



QBE Insurance (Australia) Limited

Commercial/Retail/Industrial

Business pack insurance policy

This is an important document about insurance. It explains what is and what is not covered under the insurance policy and your and our obligations. To check the policy meets your needs, you need to understand it. If you cannot read and understand English please seek assistance from someone who can help you understand it in your preferred language.

此乃關於保險的重要文件，它解釋了根據保單條款什麼是受保、什麼是不受保項目，以及你方和我方的責任條款。你必須要了解後才能決定這項保險是否能滿足你的需要。如果你不能閱讀和理解英文，請向能幫助你用你熟悉的語言理解內容的人求助。

هذه وثيقة هامة عن التأمين، تشرح ما تغطيه بوليصة التأمين وما لا تغطيه بالإضافة إلى التزاماتك والتزاماتنا. يجب عليك فهم محتوى البوليصة حتى تتأكد من أنها تفي باحتياجاتك. إذا لم تكن تتجيد قراءة الإنجليزية وفهمها، أطلب المساعدة من شخص يستطيع أن يعينك على فهم هذه الوثيقة باللغة التي تفضلها.

此乃關於保險的重要文件，它解釋了根據保單條款什麼是受保、什麼是不受保項目，以及你方和我方的責任條款。你必須要了解後才能決定這項保險是否能滿足你的需要。如果你不能閱讀和理解英文，請向能幫助你用你熟悉的語言理解內容的人求助。

Đây là một tài liệu quan trọng về bảo hiểm. Nó giải thích những gì được và những gì không được bảo hiểm theo hợp đồng bảo hiểm cũng như những nghĩa vụ của quý vị và của chúng tôi. Để kiểm tra liệu hợp đồng bảo hiểm có đáp ứng được những nhu cầu của quý vị hay không, quý vị cần phải hiểu nó. Nếu quý vị không thể đọc và hiểu tiếng Anh, vui lòng nhờ ai đó có thể giúp giải thích hợp đồng cho quý vị bằng ngôn ngữ quý vị ưa dùng.

Questo è un documento importante sull'assicurazione. Spiega cosa è e cosa non è coperto in base alla polizza assicurativa ed i tuoi ed i nostri obblighi. Per verificare che la polizza soddisfi le tue esigenze, devi capirla. Se non puoi leggere e capire l'inglese, fatti assistere da qualcuno che possa aiutarti a capirla nella tua lingua preferita.

Αυτό είναι ένα σημαντικό έγγραφο σχετικά με την ασφάλιση. Εξηγεί τι είναι και τι δεν καλύπτεται από το ασφαλιστήριο συμβόλαιο και τις δικές σας και τις δικές μας υποχρεώσεις. Για να ελέγξετε αν αυτό ανταποκρίνεται στις ανάγκες σας, πρέπει να το κατανοήσετε. Εάν δεν διαβάζετε ή δεν κατανοείτε την αγγλική γλώσσα, παρακαλείστε να ζητήστε βοήθεια από κάποιον που μπορεί να σας βοηθήσει να το κατανοήσετε στη γλώσσα που προτιμάτε.

यह बीमा के बारे में एक महत्वपूर्ण दस्तावेज़ है। इसमें यह विवरण दिया गया है कि बीमा पॉलिसी में क्या कवर्ड (बीमे द्वारा सुरक्षित) है और क्या कवर्ड (बीमे द्वारा कवर्ड) नहीं है तथा इसमें आपके और हमारे दायित्वों के बारे में भी बताया गया है। यह जांच करने के लिए कि क्या पॉलिसी आपकी आवश्यकताओं को पूरा करती है, आपको इसे समझने की आवश्यकता है। यदि आप अंग्रेज़ी पढ़ और समझ नहीं सकते/सकती हैं तो कृपया किसी ऐसे व्यक्ति से सहायता लें जो आपको इसे आपकी पसंदीदा भाषा में समझाने में मदद कर सकता हो।

Este es un documento importante sobre seguros. En él se explica lo que cubre y no cubre su póliza de seguro y tanto sus obligaciones como las nuestras. Deberá entenderlo para determinar si la póliza se adapta a sus necesidades. Si no lee ni entiende inglés, solicite la ayuda de alguien que le pueda ayudar a entenderlo en su idioma.

ਇਹ ਬੀਮੇ ਬਾਰੇ ਇੱਕ ਮਹੱਤਵਪੂਰਨ ਦਸਤਾਵੇਜ਼ ਹੈ। ਇਸ ਵਿੱਚ ਇਹ ਵੇਰਵਾ ਦਿੱਤਾ ਗਿਆ ਹੈ ਕਿ ਬੀਮਾ ਪਾਲਿਸੀ ਤਹਿਤ ਕੀ ਕਵਰਡ (ਬੀਮੇ ਦੁਆਰਾ ਸੁਰੱਖਿਅਤ) ਹੈ ਅਤੇ ਕਿ ਕਵਰਡ (ਬੀਮੇ ਦੁਆਰਾ ਸੁਰੱਖਿਅਤ) ਨਹੀਂ ਹੈ ਅਤੇ ਇਸ ਵਿੱਚ ਤੁਹਾਡੀਆਂ ਅਤੇ ਸਾਡੀਆਂ ਜ਼ਿੰਮੇਵਾਰੀਆਂ ਬਾਰੇ ਵੀ ਦੱਸਿਆ ਗਿਆ ਹੈ। ਇਹ ਜਾਂਚ ਕਰਨ ਲਈ ਕਿ ਕੀ ਪਾਲਿਸੀ ਤੁਹਾਡੀਆਂ ਲੋੜਾਂ ਨੂੰ ਪੂਰਾ ਕਰਦੀ ਹੈ, ਤੁਹਾਨੂੰ ਇਸਨੂੰ ਸਮਝਣ ਦੀ ਲੋੜ ਹੈ। ਜੇ ਤੁਸੀਂ ਅੰਗਰੇਜ਼ੀ ਪੜ੍ਹ ਤੇ ਸਮਝ ਨਹੀਂ ਸਕਦੇ ਹੋ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਕਿਸੇ ਅਜਿਹੇ ਵਿਅਕਤੀ ਤੋਂ ਮਦਦ ਲਵੋ ਜੋ ਤੁਹਾਡੀ ਪਸੰਦੀਦਾ ਭਾਸ਼ਾ ਵਿੱਚ ਤੁਹਾਨੂੰ ਇਸਨੂੰ ਸਮਝਣ ਵਿੱਚ ਮਦਦ ਦੇ ਸਕੇ।

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About this booklet

This document contains important information to help you understand the insurance. It is up to you to choose the cover you need. Any advice in this booklet is general nature only and has not considered your objectives, financial situation or needs. You should carefully consider the information provided having regard to your personal circumstances to decide if it's right for you.

For more information or to make a claim

Please take the time to read through this booklet and if you have any questions, need more information or to confirm a transaction, please contact:

- your broker or agent. The contact details for your broker or agent are set out in the documentation they give you.

Full details of what you must do for us to consider your claim are provided in the 'Claims' section at the end of this booklet. To make a claim under this Policy please contact:

- your agent or broker.

About QBE

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 is a member of the QBE Insurance Group of companies. QBE Insurance Group Limited ABN 28 008 485 014 is the ultimate parent entity and is listed on the Australian Securities Exchange (ASX: QBE). We have been helping Australians protect the things that are important to them since 1886. Our purpose is to give people the confidence to achieve their ambitions.

Important Information

In this first part of the booklet we explain important information about this Policy including how we'll protect your privacy and how to make a complaint or access our dispute resolution service.

Duty of Disclosure

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

You have this duty until we agree to insure you.

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

You do not need to tell us anything that:

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

If you do not tell us something

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

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

General Insurance Code of Practice

QBE is a signatory to the General Insurance Code of Practice (Code) and is committed to providing high standards of service. The Code covers topics like buying insurance, how claims are handled, what happens if financial hardship occurs, and complaint handling. You can read the Code at codeofpractice.com.au

We recognise that family and domestic violence is a complex issue and we take it seriously. For more information about support, our Family and Domestic Violence Customer Support Policy is available at qbe.com/au

Privacy

We take the security of your personal information seriously.

We'll collect personal information when you deal with us, our agents, other companies in the QBE group or suppliers acting on our behalf. We use your personal information so we can do business with you, which includes issuing and administering our products and services and processing claims. Sometimes we might send your personal information overseas. The locations we send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy Policy describes in detail where and from whom we collect personal information, as well as where we store it and the ways we could use it. To get a copy at no charge by us, please visit qbe.com.au/privacy or contact QBE Customer Care.

It's up to you to decide whether to give us your personal information, but without it we might not be able to do business with you, including not paying your claim.

Complaints

We're here to help. If you're unhappy with any of our products or services, or the service or conduct of any of our suppliers, please let us know and we'll do our best to put things right.

Step 1 - Talk to us

Your first step is to get in touch with the team looking after your Policy or claim. You'll find their contact details on your policy documents, letters or emails from us.

Please provide our team with as much information as possible so they can try to fix the problem quickly and fairly.

Step 2 - Customer Care

If your complaint isn't resolved by the team looking after your Policy or claim, you can ask them to refer your complaint on to our Customer Care team or you can contact Customer Care directly.

Step 3 - Internal Dispute Resolution

If your complaint isn't resolved by Customer Care, or indeed at any time, you can ask for your complaint to be escalated for review by our Internal Dispute Resolution (IDR) team. A Dispute Resolution Specialist will review your complaint independently and provide you with our final decision.

Step 4 - Still not resolved?

If we're unable to resolve your complaint to your satisfaction within a reasonable time, or you're not happy with our final IDR decision, you can refer your complaint for external dispute resolution by contacting the Australian Financial Complaints Authority (AFCA). We are a member of AFCA and their decisions are binding on us.

AFCA will inform you if your complaint falls within its jurisdiction. Time limits apply to most complaints to AFCA.

Disputes not covered by the AFCA Rules

If your dispute doesn't fall within the AFCA Rules, and you're not satisfied with our decision then you may wish to seek independent legal advice.

Privacy complaints

If you're not happy with how we've handled your personal information, call or email Customer Care.

If you're not satisfied with our response, you can contact the Office of the Australian Information Commissioner (OAIC).

Contacting QBE's Customer Care Unit, AFCA or the OAIC

How to contact QBE Customer Care

Phone	1300 650 503 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	<ul style="list-style-type: none"> complaints@qbe.com, to make a complaint. privacy@qbe.com, to contact us about privacy or your personal information. customercare@qbe.com, to give feedback or pay a compliment.
Post	Customer Care, GPO Box 219, Parramatta NSW 2124

How to contact AFCA

Phone	1800 931 678 (free call)
Email	info@afca.org.au
Online	www.afca.org.au
Post	Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

How to contact the OAIC

Phone	1300 363 992 Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	enquiries@oaic.gov.au
Online	www.oaic.gov.au

Policy Wording

This Policy is underwritten by QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545.

Our agreement

Your Policy is an agreement between you and us, made up of:

- This Policy Wording
- Your Policy Schedule, which sets out the cover you've chosen and any terms specific to you.

The cover under this Policy is provided during the period of insurance, once you've paid us your premium. There are also:

- Conditions and exclusions which apply to specific covers or sections;
- General exclusions, which apply to any claim you make under this Policy;
- General conditions, which set out your responsibilities under this Policy;
- Claims conditions, which set out our rights and your responsibilities when you make a claim; and
- Other terms, which set out how this Policy operates.

Excesses

You must pay any excesses which apply to your claim. The excesses which you have to pay are set out in this Policy Wording or on your Policy Schedule.

How much we'll pay

The most we'll pay for a claim is the sum insured which applies to the cover or section you're claiming under, less any excess.

When this Policy begins

Unless we have already agreed to issue a cover note, the Policy only begins when we receive and accept your completed application form and you have paid your premium.

Paying your premium

The ways you can pay your premium, and the frequency you can pay it, are described below:

Your premium is shown on your Policy Schedule.

Annual premium

If you pay your premium annually, you need to pay your premium on time to ensure you are covered. If you don't pay the premium your Policy may be cancelled and we'll write to let you know when this will happen.

Instalment payments

If you pay your premium by instalment, your Policy Schedule will show frequency and dates of your instalments. If your direct debit details change you must tell us no later than seven days before your next instalment is due.

At renewal

If you pay by instalments, and renew your Policy, we'll continue to deduct instalments for a renewed Policy at the new premium level according to the same instalment pattern, unless you tell us to stop your direct debit.

What happens if you miss an instalment

If you miss an instalment we'll contact you to ask you to pay it or arrange to collect it from you. If you don't pay the missed instalment your Policy may be cancelled and we'll write to you to let you know when this will happen.

If you don't pay the missed instalment and a claim arises, then we will deduct the missed instalment from your claim.

If your payment details change

If your direct debit details change, such as you changing credit cards or bank accounts, you must tell us at least seven days before your next payment date.

Adjustment of premium on renewal

If we offer to renew your Policy, we will send you a renewal offer.

If after we send you our renewal offer

- you make any changes to your Policy that increase risk or
- you tell us about an incident that happened before the renewal date

and we agree to continue to insure you:

- we'll send you an updated renewal offer and
- you'll need to pay us any additional premium we'd have required you to pay if you'd told us to ensure your cover is not affected.

If the change reduces the risk, we may reduce the premium.

Where you had no knowledge or were otherwise unaware of the circumstances surrounding the claim during the previous period of insurance, no additional premium increase will be applied.

This condition doesn't affect any other rights we have at law or under this Policy.

Words with special meaning

The words and terms used throughout this Policy have special meanings set out below.

Where other words and terms are only used in one section of the Policy, we'll describe their special meaning in that section.

Word or term	Meaning
Australia	The Commonwealth of Australia, its dependencies and Territories.
Building	All buildings at the location, including: <ol style="list-style-type: none"> all other structural improvements at the location including outbuildings, shelters, verandas, carports, fencing, gates, paths and roadways, all services to the buildings, lessors' fixtures and fittings including fixed carpets and floor coverings, customised and modified shipping containers or transportable buildings permanently located at the premises that are permanently fixed to the ground with electrical, water or gas services, as necessary; shipping containers temporarily located at the premises in which your stock is contained,

Word or term	Meaning
	<p>provided that when unattended the container doors are secured with padlocks with a security rating of 6 or above in accordance with Australian Standard AS4145, Part 4: Padlocks, and outside business hours items (d) and (e) are fully enclosed at the location by a locked fenced area.</p> <p>Buildings do not include:</p> <ul style="list-style-type: none"> (a) machinery, (b) stock, (c) contents, (d) land, unsealed driveways, unsealed paths, dams, reservoirs, canals, bridges, tunnels, railway tracks not at the location, (e) property located in an underground mine.
Business	The trade or occupation described on your Policy Schedule (and no other for the purpose of this insurance), carried on at and from the location.
Business hours	Your office and working hours (including overtime), during which you or your employees are on the location for the purpose of your business.
Consequential loss	<p>Any loss not directly related to your claim, such as but not limited to:</p> <ul style="list-style-type: none"> • delay • interruption in your business • loss of contract • lack of performance • loss of use of any property • depreciation in value • loss or earning capacity or • an increase in costs and expenses <p>unless specifically covered.</p>
Contents	<p>All contents at the premises belonging to you.</p> <p>Contents includes:</p> <ul style="list-style-type: none"> (a) business furniture, machinery, plant and equipment, (b) all stock in trade and merchandise, including trading stock in the course of production, (c) customers' goods for which you are responsible or for which you have assumed responsibility to insure prior to any destruction or damage, (d) improvements, alterations, decorations, fittings and additions to leased buildings which have been made by you and for which you are not entitled to be reimbursed by the lessor in the event of destruction or damage, (e) lessors' fixtures, fittings and fixed carpets and floor coverings for which you are legally responsible, unless insured by you as part of item (c) of the 'Buildings' definition,

Word or term	Meaning
	<ul style="list-style-type: none"> (f) the buildings for which you are responsible under the terms of any lease, caused by theft or attempted theft, (g) antiques, curiosities and works of art limited to \$10,000 for any one article unless specified otherwise on your Policy Schedule. <p>Contents does not include:</p> <ul style="list-style-type: none"> (h) growing crops, trees or any other plants, (i) animals or any other living organism, (j) motor vehicles, watercraft and aircraft which are not stock, (k) jewellery, furs, bullion or articles containing gold or silver or other precious metals which are not stock, (l) land, dams, bridges, canals, roadways, tunnels, railway tracks not at the address, wharves, docks, jetties, pontoons, piers or similar structures, (m) property located in an underground mine, (n) money, security documents, stamps or explosives.
Excess	<p>The amount specified in the Policy or on your Policy Schedule, payable by you on each and every claim we accept arising out of one event or occurrence under that Policy section.</p> <p>Should more than one excess be payable under this Policy for any claim or series of claims arising from the one event, such excesses will not be aggregated and the highest single level of excess only shall apply.</p>
Flood	<p>The covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:</p> <ul style="list-style-type: none"> (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.
Location(s)	The place(s) listed on your Policy Schedule where you carry out your business.
Market value	The retail value of items of a similar type, age and condition, with adjustment for its special features, if any. Used price guides and any other information may be used to assist in determining market value.
Money	Cash, notes, negotiable instruments, cheques, postal notes, post office money orders, negotiable securities, stamps, credit card sales vouchers, instant lottery tickets, bus or transport tickets, telephone credit cards or franking machine credits.

Word or term	Meaning
Period of insurance	The period shown on your Policy Schedule.
Policy	Includes this Policy wording, your Policy Schedule and any future documents issued to you which amends the Policy wording or Policy Schedule.
Policy Schedule	The schedule of insurance, or any future renewal schedule, or endorsement schedule.
Safe or strong-room	A container or structure which has been specifically designed for the safe storage of money or valuables and is designed compliant with Australian standards to protect the contents against fire and to resist unauthorised opening by hand-held or power operated tools.
Sea	Oceans, bays, ports or tidal waters.
Seasonal increase period(s)	<p>Any period of time during the period of insurance that has turnover, sales or levels of stock at least 20% higher than the average turnover, sales or level of stock at other times during the period of insurance.</p> <p>The total number of days we will allow as seasonal increase periods is 120 days in total during any one period of insurance. You do not have to tell us what the dates of the periods are, but if you claim under a Policy section which has the seasonal increase cover, then your financial records over at least the 2 previous years must reasonably demonstrate that the stock levels during such period have risen by more than 20% above standard levels and that the increase has happened solely for the purpose of meeting additional customer demand associated with such period.</p> <p>If the business is less than 2 years old, we will use the financial records of your business from the date of commencement until the date of the loss or damage to substantiate your claim.</p>
Senior Counsel	A person entitled to use the letters 'QC' or 'SC' in any one or more superior court in Australia or New Zealand.
Stock	<p>The items belonging to you or for which you are legally responsible or have assumed a responsibility to insure described below:</p> <p>(a) products and material you intend to sell,</p> <p>(b) raw or consumable materials used by you to make or alter your products,</p> <p>(c) consignment stock,</p> <p>(d) goods held in trust or on commission.</p>
Water	Includes snow, sleet or hail.
We, us, our	QBE Insurance (Australia) Limited, ABN 78 003 191 035.
You, your	The person(s), companies or firms named on your current Policy Schedule as the 'Insured'.

Property section

Sub limits for additional benefits (see the terms of the additional benefit for full details)

Included in the sum insured:	
Insured event 3.3 Wind and water, Additional benefit to locate the source of insured loss or damage	Up to \$25,000 in any one period of insurance, but not for the repair or replacement of apparatus, pipe or tank itself.
4.1 Architects and other fees	If the sum insured has been exhausted, up to \$25,000.
4.2 Reasonable legal costs and fees to discharge mortgage	<ul style="list-style-type: none"> for buildings or contents, up to the balance of the sum insured for the applicable item of property for buildings only, when the sum insured is exhausted, the lesser of: <ul style="list-style-type: none"> up to 10% of the sum insured for such buildings or \$25,000.
4.3 Exploratory costs to locate the source of bursting or leaking of any mains, pipes, gutters, drains, tanks or fixed apparatus	Up to \$25,000 in any one period of insurance.
4.4 Government fees necessary to reinstate property,	Up to \$10,000.
4.5 Property temporarily removed	Up to an amount of 20% of the contents and stock sum insured, up to the sum insured on that item.
4.6 Theft of building	Up to \$5,000 in any one period of insurance.
In addition to the sum insured:	
4.7 Capital additions - buildings	<p>The lesser of:</p> <ul style="list-style-type: none"> 20% of the sum insured on buildings; or \$500,000.
4.8 Capital additions - contents	<p>The lesser of:</p> <ul style="list-style-type: none"> 20% of the sum insured on contents at that location; or \$200,000.
4.9 Catastrophe escalation cost	Up to 20% of the sum insured.
4.10 Environmental upgrade	Up to 10% of the cost to repair or replace the upgraded item, up to \$50,000.
4.11 Employees' tools, equipment, personal effects and clothing	Up to \$5,000 any one person.
4.12 Fire extinguishment costs	Up to \$30,000.
4.13 Landscaping	Up to \$20,000 for any one loss.
4.14 Loss of land value	<p>Up to the lesser of:</p> <ul style="list-style-type: none"> 10% of the sum insured shown for buildings at the location where the damage happened; or \$100,000;
4.15 New premises - Temporary cover	Up to 25% of the highest sum insured for each item of property.

4.16 Playing surfaces	Up to \$50,000 or the amount shown in the Policy Schedule.
4.17 Prevention of damage	Up to \$20,000 for any one claim.
4.18 Removal of debris, temporary repairs and temporary protection	Up to: <ul style="list-style-type: none"> the extent that the sum insured on buildings and contents (whichever is applicable) at the location is not otherwise exhausted; or where the sum insured is exhausted, the greater of: <ul style="list-style-type: none"> the amount specified on your Policy Schedule, or the lesser of 10% of your sum insured at the location or \$25,000.
4.19 Rewriting of records and documents	Up to the lesser of: <ul style="list-style-type: none"> 10% of the contents sum insured, or \$50,000.
4.20 Seasonal increase in stock	Up to 50% of the contents sum insured for stock.
4.21 Unpacking expenses	Up to \$20,000 for any one claim.

1. Definitions applying to this section

Word or Term	Meaning
Records and documents	Written, printed, filmed or taped records (including computer records), deeds, plans or drawings or documents of any other type which are: <ul style="list-style-type: none"> (a) used in the business, (b) in a building at the location, and (c) are owned by you or are in your custody in the ordinary course of the business.

2. Cover

We will indemnify you up to the limit specified on your Policy Schedule in respect of physical loss of or damage to:

- (a) buildings,
- (b) contents,
- (c) other interests as defined on your Policy Schedule,

that occurs during the period of insurance directly caused by an insured event.

3. Insured events

3.1 Fire and molten material

- (a) Fire, but not loss or damage to any property undergoing heating or the direct application of heat. This exclusion is limited to the item(s) immediately affected and shall not apply to other property damaged as a result of such application of heat.
- (b) The escape of molten material from its normal confines on or about the business premises but excluding:
 - (i) the cost of repairing any fault which enabled such escape,

- (ii) the cost of retrieving or removing escaped material from any escape channel or catchment area designed for the purpose,
- (iii) loss of or damage to such escaped material,
- (iv) loss or destruction of or damage to furnace linings, crucibles, moulds, other containers or ladles from which molten material escapes.

3.2 Lightning

Damaged caused by lightning strike including any resultant power surge.

3.3 Wind and water

Wind and water including water and any other liquid discharged from mains, pipes, gutters, drains, tanks or fixed apparatus used to hold or carry liquids, but not loss or damage:

- (a) by sea, tidal wave, high water, storm surge or flood,
- (b) by erosion, subsidence, landslide, mudslide or settling,
- (c) by steam or condensation,
- (d) by water seeping from outside the premises,
- (e) to shade sails, shade cloths, plastic or textile awnings, plastic or textile blinds, artificial playing surfaces, shade houses and any type of hot or glass house,
- (f) to property in the open air unless such property comprises part of a permanent structure designed to function without the protection of walls or roofs,
- (g) to buildings while they are being built that do not have all walls, doors, and roofs completely fixed.

