information) at various points including but not limited to when You are applying for, changing or renewing an insurance policy with Us or when We are processing a claim. Personal Information is usually obtained directly from You but sometimes via a third party such as an insurance intermediary or Your employer (e.g. in the case of a group insurance policy). Please refer to Our Privacy Policy for further details.

When information is provided to Us via a third party We use that information on the basis that You have consented or would reasonably expect Us to collect Your Personal Information in this way. We take reasonable steps to ensure that You have been made aware of how We handle Your Personal Information.

### **When do We disclose Your Personal Information?**

We may disclose the information We collect to third parties, including service providers engaged by Us to carry out certain business activities on Our behalf (such as claims assessors and call centres in Australia). In some circumstances, in order to provide Our services to You, We may need to transfer Your Personal Information to other entities within the Chubb group of companies such as the regional head offices of Chubb located in Singapore, UK or USA (Chubb Group of Companies), or third parties with whom We (or the Chubb Group of Companies) have sub-contracted to provide a specific service for Us, which may be located outside of Australia (such as in the Philippines or USA). These entities and their locations may change from time to time. Please contact us, if you would like a full list of the countries in which these third parties are located.

Where access to Our products has been facilitated through a third party (for example: insurance broker, online marketing agency etc) We may also share Your information with that third party.

In the circumstances where We disclose Personal Information to the Chubb Group of Companies, third parties or third parties outside Australia We take steps to protect Personal Information against unauthorised disclosure, misuse or loss.

### **Your Consent**

In dealing with Us, You agree to Us using and disclosing Your Personal Information as set out in this Privacy Statement and Our Privacy Policy. This consent remains valid unless You tell Us otherwise. If You wish to withdraw Your consent, including for things such as receiving information on products and offers by Us or persons We have an association with, please contact Our Privacy Officer.

### **Access to and correction of Your Personal Information**

If you'd like a copy of your Personal Information or wish to correct or update it, want to withdraw Your consent to receiving offers of products or services from Us or persons We have an association with, or You would like a copy of Our Privacy Policy, please contact Our customer relations team on 1800 815 675 or email CustomerService.AUNZ@chubb.com.

To request access to, update or correct your personal information held by Chubb, please complete Our Personal Information Request Form online or download it from [www2.chubb.com/au-en/footer/privacy.aspx](http://www2.chubb.com/au-en/footer/privacy.aspx) and return to:

Email: [CustomerService.AUNZ@chubb.com](mailto:CustomerService.AUNZ@chubb.com)  
Fax: + 61 2 9335 3467  
Address: GPO Box 4907 Sydney NSW 2001

## **How to Make a Complaint**

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If You have a complaint or would like more information about how We manage Your Personal Information, please review Our Privacy Policy for more details, or contact:

Privacy Officer  
Chubb Insurance Australia Limited  
GPO Box 4907 Sydney NSW 2001  
+61 2 9335 3200  
[Privacy.AU@chubb.com](mailto:Privacy.AU@chubb.com)

## **General Insurance Code of Practice**

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We are a signatory to the General Insurance Code of Practice (the Code). The objectives of the Code are to further raise standards of service and promote consumer confidence in the general insurance industry. Further information about the Code and your rights under it is available at [www.codeofpractice.com.au](http://www.codeofpractice.com.au) and on request.

## **Complaints and Dispute Resolution**

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We take the concerns of our customers very seriously and have detailed complaint handling and internal dispute resolution procedures that you can access. Please note that if we have resolved your initial complaint to your satisfaction by the end of the 5th business day after we have received it, and you have not requested that we provide you a response in writing, the following complaint handling and internal dispute resolution process does not apply. This exemption to the complaints process does not apply to complaints regarding a declined claim, the value of a claim, or about financial hardship.

### **Stage 1 – Complaint Handling Procedure**

If you are dissatisfied with any aspect of your relationship with Chubb including our products or services and wish to make a complaint, please contact us at:

The Complaints Officer  
Chubb Insurance Australia Limited  
GPO Box 4065  
Sydney NSW 2001  
O 1800 815 675  
E [Complaints.AU@chubb.com](mailto:Complaints.AU@chubb.com)

The members of our complaint handling team are trained to handle complaints fairly and efficiently.

Please provide us with your claim or policy number (if applicable) and as much information as you can about the reason for your complaint.

We will investigate your complaint and keep you informed of the progress of our investigation. We will respond to your complaint in writing within fifteen (15) business days provided we have all necessary information and have completed any investigation required. In cases where further information or investigation is required, we will work with you to agree reasonable alternative time frames and, if We cannot agree, you may request that your complaint is taken to Stage 2 and referred to Our internal dispute resolution team. We will otherwise keep you informed about the progress of our response at least every ten (10) business days, unless you agree otherwise.

Please note if your complaint relates to Wholesale Insurance (as defined in the General Insurance Code of Practice), we may elect to refer it straight to Stage 2 for review by our Internal Dispute Resolution team.