Exclusion (e) of 'Insured event 3.3' does not apply to the first \$20,000 of loss or damage in any one (1) period of insurance.

We will also cover the reasonable costs incurred in locating the source of insured loss or damage, where such loss or damage is caused by bursting or leaking of any mains, pipes, gutters, drains, tanks or fixed apparatus used to hold or carry water or other liquids, up to the sum of \$25,000 in any one (1) period of insurance. We will not pay for the repair or replacement of apparatus, pipe or tank itself.

3.4 Sprinkler leakage

- (a) Water discharged or leaking from any automatic sprinkler or drencher installation or tank connected therewith.
- (b) The indemnity granted shall include expenses incurred for attendance of the fire brigade for the purpose of shutting off the water supply following accidental discharge of water from the automatic sprinkler or drencher system or the cost of removal of such water or cleaning operations incidental thereto.

However, this clause 3.4 shall not include the cost of cleaning up any pollutant material which has gone beyond the boundaries of the location or has entered the public drainage system or any creeks or waterways.

3.5 Impact

Impact by:

- (a) vehicles designed for use on land,
- (b) animals, excluding animals kept on the premises,
- (c) a falling tree or part of a tree, but not if the loss or damage is caused by you or a person acting with your express or implied consent felling or lopping trees,

- (d) a communication tower, mast, aerial, antenna or any satellite dish and other fixture attached thereto following collapse or breakage but not including damage to such tower, mast, antenna, satellite dish or fixture unless caused by an event insured by this Policy,
- (e) a falling building or other structure or part thereof but not if such collapse is caused by:
 - (i) lack of maintenance to a building or structure at the location; or
 - (ii) demolition of a building or other structure at the location except for demolition following loss or damage otherwise insured by this section.

3.6 Explosion

All explosions including explosion or implosion of boilers, but excluding:

- (a) damage to boilers, and/or economisers, and/or pressure vessels and their contents, resulting from the explosion thereof, and
- (b) damage to property which is insured by any other Policy covering boiler explosion or sprinkler leakage, except for any amount beyond that payable for damage to the property under such other Policy.

Exclusion 3.6(a) shall not apply to damage to a boiler or pressure vessel that:

- (i) is used solely for domestic purposes; or
- (ii) has a value of less than \$200,000.

3.7 Earthquake

Earthquake, tsunami, subterranean fire or volcanic eruption, or fire occasioned by or in consequence thereof provided that in respect of damage occurring during any one (1) period of forty eight (48) consecutive hours to buildings (which shall mean all buildings whether or not separated by roadways), and contents which are in the same ownership, at one (1) location and which form one (1) establishment, we shall not be liable to pay or contribute:

- (a) the first \$20,000, or
- (b) an amount equal to one percent (1%) of the total sum insured at the location,

whichever is the lesser.

The amount calculated under clauses 3.7(a) or 3.7(b) shall first be deducted from the amount of each claim, as finally determined, for loss arising out of any one (1) event.

3.8 Aircraft

Impact by aircraft and other aerial devices and/or articles dropped therefrom, sonic boom and space debris.

3.9 Riots and strikes

The acts of:

- (a) persons taking part in riots or civil commotion or strike or lock-outs, or persons taking part in labour disturbances or malicious persons acting on behalf of, or in connection with any political organisation, but excluding damage caused directly or indirectly by total or partial cessation of work or the retarding or interruption or cessation of any process or operation, or
- (b) any lawfully constituted authority in connection with the acts referred to in insured event 3.9(a).

3.10 Vandalism

The acts of vandals or persons of malicious intent (including persons carrying out a theft or attempted theft), provided that the Police are informed of any damage as soon as possible, but excluding:

- (a) loss or damage caused by tenants other than fire or explosion, or
- (b) persons specified in insured event 3.9, or
- (c) theft of contents, or
- (d) caused by you or anyone who permanently or temporarily resides with you.

We will not cover loss or damage to any item insurable under the glass section of this Policy, whether such section is taken or not.

3.11 Accidental damage

- (a) Loss of or damage to buildings or contents caused by any accident except loss or damage caused by:
 - (i) Insured events 3.1 to 3.10 or by any event or circumstance excluded therein;
 - (ii) theft or armed hold-up, or any attempt thereat;
 - (iii) fraudulent or dishonest acts by your employees;
 - (iv) wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
 - (v) the action of animals (including but not limited to birds, moths, termites or other insects, vermin), rust or oxidation, mildew, mould, 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;
 - (vi) error or omission in design, plan or specification or failure of design;
 - (vii) faulty materials or faulty workmanship;
 - (viii) any order of any government, public or local authority including the confiscation, nationalisation, requisition, repossession of or damage to any property;
 - (ix) incorrect sitting of buildings as a result of incorrect design or specification;
 - (x) unexplained inventory shortage, unexplained disappearance, disappearance resulting from clerical or accounting errors or shortage in the supply or delivery of materials to or from you;
 - (xi) consequential loss of any kind;
 - (xii) machinery breakdown, electrical or electronic breakdown, how so ever caused;
 - (xiii) computer virus;
 - (xiv) any person deliberately switching off or disconnecting the power supply;
 - (xv) loss of or damage to property, directly or indirectly caused by, or contributed to by, normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration.
- (b) We will not cover loss or damage to:
 - (i) trees, shrubs, pot plants or lawns;
 - (ii) live animals, birds or fish or any other living creature;
 - (iii) any property in transit;
 - (iv) any item insurable under the glass, machinery breakdown or electronic equipment sections of this Policy;
 - (v) property during the course of, and as a result of, its processing;

- (vi) alterations and additions when the value of work exceeds ten percent (10%) of the sum insured or \$250,000 whichever is the lesser.

4. Additional benefits

We will cover:

4.1 Architects and other fees

Architects, surveyors, and legal fees, all necessarily incurred in the repair or reinstatement of damage to your property following loss or damage for which a claim is admissible under this section, but only to the extent that the sum insured on that item is not otherwise exhausted.

If the sum insured has been exhausted, we will pay up to \$25,000.

We will not pay any claim under this extra cover if your Policy Schedule shows the building as being insured for 'Indemnity'.

4.2 Discharge of mortgage

Reasonable legal costs and fees payable by you to discharge any mortgage on buildings or contents that are considered by us to be a total loss.

We will pay:

- (a) for buildings or contents, up to the balance of the sum insured for the applicable item of property where such balance is not otherwise exhausted;
- (b) for buildings only, and when the sum insured is exhausted:
 - (i) up to 10% of the sum insured for such buildings or
 - (ii) \$25,000,

whichever is the lesser.

4.3 Exploratory costs

We will cover the reasonable costs incurred in locating the source of insured loss or damage, where such loss or damage is caused by bursting or leaking of any mains, pipes, gutters, drains, tanks or fixed apparatus used to hold or carry water or other liquids, is included up to the sum of \$25,000 in any one period of insurance. We will not pay for the repair or replacement of apparatus, pipe or tank itself.

4.4 Government fees

Any fee, contribution or other impost payable to any government, local government or other statutory authority, incurred by you as a condition precedent to the obtaining of consent to reinstate any property insured under this section.

We will not be liable for payment of any fine or penalty imposed on you by such authorities.

The maximum we will pay under this additional benefit is \$10,000.

4.5 Property temporarily removed

Property temporarily removed from the location to any other premises within Australia and in transit there and back, up to an amount of 20% of the contents and stock sum insured, but only to the extent that the sum insured on that item is not otherwise exhausted.

We do not cover:

- (a) insured event 3.11;
- (b) stock already sold and in transit to a customer;
- (c) property or stock on hire unless specified on your Policy Schedule;
- (d) portable hand held equipment, portable computers and mobile phones;

- (e) personal property of directors, partners and employees of your business;
- (f) motor vehicles or trailers, watercraft, caravans or motorcycles unless they are:
 - (i) stock of your business; or
 - (ii) forklift trucks or similar appliances that are normally used for hauling or lifting goods at your premises;
- (g) property which has been removed for a period in excess of ninety (90) consecutive days without our prior written agreement to continue cover.

4.6 Theft of building

We will cover you up to \$5,000 in the aggregate during the period of insurance for the theft of buildings or parts thereof.

We will not pay for:

- (a) any loss or damage caused by your family or your tenants; or
- (b) any claims under this additional benefit if you have selected the Theft section of this Policy.

Unless stated otherwise below, any amounts payable under the following additional benefits apply in addition to the sum insured:

4.7 Capital additions - buildings

Cover for buildings insured at any one location is extended to include any alterations and additions to buildings commenced during the period of insurance if the value of such alterations and additions does not exceed:

- (a) 20% of the sum insured on buildings; or
- (b) \$500,000,

whichever is the lesser.

4.8 Capital additions - contents

Cover for contents insured at any one location is extended to include any alterations or additions to contents (excluding stock), to an amount not exceeding:

- (a) 20% of the sum insured on contents at that location; or
- (b) \$200,000,

whichever is the lesser.

4.9 Catastrophe escalation cost

If any of your buildings are damaged by any event insured against by this Policy section, and:

- (a) we classify such damage as a total loss,
- (b) the event giving rise to the damage has resulted in any competent authority declaring a state of emergency affecting the area in which your damaged building is situated,

we will increase the sum insured applicable to such buildings under this section by up to 20% provided that your building is rebuilt to cover any increase in building costs for labour and materials and any other additional costs which may apply after the event.

Provided that:

- (i) we will not pay more than the increased building costs which are actually incurred by you.
- (ii) we will not pay any amount under this additional benefit until you have incurred costs exceeding the sum insured applicable to such building under this section.

Increase in building costs means the difference between the cost of reinstatement actually incurred in accordance with the basis of settlement provisions of this section, and the cost of reinstatement that would have applied had the event not occurred.

4.10 Environmental upgrade

If you elect to repair or replace property that is lost, damaged or destroyed during the period of insurance using or with more environmentally friendly technology, products or materials that improve the energy and water efficiency of the property, we will pay you up to 10% more than the amount we would otherwise have paid to repair or replace the item that is being upgraded subject to a maximum cost of \$50,000.

4.11 Employees' tools, equipment, personal effects and clothing

Personal property of directors and employees of your business if:

- (a) the personal property is used solely for business purposes, and
- (b) the person to whom the personal effects belong is not named as an insured.

Cover is limited to \$5,000 any one person, but if any person is entitled to indemnity under any other Policy of insurance effected by him/her or by any person other than you, this cover will only apply in respect of any amount in excess of that provided by such other Policy. There is no cover for you or any person named as the insured on your Policy Schedule.

4.12 Fire extinguishment costs

Fire extinguishment costs to a maximum of \$30,000 covering:

- (a) wages of your employees,
- (b) the cost of replenishment of fire fighting appliances or damage to materials (including employees' clothing and personal effects), unless otherwise specifically insured,
- (c) the costs you are liable for under any Fire Brigade Act or similar legislation,

provided always that our liability in respect of these costs will be limited to those necessarily and reasonably incurred in attending to chemical emergencies or extinguishing fires at or adjoining the location of the property insured by this section, or immediately threatening to involve such property.

4.13 Landscaping

Notwithstanding 3.11(b)(i) we will pay the cost of loss of or damage to landscaping which will include trees, shrubs, plants, lawns, retaining walls, rock work, ornamentation and edging pertaining thereto and pot plants including resultant expenses necessarily incurred in clearing, cleaning or repairing drains, gutters, sewers, pipes, tanks or fixed apparatus all contained in or on or forming part of or implicitly pertaining to the buildings.

We will not pay for loss or damage to landscaping which occurs as a result of storm, wind and rain.

Our liability will not exceed the sum of \$20,000 for any one loss.

4.14 Loss of land value

Following loss or damage covered under this section we will pay for the reduction in land value that results from the requirements of any legal authority that does not allow rebuilding or only partial rebuilding at the location.

The reduction in land value will be the value certified by the Valuer General or other competent person or authority we select or agree to. We won't unreasonably withhold our agreement another suitable competent person or authority.

Provided that:

- (a) this will be calculated by subtracting:
 - (i) the land value after rebuilding, or
 - (ii) after you and we have agreed that rebuilding is not possible, the land value before the damage,

(b) we will not pay more than:

- (i) 10% of the sum insured shown for buildings at the location where the damage happened; or
- (ii) \$100,000;

whichever is the lesser.

The Co-insurance Condition does not apply in respect of this benefit.

4.15 New premises - Temporary cover

We will temporarily extend cover provided by this section to property at any new location first occupied by you during the period of insurance provided that:

- (a) this temporary cover period is limited to the lesser of:
 - (i) thirty (30) days from the date you acquire or commence using the premises; or
 - (ii) the expiry date of the current period of insurance;
- (b) the property is used for the business described on your Policy Schedule,
- (c) the property is of similar type to that already insured under this Policy section and
- (d) the new premises comprise buildings of similar construction, fire and burglary protection as featured in any premises currently described on your Policy Schedule.

The maximum we will pay for this additional benefit is 25% of the highest sum insured shown on your Policy Schedule for each item of property.

If you want cover to continue beyond thirty (30) days, you must provide to us full details of the new premises within those thirty (30) days. If the new location meets our underwriting rules, we will continue the cover, but we may charge you additional premium. You do not have to pay the additional premium, but if you don't the cover will not continue.

4.16 Playing surfaces

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

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

4.17 Prevention of damage

Cover is extended to include costs incurred to extinguish a fire on or in the vicinity of your premises which threatens damage to your property, or for costs to prevent or diminish imminent damage to your property by any other insured event including the removal of property from your premises subject to a limit of \$20,000 for any one claim.

4.18 Removal of debris, temporary repairs and temporary protection

The cost of removal, storage and disposal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs and temporary protection as a direct result of an insured event.

We will pay up to:

- (a) the extent that the sum insured on buildings and contents (whichever is applicable) at the location is not otherwise exhausted; or
- (b) where the sum insured is exhausted we will also pay:
 - (i) the amount specified on your Policy Schedule, or
 - (ii) the lesser of 10% of your sum insured at the location or \$25,000,

whichever is the greater.

4.19 Rewriting of records and documents

The cost of rewriting or reproducing necessary written or printed documents, computer system records, business records, plans and designs up to:

- (a) 10% of the contents sum insured, or
- (b) \$50,000,

whichever is the lesser.

4.20 Seasonal increase in stock

We will automatically increase the portion of the contents sum insured which relates to stock by up to 50% during the seasonal increase period.

4.21 Unpacking expenses

Cover is extended to include costs and expenses incurred in taking inventory or unpacking, repacking and/or restacking stock to identify, quantify and/or value any property damaged including examination of property not belonging to you but in your care, custody or control subject to a limit of \$20,000 for any one claim.

5. Basis of settlement

Unless otherwise specified on your Policy Schedule, claims will be settled on the basis of reinstatement and replacement and extra costs, as follows.

5.1 Reinstatement and replacement

'Reinstatement and replacement' means:

- (a) where property (excluding stock, customers goods and buildings awaiting or undergoing demolition) is destroyed:
 - (i) if a building the rebuilding thereof; or
 - (ii) if 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 (excluding stock, customers' goods and buildings awaiting or undergoing demolition) 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.

The basis of settlement of any claim will be the cost of reinstatement of the property destroyed or damaged at the time of such destruction or damage as follows:

1. The work of rebuilding, or replacement, or repairing as the case may be (which may be carried out upon another site and in any manner suitable to your requirements but subject to our liability not being thereby increased), must be commenced and carried out with reasonable despatch, failing which we will effect settlement on an indemnity basis.
2. When any property to which this clause applies is damaged or destroyed in part only, our liability will not exceed the sum specified on your Policy Schedule.
3. No payment beyond the amount which would have been payable under this section will be made until a sum equal to the cost of reinstatement will have been actually incurred.

All other insurances covering the property by or on your behalf will be on a similar reinstatement basis.

- (a) where stock or customers goods are destroyed or damaged, we will either:
 - (i) replace or repair the stock with property or materials of the same or similar standard and specification of the stock or customers goods at the time of loss or damage;
 - (ii) pay the cost of repair or replacement; or
 - (iii) pay the market value at the time of the loss or damage;
- (b) where buildings awaiting or undergoing demolition are destroyed or damaged we will pay the salvage value of the damaged building materials, fixtures and fittings.

5.2 Extra cost

We will also pay in respect of property (excluding stock) insured under this section the extra cost of reinstatement including demolition or dismantling of such property necessarily incurred to comply with the requirements operative at the time of reinstatement of:

- (a) any Act of Parliament or regulation made there under, or
- (b) any by-law or regulation of any municipal or other statutory authority,

provided in either case that:

- (c) the work of reinstatement (which may be carried out wholly or partially upon another site if the aforesaid Act, by-law or regulation of any municipal or other statutory authority so necessitates subject to our liability not being thereby increased) must be commenced and carried out with reasonable despatch failing which we will not be liable to make any payment beyond the amount which would have been payable under this section if this clause had not been incorporated therein,
- (d) the amount recoverable will not include the additional cost incurred in complying with any such Act, regulation, by-law or requirement with which you had been required to comply prior to the happening of the damage,
- (e) the Co-insurance Condition will not be applied to the amount recoverable under this clause,
- (f) if the cost of reinstatement of the damage directly caused by any of the insured events is less than 50% of what would have been the cost of reinstatement of the property insured had such property been destroyed, the amount recoverable will:
 - (i) be limited to the extra cost necessarily incurred in reinstating only that portion damaged; and
 - (ii) not include any extra cost in relation to any portion of the property not damaged; and

- (iii) not exceed, in any event, the sum which we could have been called upon to pay if such property had been wholly destroyed.

5.3 Floor space ratio index (plot ratio)

Where buildings are damaged and reinstatement of such damage is limited or restricted by:

- (a) any Act of Parliament or regulation there under; or
- (b) any by-law or regulation of any municipal or other statutory authority,

resulting in either case in the reduction of the floor space ratio index (plot ratio) of the site, then we will pay in addition to any amount payable on reinstatement of such buildings the difference between:

- (c) the actual costs incurred in reinstatement subject to the reduced floor space ratio index (plot ratio); and
- (d) the estimated cost of reinstatement at the time of damage had the reduced floor space ratio index (plot ratio) not applied.

Provided that our liability under clauses 'Reinstatement and replacement', 'Extra cost' and 'Floor space ratio index (plot ratio)' in total, will not exceed the limit of indemnity stated on your Policy Schedule in respect of the buildings which are the subject of the claim.

5.4 Indemnity

If the basis of settlement is shown on your Policy Schedule as indemnity, we will pay the cost to repair or replace the buildings or contents adjusted for age, wear, tear, depreciation, general condition and the remaining useful life of the individual item or components that are damaged.

The Co-insurance Condition is amended to read:

'In the event of loss or damage to property we will be liable for no greater proportion of the loss or damage than the sum insured at the location bears to 80% of the current value of the property insured, provided that our liability will not exceed the sum insured stated against each item on your Policy Schedule.'

5.5 Undamaged foundations

Where a building, but not its foundations is destroyed and the work of reinstatement is carried out wholly or partially upon another site to meet the requirements of any Act, by-law or regulation of a municipal or other statutory authority, the abandoned foundations will be considered as having been destroyed. Provided that any increase in the re-sale value of the land through the presence of the abandoned foundations will be regarded as salvage and paid by you to us, after deduction of the sale costs attributable to the increase in the re-sale value. We will not ask you to pay us any more than we have indemnified you for the claim.

6. Conditions

6.1 Co-insurance

In the event of loss or damage to property we will be liable for no greater proportion of the loss or damage than the sum insured at the location bears to 80% of the replacement cost of the property insured at the commencement of the period of insurance (as if it had been totally destroyed), provided that our liability will not exceed the sum insured stated against each item on your Policy Schedule.

This condition will not apply if the amount of any loss or damage does not exceed 5% of the total of the sums insured at the location.

Example:

The sum insured is declared as \$1,000,000.

Property damage totalling \$500,000 occurs from an event covered by the Policy.

The insurable value of such property at the commencement of the period of insurance is actually \$1,750,000.

Co-insurance applies because the declared value is less than 80% of the insurable value calculated in accordance with the basis of settlement applicable.

In this example, we would pay \$357,142.86 for the cost of reinstating your property, subject to the application of any excess.

Claim payment = $(\$1,000,000 \times \$500,000) / (\$1,750,000 \times 80\%) = \$357,142.86$.

6.2 Hazardous goods

Storage and use of hazardous goods usual to your business is allowed in the manner and quantities permitted by any Act of Parliament or regulation thereunder, or any by-law or regulation of any municipal or other statutory authority. If you store or use hazardous goods other than as permitted above and such misuse or incorrect storage results in or contributes to damage or loss of property insured we may reduce or refuse to pay your claim.

6.3 Sprinkler installations

If a building insured under this section of cover is fitted with an automatic sprinkler system and you:

- (a) own the building, or
- (b) are responsible for operation or maintenance of the sprinkler system,

you must ensure that the system, including external alarms and connections to a fire station or other approved monitoring facility maintained in good condition and efficient working order in accordance with *Australian Standard AS1851*. Written notice must be provided to us of:

- (a) alterations or additions to any such installations;
- (b) any disconnection of water supply or automatic alarm system during the course of maintenance where the total period of disconnection exceeds forty eight (48) hours over any seven (7) consecutive days.

Compliance with this condition will be a condition precedent to our liability.

6.4 Tenants' actions

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

- (a) you have taken all reasonable actions, as soon as you become aware of conditions causing the breach, to have the tenant comply with the terms,
- (b) you notify us within a reasonable amount of time of becoming aware of the breach.

7. Optional Cover

Flood cover

When "Flood" is shown in the current Policy Schedule, the word 'flood' is deleted from insured event 3.3(a); we will cover you for loss or damage to buildings and/or contents caused by flood.

Strata title mortgagee(s) interest

This cover only applies where indicated on your Policy Schedule as applying, and:

- (a) you own part of a building that has been subdivided into strata, community or similar title units; and
- (b) you have a mortgage on that part of the building; and
- (c) you have arranged this Policy to insure only the interest the mortgagee.

We will pay the mortgagee the lowest of:

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

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

We only pay a claim if:

- (h) a claim would be payable under the Property section (and not subject to any exclusions or other limitation in the Policy); and
- (i) the Policy of the body corporate or similar does not apply, or only partially covers the loss; and
- (j) the mortgagee requires you to discharge your mortgage.

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

Business interruption section

1. Definitions applying to this section

Word or term	Meaning
Accountant	A professional accountant to be appointed by both you and us or failing such appointment nominated by the President of the Institute of Chartered Accountants in Australia or by the President of the Australian Society of CPA's.
Annual income	The gross income during the twelve (12) months immediately before the date of damage, to which adjustment will be made to reflect the trend in the business and any other circumstances in order to arrive at the same result that would have been obtained had the damage not occurred.
Average weekly income	The average weekly gross income during the fifty two (52) weeks immediately before the damage (or such lesser period in the event that your business has been in operation for less than fifty two (52) weeks) to which adjustment will be made to reflect the trend in the business and any other circumstances in order to arrive at the same result that would have been obtained had the damage not occurred.
Gross income	The money paid or payable to you for goods sold, and/or services rendered, or for rental received or payable (plus outgoings as defined or specified in any lease) to you in the course of the business, less the purchase cost of stock and uninsured working expenses.
Indemnity period	The period beginning with the occurrence of the damage and ending not later than the number of weeks or months stated on your Policy Schedule, during which the results of the business will be affected in consequence of the damage.
Outstanding accounts receivable	The total amount owed to the business by customers as at the end of the month immediately prior to the date of the damage adjusted for: <ul style="list-style-type: none"> (a) bad debts, (b) amounts debited (or invoiced but not debited), and credited (including credit notes and cash not passed through the books at the time of damage) to customers' accounts, in the period between the date to which the last statement relates and the date of the damage, and (c) any abnormal condition of trade which had or could have had a material effect on the business, so that the figures thus adjusted, will represent as nearly as reasonably practicable, those which would have been attained at the date of the damage had the damage not occurred.
Payroll	The amount you pay: <ul style="list-style-type: none"> (a) employees for wages, bonuses, holiday pay and sick pay, (b) for payroll tax, fringe benefits tax, workers' compensation insurance premiums, accident compensation levies, superannuation, health insurance and pension fund levies.

Word or term	Meaning
Standard income	The gross income during that period corresponding with the indemnity period in the twelve (12) months immediately before the date of the damage, adjusted to reflect the trend in the business and any other circumstances in order to arrive at the same result that would have been obtained had the damage not occurred.
Uninsured working expenses	(a) The cost to purchase stock, and (b) the working expenses you have chosen not to cover, shown on your Policy Schedule.
Weekly income	The gross income received by you for each week the business is in operation.

2. Cover

We will indemnify you up to the limits specified on your Policy Schedule for loss of gross income, weekly income or payroll cover (as selected by you and shown on your Policy Schedule) resulting from interruption or interference to the business caused by loss or damage to property insured under the Property, Theft, Money, General property or Glass sections of this Policy or any other policy insuring the same events and for which liability is admitted unless liability is not admitted solely due to the operation of or provision in any such section or policy excluding liability for loss below a specified amount, or caused by an explosion of a boiler or economiser on the premises.

Gross income

Where gross income has been selected, the amount payable as indemnity will be:

- (a) in respect of reduction of gross income, the amount by which the gross income earned during the indemnity period will in consequence of the damage fall short of the standard income,
- (b) additional expenditure necessarily and reasonably incurred, with our consent (such consent not to be unreasonably withheld), for the sole purpose of avoiding or diminishing the reduction in the gross income of the business caused by the loss or damage.

The amount expended will not exceed the reduction in gross income thereby avoided (less expenses saved as a result of the damage).

Weekly income

Where weekly income has been selected, the amount payable as indemnity will be:

- (a) the percentage of the weekly sum insured that the reduction in your weekly income bears to the average weekly income, provided that the interruption or interference to the business is for a period exceeding one week and our liability will not exceed the average weekly income,
- (b) additional expenditure necessarily and reasonably incurred, with our consent (such consent not to be unreasonably withheld), for the sole purpose of avoiding or diminishing the reduction in the weekly income of the business caused by the loss or damage.

The amount expended will not exceed the reduction in weekly income thereby avoided (less expenses saved as a result of the damage).

Payroll cover

We will cover the reasonable and necessary payroll costs you incur during the indemnity period following a claim under the Business interruption section to:

- (a) reduce or avoid loss of turnover,
- (b) maintain normal business operations and service,
- (c) resume normal business operations and service, and/or
- (d) pay out payroll in lieu of notice,

up to the amount of the sum insured shown on your Policy Schedule.

Special condition

If your Policy Schedule shows you are covered for payroll cover, then payroll will be treated as an uninsured working expense in the calculation of gross income.

3. Optional cover

Applies only where indicated on your Policy Schedule as being operative.

3.1 Outstanding accounts receivable

Notwithstanding the cover provided by Additional benefit 4.12 Outstanding accounts receivable, we will indemnify you up to the limit specified on your Policy Schedule for loss of outstanding accounts receivable resulting from loss or damage to your business records contained in the location, by events insured by the Property section or Theft section of this Policy.

The insurance is limited to:

- (a) the difference between:
 - (i) the outstanding accounts receivable; and
 - (ii) the total of the amount received or traced in respect thereof;
- (b) the additional expenditure incurred with our consent (such consent not to be unreasonably withheld) in tracing and establishing outstanding accounts receivable after the damage, provided that:
 - (i) if the sum insured is less than the outstanding accounts receivable, the amount payable will be proportionally reduced;
 - (ii) as soon as possible after the end of each month, you will record and store at alternative premises the total of the outstanding accounts receivable and these figures will be kept for a period of twelve (12) months.

3.2 Additional increased cost of working

If you have chosen to insure the additional increased cost of working, we will pay the additional expenditure, not otherwise recoverable under any other cover option in this section, you reasonably incur to minimise the effect of the loss or damage to the business during the indemnity period.

In addition to additional benefit 4.9, we will not pay any more than the sum insured for additional increased cost of working shown on your Policy Schedule.

3.3 Rent default

Definitions applying to this optional cover

Word or term	Meaning
Agent	A licensed property manager or licensed real estate agent.
Lease agreement	The written and enforceable agreement between you or your agent and your tenant setting out the terms and conditions of occupation of your commercial premises including the end date of the tenancy period and the amount or method of calculation of rent payable to you and the timing thereof.
Rent	The amount of money paid or payable by the tenant under the terms of the lease agreement.
Rent default	When your tenant fails to pay rent in accordance with the lease agreement.
Rental premises	The building at the situation specified in the Policy schedule.
Tenant	The person(s) or legal entity named in the current lease agreement.

Cover

Where "Rent default" is shown on your Policy Schedule we will indemnify you up to the limit specified for loss of rent during the period of insurance if your tenant breaches the lease agreement and:

- (a) permanently vacates your rental premises before the end of the tenancy period specified in the lease agreement but does not give you or your agent the required notice, or
- (b) ceases to pay rent owed to you or your agent and remains in default after you have issued all required notices, or
- (c) is legally evicted from your rental premises.

How much we will pay

The maximum we will pay is the sum insured specified on the Policy Schedule for "Rent Default".

Basis of settlement

Commencing from the fifth consecutive week your tenant is in default, we will pay the actual weekly rent payable as set out in the rental contract.

If we have accepted a claim for rent default under this cover extension we will also pay legal costs incurred with our prior written consent (such consent not to be unreasonably withheld) to:

- (a) legally evict tenants, and/or
- (b) recover amounts owed by your tenants.

The most we will pay for your legal costs in any one period of insurance is \$5,000, additional to the cover provided for rent default.

Cover for rent default will cease at the earlier of the time when:

- (a) rental payment re-commences, or
- (b) the vacated premises are re-tenanted.

Subject to the maximum amount payable under this section of the Policy not otherwise being exhausted, the amount we will pay in total for all claims for rent default at the situation during any one period of insurance is the lesser of:

- (a) the calculated rent for the indemnity period specified on the Policy Schedule, or
- (b) 13 weeks calculated rent, or
- (c) \$30,000.

Exclusions

We will not pay:

- (a) for the first 4 consecutive weeks of each occurrence of rent default by a tenant;
- (b) if the lease agreement does not have a specified end date and is operating as a periodic tenancy (including a periodic tenancy after a fixed term lease agreement has expired);
- (c) for a lease agreement which applies to premises used for domestic or residential purposes;
- (d) if the rent is already in arrears at the time of commencement of this cover;
- (e) for any period of rent default whilst the premises are unavailable for occupation due to maintenance, repair or renovation work;
- (f) if the tenant leaves the premises and you have failed to rectify a notice of remedy breach, issued by the tenant to you;
- (g) for any loss of rent arising from any tenant or corporations with common directors who have previously defaulted on their rental payments with you.

Condition

General condition "Automatic reinstatement" does not apply to the cover provided under this additional benefit for Rent default.

4. Additional benefits

In respect of claims under additional benefits 4.1 to 4.8 inclusive we will not be liable for the first two (2) normal trading days of any loss resulting from the interruption or interference and our total liability will not exceed 50% of the amount insured under this Policy section as gross income or weekly income, whichever is selected.

The indemnity under this section is extended to include interruption or interference with your business in consequence of:

4.1 Prevention of access

We will cover you for interruption to your business that is caused by or results from closure or evacuation:

- (a) of property within a fifty (50) kilometre radius of your premises or of property forming part of or contained in a complex of which the location forms part, by order of a competent government, public or statutory authority, that results from damage caused by an insured event covered under the Property section;
- (b) of all or part of the location by order of a competent government, public or statutory authority as a result of:
 - (i) bomb threat;
 - (ii) food poisoning, murder or suicide;
 - (iii) vermin or other animal pests at the location; or
 - (iv) incorrect operation of drains or other sanitary arrangements at the location;
- (c) of all or part of the location of your premises by order of a competent government, public or statutory authority as a result of the manifestation of infectious or contagious human diseases, which prevents access to the location of your premises;

However there is no cover for any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with:

- (i) Rabies;
- (ii) Cholera;
- (iii) Highly Pathogenic Avian Influenza in humans;

- (iv) any disease determined by the World Health Organisation to be a Public Health Emergency of International Concern (PHEIC);
 - (v) a 'listed human disease', or any disease the subject of a 'biosecurity emergency' or 'human biosecurity emergency', under the Biosecurity Act 2015 (Cth);
- irrespective of whether discovered at the Location of your premises, or out-breaking elsewhere.

A reference to the Biosecurity Act 2015 (Cth) includes any amendment, replacement, re-enactment or successor legislation. A reference to listed human disease, biosecurity emergency or human biosecurity emergency shall have the meaning found in any replacement definition, in any amendment, replacement, re-enactment or successor legislation, or where there is no replacement definition the term shall have the meaning of a term which is substantially similar in meaning as defined in or declared in any amendment, replacement, re-enactment or successor legislation.

4.2 Public utilities, customers and suppliers extension

Where damage occurs within Australia at:

- (a) an electricity power station or substation,
- (b) a gas supplier,
- (c) water or sewerage services,
- (d) land based telecommunications installations,
- (e) a customer's premises,
- (f) a supplier or manufacturer of goods, components or materials,
- (g) a repairer's premises, or
- (h) storage or processing premises not occupied by you,

and these premises supply goods or services utilised by you, or you supply goods or services to them, where damage is caused by and would be covered by an insured event listed in the Property section of this Policy, the consequential reduction of gross income or weekly income resulting from such interruption or interference will be deemed to be loss resulting from loss or damage to property used by you at your premises.

4.3 Transport infrastructure

Where damage occurs within Australia, but outside any premises occupied by you to roads, bridges and rail lines over which property is conveyed to or from your premises (but not including damage by flood), and such damage is caused by and would be covered by an insured event listed in the Property section of this Policy, the consequential reduction of gross income or weekly income resulting from such interruption or interference will be deemed to be loss resulting from loss or damage to property used by you at your premises.

4.4 Transit

Damage to property owned by you or for which you are responsible whilst in transit by road, rail, sea or air to any place in Australia away from your premises caused by an insured event which would be covered under the Property section of this Policy.

4.5 Computer installation

Damage caused by an insured event which would be covered under the Property section of this Policy, to a computer installation within Australia, including any ancillary equipment and data processing media, utilised by you.

4.6 Documents temporarily removed

Damage caused by an insured event which would be covered under the Property section of this Policy to any of your documents or documents held in trust by you while:

- (a) temporarily at premises in Australia, not occupied by you, or
- (b) in transit to any place in Australia.

4.7 Motor vehicles owned or operated by you

Loss or damage to any registered motor vehicle or trailer owned by or operated by you, while such vehicles are at the premises or at other premises in Australia.

4.8 Loss of Attraction

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

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

This section also extends to include indemnity for:

4.9 Additional increased cost of working

If you have chosen to insure gross income or weekly income, we will pay up to \$25,000 for the additional expenditure, not otherwise recoverable under any other cover option in this section, you reasonably incur to minimise the effect of the loss or damage to the business during the indemnity period.

4.10 Fines, damages and penalties

We will cover:

- (a) fines or damages for breach of contract resulting from non-completion or late completion of orders. We will not pay for exemplary, punitive or aggravated damages; or
- (b) the discharge of contract purchases, cancellation notices, fines or damages for breach of contracts for the purchase of goods or services you cannot use during the indemnity period, less the value of these goods to you or the amount received for their sale,

but only where such is due to damage to the property insured which has resulted in an admissible claim under the Property section or the Theft section of this Policy.

Under this additional benefit, the maximum we will pay is 5% of the gross income or weekly income sum insured of this Policy section within any one period of insurance.

4.11 Government incentives

The monetary loss of gross income is extended to include the loss of any government approved incentives, subsidies or market development allowances you are entitled to in relation to your business.

This only applies if the loss of these benefits was caused as a result of damage to the property insured which has resulted in an admissible claim under the Property section or Theft section of this Policy.

Under this additional benefit, the maximum we will pay within any one period of insurance is 10% of the gross income or weekly income sum insured of this Policy section.

4.12 Outstanding accounts receivable

We will automatically cover you to a limit of \$7,500 any one claim, or the amount shown on your Policy Schedule, whichever is the greater subject to the terms, conditions and exclusions of Optional benefit 3.1 Outstanding accounts receivable.

4.13 Accumulated stocks provision

In adjusting any loss, an account will be taken and due allowance made if any shortage in gross income or weekly income due to the interruption or interference is postponed by reason of the gross income or weekly income being temporarily maintained from accumulated stocks of finished goods.

4.14 Interim claim payments

When a claim is payable for a loss recoverable under this section we will, if required by you and at intervals to be mutually agreed, make interim payments as calculated from any loss adjustor's report or other information and documentation supplied to us.

4.15 Rewriting of records

Where you have selected to insure gross income or weekly income, we will cover the reasonable clerical and professional costs incurred to rewrite your necessary business records if they are damaged by an event for which you are covered.

We will pay:

- (a) \$20,000, or
- (b) the amount shown on your Policy Schedule, whichever is the greater.

This additional benefit is in addition to your gross income or weekly income sum insured and is also in addition to Additional benefit 'Rewriting of records and documents' under the Property section.

We will not pay for any financial loss caused by the loss of your records under this optional benefit.

5. Conditions

5.1 Assistance

On the happening of damage which results in a claim as soon as practicable you will deliver to us a written statement of claim certified by an accountant and make available all books and records (including access to data stored on media) necessary for verification of the claim.

5.2 Co-insurance

If the sum insured on gross income is less than 80% of the annual income (or its proportionately increased multiple where the indemnity period exceeds twelve (12) months), the amount payable will be proportionally reduced.

This condition will not apply if your claim is for less than 5% of the sum insured for gross income.

5.3 Departmental provision

If the business is conducted in departments the independent trading results of which are ascertainable, the cover provided by this section will apply separately to each department affected by the loss or damage, except that if the sum insured under this section will be less than the total of the gross income or weekly income (whichever is selected) for each department (whether affected by the loss or damage or not), the amount payable will be proportionately reduced.

Theft section

1. Definitions applying to this section

Word or term	Meaning
Property	The property shown on your Policy Schedule.
Stock	Stock does not include tobacco and tobacco products

2. Cover

We will pay you up to the limits specified on your Policy Schedule for loss of or damage to property which occurs during the period of insurance as a result of the following events:

2.1 theft or attempted theft consequent upon the actual forcible and violent entry into any part of the building(s) at the location;

2.2 theft or attempted theft thereof by a person concealed at the location followed by his/her exit therefrom after business hours;

2.3 assault or violence, violent intimidation or threat thereof to you or your employees;

2.4 theft, fraud or dishonesty by any of your employees, provided that the loss is discovered within twenty one (21) days of its occurrence and our limit of liability, during any one period of insurance will not exceed \$2,500.

3. Basis of settlement

We will pay:

- (a) the replacement value of contents, and
- (b) the current value of stock or tobacco,

at the time of its loss or damage, or at our option reinstate or replace such contents, stock or tobacco or any part thereof.

4. Additional benefits

4.1 Theft without forcible entry

Subject to the sum insured not being otherwise exhausted, we will cover you for losses of, or damage to, contents (excluding stock), resulting from theft without forcible and violent entry from within the buildings at the location up to an amount of \$2,000 or the amount shown on your Policy Schedule.

4.2 Replacement of locks, keys and combinations

In addition to the sum insured shown on your Policy Schedule, we will also pay up to an amount of \$7,500 for the cost of:

- (a) recoding or replacing locks, keys and combinations that are used to lock your safe, strong-room or premises,
- (b) opening safes or strong-rooms,

as a result of burglary or attempted burglary of insured property occurring during the period of insurance and insured by this section.

Part (a) of this additional benefit will also apply if there are reasonable grounds to suspect that keys or combinations have been stolen or copied without your permission.

If you are also insured under the Money section, the benefit payable for replacement of locks, keys and combinations shall not be cumulative and shall be limited to \$7,500 in the aggregate.

4.3 Employee's tools, equipment, personal effects and clothing

Personal property of directors and employees of your business if:

- (a) the personal property is used solely for business purposes, and
- (b) the person to whom the personal effects belong is not named as an insured.

Cover is limited to \$5,000 for any one person but if any person is entitled to indemnity under any other policy of insurance effected by him/her or by any person other than you, this cover will only apply in respect of any amount in excess of that provided by such other policy. There is no cover for you or any person named as the insured on your Policy Schedule.

4.4 Seasonal increase in stock

We will automatically increase the portion of the contents sum insured which relates to stock by 50% during the seasonal increase period.

4.5 Loss of negotiable securities

If, as a result of events 2.1, 2.2 or 2.3 occurring during the period of insurance you suffer loss of cash, bank notes, negotiable cheques, Australia Post money orders, negotiable securities, sales vouchers or stamps, we will pay you the amount of such loss not exceeding in total the sum of \$500.

4.6 Temporary protection and security guards

We will pay you for the cost of temporary protection including the employment of guards or watchmen necessarily incurred to secure the safety of the property insured pending repair of the damage, provided that our total liability during any one period of insurance for all such costs of temporary protection will be limited to the sum of \$10,000.

4.7 Buildings, fixtures and fittings

We will pay for:

- (a) damage to any building owned by you where such damage is caused by forcible and violent entry or exit, or any attempt thereat,
- (b) loss of or damage to fixtures, fittings and services to your building(s) caused by theft or attempted theft (with or without evidence of forcible entry). Provided that the fixtures, fittings or services are permanently fixed to the building and not attached only by a flexible cord or conduit to a gas, water or electricity supply point.

Our total liability during any one period of insurance for all such loss or damage will be limited to the sum of \$5,000.

4.8 Rewriting records

We will pay the cost of rewriting or reproducing necessary written or printed documents, computer system records, business records, plans and designs limited to an amount not exceeding the sum of \$5,000 for any one occurrence.

4.9 Temporary removal

We will cover your contents whilst temporarily removed from your building(s) at the location(s) specified on your Policy Schedule to any other building(s) in Australia.

Provided that we will not cover:

- (a) your stock held by others on consignment,
- (b) tobacco,
- (c) money,
- (d) directors or employees tools, equipment, personal effects and clothing,

- (e) property that has been removed for a period exceeding ninety (90) consecutive days unless we have agreed in writing to continue cover,
- (f) theft unless consequent upon actual forcible and violent entry into the building at the other location.

The maximum we will pay is 25% of the total sum insured of the location specified with the highest sum insured shown on your Policy Schedule for this section of cover.

4.10 New premises (ongoing or temporary occupation) - Temporary cover

We will temporarily extend cover provided by this section to property at any new location first occupied by you during the period of insurance provided that:

- (a) this temporary cover period is limited to the lesser of:
 - (i) thirty (30) days from the date you acquire or commence using the premises; or
 - (ii) the expiry date of the current period of insurance; or
 - (iii) the date on which the property ceases to belong to you;
- (b) the property is used for the business described on your Policy Schedule,
- (c) the property is of similar type to that already insured under this Policy section,
- (d) the new premises comprise buildings of similar construction, fire and burglary protection as featured in any premises currently described on your Policy Schedule.

You must provide to us full details of the new premises within 30 days of the commencement of this temporary cover. If we agree to continue the cover, you must pay any additional premium that we may require.

The maximum we will pay for this additional benefit is 25% of the highest sum insured shown on your Policy Schedule for each item of property.

4.11 Death following assault

We will pay \$10,000 to your estate, or the estate of a director, officer, business partner or an employee of the insured named in the Policy Schedule in the event of your/their death provided:

- (e) the death directly results from an assault that occurs during a theft or attempted theft of property owned by you or for which you are legally responsible; and
- (f) the death occurs within 6 months of the assault.

If you are also insured under the Money section, the benefit payable for Death following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate.

5. Exclusions

We will not cover loss of or damage to:

- 5.1 money;
- 5.2 documents, patterns, models, moulds, plans or designs, unless specified on your Policy Schedule;
- 5.3 tobacco unless specified on your Policy Schedule;
- 5.4 growing crops, trees or any other plants;
- 5.5 animals or any other living organism;
- 5.6 jewellery, furs, bullion, precious stones, articles containing gold, silver or other precious metals which are not stock;

5.7 watercraft, aircraft or any accessories, equipment or spare parts while contained in or on a watercraft or aircraft unless they are stock and are on your business premises at the time of any loss or damage.

We will not cover loss of or damage from any:

5.8 theft in which any member of your household is involved as a principal or accessory

5.9 yard or other open space, or any veranda, pergola, carport or other open sided structure which cannot be fully enclosed by the use of doors and/or windows.

Money section

1. Cover

We will cover you in the event of loss of or damage which occurs during the period of insurance to money belonging to you and connected with the business, less the excess, up to the limits specified against each item on your Policy Schedule:

- 1.1 in transit anywhere in Australia or in a bank's night safe;
- 1.2 in the building(s) during business hours;
- 1.3 in the building(s) outside business hours;
- 1.4 in the building(s) whilst contained in a locked safe or locked strong-room or an automatic teller machine;
- 1.5 at your or your employee's residence.

2. Additional benefits

2.1 Seasonal increase in money

We will automatically increase the money sums insured by 50% during the seasonal increase period.

This additional cover will not apply to item 1.3 (money in the building(s) outside business hours).

2.2 New premises (ongoing or temporary occupation) - Temporary cover

We will temporarily extend cover provided by this section to money at any new location first occupied by you during the period of insurance provided that:

- (a) this temporary cover period is limited to the lesser of,
 - (i) thirty (30) days from the date you acquire or commence using the premises; or
 - (ii) the expiry date of the current period of insurance;
- (b) the premises are used for the business described on your Policy Schedule,
- (c) the new premises comprise buildings of similar construction, fire and burglary protection as featured in any premises currently described on your Policy Schedule.

You must provide to us full details of the new premises within thirty (30) days of the commencement of this temporary cover. If we agree to continue the cover, you must pay any additional premium that we may require.

The maximum we will pay for this additional benefit is 25% of the sum insured shown on your Policy Schedule for each item of money cover.

2.3 Travelers' money

Loss of money belonging to you, in the custody of an employee whilst travelling on business outside Australia, subject to a limit of \$10,000.

2.4 Counterfeit currency

We will indemnify you for losses sustained by you due to the acceptance in good faith, in exchange for merchandise, money or services, of counterfeit Australian currency notes, up to \$500 in any one period of insurance.

2.5 Replacement of locks, keys and combinations

In addition to the sum insured shown on your Policy Schedule, we will also pay up to an amount of \$7,500 for the cost of:

- (a) re-coding or replacing locks, keys and combinations that are used to lock your safe, strong-room or premises,
- (b) opening safes or strong-rooms,

as a result of burglary or attempted burglary of insured property occurring during the period of insurance and insured by this section.

Part (a) of this additional benefit will also apply if there are reasonable grounds to suspect that keys or combinations have been stolen or copied without your permission.

If you are also insured under the Theft section, the benefit payable for Replacement of locks, keys and combinations shall not be cumulative and shall be limited to \$7,500 in the aggregate.

2.6 Safes, strong-rooms, automatic teller machines

When you insure money under cover option 1.4, we will also pay up to an amount of \$5,000 in addition to the sum insured for that item for damage to safes or strong-rooms or automatic teller machines as a result of theft or attempted theft of money.

2.7 Temporary protection and security guards

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

The limit of our liability under this additional benefit is \$3,000 for any one event.