## **Stage 2 – Internal Dispute Resolution Procedure**

If you advise us that you wish to take your complaint to Stage 2, your complaint will be reviewed by members of our internal dispute resolution team, who are independent to our complaint handling team and are committed to reviewing disputes objectively, fairly and efficiently.

You may contact our internal dispute resolution team by phone, fax or post (as below), or email at:

Internal Dispute Resolution Service  
Chubb Insurance Australia Limited  
GPO Box 4065  
Sydney NSW 2001  
O +61 2 9335 3200  
F +61 2 9335 3411  
E [DisputeResolution.AU@chubb.com](mailto:DisputeResolution.AU@chubb.com)

Please provide us with your claim or policy number (if applicable) and as much information as you can about the reason for your dispute.

We will keep you informed of the progress of our review of your dispute at least every ten (10) business days and will respond to your dispute in writing within fifteen (15) business days, provided we have all necessary information and have completed any investigation required. In cases where further information or investigation is required, we will work with you to agree reasonable alternative time frames. If we cannot agree, you may refer your dispute to the Australian Financial Complaints Authority (AFCA) as detailed under Stage 3 below, subject to its Rules. If your complaint or dispute falls outside the AFCA Rules, you can seek independent legal advice or access any other external dispute resolution options that may be available to you.

## **Stage 3 – External Dispute Resolution**

If you are dissatisfied with our internal dispute determination, or we are unable to resolve your complaint or dispute to your satisfaction within forty-five (45) days, you may refer your complaint or dispute to AFCA, subject to its Rules.

AFCA is an independent external dispute resolution scheme approved by the Australian Securities and Investments Commission. We are a member of this scheme and we agree to be bound by its determinations about a dispute. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

You may contact AFCA at any time at:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
O 1800 931 678 (free call)  
F +61 3 9613 6399  
E [info@afca.org.au](mailto:info@afca.org.au)  
W [www.afca.org.au](http://www.afca.org.au)

Time limits may apply to complain to AFCA and so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

## **Insurance Council of Australia**

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Where we cannot provide you with insurance cover, we will refer you to the Insurance Council of Australia (the ICA) for information about alternative insurance options (unless you already have someone acting on your behalf). The ICA has established a referral service called 'Find an Insurer'. Information on finding alternative insurers can be found at [www.findaninsurer.com.au](http://www.findaninsurer.com.au).

## **Financial Claims Scheme**

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We are an insurance company authorised under the Insurance Act 1973 (Cth) (Insurance Act) to carry on general insurance business in Australia by the Australian Prudential Regulation Authority (APRA) and are subject to the prudential requirements of the Insurance Act.

The Insurance Act is designed to ensure that, under all reasonable circumstances, financial promises made by Us are met within a stable, efficient and competitive financial system.

Because of this We are exempted from the requirement to meet the compensation arrangements Australian financial services licensees must have in place to compensate retail clients for loss or damage suffered because of breaches by the licensee or its representatives of Chapter 7 of the Corporations Act 2001 (Cth). We have compensation arrangements in place that are in accordance with the Insurance Act.

In the unlikely event that We were to become insolvent and were unable to meet Our obligations under the Policy, a person entitled to claim may be entitled to payment under the Financial Claims Scheme. Access to the Scheme is subject to eligibility criteria. Please refer to <https://www.fcs.gov.au> for more information.

The Policy is issued by Chubb Insurance Australia Limited ABN 23 001 642 020 AFSL 239687.

Our website can be visited at [www.chubb.com/au](http://www.chubb.com/au).

June 2019

## About Chubb in Australia

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Chubb is the world's largest publicly traded property and casualty insurance company. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. As an underwriting company, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. The company is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength and local operations globally. Parent company Chubb Limited is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. Chubb maintains executive offices in Zurich, New York, London and other locations, and employs approximately 31,000 people worldwide.

Chubb, via acquisitions by its predecessor companies, has been present in Australia for over 50 years. Its operation in Australia (Chubb Insurance Australia Limited) provides specialised and customised coverages, including Marine, Property, Liability, Energy, Professional Indemnity, Directors & Officers, Financial Lines, Utilities, as well as Accident & Health insurance, to a broad client base. Chubb is a major insurer of many of the country's largest companies. With five branches and over 500 staff in Australia, it has a wealth of local expertise backed by its global reach and breadth of resources.

More information can be found at [www.chubb.com/au](http://www.chubb.com/au)

## Contact Us

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Chubb Insurance Australia Limited  
ABN: 23 001 642 020 AFSL: 239687

Grosvenor Place  
Level 38, 225 George Street  
Sydney NSW 2000  
O +61 2 9335 3200  
F +61 2 9335 3411  
[www.chubb.com/au](http://www.chubb.com/au)

**Chubb. Insured.<sup>SM</sup>**