2.8 Death following assault

We will pay \$10,000 to your estate, or the estate of a director, officer, business partner or an employee of the insured named in the Policy Schedule in the event of your/their death provided:

- (a) the death directly results from an assault that occurs during a theft or attempted theft of money owned by you or for which you are legally responsible; and
- (b) the death occurs within 6 months of the assault.

If you are also insured under the Theft section, the benefit payable for death following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate.

2.9 Illegal use of financial transaction or credit cards

Subject to a limit of \$5,000 in total any one loss or event, cover is included for financial loss arising from the illegal use of financial transaction or credit cards by any unauthorised person excluding any financial loss arising from the misuse or illegal use of financial transaction or credit cards by employees of the insured or any other person acting in collusion with an employee of the insured.

3. Exclusions

We will not cover loss of money:

3.1 due to shortage resulting from clerical or accounting errors or loss due to errors in receiving or paying out;

3.2 not discovered within ten (10) working days of the occurrence;

3.3 due to your fraud or dishonesty or that of any member of your family, directors or partners;

3.4 exceeding \$2,500 during any one period of insurance by or through the collusion of or any act of fraud or dishonesty by any of your employees;

3.5 carried by professional money carriers, professional carriers or common carriers;

3.6 from any unattended vehicle;

3.7 from any safe or strong-room opened by a key or by use of details of combination which have been left on the business premises outside business hours.

4. Condition

Theft protection condition (not a condition unless indicated on your Policy Schedule)

If any alarm is fitted to the premises and you are responsible for this system we will not pay for loss or damage by theft unless the alarm system is:

- (a) maintained in good condition and is working effectively;
- (b) regularly tested in accordance with the manufacturer's recommendations, and
- (c) engaged and operational during the time that the premises are closed for business and are not attended by you or any employees.

Compliance with this condition will be a condition precedent to our liability.

Glass section

1. Definitions applying to this section

Word or term	Meaning
Breakage	A fracture extending through the entire thickness of the glass or vitreous china fixtures.
External glass	Fixed glass in external windows, walls, doors, showcases, skylights.
Internal glass	Glass in internal partitions, windows and doors, refrigerating cabinets, glass in counters, furniture, storage cabinets, shelving, interior showcases, fixed mirrors and other fixed internal glass including ceramic vitreous china urinals and toilet pans and hand basins.
Vandalism	Intentional damage other than breakage to external and internal glass by third parties other than family or employees.

2. Cover

We will cover you, less the excess, in respect of breakage of, or vandalism to, external glass and internal glass as indicated on your Policy Schedule which occurs during the period of insurance at the location belonging to you or for which you are legally responsible.

3. Basis of Settlement

We will pay the lesser of the cost to repair or replace broken glass with glass of similar or higher quality to comply with any regulation, statute or the requirements of The Standards Association of Australia.

4. Additional benefits

In the event of accidental breakage of insured glass, we will also pay up to \$5,000 in total under clauses 4.1 to 4.5 or the amount specified on your Policy Schedule, whichever is the greater, for all losses arising out of the one occurrence.

4.1 Temporary protection and shuttering

The cost of, temporary shuttering, boarding up, the employment of security guards to safeguard the insured property, or other security protection necessary, pending replacement of the broken glass.

4.2 Items affixed to glass

Damage to, sign writing, ornamentation, security film, reflective materials or window tinting film, burglary alarm sensors, wiring, tape and connections affixed to the glass.

4.3 Shopfronts

Damage caused by violence to window frames, door frames and shop fronts.

4.4 Damage to property

Damage, or spoilage to contents and/or stock due to breakage of insured glass.

4.5 Damage to electric signs

Damage to electrically illuminated signs including those made of Perspex or plastic and we will pay even when other insured glass is not damaged.

5. Exclusions

We will not cover

5.1 Breakage of:

- (a) tubing or light fittings,
- (b) glass that was cracked, imperfect, chipped, or in poor condition before the period of insurance,
- (c) glass caused by artificial heat,
- (d) glass not fit for the purpose intended,
- (e) glass or sanitary ware or sinks during installation, removal or work thereon or upon their framework or other fittings,
- (f) glass which is stock, and
- (g) glass in any item normally carried by hand.

5.2 Breakage caused by:

- (a) fire, explosion, storm, earthquake and flood,
- (b) transit to or from your business premises,
- (c) wear and tear.

Broadform liability section

1. Definitions applying to this section

Word or term	Meaning
Advertising liability	<p>Any:</p> <ul style="list-style-type: none"> (a) infringement of copyright, title or slogan; (b) unfair competition, misappropriation of advertising ideas or piracy; (c) invasion of privacy; <p>committed or allegedly committed by you or on your behalf during the period of Insurance in any communication given to the public including by way of any form of print, media, publication, telecommunication, radio, television broadcast, electronic mail, internet, world wide web or exhibit.</p>
Aircraft	Any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.
Business	The business described on your Policy Schedule including the provision and management of canteens, social, sports and welfare organisations for the benefit of your employees, first aid, fire and ambulance services and the maintenance of your premises.
Employee	Any person or persons engaged by you under a contract of service or apprenticeship, but does not include any person employed under such contract who is excluded from the definition of worker under any workers' compensation legislation.
Employment practices	Any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination directly or indirectly related to employment or prospective employment of any person or persons by you.
Incidental contracts	<ul style="list-style-type: none"> (a) Any written rental agreement or lease of real or personal property not requiring an obligation to insure such property or be strictly liable regardless of fault; (b) any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work done for such authorities or entities; (c) any written contract with any railway authority for the loading, unloading and/or transport of your products, including contracts relating to the operation of railway sidings.

Word or term	Meaning
Internet operations	<ul style="list-style-type: none"> (a) Use of electronic mail systems by you or your employees, including part-time and temporary staff, contractors and others within your organisation, (b) access through your network to the world wide web or a public Internet site by your employees, including part-time and temporary staff, contractors and others within your organisation, (c) access to your Intranet (meaning internal company information and computing resources), which is made available through the world wide web for your customers or others outside your organisation, and (d) the operation and maintenance of your web site.
Limit of liability	The applicable limit of liability specified on your Policy Schedule. If more than one limit is shown, then only the single highest is applicable.
Medical persons	Legally qualified medical practitioners, legally qualified nurses, dentists, and first aid attendants.
Occurrence	An event which results in personal injury, property damage or advertising liability, neither expected nor intended from your standpoint. All personal injury, property damage or advertising liability, arising out of continuous or repeated exposure to substantially the same general conditions shall be construed as arising out of one occurrence.
Personal injury	<ul style="list-style-type: none"> (a) Bodily injury (and this expression includes death and illness), disability, shock, fright, mental anguish, mental injury, (b) false arrest, wrongful detention, false imprisonment or malicious prosecution, (c) wrongful entry or eviction, (d) a publication or utterance of a libel or slander or other defamatory or disparaging material unless arising out of advertising liability (e) assault and battery not committed by you or at your direction unless reasonably committed for the purpose of preventing or eliminating danger to person or property.
Pollutant	Any, solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
Products	Any goods, products and property after they have ceased to be in your possession or under your control, which are or is deemed to have been manufactured, grown, extracted, produced, processed, constructed, erected, installed, repaired, serviced, treated, sold, supplied or distributed by you, (including any container thereof other than a vehicle).

Word or term	Meaning
Property damage	<p>(a) Physical damage to, loss or destruction of, tangible property including any resulting loss of use of that property, or</p> <p>(b) loss of use of tangible property which has not been physically damaged, lost or destroyed, provided such loss of use is caused by an occurrence.</p>
Vehicle	Any type of machine on wheels or self laid tracks made or intended to be propelled by other than manual or animal power, and any trailer or other attachment made or intended to be drawn by any such machine.
Watercraft	Any vessel, craft or thing made or intended to float on or in or travel on or through or under water.
You/your	<p>In this section of the Policy:</p> <p>(a) the named insured specified on your Policy Schedule;</p> <p>(b) all your subsidiary companies (now or subsequently constituted), provided their places of incorporation are within Australia or any Territory of Australia;</p> <p>(c) every director, executive officer, employee, partner or shareholder of yours or in a company designated in paragraphs (a) or (b), but only whilst acting within the scope of their duties in such capacity;</p> <p>(d) every principal of yours, in respect of that principal's liability caused by the performance of work for that principal, but subject always to the extent of coverage and the limit of liability provided by this Policy;</p> <p>(e) every office bearer or member of social and sporting clubs, canteen and welfare organisations and first aid, fire and ambulance services formed with your consent, (but not an insured designated in paragraph (d) or (f) in respect of claims arising from their duties connected with the activities of any such club, organisation or service. This insurance will not apply to personal injury to or property damage of any participants of any game, match or the like;</p> <p>(f) each partner, joint venture, co-venture or joint lessee of yours but only:</p> <p>(i) with respect to liability incurred as the partnership, joint venture, co-venture, joint lease; and</p> <p>(ii) provided the partnership, joint venture, co-venture, joint lease has been notified to us within sixty (60) days of formation and has been endorsed on your Policy Schedule;</p> <p>(g) any director or senior executive of yours in respect of private work undertaken by your employees for such director or senior executive.</p> <p>You/your does not include the interest of any other person other than as described in (a) to (g) above.</p>

2. Cover

2.1 Liability

We will pay to you or on your behalf all sums you become legally liable to pay by way of compensation in respect of personal injury, property damage or advertising liability happening during the period of insurance and caused by an occurrence in connection with your business.

2.2 Defence of claims

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

- (a) defend in your name and on your behalf any claim or legal action against you seeking damages on account of personal injury, property damage or advertising liability, even if the action is groundless, false or fraudulent, we will investigate, negotiate and settle any claim or legal action as we see fit,
- (b) pay all expenses incurred by us, all costs taxed against you in any such suit and all interest accruing after entry of judgement until we have paid tendered or deposited in court such part of the judgement as does not exceed the limit of our liability,
- (c) reimburse you for all reasonable expenses, other than loss of earnings, incurred in connection with the defence of a claim or legal action with our consent (such consent not to be unreasonably withheld),
- (d) pay reasonable expenses incurred by you for first aid to others at the time of personal injury caused by an occurrence (other than medical expenses prohibited by Section 126 of the *Health Insurance Act 1973*).

Provided that:

- (e) we will not be obliged to pay any claim or judgement or to defend any claim or legal action after the limit of liability has been exhausted by payment of judgements or settlements,
- (f) if a payment exceeding the limit of liability has to be made to dispose of a claim, our liability to pay any costs, expenses and interest under clause 2.2 will be limited to that proportion of those costs, expenses and interest as the limit of liability bears to the amount paid to dispose of the claim.

The amount thus incurred, except payments in settlement of claims, suits and all costs awarded against you, are payable by us in addition to the limit of liability.

2.3 Limit of liability

- (a) Our maximum liability in respect of any claim or any series of claims for personal injury, property damage or advertising liability caused by or arising out of one occurrence will not exceed the limit of liability.
- (b) Our total aggregate liability during any one period of insurance for all claims arising out of your products will not exceed the limit of liability.

3. Exclusions

This Policy section does not cover liability in respect of:

3.1 Employment liability

Liability imposed:

- (a) by any Workers' Compensation law;
- (b) by the provision of any industrial award, agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award, agreement or determination or contract of employment or workplace agreement; or
- (c) for and in respect of employment practices.

Provided that if you are:

- (d) required by law to insure or otherwise fund, whether through self-insurance, statutory fund or other statutory scheme, all or part of any common law liability (whether limited or not) for such personal injury; or
- (e) not required to so insure or otherwise fund such liability by reason only that the personal injury is to a person who is not a worker or employee for the purposes of the relevant worker's compensation law or the personal injury is not an injury which is subject to such law,

then this Policy will respond to the extent that your liability would not be covered under such fund, scheme, Policy of insurance or self-insurance arrangement had you complied with your obligations pursuant to such law.

3.2 Property in custody or control

Property damage to:

- (a) property owned by or leased or rented to you; or
- (b) property in your physical or legal control,

but this exclusion does not apply to liability for property damage to:

- (c) premises (including landlord's fixtures and fittings), which are leased or rented to you;
- (d) premises (or their contents), not owned, leased or rented by you but temporarily occupied by you for work therein;
- (e) vehicles (not belonging to or used by or on your behalf), in your physical or legal control where the property damage occurs while the vehicles are in a car park owned or operated by you, unless you own or operate the car park for reward;
- (f) the property of an employee of yours or of one of your subsidiary companies as designated in paragraphs (a) or (b) of the definition of "You";
- (g) other property (excluding any vehicle which is registered or which is required under any legislation to be registered), in your physical or legal control, subject to a maximum indemnity for any one occurrence of \$250,000 or the amount stated on your Policy Schedule.

3.3 Product defect

Property damage to your products if the damage is attributed to any defect in them or to their harmful nature or unsuitability.

3.4 Loss of use

Loss of use of tangible property which has not been physically injured, or lost or destroyed resulting from:

- (a) a delay in or lack of performance by or on your behalf of any agreement;
- (b) the failure of your products to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by you, but this exclusion does not apply to the loss of use of other tangible property resulting from the sudden and accidental physical damage to, or loss or destruction of your products after they have been put to use by any person or organisation other than those designated in paragraphs (a) or (b) of the definition of "You".

3.5 Product recall

Claims arising out of or resulting from the withdrawal, inspection, repair, replacement or loss or use of your products or of any property of which they form a part, if such products or property are withdrawn from the market or from use because of any known or suspected defect or deficiency in them.

3.6 Aircraft, aircraft products and watercraft

Claims arising out of:

- (a) the ownership, maintenance, operation or use by you of:
 - (i) any aircraft; or
 - (ii) any watercraft exceeding eight (8) metres in length, except where such watercraft is owned and operated by others and is being used by you for business entertainment;
- (b) your products that are aircraft component parts used for maintaining an aircraft in flight or moving upon the ground or used in the construction of an aircraft hull or machinery which to your knowledge is incorporated in an aircraft.

3.7 Vehicles

Personal injury or property damage arising out of the ownership, possession, operation, maintenance or use by you of any vehicle:

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

Exclusions 3.7(a) and 3.7(b) do not apply to:

- (c) personal injury where:
 - (i) that compulsory liability insurance or statutory indemnity does not provide indemnity; and
 - (ii) the reason or reasons why that compulsory liability insurance or statutory indemnity does not provide indemnity do not involve a breach by you of legislation relating to vehicles;
- (d) property damage arising out of and during the loading or unloading of goods to or from any vehicle;
- (e) property damage caused by or arising from the operation or use of any vehicle which is designed primarily for lifting, lowering, loading, unloading, digging or drilling whilst being operated or used by you or on your behalf within the confines of your premises;
- (f) property damage caused by the use of any tool or plant forming part of or attached to or used in connection with any vehicle, (excluding whilst the vehicle is travelling, transporting or carting goods) at any work site.

3.8 Contractual liability

Any obligation assumed by you under any agreement except to the extent that:

- (a) the liability would have been implied by law;
- (b) the liability arises from a provision in a contract for lease of real or personal property other than a provision which obliges you to effect insurance or provide indemnity in respect of the subject matter of that contract;
- (c) the liability is assumed by you under a warranty of fitness or quality as regards to your products;
- (d) the liabilities are assumed under 'incidental contracts';
- (e) the obligation is assumed under those agreements specified on your Policy Schedule.

3.9 Professional liability

The rendering of or failure to render professional advice or service by you or any related error or omission, but this exclusion does not apply to:

- (a) the rendering of or the failure to render professional medical advice by medical persons employed by you to provide first aid and other medical services on your premises; or
- (b) personal injury, property damage or advertising liability arising therefrom providing such professional advice or service is given for no fee.

3.10 Defamation

The publication or utterance of defamatory matter:

- (a) made prior to the commencement of the period of insurance; or
- (b) made by you or at your direction with knowledge of its falsity; or
- (c) related to advertising, broadcasting, or telecasting activities conducted by you or on your behalf.

3.11 Pollution

- (a) Personal injury or property damage caused by or arising out of the discharge, dispersal, release or escape of pollutants into or upon land, the atmosphere, or any water course or body of water, but this exclusion does not apply if the discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place; and
- (b) any costs and expenses incurred in the prevention, removing, nullifying or clean-up of such contamination or pollution but this exclusion does not apply to clean-up, removal or nullifying expenses only, which are consequent upon a sudden, identifiable, unexpected, unintended happening taking place in its entirety at a specific time and place which results in personal injury and/or property damage.

Our liability under clauses 3.11(a) and 3.11(b) in respect of any one discharge, dispersal, release, escape and for all discharges, dispersals, releases and escape of pollutants during any one period of insurance will not exceed the limit of liability.

3.12 Territorial limits

- (a) Claims made and actions instituted within the United States of America (USA) or Canada or any other Territory coming within the jurisdiction of the courts of the USA or Canada; or
- (b) claims and actions to which the laws of the USA or Canada apply,

provided that:

- (c) this exclusion does not apply to claims and actions arising from the presence outside Australia of any person who normally resides in Australia and who is not undertaking manual work or supervision of work of any kind whilst in the USA or Canada; and
- (d) the limit of liability in respect of coverage provided under paragraph 3.12(c) is inclusive of all costs, expenses and interest as set out in cover item 2.2 of this Policy section.

3.13 Exports to the USA or Canada

Claims in respect of personal injury, property damage or advertising liability caused by or arising out of your products knowingly exported by you, or your agents or servants, to the USA or Canada.

3.14 Asbestos

Any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

3.15 Faulty workmanship

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

3.16 Fines, penalties

Fines, penalties or liquidated damages.

3.17 Punitive damages

Punitive damages, exemplary damages, aggravated damages and any additional damages resulting from the multiplication of compensatory damages.

3.18 Assault and battery

Personal injury, or property damage caused by or arising from assault and battery committed by you or at your direction unless reasonably necessary for the protection of persons or property.

3.19 Defect in design

Any, defective or deficient design or error in specification or formula provided by you for a fee.

3.20 Inefficacy of computers, computer software and computer consulting

- (a) Property damage to computer data, or any consequential loss resulting from such property damage, resulting from your use of any computer hardware and/or software,
- (b) any claims based upon or arising from any act, error, or omission in the provision of computer services by you or on your behalf.

3.21 Treatment or dispensing

Except as provided for under 'Exclusion 3.9 - Professional liability' above:

- (a) the treatment of humans or animals for any physical or mental deficiency, injury, illness or disease, or
- (b) the dispensing of drugs, medicines, pharmaceuticals, supplies or artificial aids.

3.22 Molestation

The molestation of or interference with any person by:

- (a) you or any person comprising you,
- (b) any of your employees, or
- (c) any person performing any voluntary work or service for you or on your behalf.

Further, we will not have any duty to defend any action, suit or proceedings brought against you, (or any other person or body corporate who might otherwise but for the provisions of this clause be entitled to indemnity under this Policy), which either directly or vicariously seeks compensation in respect of such molestation or interference as above or any personal injury resultant therefrom.

3.23 Participants

Personal injury or property damage of any person caused by or arising out of the participation of such person or his/her property in any game, match, race, practise, trial or other sporting activity, (including but not limited to swimming, gymnastics, health and fitness activities).

3.24 Welding activities

Claims caused by or arising out of grinding, arc or flame cutting, flame heating, arc or gas welding or similar operation, unless such activity is conducted in strict compliance with AS 1674.1-1997 (Safety in welding and allied processes - Fire precautions), issued by the Standards Association of Australia.

3.25 Internet operations

Personal injury, property damage or advertising liability arising, directly or indirectly, out of, or in any way involving your 'Internet operations'.

This exclusion does not apply to personal injury, property damage or advertising liability arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site.

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

3.26 Electronic data and media

Property damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:

- (a) the use of any computer hardware or software,
- (b) the provision of computer or telecommunication services by you or on your behalf,
- (c) the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any computer virus.

3.27 Advertising Injury

For Advertising Injury:

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

4. Conditions

4.1 Joint insureds

Where you comprise of more than one party, each of the parties will be considered as a separate and distinct unit and the words you and your will be considered as applying to each party in the same manner as if a separate Policy had been issued to each of them, provided that, nothing in this clause will result in an increase of our limit of liability in respect of any occurrence or period of insurance.

4.2 Notices

You must as soon as possible give to us notice in writing of:

- (a) every, occurrence, claim, writ, summons, proceeding, impending prosecution, and inquest, together with all relevant information which may result in a claim under this Policy, whether or not you believe any claim amount might fall below the applicable excess,
- (b) every change, that comes to your knowledge, which you know materially varies any of the facts or circumstances you disclosed to us when you took out or renewed this Policy.

Any notice given in writing by us to the first named insured specified on your Policy Schedule, will be treated as notice to each of the parties you comprise.

Service of notices by us will be effective immediately on receipt by you of a letter or electronic communication sent from us.

4.3 Subrogation

In the event of a payment under this Policy to or on behalf of you, we will, subject to the *Insurance Contracts Act 1984*, be subrogated to all your rights of recovery against all persons and organisations and you must execute and deliver instruments and papers and do everything that is necessary to assist us in the exercise of those rights.

4.4 Discharge of liabilities

We may at any time pay to you in respect of all claims against you arising from an occurrence, the balance of the limit of liability or any smaller sum for which the claim or claims can be settled, and upon that payment, we will relinquish conduct or control of and be under no further liability under this Policy section in connection with those claims except for costs, charges and expenses:

- (a) recoverable from you for all or part of the period prior to the date of such payment,
- (b) incurred by us,
- (c) incurred by you with our written consent (such consent not to be unreasonably withheld) prior to the date of such payment.

The sum for which the claim or claims can be settled is either:

- (a) the amount for which the claimants offer to settle all claim or claims or
- (b) the amount assessed by a Senior Counsel, taking into account:
 - (i) the economics of the matter
 - (ii) the damages and costs which the claimants are likely recover by
 - (iii) the likely defence costs and
 - (iv) your prospects of successfully defending the claim.

If you and we cannot agree on the Senior Counsel, we will ask the President of the Bar Association in the relevant State or Territory to nominate one.

We will include the cost of the Senior Counsel's opinion in your defence costs.

4.5 Reasonable care

You must:

- (a) exercise reasonable care that only competent employees are employed and take reasonable measures to maintain all premises, fittings and plant in sound condition,
- (b) take all reasonable precautions to prevent personal injury, property damage or advertising liability,
- (c) take all reasonable precautions to prevent the manufacture, sale or supply of defective products,

- (d) comply with and ensure that your employees, servants and agents comply with all statutory obligations, by-laws or regulations imposed by all relevant public authorities:
 - (i) for safety of persons or property;
 - (ii) for the disposal of waste products;
 - (iii) for the handling, storage or use of flammable liquids or substances, gases or toxic chemicals;
- (e) at your own expense, take reasonable action to trace, recall or modify any of your products containing any defect or deficiency of which you have knowledge or have reason to suspect, including (but not limited to) any of your products subject to governmental or statutory ban.

4.6 Inspection of property

- (a) In the event of a claim, we will be permitted, but not obligated, to inspect your property and operations at any time. We will only do this with reasonable notice.
- (b) Neither our right to inspect nor our failure to inspect, nor the making of any inspection, nor any report of an inspection may be used by you or others in any action or proceeding involving us.
- (c) We may examine and audit your books and records at any time during the period of insurance and within three (3) years thereafter, but that examination and audit will be restricted to matters which in our opinion are relevant to the Policy.

4.7 Adjustment of premium

- (a) If the first or renewal premium for the Policy has wholly or partly been calculated on estimates furnished by you, then within thirty (30) days after the expiry of each period of insurance, you must provide to us such matters, particulars and information relevant to the Policy as we may reasonably require. The premium for the period will then be adjusted and any difference paid by or allowed to you as the case may be, provided that the adjusted premium will not be less than any minimum premium specified on your Policy Schedule.
- (b) You must keep a record of all matters, particulars and information requested by us, and must on reasonable notice, allow us or our nominee to inspect and make copies of those records.

5. Optional extensions

Applies only where indicated on your Policy Schedule as being operative.

5.1 Motor trade, excluding testing and delivery

- (a) Exclusion 3.2(b) (Property in custody or control), of the 'Broadform liability' section of this Policy does not apply to liability for property damage to:
 - 3.2(h) vehicles for repairs, servicing, maintenance or storage whilst within the confines of your premises or whilst left stationary in the immediate vicinity of your premises in any public or private road or thoroughfare subject to a maximum indemnity of \$100,000 any one occurrence and an excess of \$500.
- (b) Exclusion 3.7 (Vehicles) of the 'Broadform liability' section of this Policy does not apply to:
 - 3.7(g) property damage arising from any vehicle (not owned by or leased to you), whilst within the confines of your premises.

5.2 Motor trade, including testing and delivery

- (a) Exclusion 3.2(b) (Property in custody or control) of the 'Broadform liability' section of this Policy does not apply to liability for property damage to:
 - (i) 3.2(h) vehicles for repairs, servicing, maintenance or storage, whilst within the confines of your premises or whilst left stationary in the immediate vicinity of your premises, in any public or private road or thoroughfare;
 - (ii) 3.2(i) property damage to any registered vehicle not owned or leased by you but in your physical or legal control for the purpose of repairs, servicing or garaging whilst such vehicle is on any public roadway or thoroughfare whilst being tested and/or collected, and/or delivered;

subject to a maximum indemnity of \$100,000 any one occurrence and an excess of \$500.

- (b) Exclusion 3.7 (Vehicles) of the 'Broadform liability' section of this Policy does not apply to:
 - (i) 3.7(g) property damage arising from any vehicle (not owned by or leased to you) whilst within the confines of your premises;
 - (ii) 3.7(h) property damage to any other property not being your own or used by you, or on your behalf caused by the vehicle as described and used in 3.2(i).

The maximum amount we will pay for property damage under this clause is \$100,000 any one occurrence.

Exclusions applicable to optional extensions 5.1 and 5.2

- (a) The use of any unsafe or unroadworthy vehicle, unless such condition could not reasonably be detected by you. This exclusion will not apply if such property damage was not caused or contributed to by such unsafe or unroadworthy condition.
- (b) The use of a vehicle by:
 - (i) any person with your consent who is not licensed under any relevant law to drive such a vehicle; or
 - (ii) anyone whose faculties are impaired by any drug or intoxicating liquor, or by any person who is convicted of driving at the time of the property damage being under the influence of any drug or intoxicating liquor; or
 - (iii) anyone whose blood alcohol reading exceeds the legal limit (subject to any laws to the contrary); or
 - (iv) anyone who refuses to provide or allow the taking of a sample of breath, blood or urine for testing or analysis as required by the law of any State or Territory where the property damage occurred.

However we will cover you if you have allowed a person to drive a vehicle in your physical or legal control and you can prove that you were not aware that the vehicle was being driven by or in charge of that person when they were so affected or unlicensed.

5.3 Motor trade - inspection reports and certificates (personal injury or property damage)

Exclusion 3.9 (Professional liability) of the 'Broadform liability' section of this Policy does not apply to:

- (a) your certification of road worthiness or design compliance in respect of any motor vehicle, which is carried out by you or on your behalf under statutory authority or license and in such manner or form as required under the provisions of any Act or Regulation relating to vehicle,
- (b) motor vehicle condition reports provided by you after inspection, whether such are commissioned for the purposes of sale or purchase or in connection with any servicing or maintenance carried out by you.

The maximum we will pay under this optional extension is:

- (i) \$65,000 for any one claim; and
- (ii) \$100,000 for all claims in any one period of insurance.

5.4 Motor trade - inspection reports and certificates (financial losses only)

For the purposes of this optional extension only, the definition of 'Occurrence' and any reference to that defined term is deleted and replaced as follows.

'Wrongful act' - any actual or alleged breach of duty, neglect, error, omission, misstatement, misleading statement or other act committed or allegedly committed by you. 'Wrongful act' does not include any event which results in personal injury or property damage.

Exclusions:

- 3.4 - Loss of use,
- 3.8 - Contractual liability, and
- 3.9 - Professional liability,

do not apply to:

- (a) your certification of road worthiness or design compliance in respect of any motor vehicle, which is carried out by you or on your behalf under statutory authority or license and in such manner or form as required under the provisions of any Act or Regulation relating to vehicle,
- (b) motor vehicle condition reports provided by you after inspection, whether such are commissioned for the purposes of sale or purchase or in connection with any servicing or maintenance carried out by you.

The maximum we will pay under this optional extension is \$100,000 in the aggregate for all claims in any one period of insurance.

5.5 Motor trade - Faulty workmanship

Exclusion 3.15 (Faulty workmanship) does not apply to the cost of performing, completing, correcting or improving any work that is undertaken by you, provided that the work:

- (a) was undertaken on a motor vehicle, and
- (b) was carried out during the period of this insurance, or any earlier period during which this Policy, or any Policy that this Policy replaced had been held with us, and
- (c) has caused property damage to the motor vehicle.
 - (i) \$15,000 for any one occurrence, net of any mark-up for parts, transport, labour and profit; and
 - (ii) \$25,000 for all claims in any one period of insurance.

Additional definition applicable to optional extensions 5.3, 5.4 and 5.5

'Motor vehicle' means any mechanically or electrically powered machine, (including but not limited to automobiles, trucks and motorcycles), that does not run on rails and is legally allowed to transport persons or goods on public roads and highways. 'Motor vehicle' includes any trailer or caravan intended to be towed by such a machine, but not any:

- (a) aircraft; or
- (b) watercraft.

5.6 Consumer protection cover for Queensland electricians

This optional extension is only to apply in respect of electrical work performed in Queensland.

Definitions applying to this optional extension only

Word or term	Meaning
Broadform products liability	The Policy of insurance covering an occurrence which caused personal injury to a third party, or any loss or damage to the property of a third party other than the work itself, directly or indirectly arising from the activities as an electrical contractor, directly or indirectly arising from the products or activities.
The Certificate of Test	The certificate required under Section 26 of the <i>Electrical Safety Regulations 2013</i> (Qld.).
Completed electrical work	<ul style="list-style-type: none"> (a) Electrical work for which the electrical contractor has issued a certificate of test, or (b) work the electrical contractor has connected to supply.
Consumer protection	<p>Any consequential financial loss reasonably incurred by the building owner as a result of any defects or non-completion of the electrical work, (as described in this optional extension) including but not limited to:</p> <ul style="list-style-type: none"> (a) any loss of any deposit or progress payments or any part of progress payments, (b) the cost of alternative accommodation, removal and storage costs that are reasonably and necessarily incurred, and (c) non completion of electrical work due to: <ul style="list-style-type: none"> (i) the death or legal incapacity of the electrical contractor; (ii) the disappearance of the electrical contractor; (iii) the electrical contractor becoming insolvent under administration; (iv) the cancellation or suspension of the electrical contractor's licence under the <i>Electrical Safety Regulation 2013</i> (Qld.); (v) the early termination of the contract by the building owner as a result of the electrical contractor's wrongful failure or refusal to complete the electrical work.
Contract	A written agreement to carry out electrical work and includes a domestic building contract or other building contract that includes electrical work.
Defects in domestic electrical work	<ul style="list-style-type: none"> (a) A failure to carry out electrical work consistent with current electricity legislation, industry practices and standards and in accordance with any plans and specifications set out in the contract, (b) a failure to use materials in the electrical work that are good and suitable for the purpose for which they are used, (c) the use of materials in the electrical work that are not new, unless the contract expressly permits the use of materials that are not new,

Word or term	Meaning
	<p>(d) a failure to carry out the electrical work in accordance with and in compliance with all laws and legal requirements or any applicable Australian or other relevant standard or code of practice including, without limiting the generality of this paragraph, the <i>Electrical Safety Act 2002</i> (Qld.) with any amendments and regulations made under that Act,</p> <p>(e) a failure to carry out electrical work with due care or skill and in the case of domestic electrical work, a failure to complete the electrical work:</p> <p>(i) by the date or within the period specified by the contract;</p> <p>(ii) within a reasonable time, if no date or period is specified;</p> <p>(f) if the contract states the particular purpose for which the electrical work is required, or the result which the building owner wishes the work to achieve so as to show that the building owner relies on the electrical contractor's skill and judgement, a failure to ensure that the electrical work and any materials used in carrying out the electrical work:</p> <p>(i) are fit for the purpose;</p> <p>(ii) are of such a nature and quality that they will achieve that result; or</p> <p>(g) a failure to maintain a standard or quality of electrical work specified in the contract,</p> <p>(h) a reference to any material in sub-clause (c) (d) or (g) does not include any material that is supplied by the building owner or the owner's agent.</p>
Disappearance	Cannot be found after due search and enquiry.
Domestic dwelling	<p>Any residential premises but other than:</p> <p>(a) any residence that is not intended for permanent habitation, or</p> <p>(b) a rooming house, or</p> <p>(c) a motel, residential club, residential hotel, or residential part of licensed premises,</p> <p>(d) a nursing home, hospital, or accommodation associated with a hospital, or</p> <p>(e) the common areas under the control of the body corporate in residential villas, townhouses, duplex, triplex, quadruplex or home units which make up the body corporate, or</p> <p>(f) any watercraft.</p>
Domestic electrical work	Work for a domestic dwelling proprietor, or for individual proprietors of single domestic dwellings, forming part of residential villas, townhouses, duplex, triplex, quadruplex or home units.
Electrical work	As defined in the <i>Electrical Safety Regulations 2013</i> (Qld.).

Word or term	Meaning
Insolvent under administration	<p>A person who is bankrupt in respect of a bankruptcy from which the person has not been discharged, and includes a person:</p> <p>(a) who has executed a deed of arrangement under Part X of <i>The Bankruptcy Act</i> (Cth), (or the corresponding provisions of the law of another jurisdiction), where the terms of the deed have not been fully complied with, and</p> <p>(b) whose creditors have accepted a composition under Part X of <i>The Bankruptcy Act</i> (Cth), (or the corresponding provisions of the law of another jurisdiction), where a final payment has not been made under that composition.</p>
Limit of liability	The limit of liability that is shown in the 'Certificate' and this Policy Wording.
Trade practices liability	Any liability that arises as a result of conduct by the electrical contractor that contravenes the <i>Competition and Consumer Act 2010</i> (Cth), other than any fine or penalty imposed by such contravention.

Cover

In our 'Broadform liability' section you will find cover for public liability and products liability. In this optional extension you will find cover for:

1. Defects in electrical works.
2. Trade practices liability.
3. Liability arising from the testing of your own work and the work of others.
4. Resultant personal injury, property damage or loss arising from incorrect advice or design.
5. Non-completion of domestic electrical work.
6. Consumer protection.

Limit of liability

Our liability under this optional extension is limited to:

1. in respect of trade practices liability the maximum amount we will pay is the cost of rectifying the relevant electrical work,
2. for all other liability referred to in covers 1, 3, 4, 5 and 6 the maximum amount we will pay is:
 - (a) \$50,000 per any one claim or service of claim in relation to a certificate of test, or
 - (b) if the certificate of test relates to more than one home \$50,000 in respect of each domestic installation,
3. for the reasonable legal costs and expenses associated with successful enforcement of a claim against you or us.

Exclusions applicable to this optional extension

We do not cover you:

1. for any loss, damage or liability:
 - (a) resulting from a product defect provided that:
 - (i) we bear the onus of establishing that the claim (or part of a claim) is based on a product defect; and
 - (ii) we agree that nothing in this exclusion removes the cover given to you by this optional extension in relation to you supplying or using any appliance, material, substance or other thing that you were aware was defective, or that you should reasonably be aware was defective;
 - (b) resulting from:
 - (i) fair wear and tear or depreciation of electrical work; or
 - (ii) a failure by the building owner to reasonably maintain the electrical work.
2. for consequential financial loss resulting from non-domestic electrical work.
3. for any loss, damage or liability directly or indirectly caused by, contributed to, or arising from exposure to asbestos.
4. in respect of all legal costs of any person making a claim against you that are not directly or indirectly related to:
 - (a) the enforcement of this Policy, or
 - (b) a liability in respect of which you are covered under this Policy.
5. for claims for liquidated damage for delay or damages for delay that may arise under contract, provided that this exclusion does not apply to increases in rectification costs caused by a delay.

Conditions applying to this optional extension

1. Period that insurance must cover
 - (a) For the liabilities referred to in covers 1, 2 and 4 of this optional extension, you are only covered in respect of electrical work of which a certificate of test is required from the time you agree to carry out that work until:
 - (i) seven (7) years after you last issued the compliance certificate in relation to that work; or
 - (ii) if you did not issue a compliance certificate in relation to the work, seven (7) years after you stopped carrying out that work.
 - (b) You are covered in respect of electrical work for which a compliance certificate is required for completed work liability that arises from personal injury to a third party or loss or damage to the property of a third party (other than property that is part of the electrical work itself), that occurs during the period of insurance caused by an occurrence that happens in connection with the carrying out of the electrical work, (regardless of when the electrical work was carried out).
 - (c) The cover provided in covers 1, 2 and 4 of this optional extension continues to apply throughout the relevant period specified in condition 1(a) of this optional extension, even if you cease to be a licensed or registered electrician before the end of that period and even if you cease to maintain this Policy.
2. Insurer to comply with court orders, etc.

We agree to comply with any order made against you by a court, the disputes or any other competent judicial body, in respect of any liability for which you are indemnified under this Policy, (including any excess that you may be obliged to pay to us).

3. Limitation for common property
 - (a) this Clause applies if a claim is paid by us in relation to the common property of a building or complex or multiple homes and the property in which the building or complex stands, and on which Electrical Work is carried out, is subject to subdivision.
 - (b) We will reduce the amount We pay under this Policy in respect of any one home in the building or complex by an amount calculated by dividing the amount of the claim paid by Us by the number of homes in the building or complex.
4. Limitation concerning non-completion of work

If you fail to complete electrical work for any reason, then this Policy does not cover you for claims for the whole or a specified part of any payment made under a contract that exceeds the value of the work completed at the time of payment.
5. Deemed acceptance of claims
 - (a) This clause only applies in relation to domestic electrical work.
 - (b) This clause does not apply in relation to completed electrical works liability.
 - (c) We agree to accept liability for a claim if we do not notify the person making the claim within ninety (90) days from when we receive the claim in writing that we accept or dispute the claim, unless we obtain an extension of time from the person in writing or from the Disputes Tribunal.
6. Ministerial Order to prevail in the case of conflict with this Policy

We agree that if any term of this Policy conflicts, or is inconsistent with the Electrical Contractors Insurance Requirements which outlines the requirements for electrical contractors insurance required under Section 51 of the *Electrical Safety Regulation 2013* (Qld.), then this Policy is to be read and to be enforceable as if it complied with that document.
7. Claims not to be refused on the grounds that Policy obtained by fraud, etc.
 - (a) This clause only applies in relation to domestic electrical work.
 - (b) We agree that we will not refuse to pay a claim (other than a claim in respect of completed electrical work liability) under this Policy on the ground that this Policy was obtained by misrepresentation, fraud or nondisclosure by you or anyone acting on your behalf.
 - (c) You agree that if we make a payment under this Policy to, or for the benefit of, a building owner under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.
8. Insurer must give effect to certificates
 - (a) This clause only applies in relation to domestic electrical work.
 - (b) If we give you a certificate stating that you are covered by insurance, we agree that we will not refuse to pay a claim on that insurance (other than a claim in respect of completed electrical work liability) under this Policy on the ground that you have not paid the premium for the insurance.
 - (c) You agree that if we make a payment under this Policy to, or for the benefit of, a building owner under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.
9. Deemed notice of defects in domestic electrical work

We agree that if a person gives notice of defects in writing to you or us, that person is to be taken for the purposes of this Policy to have given notice of all defects of which the defect notified are directly or indirectly related, whether or not the claim in respect of the defects that were actually notified has been settled.

10. Claimant may enforce this Policy directly in certain cases

We and you both agree:

- (a) that a person who is entitled to claim against you in respect of any liability for which you are indemnified under this Policy may enforce this Policy, directly against us for the person's own benefit if:
 - (i) any event listed in cover 4 of this optional extension occurs; or
 - (ii) you refuse to make a claim against us; or
 - (iii) there is an irretrievable breakdown of communication between you and us; and
- (b) that for the purpose of such enforcement, the person has the same rights and entitlements as you would have had under any legislation applicable to you, and
- (c) that we will pay to the person the full amount of any liability for which you are indemnified under this Policy, despite any failure by you to pay any excess that you are required to pay.

11. Section 54 of the *Insurance Contracts Act 1984* to apply

- (a) We acknowledge that Section 54 of the *Insurance Contracts Act 1984* (Cth) applies to this Policy.
- (b) Despite condition 11(a), we agree that we will not rely on Section 54 to reduce our liability under this Policy or to reduce any amount that is otherwise payable in respect of a claim by reason only of a delay in a claim being notified to us if:
 - (i) the person who makes the claim notifies you, either orally or in writing; or
 - (ii) that person or you notifies us in writing within 180 days of the date when the person first became aware, or might reasonably be expected to have become aware, of some fact or circumstance that might give rise to the claim.

12. Notification concerning claims settled

We and you both agree that we will notify the Electrical Licensing Board in writing in the manner required by the Electrical Licensing Board of the settling of payment of any claim under this Policy.

13. Conflicting provisions

- (a) Nothing in this optional extension should be read as limiting indemnity under this optional extension with respect of any defect as a result of any error in design, specification formula or pattern or the provision of advice that is incidental to any electrical work undertaken by the electrician,
- (b) to the extent that condition 13(a) is in conflict with any other provision in this optional extension, condition 13(a) will prevail.

14. Excess

You are liable to pay us in respect of each claim paid by us under this Policy the amount paid by us or the amount specified on your Policy Schedule as the excess. Provided you are not liable to pay an excess more than once in relation to any claim comprising more than one defect or two (2) or more claims that relate to the same defect.

15. You must co-operate with us

- (a) You agree in relation to a claim or prospective claim:
 - (i) to make reasonable efforts to assist and inform us or our agent; and
 - (ii) to attend the relevant building site for the purpose of inspecting, rectifying or completing electrical work, (unless the building owner refuses you access to the site).
- (b) We may reduce the amount of a claim by a building owner, by an amount that reasonably represents the cost resulting from an unreasonable refusal by the building owner to give you access to a building site if we have asked you to attend the site.

16. Provision concerning cancellation

We agree that the cancellation of this Policy:

- (a) will only take effect thirty (30) days after we give both the Electrical Licensing Board and you notice in writing of the cancellation, and
- (b) has no effect on any of our obligations under this Policy with respect to the liabilities referred to in covers 1, 2 and 4 of this optional extension in relation to electrical work that was carried out while this Policy was in force, and
- (c) has no effect on any of our obligations under this Policy with respect to the liabilities referred to in covers 3 and 4 of this optional extension in relation to any personal injury to a third party or loss or damage to the property of a third party (other than property that is part of the electrical work itself) that occurred while this Policy was in force.

5.7 Victorian plumbers liability

This optional extension is only to apply in respect of plumbing work performed in Victoria.

Definitions applicable to this optional extension only

Word or term	Meaning
Australian Consumer Law	Schedule 2 of the <i>Competition and Consumer Act 2010</i> (Cth) or its successor.
Building owner	The person for whom plumbing work has been, is being, or is about to be, carried out and includes: <ul style="list-style-type: none"> (a) any occupier of the land, building or home where the plumbing work is carried out, and (b) any person who is the owner for the time being of that land, building or home, and (c) if the plumbing work is carried out on land in a plan of subdivision containing common property, the body corporate for that land or a building on that land, and (d) any assignee of the building owner's rights under a contract, and (e) any person who has contracted with another person to provide the plumbing work.
Completed work liability	Any liability that arises as a result of any personal injury to a third party, or loss or damage to the property of a third party (other than property that is part of the plumbing work itself), directly or indirectly related to or arising from the plumbing work: <ul style="list-style-type: none"> (a) after the issue of the compliance certificate for the plumbing work, or (b) if you do not issue a compliance certificate for the plumbing work, plumbing work which you carried out but only after you stopped carrying out that work.
Compliance certificate	A certificate referred to in Section 221ZH of the <i>Building Act 1993</i> (Vic).
Contract	A contract to carry out plumbing work and includes a domestic building contract or other building contract that includes plumbing work.

Word or term	Meaning
Defect	<p>In relation to plumbing work includes:</p> <ul style="list-style-type: none"> (a) a failure to carry out the plumbing work in a proper and workmanlike manner and in accordance with any plans and specifications set out in the contract, (b) a failure to use materials in the plumbing work that are good and suitable for the purpose for which they are used, (c) the use of materials in the plumbing work that are not new (unless the contract permits use of materials that are not new), (d) a failure to carry out the plumbing work in accordance with, and in compliance with, all laws and legal requirements including, without limiting the generality of this clause, the <i>Building Act 1993</i> (Vic) and any regulations made under that Act, (e) a failure to carry out the plumbing work with reasonable care and skill, and in the case of domestic plumbing work, a failure to complete the work: <ul style="list-style-type: none"> (i) by the date (or within the period) specified by the contract; or (ii) within a reasonable time, if no date (or period) is specified; (f) if the contract states the particular purpose for which the plumbing work is required, or the result which the building owner wishes the plumbing work to achieve, so as to show that the building owner relies on your skill and judgement, a failure to ensure that the plumbing work and any material used in carrying out the plumbing work: <ul style="list-style-type: none"> (i) are reasonably fit for that purpose; or (ii) are of such a nature and quality that they might reasonably be expected to achieve that result; (g) a failure to maintain a standard or quality of plumbing work specified in the contract. <p>A reference to any material in sub-clause (b) or (f) does not include any material that is supplied by the building owner (or the building owner's agent).</p>
Defects liability	Liability to pay for the costs of rectifying any defect in your plumbing work carried out in Victoria.
Disappearance	cannot be found after due search and inquiry.
Domestic plumbing work	<p>Plumbing work performed or intended to be performed on or in relation to:</p> <ul style="list-style-type: none"> (a) a home, or (b) any building or structure on land on which a home is or is intended to be situated.

Word or term	Meaning
Home	<p>Any residential premises and includes any part of a commercial or industrial premises that is used as a residential premises and also includes any house boat that is less than eight (8) metres in length, but does not include:</p> <ul style="list-style-type: none"> (a) any residence that is not intended for permanent habitation, or (b) a rooming house within the meaning of the <i>Residential Tenancies Act 1997</i> (Vic), or (c) a motel, a residential club, a residential hotel or a residential part of licensed premises under the <i>Liquor Control Reform Act 1998</i> (Vic), or (d) a nursing home, a hospital or accommodation associated with a hospital, or (e) any residence that the regulations made under the <i>Domestic Buildings Contracts Act 1995</i> (Vic) state is not a home for the purposes of the definition of 'Home' in that Act.
Insolvent under administration	<p>A person who:</p> <ul style="list-style-type: none"> (a) under the <i>Bankruptcy Act 1966</i> (Cth) or the law of an external Territory, is a bankrupt in respect of a bankruptcy from which the person has not been discharged, or (b) under the law of an external Territory or the law of a foreign country, has the status of an undischarged bankrupt, <p>and includes:</p> <ul style="list-style-type: none"> (c) a person any of whose property is subject to control under: <ul style="list-style-type: none"> (i) Section 50 or Division 2 of Part X of the <i>Bankruptcy Act 1966</i> (Cth); or (ii) a corresponding provision of the law of an external Territory or the law of a foreign country; or (d) a person who has executed a personal insolvency agreement under: <ul style="list-style-type: none"> (i) Part X of the <i>Bankruptcy Act 1966</i> (Cth); or (ii) the corresponding provisions of the law of an external Territory or the law of a foreign country; <p>where the terms of the agreement have not been fully complied with.</p>
The Ministerial Order	The <i>Licensed Plumbers General Insurance Order 2002</i> made under Section 221ZQ and 221ZT of the <i>Building Act 1993</i> (Vic).
Plumbing work	Has the same meaning as in Section 221C of the <i>Building Act 1993</i> (Vic).
Non-domestic plumbing work	Plumbing work that is not domestic plumbing work.
Product defect	A defect in any appliance, material, substance or other thing that was supplied or used by you in connection with plumbing work.

Word or term	Meaning
Trade practices liability	Any liability for the cost of rectifying any defect in plumbing work carried out in Victoria that arises as a result of conduct by you in connection with the plumbing work that contravenes Section 18, 29, 34, 60 or 61 of the <i>Australian Consumer Law</i> or Section 9, 11 or 12 of the <i>Fair Trading Act 1999 (Vic)</i> .

Cover

We will cover you under this optional extension for:

1. Defects liability.
2. Trade practices liability.
3. In respect of domestic plumbing work carried out in Victoria any liability arising from:
 - (a) any consequential financial loss reasonably incurred by the building owner as a result of any defects or non-completion of the plumbing work (as described in clause 3(b)), including but not limited to:
 - (i) the loss of any deposit or progress payment (or any part of any deposit or progress payment); and
 - (ii) the cost of alternative accommodation, removal and storage costs that are reasonably and necessarily incurred; and
 - (b) non-completion of the plumbing work due to:
 - (i) your death or legal incapacity;
 - (ii) your disappearance;
 - (iii) you becoming an insolvent under administration;
 - (iv) the cancellation or suspension of your licence as a licensed plumber under the *Building Act 1993 (Vic)*; or
 - (v) the early termination of the contract by the building owner as a result of your wrongful failure or refusal to complete the plumbing work.

The cover provided under clause 3(b) also applies to any contract for both domestic plumbing work and non-domestic plumbing work in which the non-domestic plumbing component does not exceed 20% of the total contract value.

Limit of liability

We will pay up to:

- (a) \$50,000 for any one claim or series of claims in relation to domestic plumbing work for which a compliance certificate is required, (or if a compliance certificate relates to more than one home, an amount not exceeding \$50,000 for each home),
- (b) \$100,000 for any one claim or series of claims in relation to a compliance certificate for non-domestic plumbing work,
- (c) the reasonable cost of rectifying plumbing work under the trade practices liability cover.

The most we will pay under this optional extension in any one period of insurance is \$5,000,000.

Defence of claims

In addition to the limit of liability we also pay the reasonable legal costs and expenses associated with the successful enforcement of a claim against you or us.

However, we will not pay the legal costs of any person making a claim against you that are not directly or indirectly related to:

1. the enforcement of this optional extension, or
2. a liability in respect of which you are covered under this optional extension.

Provided that:

- (i) we will not be obliged to pay any claim or judgement, or to defend any claim or legal action after the limit of liability has been exhausted by payment of judgements or settlements;
- (ii) if a payment exceeding the limit of liability has to be made to dispose of a claim, our liability to pay any legal costs and expenses under this clause will be limited to that proportion of those legal costs and expenses as the limit of liability bears to the amount paid to dispose of the claim.

Exclusions applicable to this optional extension

We do not cover you for:

1. any defects liability resulting from a product defect provided that:
 - (a) we bear the onus of establishing that the claim (or part of the claim) is based on a product defect, and
 - (b) we agree that nothing in this exclusion removes the cover given to you by this optional extension in relation to you supplying or using an appliance, material, substance or other thing that you were unaware was defective or that you should not reasonably have been aware was defective,
2. any loss, injury or damage resulting from:
 - (a) fair wear, tear or depreciation of plumbing work, or
 - (b) a failure by the building owner to reasonably maintain plumbing work,
3. any consequential financial loss in relation to non-domestic plumbing work,
4. claims for liquidated damages for delay, or damages for delay, that may arise under a contract provided that this exclusion does not apply to any increase in rectification costs caused by the delay.

Conditions applying to this optional extension

1. Period of cover

For defects liability, trade practices liability and liabilities referred to in cover clause 3 of this optional extension, you are only covered in respect of plumbing work for which a compliance certificate is required from the time you agree to carry out that work until:

- (a) six (6) years after you last issued the compliance certificate in relation to that work, or
- (b) if you did not issue a compliance certificate in relation to the work, six (6) years after you stopped carrying out that work.

The cover provided for defects liability, trade practices liability and liabilities referred to in cover clause 3 of this optional extension continues to apply throughout the relevant period specified in this clause even if you cease to be a licensed plumber before the end of that period and even if you cease to maintain this optional extension.

2. We will comply with court orders

We agree to comply with any order made against you by a court, the Victorian Civil and Administrative Appeals Tribunal or any other competent judicial body, in respect of any liability for which you are indemnified under this optional extension, (including any excess that you may be obliged to pay to us).

3. Deemed acceptance of claims

This clause only applies in relation to domestic plumbing work.

We agree to accept liability for a claim if we do not notify the person making the claim within ninety (90) days from when we receive the claim in writing that we accept or dispute the claim, unless we obtain an extension of time from the person in writing or from the Victorian Civil and Administrative Appeals Tribunal.

4. Ministerial Order to prevail in the case of conflict

We agree that if any term of this optional extension conflicts, or is inconsistent, with the Ministerial Order, then this optional extension is to be read and to be enforceable as if it complied with that Order.

5. Claims not to be refused on the grounds that the Policy obtained by fraud, etc.

This clause only applies in relation to domestic plumbing work.

We agree that we will not refuse to pay a claim under this optional extension on the ground that this optional extension was obtained by misrepresentation, fraud or non-disclosure by you or anyone acting on your behalf.

You agree that if we make a payment under this optional extension to, or for the benefit of, any other person under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.

6. We give effect to certificates

This clause only applies in relation to domestic building work:

If we give you a certificate stating that you are covered by insurance under this optional extension, we agree that we will not refuse to pay a claim on that insurance on the ground that you have not paid the premium for the insurance.

You agree that if we make a payment under this optional extension to, or for the benefit of, any other person under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.

7. Deemed notice of defects

We agree that if a person gives notice of a defect in writing to you or us, that person is to be taken for the purposes of this optional extension to have given notice of every defect of which the defect notified is directly or indirectly related, whether or not the claim in respect of the defect that was actually notified has been settled.

8. Claimant may enforce this optional extension direction in certain cases

We and you both agree that:

(a) a person who is entitled to claim against you in respect of any liability for which you are indemnified under this optional extension may enforce this optional extension directly against us for the person's own benefit if:

- (i) any event listed in cover 3(b) of this optional extension occurs; or
- (ii) you refuse to make a claim against us; or
- (iii) there is an irretrievable breakdown of communication between you and us;

(b) for the purpose of such enforcement the person has the same rights and entitlements as you would have had under any legislation applicable to you,

(c) we will pay to the person the full amount of any liability for which you are indemnified under this optional extension despite any failure by you to pay any deductible that you are required to pay.

9. Section 54 of the Insurance Contracts Act

(a) We acknowledge that Section 54 of the *Insurance Contracts Act 1984* (Cth) applies to this Policy.

(b) Despite sub-clause 9(a), we agree that we will not rely on Section 54 to reduce our liability under this optional extension or to reduce any amount that is otherwise payable in respect of a claim by reason only of a delay in a claim being notified to us if:

- (i) the person who makes the claim notifies you either orally or in writing; or
- (ii) that person or you notifies us in writing;

within 180 days of the date when the person first became aware, or might reasonably be expected to have become aware, of some fact or circumstance that might give rise to a claim.

(c) Nothing in clause 9(b) restricts the operation of clause 1 of the conditions applicable to this optional extension.

10. Provision concerning cancellation

This clause only applies in relation to domestic building work.

We agree that the cancellation of this Policy:

- (a) will only take effect thirty (30) days after we give both the Plumbing Industry Commission and you notice in writing of the cancellation, and
- (b) has no effect on any of our obligations under the Policy with respect to the liabilities referred to under cover of this optional extension in relation to plumbing work that was carried out while the optional extension was in force.

11. Notification of claims settled

We and you both agree that we will notify the Plumbing Industry Commission in writing in the manner required by the Minister of the settling or payment of any claim under this optional extension.

12. Limitation for common property

This clause applies if plumbing work is carried out on land in a plan of subdivision containing common property and a claim is paid by us in relation to the common property.

We will reduce the amount we will pay under this optional extension in respect of any one home on land in the plan of subdivision by an amount calculated by dividing the amount of the claim paid by us in relation to the common property by the number of homes on land in the plan of the subdivision.

13. Limitation concerning non-completion of work

If you fail to complete plumbing work for any reason listed in cover clause 3, then this optional extension does not cover you for claims for the whole or a specified part of any payment made under a contract that exceeds the value of the work completed at the time of payment.

14. You must co-operate with us

- (a) you agree in relation to a claim or prospective claim:
 - (i) to make reasonable efforts to assist and inform us or our agent; and
 - (ii) to attend the relevant building site for the purpose of inspecting, rectifying or completing plumbing work (unless the building owner refuses you access to the site);
- (b) we may reduce the amount of a claim by a building owner by an amount that reasonably represents the cost resulting from an unreasonable refusal by the building owner to give you access to a building site if we asked you to attend the site under clause 14(a)(ii).

General property section

1. Definitions applying to this section

Word or term	Meaning
Insured item	<p>The items which are specified on your Policy Schedule including carrying case and usual accessories and which are owned by you or for which you are legally responsible.</p> <p>Any item of insured property which is:</p> <ul style="list-style-type: none"> (a) mobile plant, (b) photographic, surveying or video equipment, (c) mobile communication equipment, including telephones and radios, (d) sporting equipment, (e) electronic equipment, including computers, diaries, GPS units, and (f) accessories of items (a) to (e) above, <p>must be individually described, identified and valued on your Policy Schedule.</p> <p>The maximum amount we will pay for any other item of insured property, which is not specifically described, identified and individually valued but is shown on your Policy Schedule under a general description or category of property is \$2,000 for any one individual item.</p> <p>Property not categorised and described only in general terms as 'all property' or the like does not include:</p> <ul style="list-style-type: none"> (i) items (a) to (f) above; (ii) stock; (iii) customers' property; (iv) vehicles, trailers, aircraft or watercraft; (v) accessories, spare parts or tools of any of the items described in (iv) above; (vi) money.
Insured loss	Loss or damage arising from a sudden and unforeseen accident occurring anywhere in Australia during the period of insurance.
Unmanned aircraft systems	Unmanned aircraft systems, as defined by the Australian Government Civil Aviation Safety Authority, that are operated for reward.

2. Cover

We will cover insured items for insured loss.

3. Basis of settlement

We will pay up to the sum insured for each insured item, less the excess:

3.1 For a total loss:

- (a) where the insured item can be replaced, the cost to replace the item with the same or similar item equal to but no better or more extensive than its condition when new; or
- (b) where the item cannot be replaced as it is no longer available or a similar item is not available, the sum insured; or

- (c) where the item can be replaced but you prefer a cash settlement, the cost to replace the item with the same or similar item equal to but no better or more extensive than its condition when new less an equitable amount for age, wear, tear, depreciation and the general condition and remaining useful life of the item.

3.2 For a partial loss:

- (a) the cost to repair the insured item to a condition equal to but no better or more extensive than its condition when new; or
- (b) where the item can be repaired but you prefer a cash settlement, the cost to repair the item as above less an equitable amount for age, wear, tear, depreciation and the general condition and remaining useful life of the item.

4. Exclusions

4.1 We will not cover any loss or damage directly or indirectly caused by:

- (a) mechanical, electronic or electrical breakdown or derangement unless as a consequence of an insured loss,
- (b) cracking, scratching or breakage of glass or fragile items or surfaces unless as a consequence of insured loss,
- (c) loss or damage caused by rust, or oxidation, mildew, mould, moths, vermin, insects, change of colour, or any process of heating, drying, cleaning, dyeing or alteration to any insured item,
- (d) the action of light or atmospheric conditions or gradually developing conditions, vibration, wear, tear and/or depreciation,
- (e) dishonesty by you or others to whom any insured item may be delivered, entrusted, loaned or rented,
- (f) action of the sea, tidal wave, high water or flood,
- (g) theft by employees,
- (h) unexplained inventory shortage,
- (i) theft, other than theft resulting from forcible and violent entry evidenced by visible damage to the securely locked portion of any building or vehicle containing any insured item.

4.2 We will not cover loss or damage to any sporting equipment whilst in use.

4.3 We will not cover loss or damage to any unmanned aircraft systems whilst in use.

4.4 We will not cover any consequential loss or damage.

5. Optional cover

When cover 'Option A' is stated on your Policy Schedule, we will cover insured items for loss or damage occurring during the period of insurance anywhere in Australia caused by:

- (a) fire, lightning, explosion, malicious damage or vandalism,
- (b) theft following forcible and violent entry which causes visible damage to a locked vehicle or building,
- (c) theft of equipment securely attached to a vehicle through use of locks or padlocks, which results in visible damage to the securing devices,
- (d) collision or overturning of the conveying vehicle.

Machinery breakdown section

1. Definitions applying to this section

Word or term	Meaning
Plant and machinery	<p>Electrical and mechanical items, including electronic and other integral parts of the insured items including boilers, pressure vessels and pressure pipe systems as defined below.</p> <p>'Plant and machinery' does not include:</p> <ul style="list-style-type: none"> (a) vehicles or mobile plant; (b) computers, electronic data processing equipment, office equipment, telecommunication transmitting and receiving equipment, audio visual amplification and surveillance equipment; (c) research, diagnostic and electro medical equipment; (d) televisions, videos, gambling or amusement machines; (e) lifts or escalators.
Boilers, pressure vessels and pressure pipe systems	<p>The permanent structure of those insured items which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure), including all direct attachments connected to the permanent structure and includes with respect to boilers, the rotating, reciprocating or electrical apparatus attached to them.</p>
Insured damage	<p>Sudden and unforeseen physical loss or damage to the insured item which occurs during the period of insurance and requires immediate repair or replacement to allow continuation of use.</p>

2. Cover

We will cover you for insured damage to your plant and machinery that occurs during the period of insurance up to the limits specified on your Policy Schedule.

3. Basis of settlement

3.1 In the event of insured damage under this section we will pay for the reasonable cost of repairs or replacement necessary to return the insured item to its former state of operation including:

- (a) cost of dismantling, re erection and removal of debris,
- (b) replacement of refrigerant lost from an insured item as a direct result of insured damage,
- (c) charges for overtime and work on public holidays where necessarily and reasonably incurred,
- (d) freight within the Commonwealth of Australia by any recognised scheduled service, and
- (e) hire of a temporary replacement item during the time taken to repair damage to any insured item.

Provided the total of all these costs in clauses 3.1(c), 3.1(d) and 3.1(e) are limited to 50% of the normal cost of repair payable under this section.

Our liability inclusive of these additional costs will not exceed the sum insured specified on your Policy Schedule.

3.2 All insured damage which can be repaired must be repaired, however, should the item be uneconomical to repair due solely to the nature of the insured damage, settlement will be as follows:

- (a) the cost of replacement of the insured item by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the insured item when new, or
- (b) the sum insured for the insured item, whichever is the lesser.

3.3 We will not be required to replace exactly the insured item, but only as circumstances permit.

3.4 The value of any salvage will be subtracted from any amount payable under this section.

3.5 The sum insured for insured items of plant and machinery specified on your Policy Schedule will be automatically reinstated following insured damage for no extra premium.

3.6 The amount of each claim otherwise payable will be reduced by the amount of the excess shown on your Policy Schedule.

3.7 Where components or manufacturer's specifications are no longer available due to obsolescence, we will pay the cost to replace the insured item less an equitable amount for age, wear, tear, and depreciation, and will make an adjustment for the general condition and remaining useful life of the individual item or components that are damaged.

4. Additional benefits

4.1 Property damage

We will indemnify you for insured damage to property not insured under this section which is owned by you or if you are responsible for loss or damage to it provided:

- (a) that loss or damage occurred within the location during the period of insurance as a direct result of impact from part of an insured item of plant and machinery, and
- (b) the loss or damage is directly caused by insured damage and occurs in circumstances where cover is provided, and not excluded under this section.

We will not pay more than the sum insured specified on your Policy Schedule for that insured item of plant and machinery as specified on the Policy Schedule for insured damage to the uninsured item.

4.2 Increased cost of working

We will pay for costs that are incurred by you for the sole purpose of avoiding or diminishing a reduction in income from your business during the period that the plant and machinery is damaged.

Provided that:

- (a) these costs are additional to your normal operating costs,
- (b) these costs are incurred because of an interruption of your normal operations that directly results from insured damage to plant and machinery that is covered by this Policy section,
- (c) you receive our prior written approval to incur these costs,
- (d) we will not pay more than \$2,500 for increased cost of working, and
- (e) we will not pay for any costs incurred during the first forty eight (48) hours following the loss.

4.3 Newly installed items

We will temporarily extend cover provided by this section to cover additional items of plant and machinery that are installed during the period of insurance, provided that this temporary cover is limited to the lesser of:

- (a) thirty (30) days from the date you installed the additional items of plant and machinery, or
- (b) the expiry date of the current period of insurance.

The maximum we will pay for this additional cover is 50% of the sum insured shown on your Policy Schedule.

If you require cover for these items beyond thirty days, provide us full details of the new items. We may require additional premium, which you will need to pay for the cover to continue for these items.

5. Optional cover - Deterioration of stock in cold storage

Applies where indicated on your Policy Schedule as being operative.

5.1 Scope of cover

We will indemnify you up to the sum insured less the excess for loss of or damage to the stock as specified whilst contained in the cold storage spaces cooled by the insured items nominated on your Policy Schedule and caused by deterioration or putrefaction as a result of:

- (a) insured damage to the refrigeration machinery,
- (b) sudden and unforeseen failure of the public power supply,
- (c) operation of or failure to operate, controls or protective devices within the refrigeration machinery, but this does not include loss caused by the manual operation or manual setting of controls or protective devices,
- (d) contamination of the stored stock by the accidental escape of refrigerant into the cold chamber, or
- (e) sudden leakage of refrigerant from the refrigeration machinery or pipe system forming part of the refrigeration machinery,

occurring during the period of insurance at the location.

5.2 Basis of settlement

We will pay the cost of replacement of the lost or damaged stock calculated immediately prior to the loss or damage occurring, less the applicable excess, up to the sum insured stated on your Policy Schedule.

5.3 Exclusions applying to this optional cover (6. Exclusions also applies)

We will not pay for:

- (a) any loss or damage due to shrinkage, inherent defects or diseases,
- (b) loss or damage caused by improper storage, collapse of the packing material or storage structure,
- (c) penalties for delay or detention or consequential loss or damage or liability of any nature whatsoever, and
- (d) loss or damage following loss of public power supply due to:
 - (i) the deliberate act of any public power supply authority;
 - (ii) the decision by any public power supply authority to restrict or withhold supply;
 - (iii) shortage of power generation fuel or water.

5.4 Additional benefit - Seasonal increase in stock

We will automatically increase the sum insured which relates to stock by 30% during the seasonal increase period.

5.5 Reinstatement of sum insured

The sum insured under this extension will be automatically reinstated following insured damage for no extra premium.

6. Exclusions

We will not pay for:

6.1 Loss or damage caused by or arising from:

- (a) fire, smoke or soot,
- (b) extinguishing a fire including subsequent demolition or repair work,
- (c) lightning,
- (d) chemical explosion (other than explosion of flue gas in boilers),
- (e) impact of motor vehicles, aircraft or watercraft,
- (f) earthquake, subterranean fire or volcanic eruption,
- (g) land slip or subsidence,
- (h) storm, tempest, flood, windstorm or cyclone,
- (i) water escaping, discharged or leaking from any source which is external to the plant and machinery insured,
- (j) theft or burglary,
- (k) intentional or malicious damage, or
- (l) the carrying out of tests involving abnormal stresses, including overloading of any insured item.

6.2 The cost of:

- (a) replacement of expendable items such as belts, filters, fuses, electric heating elements, electrical contacts, thermostats, thermal expansion valves, cutting blades, crushing surfaces, glass or porcelain, ceramics, chains, seals, links, dies and moulds, conveyor belting, lubricants, fuel and any transfer media,
 - (b) replacement of component parts worn through normal machine operation,
 - (c) adjustment, cleaning, purging or recharging of refrigeration or air conditioning equipment,
 - (d) repairs to piping and other ancillary systems due to cracking of pipe work, or
 - (e) replacement of refractory or brickwork forming part of an insured item,
- unless necessary as part of the rectification of insured damage not otherwise excluded under this section.

6.3 The cost of:

- (a) maintenance work including but not limited to the tightening of loose parts, recalibration or adjustments,
- (b) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation,
- (c) modification or alteration of insured plant which has suffered insured damage to enable it to operate with a more ozone friendly refrigerant gas as required by the UNEP (United Nations Environmental Protection) Montreal Protocol with respect to substances which deplete the ozone layer,
- (d) replacement or repair, caused by gradual deterioration, (including rust, corrosion, erosion, oxidation or scale formation),
- (e) replacement of lighting equipment, reticulating electrical wiring, reticulating liquid and gas piping and ducting,
- (f) repair of scratches or painted or polished surfaces unless caused by insured damage,

- (g) repair of slowly developing deformation or distortion of any part,
- (h) repair of blisters, laminations, flaws or grooving even when accompanied by leakage,
- (i) damage caused to insured item or items caused by any hydraulic testing,
- (j) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking,
- (k) repairs to shaft keys requiring tightening, fitting renewal,
- (l) damage caused by the movement of foundations, masonry or brick work, or
- (m) removal of installation of underground pumps and well casings, unless specifically noted on your Policy Schedule, this exclusion does not include submersible pumps.

6.4 Consequential loss of any kind or description whatsoever.

6.5 Insured damage to any item being moved caused by dual lifting.

6.6 Costs you are entitled to recover for labour and parts under a maintenance agreement, warranty, guarantee or indemnity in your favour by the manufacturer or any other person.

7. Conditions

7.1 Reasonable steps

On the happening of any occurrence which might give rise to a claim under this section, you will, in addition to complying with general conditions applicable to all sections for claims:

- (a) take all reasonable steps to minimise the extent of the loss, and
- (b) preserve any damaged or defective plant or items and make them available to us for inspection.

7.2 Operating damaged plant

Our liability will cease for any plant which has sustained damage and is operated without having been repaired in a manner consistent with the generally accepted rules of engineering practice.

7.3 Under-insurance

Where you have declared to us the quantity of plant and machinery items, and:

- (a) we have shown on your Policy Schedule that all blanket machinery at the premises is covered (with or without machinery exclusions),
- (b) the actual total number of the plant and machinery items at the premises exceeds the quantity declared by more than two (2) items,

we will reduce the amount we pay by the proportion the quantity of declared plant and machinery items bears to the number of plant and machinery items at the premises at the time of loss.

7.4 Inspection

You shall permit us or our representative at all reasonable times the right to inspect and examine any items insured by this section.

You or your repairer is to keep all machinery or parts for a period of thirty (30) days after you have reported (in writing) a loss or damage to us and allow us access, at our cost, to inspect the machinery or parts. If you do not keep the machinery or parts, we may refuse to pay part or all of a claim.

Your repairer will be required to make written records showing adequate details of loss or damage to machinery, cause of loss or damage, work done and parts replaced. If you do not ensure the repairer complies with the request, we may refuse to pay part or all of a claim.

7.5 Commissioning

This insurance only applies after completion of successful initial commissioning.

Electronic equipment section

1. Definitions applying to this section

Word or term	Meaning
Electronic data	The information stored on the electronic data media including software programs.
Electronic data media	Non-volatile magnetic or optical discs or tapes or solid state semiconductor memory used in the computer to store the information.
Electronic plant	All computers, word processors, including all ancillary equipment attached thereto, software, other electronic equipment as specified on your Policy Schedule as insured items.
Insured damage	Sudden and unforeseen physical loss or damage to the insured item which occurs during the period of insurance and requires immediate repair or replacement to allow continuation of use, caused by vibration, power surge, low voltage, mechanical, electrical and electronic breakdown.
Software	The collection of programs which cause a computer to perform a desired operation or series of operations.

2. Cover

We will cover you if any insured item or items of electronic plant or any part of an item of electronic plant specified on your Policy Schedule which is at the location or is at other premises for the sole purpose of maintenance, repair or service suffers insured damage during the period of insurance, up to the limits specified on your Policy Schedule, in accordance with the basis of settlement.

3. Basis of settlement

3.1 In the event of insured damage to an insured item of electronic plant, we will pay the cost of replacement or repairs necessary to return the insured item to its former state of operation, including:

- (a) cost of dismantling, re-erection and removal of debris,
- (b) charges for overtime and work on public holidays where necessarily and reasonably incurred, and
- (c) freight within the Commonwealth of Australia by any recognised scheduled service,

provided that the costs in clauses 3.1(b) and 3.1(c) are limited to 50% of the normal cost of repair payable under this section.

Our liability inclusive of these additional costs will not exceed the sum insured specified on your Policy Schedule.

3.2 No deduction will be made for depreciation or parts replaced except for valves, tubes, (including picture and x-ray tubes) and light sources. We will deduct a proportion of the replacement cost of these items being the proportion which the period of use up to the time of failure, bears to the normal service life expected by the manufacturer or supplier.

3.3 All insured damage which can be repaired, must be repaired, however, should the item be uneconomical to repair due solely to the nature of the insured damage, settlement will be as follows:

- (a) the sum insured for the insured item as stated on your Policy Schedule; or
- (b) the cost of replacement of the insured item by an item of similar, function, type, capacity and quality and in a condition equal to but not better than, the condition of the insured item when new.

Our liability will be the lesser of 3.3(a) or 3.3(b) less the applicable excess.

3.4 The value of any salvage will be subtracted from the amount payable under this clause.

3.5 If more than one insured item is lost or damaged in one occurrence, we will apply only the highest of the excess applicable to such insured items.

3.6 The amount of each claim otherwise payable will be reduced by the amount of this excess shown on your Policy Schedule.

4. Conditions

4.1 Initial commissioning

This insurance only applies after completion of successful initial commissioning.

4.2 Manufacturers' instructions

You must maintain service, and use the electronic plant in accordance with the manufacturers' instructions. If you do not we may reduce the amount we pay.

4.3 Maintenance agreements

If a maintenance agreement is shown on your Policy Schedule, we will not pay your claim unless the maintenance agreement is current at the time of the insured damage.

4.4 Under insurance

Where you have declared to us the quantity of electronic plant items, and:

- (a) we have shown on your Policy Schedule that all electronic plant at the premises is covered,
- (b) the actual total number of the electronic plant items at the premises exceeds the quantity declared by more than four electronic items,

we will reduce the amount we pay by the proportion the quantity of declared electronic plant items bears to the number of electronic plant items at the premises at the time of loss.

5. Optional covers

Applies only where indicated on your Policy Schedule as being operative.

5.1 Electronic data and electronic data media

Cover

We will indemnify you for insured damage to the electronic data and electronic data media caused solely as the result of insured damage to the electronic plant which is specified on your Policy Schedule for an amount not exceeding the sum insured.

Basis of settlement

We will pay you for such insured damage up to the sum insured less the applicable excess specified on your Policy Schedule including:

- (a) the actual cost of replacement of lost or damaged electronic data media by new unused materials,
- (b) any expenses which can be proved to have been incurred by you, only for the purpose of restoring the electronic data by reproduction of data or information in a condition equivalent to that existing prior to insured damage and necessary to allow operation of the insured item to continue in the normal manner. Lost electronic data may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in the original form.

And provided:

- (c) we will only be liable for costs and expenses incurred within a period of twelve (12) months following the insured damage within the period of insurance,
- (d) this optional benefit only applies whilst the insured electronic data media is:
 - (i) at the location;
 - (ii) at a media storage location; or
 - (iii) temporarily at an alternative location for processing purposes, or in transit between any of these locations.
- (e) The amount of each claim otherwise payable will be reduced by the amount of the excess shown on your Policy Schedule.

Exclusions applying to this optional cover (in addition the exclusions contained in this Policy section apply to this optional cover)

We will not pay for:

- (a) loss or distortion of electronic data contained on the electronic data media while mounted in or on any machine for use of processing unless such loss or distortion occurs:
 - (i) at the location due to insured damage to insured electronic plant which is specified on your Policy Schedule; or
 - (ii) at another location temporarily for processing purposes due to insured damage to the insured electronic plant which would be indemnifiable if the insured electronic plant was insured under this section;
- (b) loss or distortion caused by computer virus being an executable programme or computer code segment that is self-replicating, requires a host programme or executable disc segment in which it can be contained and which destroys or alters the host programme or other computer code or data causing undesired programme or computer system operation,
- (c) wasting or wearing away or wearing out caused by or naturally resulting from ordinary use or working or gradual deterioration,
- (d) loss or damage caused by atmospheric conditions, moisture or changes in temperature unless directly resulting from damage to air-conditioning equipment which would be indemnifiable if the equipment were insured under this Policy section,
- (e) consequential loss of any kind or description whatsoever,
- (f) work undertaken without our approval, other than for minor or provisional repairs. There is no cover under this optional benefit with respect to any insured item which has been operated without being satisfactorily repaired following insured damage,
- (g) the cost of restoring data created more than three (3) months before the insured damage causing loss of data that has not been backed up on alternative electronic data media.

5.2 Increased cost of working

Cover

We will indemnify you as set out below up to the sum insured for any additional costs of operating your business directly resulting from interruption or interference to your business as defined on your Policy Schedule but only if the interruption or interference:

- (a) is as a result of insured damage to the insured electronic plant which is specified on your Policy Schedule, and
- (b) is caused solely as a result of insured damage.

We will deduct from the amount payable by us any sum saved during the period of the interruption in respect of charges and expenses of the business which may cease or be reduced as a result of the insured damage, including any such savings occurring by reason of the interruption of the normal operation of the electronic operation of the data processing system.

Basis of settlement

- (a) We will pay you for the additional expenditure incurred over and above the normal expenses which would have been incurred by you for the operation of your insured electronic plant by the use of substitute equipment to maintain normal business operation during the interruption, up to the sum insured specified on your Policy Schedule, less the applicable excess including:
 - (i) the actual hire charges incurred for the rental of substitute equipment; and
 - (ii) the cost of additional personnel and transport expenses incurred with the use of the substitute equipment.
- (b) The indemnity period and time excess as set out on your Policy schedule will commence upon the commencement of use of substitute insured electronic plant.
- (c) We will be liable for additional expenditure incurred during the actual period of the interruption but not exceeding the period specified on your Policy Schedule as the indemnity period.
- (d) The total of all claims payable under this optional benefit during the period of insurance will not exceed the aggregate of the sum insured stated on your Policy Schedule.
- (e) We will not be liable for loss, damage or costs incurred by you during the time excess.
- (f) The amount of each claim otherwise payable will be reduced by the amount of the excess shown on your Policy Schedule.

Exclusions applying to this optional cover (in addition the exclusions contained in this Policy section apply to this optional cover)

We will not pay for:

- (a) the costs incurred during:
 - (i) interruption due to the carrying out of alterations, additions, or improvements to the insured electronic plant;
 - (ii) interruption due to the carrying out of cleaning, adjustment, inspection or maintenance of the insured electronic plant; or
 - (iii) the extension of any interruption due to any measure, restriction or regulation imposed by any government, public or local authority.
- (b) additional costs incurred where the period of interruption otherwise applicable is increased beyond four (4) weeks due to delay in the repair or replacement of items manufactured outside Australia where such delay results from:
 - (i) measures, restrictions or regulations imposed by any government or public or local authority;
 - (ii) the time required to procure replacement parts or complete items in overseas markets;
 - (iii) the time required to transport or ship component parts or complete items between the location and any overseas place of repair or replacement; or
 - (iv) the time required to engage and transport overseas specialists or consultants to assist in or supervise local repairs.

Condition applying to Increased cost of working

Exclusion 6.3(h) of this section does not apply.

6. Exclusions

We will not cover:

6.1 Loss or damage caused by or arising from:

- (a) fire, smoke or soot,
- (b) extinguishing a fire including subsequent demolition or repair work,
- (c) lightning,
- (d) chemical explosion, (other than explosion of flue gas in boilers),
- (e) impact of motor vehicles, aircraft or watercraft,
- (f) earthquake, subterranean fire or volcanic eruption,
- (g) landslip or subsidence,
- (h) storm, tempest, flood, windstorm or cyclone,
- (i) water escaping, discharged or leaking from any source which is external to the electronic plant insured,
- (j) theft or attempts thereat,
- (k) intentional or malicious damage,
- (l) atmospheric conditions, moisture or changes in temperature unless directly resulting from damage to or malfunction of air conditioning equipment,
- (m) software viruses or other disruptive programming techniques.

6.2 Insured damage to electronic data and electronic data media unless you have electronic plant insured.

6.3 The cost of:

- (a) replacement of expendable items such as batteries, valves, x-ray and picture tubes, belts, chains, tapes, cards, ribbons, filters, tubes, electric heating elements or electrical contacts;
- (b) replacement of component parts worn through normal use or operation;
- (c) maintenance work;
- (d) alterations, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation;
- (e) replacement or repair following gradual deterioration, (including rust, corrosion, erosion, oxidation or scale formation);
- (f) temporary repairs unless they constitute part of the final repairs and do not increase the total repair costs;
- (g) repairs of scratches to painted or polished surfaces unless caused by insured damage; or
- (h) anything to the extent you are entitled to recover the costs of labour or parts under a maintenance agreement, warranty, guarantee or indemnity in your favour by the manufacturer of the relevant insured item or any other person.

Items under (a) and (b) are not excluded if they are necessary as part of the rectification of insured damage not otherwise excluded under this section.

6.4 Consequential loss of any kind or description whatsoever, subject to any extension selected by you.

7. Conditions

7.1 Claims

On the happening of any occurrence which might give rise to a claim under this section, you shall, in addition to complying with general conditions applicable to all sections for claims:

- (a) take all reasonable steps to minimise the extent of the loss, and
- (b) preserve any damaged or defective plant or items and make them available to us for inspection.

7.2 Our liability

Our liability will cease for any plant which has sustained damage and is operated without having been repaired in a manner consistent with the manufacturer's recommendations and the generally accepted rules of engineering practice.

7.3 Inspection

You shall permit us, or our representative, at all reasonable times and with reasonable notice, the right to inspect and examine any items insured by this section.

Employee dishonesty section

1. Definitions applying to this section

Word or term	Meaning
Employee(s)	<p>Any person employed by you under a contract of service or apprenticeship but does not include:</p> <ul style="list-style-type: none"> (a) any director, partner, trustee or principal except when performing acts within the scope of the usual duties of an employee, (a) any broker, factor, commission agent, consignee, contractor or other agent of the same general character.

2. Cover

We will pay you for loss of money or contents, caused by theft, fraud or dishonesty by any of your employees, less the excess, up to the sum insured specified on your Policy Schedule, provided that the loss:

- (a) occurs during the period of insurance, or
- (b) is discovered no later than twelve (12) months after expiry of the Period of insurance or termination of employment of the employee, whichever occurs first.

The maximum amount we will pay for all claims during the period of insurance is the amount specified on your Policy Schedule.

3. Additional benefits

3.1 Auditors fees

With our prior approval, we will pay up to \$5,000 towards the reasonable and necessary fees payable by you to internal and/or external auditors and for other expenses which you incur in preparation of a claim or to bring criminal charges against an employee.

3.2 Unidentified employees

If a loss is alleged to have occurred as the result of the fraud of dishonesty of any one or more of your employees and you are unable to positively identify them we will pay for the loss provided that you are able to provide evidence that the loss was due to the fraud or dishonesty of one or more employees.

3.3 Retroactive cover

The insurance provided under this Policy section also applies to any loss by fraud or dishonesty committed during the currency of any previous policy, provided that:

- (a) the discovery period in such previous policy has expired,
- (b) the fraud or dishonesty is discovered within:
 - (i) the period of this Policy; or
 - (ii) twelve (12) months of the termination of this Policy or twelve (12) months after termination of the employment of the employee concerned, whichever shall first occur;
- (c) the cover we provide will fall within and not be in addition to the sum insured shown in the current Policy Schedule,
- (d) we will not be liable for any loss arising from an act of fraud or dishonesty committed more than twelve (12) months before the inception of this section of the Policy.

4. Exclusions

We will not pay for any loss of money or contents:

- (a) resulting from any further act of fraud or dishonesty after you first discover that the employee has previously engaged in provable dishonest conduct, or has previous convictions for dishonest acts,
- (b) discovered more than twelve (12) months after the period of insurance has expired or more than twelve (12) months after the termination of employment of the employee concerned,
- (c) that is not reported to us as soon as possible after discovery of any act of fraud or dishonesty on the part of any employee or any other matter in respect of which a claim may arise,
- (d) beyond the limit of cover stated in this additional benefit in respect of any one employee and all employees, even if the dishonest conduct continued during more than one period of insurance,
- (e) if the only proof of loss is shortage revealed by an inconsistency in:
 - (i) accounting records;
 - (ii) comparison between physical counts and inventory or stock records; or
 - (iii) profit and loss calculation;
- (f) resulting from dishonest conduct of an employee which occurs after you discover the employee is engaging in or likely to engage in dishonest conduct.

5. Conditions

5.1 Reinstatement

In the event of the sum insured being reduced by the amount of any claim payable under this additional benefit, the sum insured may be reinstated by payment of appropriate additional premium, provided that the amount by which the sum insured is reinstated will be available only in respect of acts of fraud or dishonesty committed after such reinstatement.

5.2 Property recovered from employees

If property is recovered by you from your employees after we have paid a claim, we agree the property will be first applied to your excess and any uninsured loss you have incurred and then the balance will be paid to us up to the amount we have paid including our costs in handling the claim.

Tax audit section

1. Definitions applying to this section

Word or term	Meaning
Accountant's fees	Fees, charges, expenses and disbursements rendered by any accountant, assessor, consultant, investigator or by any mediator appointed by any alternative dispute resolution centre which are reasonably and properly incurred in relation to any statutory tax audit.
Business	The business of the insured as described on your Policy Schedule, including personal taxation returns of the insured and spouse.
Culpability component	A determination by a relevant statutory authority signifying circumstances consequent to which the insured incurs a culpability component signifying, or which has been imposed on the basis of, reckless or deliberate tax evasion or similar offence by the insured.
Occurrence	Any occurrence which may give rise to a statutory tax audit.
Statutory tax audit	An official examination and verification of accounts and records from a relevant statutory body related to a statutory tax audit which arises from a Tax Act and incurs accounting costs arising in the course of and in the normal conduct of its business.
Tax Acts	An Act of any Australian Parliament which was enacted pursuant to a taxation power.

2. Cover

We agree to indemnify you up to the sum insured specified on your Policy Schedule less the amount of the excess shown on your Policy Schedule in respect of your liability to pay accountant's fees in connection with an audit of your business conducted pursuant to a statutory tax audit, where notification of the audit:

- (a) occurred during the period of insurance, and
- (b) is given to us during the period of insurance.

3. Basis of settlement

Our aggregate limit of liability in any one period of insurance for all claims arising out of the one occurrence will not exceed the sum insured specified in your Policy Schedule.

4. Exclusions

We will not pay accountant's fees:

- (a) unless we are satisfied that the applicable culpability component has not been, or is not likely to be imposed in excess of 50% assessable related to the culpability scale imposed pursuant to the relevant Tax Act,
- (b) incurred in the defence of any statutory tax audit arising out of any directorship or the holding of any other position or office with any corporation,
- (c) arising out of an audit commenced outside the period of insurance,
- (d) in respect of work undertaken by you or income derived by you outside Australia,
- (e) arising out of any delay in the submission of an income tax return,

- (f) in circumstances where you, in respect of a final assessment of taxable income and/or income tax payable, incur a culpability component signifying, or which has been imposed on the basis of, recklessness or deliberate tax evasion or similar offence by you,
- (g) arising out of the failure of a third party to submit an income tax return,
- (h) in respect of an audit where the returns for the period in question were not prepared by or approved by an independent accountant or registered tax agent prior to lodgement with the Australian Taxation Office.

Notwithstanding anything to the contrary in this Policy, we will not pay accountant's fees incurred in the defence of any statutory tax audit in circumstances where you:

- (i) are or become bankrupt or commit an act of bankruptcy;
- (ii) make or enter into a scheme of arrangement or compromise with creditors;
- (iii) being a corporation, are in liquidation or come under the control of a receiver or receiver and manager or an agent for a mortgagee in possession.

5. Conditions

The following conditions apply to this section of the Policy.

There are also general conditions which apply to all sections of this Policy.

5.1 Our consent

We will be under no liability to make any payment in relation to accountant's fees incurred unless our prior written consent (such consent not to be unreasonably withheld) has been obtained in accordance with the terms and conditions of this Policy.

We will be entitled at any time to withdraw the indemnity granted under this Policy if you no longer have reasonable grounds for defending the tax audit whereupon we will not be liable in respect of any accountant's fees incurred thereafter.

If you and we do not agree whether you have reasonable grounds to defend the tax audit, we will follow the advice of a Senior Counsel you and we agree on. If you and we cannot agree on the Senior Counsel, we will ask the President of the Bar Association in the relevant State or Territory to nominate one.

Our agreement to make any payment in relation to statutory tax audit and accountant's fees and our approval of your accountant, do not constitute any acknowledgement that all accountant's fees charged by your accountant are reasonable and are to be reimbursed in accordance with the terms of this Policy.

5.2 Substantiation of claim

Subject to the terms, conditions, limitations and exclusions of this Policy, we agree to indemnify you up to a maximum of \$1,000 any one claim for substantiation of a claim and for which documentary evidence only is required.

5.3 Your obligations

You must at all times exercise care and take all reasonably necessary precautions to avoid incurring any liability which might give rise to a claim under this Policy, and must not recklessly pursue a course of action which will inevitably result in a claim under this Policy.

5.4 Notification of occurrences and claims

- (a) If, during the period of insurance, you become aware of any occurrence which may give rise to a claim under this Policy, you must give us notice as soon as you can. Any subsequent tax audit arising out of such occurrence will be deemed to have been commenced during the period of insurance.
- (b) You must, upon receipt of any notice, whether written or oral, of any intention to make a claim or demand or issue a writ or summons against you or upon becoming aware of any allegation which may give rise to any such claim, demand, writ or summons or upon the discovery of any occurrence, notify us in writing as soon as practicable during the period of insurance and shall provide full information in respect thereof. Notwithstanding anything to the contrary in this Policy, the accountant shall be appointed by and on your behalf and you shall be primarily liable for the payment of accountant's fees incurred by that accountant.
- (c) You must authorise and instruct the accountant:
 - (i) to disclose to us all such information and documentation as we may require from time to time;
 - (ii) to keep us fully and continually informed of all material developments in the tax audit and of the completion of the statutory tax audit;
 - (iii) to advise us as soon as they can of any offers or compromise proposals or recommendations to make offers or compromise proposals; and
 - (iv) to advise us if, in the accountant's opinion, there is no longer any reasonable prospect of success or if the prospects for success materially alter.
- (d) You must not unreasonably refuse to follow the advice of the accountant as to the conduct of the statutory tax audit including advice relating to the making or accepting of any offer to settle or the discontinuance of the statutory tax audit.
- (e) You must afford the accountant full co-operation in the pursuit or defence of the statutory tax audit.

5.5 Taxation of costs

- (a) You must forward copies of all accounts for accountant's fees, and any correspondence relating to them to us upon receipt, and must not pay or otherwise compromise or settle such account without giving us at least fourteen (14) days prior notice.
- (b) If instructed by us, you must direct any accountant or other person retained on your behalf in the conduct of the statutory tax audit to have any account or charge referred to any relevant authority to be taxed, assessed or audited.

5.6 Recovery of costs

- (a) You must pay to us any and all costs, up to the amount of the accountant's fees incurred by us, which are recovered by you in connection with the statutory tax audit, and you will take, at our expense, every measure to recover such accountant's fees from any third party.
- (b) We will not exercise any rights of subrogation that may accrue as a consequence of any payment made under this Policy against any director, partner or subcontractor of yours, unless such payment has been brought about or contributed to by the dishonest, fraudulent or criminal act of such director, partner or subcontractor.
- (c) We may limit or exclude our liability in relation to any accountant's fees if you, without our prior written consent, which consent, may be withheld, in our absolute discretion, enter into any agreement or other arrangement of understanding which has the effect of limiting or denying our rights of subrogation in relation to such accountant's fees.

5.7 Failure to comply with conditions

If you fail to comply with any of the terms or conditions of this Policy, we may reduce our liability in relation to any accountant's fees by an amount that fairly represents the extent to which our interests have been prejudiced as a result of that failure or omission. If the act or omission giving rise to such failure could reasonably be regarded as being capable of or causing or contributing to a loss in respect of which cover is provided under this Policy, we may refuse to indemnify you in respect of the claim, apart from any part of the loss you can show was not caused by the act or omission.

6. Optional Cover

Director(s) personal tax audit

If you are a company and the director(s) work full time in the business, we will also pay for accountant's fees reasonably and necessarily incurred in connection with a Statutory tax audit of the personal income tax returns of the directors that is notified to the director and commenced during the period of insurance.

The maximum amount we will pay for accountant's fees incurred in the period of Insurance for tax audit(s) of the personal income tax return(s) of directors in the period of Insurance is \$5,000.

Transit section

1. Definitions applying to this section

Word or term	Meaning
Packaging	Packing materials, shipping containers, crates, pallets, or similar receptacles belonging to you or for which you are responsible.

2. Cover

We will cover you up to the limit specified on your Policy Schedule, less the excess for loss or damage to goods belonging to you or for which you are legally responsible, whilst in the normal course of transit by road, anywhere in Australia, on a vehicle owned or operated by you, occurring during the period of insurance, caused by:

- (a) collision, overturning or jack-knifing of the conveying vehicle,
- (b) fire, flood, lightning or explosion,
- (c) theft resulting from forcible and violent entry evidenced by visible damage to the securely locked portion of a vehicle containing your goods,
- (d) malicious damage,
- (e) impact to the goods with any external object, except when that object is on or part of the conveying vehicle.

3. Basis of settlement

When property covered by this section is lost or damaged, the following basis of settlement will apply to each item of property:

- (a) for goods sold, your invoice value,
- (b) for goods purchased, the purchase price as shown on the invoice,
- (c) for all other goods, including plant transfers, market value.

4. Additional benefits

The maximum we will pay under 'Additional benefits' in the aggregate in any one period of insurance is:

- (a) 20% of the sum insured, or
- (b) \$5,000,

whichever is the lesser.

4.1 Removal of debris

This Policy section covers all reasonable costs and expenses incurred in unloading, removing, and/or disposing of, damaged goods and clean up of an accident site incurred as a direct result of an insured event.

4.2 Packaging

This Policy section covers accidental loss or damage to packaging while carried in transit caused by an insured event.

5. Exclusions

We will not pay for loss or damage to the following property:

- (a) money,
- (b) jewellery, watches, furs, antiques, paintings, works of art, precious metals or precious stones or articles composed of any of them,
- (c) explosives, petroleum products in bulk or gas in bulk,
- (d) livestock,
- (e) cigarettes, tobacco, wines, spirits or other alcoholic beverages, unless specified on your Policy Schedule, or

- (f) personal property of directors, partners and employees of your business.

We will also not pay for loss or damage caused by, arising from, or due to:

- (g) dislodgement of goods as a result of contact by the conveying vehicle with uneven road surfaces, roadway curbing, road humps, traffic islands and similar protuberances;
- (h) theft by or in collusion with any of your employees;
- (i) electrical or mechanical derangement, unless damage is visible to the exterior of the machine;
- (j) delay, loss of market, consequential loss of any kind, depreciation or deterioration;
- (k) the vehicle being driven by a person who:
 - (i) has their faculties affected by intoxicating alcohol or drugs;
 - (ii) does not have a current licence as required by legislation to operate or drive the conveying vehicle and/or trailer at the place of the occurrence;
 - (iii) has a level of blood alcohol which exceeds the limit permitted by any legislation applicable to the driver; or
 - (iv) has refused a blood or breath test for intoxicating alcohol or drugs (we will not refuse to pay your claim if you can prove you did not know that the driver was affected by alcohol or drugs or was unlicensed);
- (l) the vehicle being in an unroadworthy condition;
- (m) the vehicle carrying a load in excess of the designed carrying capacity;
- (n) carrying hazardous goods other than in accordance with legal requirements.

We will not refuse to pay your claim if you can prove you did not know the vehicle was being driven:

- (o) in an unroadworthy condition;
- (p) carrying a load in excess of the designed carrying capacity; or
- (q) carrying hazardous goods other than in accordance with legal requirements.

Employment practices section

1. Definitions applying to this section

Word or term	Meaning
Bodily injury	Physical injury, sickness, disease, or death of any person. Does not include mental injury, mental anguish, nervous shock, or emotional distress not associated with bodily injury.
Back pay	Back pay arising from an order of reinstatement or re-employment but will be limited to the amount you are legally obliged to pay a claimant for the period between the time of termination of employment and the time such claimant is reinstated or re-employed.
Claim	A written demand for compensation or non-pecuniary relief, a criminal charge, a written or other notice or demand by a regulatory authority in connection with any investigation or penalty proceedings, arbitration, mediation or other dispute resolution process.
Defence costs	Reasonable costs, charges, and expenses, (other than regular or overtime wages, salaries or fees of any insured person) incurred by us or by you with our prior written consent (and such consent will not be unreasonably withheld) in defending, investigating or monitoring any claim, or proceedings and appeals from them, together with costs of the proceedings and appeal. Where you are not indemnified under this section, only those costs, charges and expenses incurred solely and exclusively for the benefit, and on behalf of, an insured person will constitute defence costs. Defence costs in this section are part of, and not in addition to, the aggregate limit of liability applicable to this section and payment by us of defence costs reduces the aggregate limit of liability by the amount of any such payment.
Employee	Any person employed by you under a contract of service or apprenticeship during the period of insurance. Does not include any person employed under such contract who is excluded from the definition of 'Worker' under any applicable workers' compensation legislation.
Insured person	Includes only: <ul style="list-style-type: none"> (a) the named insured specified on your Policy Schedule; and (b) every, past, present or future director, partner, proprietor, officer, executive or employee of the named insured while such persons are acting for or on behalf of the named insured and/or within the scope of their duties in such capacities.
Limit of liability	The maximum amount payable by us under this section of the Policy inclusive of defence costs for any one claim and in the aggregate during the period of insurance will be the amount set out on your Policy Schedule, irrespective of the number of: <ul style="list-style-type: none"> (a) claims, and/or (b) locations, premises, situations, and/or (c) insured persons.

Word or term	Meaning
Loss	The total amount which you become legally obligated to pay in respect of a claim made against you and will include damages, judgements, settlements, legal costs and expenses awarded against you to any claimant and defence costs.
Penalty	Any monetary sum payable by you to any regulatory authority pursuant to a wrongful act by you but excluding: <ul style="list-style-type: none"> (a) any amounts payable as compensation, (b) any compliance, remedial, reparation or restitution costs, (c) any damages including, but not limited to, any exemplary or punitive damages, (d) any consequential economic loss, (e) any amounts uninsurable under the law pursuant to which this Policy is construed, (f) any legal costs and associated expenses of the regulatory authority.
Territorial limits	Anywhere in the Commonwealth of Australia and its protectorates and Territories.
Wrongful act	Any of the following actual or alleged conduct by an insured person in the course of their duties to you, or by you: <ul style="list-style-type: none"> (a) discharge or termination, either actual or constructive, of an employment relationship, (b) breach of any oral or written, express or implied, employment contract or quasi-employment contract, (c) misleading representation or advertising relating to employment, (d) failure to employ or promote, (e) unfair deprivation of a career opportunity, (f) unfair discipline, (g) failure to grant tenure, (h) negligent employee evaluation, (i) workplace harassment of any kind (whether sexual or otherwise), including the alleged creation or permission of a harassing workplace environment, (j) employment-related: <ul style="list-style-type: none"> (i) denial of natural justice; (ii) invasion of privacy; (iii) defamation; (iv) infliction of emotional distress; (v) discrimination on any legally prohibited basis.
You	Includes only: <ul style="list-style-type: none"> (a) the named insured specified on your Policy Schedule, and (b) every past, present or future director, partner, proprietor, officer, executive or employee of the named insured while such persons are acting for, or on behalf of, the named insured and/or within the scope of their duties in such capacities.

2. Cover

We agree to pay all loss arising from a claim against you alleging a wrongful act where the claim is first made and notified to us during the period of insurance.

Basis of operation - claims made

This section operates on a 'claims made and notified' basis. This means that we cover you for claims made against you and notified to us during the period of insurance.

We do not provide cover in relation to:

- (a) acts, errors or omissions actually or allegedly committed prior to the retroactive date applicable to this section of the Policy,
- (b) claims made, threatened or intimated against you prior to the commencement of the period of insurance,
- (c) facts or circumstances of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this section.

3. Additional benefits

3.1 Retroactive date

We will only provide indemnity in relation to conduct and wrongful acts committed, or alleged to have been committed, after the earliest commencement date of uninterrupted 'Employment practices' insurance cover that you have held with us.

3.2 Extended reporting period

Where you become aware of a claim, fact or circumstance, during the period of insurance and with reasonable cause cannot provide notice to us before expiry of the period of insurance, you may provide this notice in an extended period of insurance of forty five (45) days, immediately following the period of insurance. Such notice is deemed to have been provided during the period of insurance.

3.3 Continuous cover

If you knew or ought reasonably to have known prior to the commencement date of the period of insurance of any claim, fact or circumstance ('circumstance') that might give rise to a claim and had not notified us of such circumstance prior to expiration of the 'Extended reporting period' attaching to the relevant period of insurance during which that knowledge was or should have been acquired, exclusions (b) and (c) of clause 'Basis of cover - Claims made' will not apply to the notification of a circumstance.

Provided always that:

- (a) your failure to notify was not fraudulent, and
- (b) we have continued as the insurer of your 'Employment practices' Policy in uninterrupted succession between the date when the circumstance should have been notified and the date the claim was actually notified, and
- (c) any such indemnity will be subject to the terms, conditions, limits of indemnity and excess applicable to the period of insurance during which the circumstance should have been notified.

4. Exclusions

There are also general exclusions which apply to all sections of this Policy.

We do not cover loss arising from any claim against you directly or indirectly based upon, attributable to, or in consequence of any:

4.1 Benefits

Your actual or alleged obligation:

- (a) pursuant to any workers' compensation, disability benefits, redundancy or unemployment benefits or compensation, unemployment insurance, superannuation, retirement benefits, social security benefits, or similar law,
- (b) for or in respect of employment entitlements such as but not limited to, employee share or equity plans, bonuses or incentives of any kind, leave or similar entitlements, severance or redundancy, superannuation contributions and similar alleged entitlements or amounts.

4.2 Bodily injury

Directly or indirectly based upon, attributable to, or in consequence of bodily injury.

4.3 Building modifications

Costs incurred by you to modify any building or property in order to make such building or property more accessible or accommodating to any disabled person.

4.4 Continuity of employment benefits

Employment-related benefits (other than back pay), to which the claimant would have been entitled as an employee had you provided the claimant with a continuance, reinstatement or commencement of employment. This exclusion does not apply to defence costs.

4.5 Criminal proceedings

Criminal, administrative or other disciplinary proceeding against you.

4.6 Fraud and dishonesty

Any claims made against you which are directly or indirectly based upon, attributable to, or in consequence of:

- (a) your actual or alleged dishonest, fraudulent, criminal or malicious act or omission or those of your consultants, sub-contractors or agents, or
- (b) your actual or alleged act or omission or those of your consultants, sub-contractors or agents with a reckless disregard for the consequences of the acts or omissions, or
- (c) wilful violation or wilful breach of any statute or regulation, or any wilful breach of any contract.

4.7 Non-pecuniary relief

Cost of compliance with any order for, grant of, or agreement to provide injunctive or nonpecuniary relief. This exclusion does not apply to defence costs.

4.8 Prior or pending

Arising directly or indirectly from, or in consequence of a claim:

- (a) made, threatened or intimidated against you prior to the period of insurance, or
- (b) directly or indirectly based upon, attributable to, or in consequence of any fact or circumstance of which:
 - (i) written notice has been given, or ought reasonably to have been given under any previous policy, or
 - (ii) you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had potential to give rise to a claim.

4.9 Property damage

Directly or indirectly based upon, attributable to or in consequence of physical loss of, damage to or destruction of any tangible property, including loss of use of the tangible property or any consequential loss.

4.10 Territorial limits

Any claim made against you:

- (a) pursuant to the law of any Country, State or Territory outside the Territorial limits, or
- (b) committed or allegedly committed outside the Territorial limits applicable to this Policy section.

4.11 Unfair contract

Actual or alleged unfair contract of employment, including but not limited to any claim or proceeding brought under Section 106 of the *Industrial Relations Act (NSW) 1996* or Section 276 of the *Industrial Relations Act (Queensland) 1999* or similar legislation in any other State, Territory, or jurisdiction.

4.12 Unrelated proceedings

Any defence costs in respect of that part of any proceedings which do not directly relate to the coverage items insured by this Policy section.

5. Conditions

There are also general conditions which apply to all sections of this Policy.

5.1 Allocation

- (a) If both loss covered by this Policy and loss not covered by this Policy are incurred, either because:
 - (i) a claim against you includes both covered and uncovered matters; or
 - (ii) a claim is made against you and there are others who are party to the proceedings or demand to which the claim relates but who are not insured under the Policy;

then we will use our best efforts to agree with you upon a fair and proper allocation of such amount between covered loss and uncovered loss, having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties. We are only liable under this Policy for amounts attributable to covered matters and parties, and our liability for loss, including defence costs, otherwise payable by us will be reduced to reflect such fair and proper allocation.

- (b) If we cannot agree with you on an allocation of defence costs then we will advance defence costs which we reasonably consider to be covered under this Policy until a different allocation is negotiated, arbitrated or judicially or otherwise determined.

- (c) We will, if requested by you, submit the dispute to a Senior Counsel to be mutually agreed or, in default of agreement, to be appointed by the President of the Bar Association in the relevant State or Territory, on the basis that the Senior Counsel will determine the allocation of loss according to his/her view of the fair and proper allocation, but having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties, and the overriding intention in (a) above.
- (d) Any negotiated, arbitrated or judicially or otherwise determined allocation of defence costs on account of a claim, will be applied retrospectively to all defence costs on account of such claim.

5.2 Your right to contest

If we recommend a settlement in respect of any claim and you do not agree that the claim should be settled, then you may elect to contest the claim. Our liability in connection with that claim will not exceed the amount for the claim can be settled, plus the defence costs incurred with our written consent up to the date of your election.

The sum for which the claim or claims can be settled is either:

- (a) the amount for which the claimants offer to settle all claims or
- (b) the amount assessed by a Senior Counsel, taking into account:
 - (i) the economics of the matter
 - (ii) the damages and costs which are likely to be recovered by the claimants
 - (iii) the likely defence costs and
 - (iv) your prospects of successfully defending the claim.

If you and we cannot agree on the Senior Counsel, we will ask the President of the Bar Association in the relevant State or Territory to nominate one.

We will include the cost of the Senior Counsel's opinion in your defence costs.

5.3 Senior Counsel

We will not require you to contest any claim unless a Senior Counsel advises that the claim should be contested. The Senior Counsel will be mutually agreed upon by you and us or, in default of agreement, will be appointed by the President of the Bar Association in the relevant State or Territory.

In formulating their advice, Senior Counsel will take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely defence costs and your prospects of successfully defending the claim.

The cost of the Senior Counsel's opinion will be regarded as part of the defence costs.

Statutory liability section

1. Definitions applying to this section

Word or term	Meaning
Claim	A written or other notice by a regulatory authority in connection with any claim, official investigation or inquiry, or penalty proceedings.
Defence costs	<p>Reasonable costs, charges, and expenses (other than regular or overtime wages, salaries or fees of any insured person) incurred by us or by you with our prior written consent (and such consent will not be unreasonably withheld) in defending, investigating or monitoring any claim, or proceedings and appeals from them, together with costs of the proceedings and appeal. Where you are not indemnified under this section, only those costs, charges and expenses incurred solely and exclusively for the benefit, and on behalf of, an insured person will constitute defence costs.</p> <p>Defence costs in this section are part of, and not in addition to, the aggregate limit of liability applicable to this section and payment by us of defence costs reduces the aggregate limit of liability by the amount of any such payment.</p>
Employee	<p>Any person employed by you under a contract of service or apprenticeship during the period of insurance.</p> <p>Does not include any person employed under such contract who is excluded from the definition of 'Worker' under any workers' compensation legislation.</p>
Environmental legislation	Any Commonwealth, State or Territory statute, regulation, by-law or local law prohibiting, controlling or regulating the discharge, release, escape or disposal of pollutants into or upon land, the atmosphere or any watercourse or body of water.
Insured person	<p>Includes only:</p> <ul style="list-style-type: none"> (a) the named insured specified on your Policy Schedule; and (b) every past, present or future director, partner, proprietor, officer, executive or Employee of the named insured while such persons are acting for or on behalf of the named insured and/or within the scope of their duties in such capacities.
Investigation costs and expenses	<p>Reasonable legal costs and other expenses incurred by you or on your behalf with our consent, or by us, resulting from any legally compellable attendance by you at any official investigation or inquiry.</p> <p>Does not include any fine, penalty or order for the payment of monetary compensation.</p>
Joint venture	Any enterprise undertaken jointly by you with a third party or parties.

Word or term	Meaning
Limit of liability	<p>The maximum amount payable by us under this section of the Policy inclusive of investigation costs and expenses and defence costs for any one claim and in the aggregate during the Period of insurance will be the amount set out on your Policy Schedule, irrespective of the number of:</p> <ul style="list-style-type: none"> (a) claims; and/or (b) locations, premises, situations; and/or (c) persons/entities insured.
Official investigation or inquiry	<p>An official investigation, examination or inquiry in relation to the conduct of your business where such official investigation or inquiry may lead to a recommendation in respect of civil or criminal liability, or civil or criminal proceedings, and which would be the subject of a claim or defence costs covered by this section, including an investigation, examination or inquiry by way of royal commission or coronial inquiry or conducted by a regulatory authority.</p> <p>Does not include any investigation, examination or inquiry conducted by a parliament, or any committee of a parliament, or any disciplinary committee of any association or professional body of which you are a member.</p>
Penalty	<p>Any monetary sum payable by you to any regulatory authority pursuant to a wrongful breach by you, but excluding:</p> <ul style="list-style-type: none"> (a) any amounts payable as compensation, (b) any compliance, remedial, reparation or restitution costs, (c) any damages, including but not limited to, any exemplary or punitive damages, (d) any consequential economic loss, (e) any amounts uninsurable under the law pursuant to which this Policy is construed, (f) any legal costs and associated expenses of the regulatory authority.
Regulatory authority	A person or entity appointed, constituted or acting under a delegation pursuant to any Act for the purposes of enforcement of such Act or another Act.
Territorial limits	Anywhere in the Commonwealth of Australia and its protectorates and territories.
Wrongful breach	<p>Any conduct by you which results in a contravention of:</p> <ul style="list-style-type: none"> (a) any occupational, health, or safety legislation enacted by the Commonwealth of Australia or any State or Territory of Australia, (b) any environmental legislation.
You	<p>Includes only:</p> <ul style="list-style-type: none"> (a) the named insured specified on your Policy Schedule, and (b) every past, present or future director, partner, proprietor, officer, executive or employee of the named insured while such persons are acting for or on behalf of the named insured and/or within the scope of their duties in such capacities.

2. Cover

Basis of operation - claims made

The cover provided operates on a 'claims made and notified' basis. This means that we cover you for claims made against you and notified to us during the period of insurance.

We do not provide cover in relation to:

- (a) acts, errors or omissions actually or allegedly committed prior to the retroactive date applicable to this section,
- (b) claims made, threatened or intimated against you prior to the commencement of the period of insurance,
- (c) facts or circumstances of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this section.

We will cover you in accordance with the terms of this section, for coverage items:

A. Official investigations and enquiries - costs and expenses

We agree to pay investigation costs and expenses in relation to any official investigation or enquiry commenced during the period of insurance, and which is notified to us during the period of insurance.

In relation to any cover afforded under this section:

- (a) we will be entitled, at our discretion, to appoint legal representation to represent you in the official investigation or enquiry, and
- (b) in the event that a claim for payment of investigation costs and expenses is subsequently withdrawn or denied, we will cease to advance investigation costs and expenses and you or any person named as an insured (for your respective rights and interests) and we may recover, acting reasonably, any investigation costs and expenses advanced by us, unless we agree in writing to waive recovery of the investigation costs and expenses.

B. Fines and penalties

We will indemnify you against any penalty and defence costs resulting from a claim by a regulatory authority for a wrongful breach which would otherwise be excluded by reason of exclusion 'Fines and penalties' where the claim is first made on you and notified in writing to us in the period of insurance. Provided always that we will not be liable to indemnify you in respect of any penalty or defence costs in respect of any such claim arising directly or indirectly from or which is based upon, attributable to, or in consequence of any:

- (a) dishonest, wilful, intentional or deliberate wrongful breach, or
- (b) wilful, intentional or deliberate failure to comply with any lawful notice, direction, enforcement action or proceeding under any Act, or
- (c) your gross negligence or recklessness, or
- (d) requirement to pay taxes, rates, duties, levies, charges, fees or any other revenue or impost.

C. Pollution liability defence costs

We will indemnify you for defence costs in respect of any claim brought or maintained by a regulatory authority, which would otherwise be excluded by reason of exclusion 'Pollutants' where the claim alleges a breach of environmental legislation.

Provided that we will not be liable to indemnify you for defence costs relating to any claim brought by a regulatory authority on behalf of, in the name of, or as a representative of any other person(s), corporation or other entity.

3. Additional benefits

3.1 Retroactive date

We will only provide indemnity in relation to conduct and wrongful acts committed or alleged to have been committed after the earliest commencement date of uninterrupted statutory liability insurance cover that you have held with us.

3.2 Extended reporting period - claims or facts and circumstances

Where you become aware of a claim, fact or circumstance during the period of insurance and with reasonable cause cannot provide notice to us before expiry of the period of insurance, you may provide this notice in an extended period of insurance of forty five (45) days, immediately following the period of insurance. Such notice is deemed to have been provided during the period of insurance.

3.3 Continuous Cover

If you knew or ought reasonably to have known prior to the commencement date of the period of insurance of any claim, fact or circumstance ('circumstance') that might give rise to a claim and had not notified us of such circumstance prior to expiration of the 'Extended reporting period' attaching to the relevant period of insurance during which that knowledge was or should have been acquired, exclusions (b) and (c) of clause 'Basis of cover - Claims made' will not apply to the notification of a circumstance.

Provided always that:

- (a) your failure to notify was not fraudulent, and
- (b) we have continued as the insurer of your statutory liability Policy in uninterrupted succession between the date when the circumstance should have been notified and the date the claim was actually notified, and
- (c) any such indemnity will be subject to the terms, conditions, limits of indemnity and excess applicable to the period of insurance during which the circumstance should have been notified.

4. Exclusions

There are also general exclusions which apply to all sections of this Policy.

This section does not cover loss arising from any claim against you:

4.1 Aircraft, watercraft and vehicles

Any claim arising out of a wrongful breach relating to the regulation of air, marine or motor traffic.

4.2 Asbestos

Any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from, in consequence of, contributed to, or aggravated by, asbestos in whatever form or quantity.

4.3 Bodily injury

Directly or indirectly based upon, attributable to, or in consequence of, bodily injury. However, this exclusion will not apply to:

- (a) penalties and defence costs resulting from a claim by a regulatory authority, or
- (b) investigation costs and expenses,

as a result of an alleged contravention of any Commonwealth, State or Territory occupational or workplace health and safety legislation, provided always that cover will not extend to defence costs incurred in relation to any civil proceeding or claim seeking damages or compensation in connection with such alleged contravention.

4.4 Fines and penalties

Punitive, aggravated, exemplary damages or fines or penalties imposed by law other than provided under coverage item 'B. Fines and penalties'.

4.5 Fraud and dishonesty

Any claims made against you, which are directly or indirectly based upon, attributable to, or in consequence of:

- (a) your actual or alleged dishonest, fraudulent, criminal or malicious act or omission or those of your consultants, sub-contractors or agents, or
- (b) your actual or alleged act or omission or those of your consultants, sub-contractors or agents with a reckless disregard for the consequences of the acts or omissions, or
- (c) wilful violation or wilful breach of any statute or regulation, or any wilful breach of any contract.

4.6 Joint venture

Arising from, or attributable to, any joint venture partners of your business.

4.7 Pollutants

Other than as provided under coverage item 'C. Pollution liability defence costs', directly or indirectly based upon, attributable to or in consequence of:

- (a) the actual, alleged or threatened discharge, release, escape, containment or disposal of pollutants into or upon land, the atmosphere, or any watercourse or body of water, or
- (b) any enforcement action or proceeding in connection with the containment, clean up, removal, or treatment of such pollutants, or
- (c) asbestos or asbestos products in any form or quantity.

4.8 Prior or pending

Arising directly or indirectly from or in consequence of a claim:

- (a) made, threatened or intimated against you prior to the period of insurance, or
- (b) directly or indirectly based upon, attributable to, or in consequence of any fact or circumstance of which:
 - (i) written notice has been given, or ought reasonably to have been given, under any previous policy; or
 - (ii) you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had potential to give rise to a claim.

4.9 Property damage

Directly or indirectly based upon, attributable to, or in consequence of physical loss of, damage to or destruction of any tangible property, including loss of use of the tangible property or any consequential loss.

4.10 Territorial limits

Any claim made against you:

- (a) pursuant to the law of any Country, State or Territory outside the Territorial limits, or
- (b) committed or allegedly committed outside the Territorial limits applicable to this Policy section.

4.11 Unrelated proceedings

Any defence costs in respect of that part of any proceedings which do not directly relate to the coverage items insured by this Policy section.

5. Conditions

There are also general conditions which apply to all sections of this Policy.

5.1 Allocation

- (a) If both loss covered by this Policy and loss not covered by this Policy are incurred, either because:
 - (i) a claim against you includes both covered and uncovered matters; or
 - (ii) a claim is made against you and there are others who are party to the proceedings or demand to which the claim relates but who are not insured under the Policy;

then we will use our best efforts to agree with you upon a fair and proper allocation of such amount between covered loss and uncovered loss, having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties. We are only liable under this Policy for amounts attributable to covered matters and parties, and our liability for loss, including defence costs, otherwise payable by us will be reduced to reflect such fair and proper allocation.
- (b) If we cannot agree with you on an allocation of defence costs then we will advance defence costs which we reasonably consider to be covered under this Policy until a different allocation is negotiated, arbitrated or judicially or otherwise determined.
- (c) We will, if requested by you, submit the dispute to a Senior Counsel to be mutually agreed, or in default of agreement, to be appointed by the President of the Bar Association in the relevant State or Territory, on the basis that the Senior Counsel will determine the allocation of loss according to his view of the fair and proper allocation, but having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties, and the overriding intention in (a) above.
- (d) Any negotiated, arbitrated or judicially or otherwise determined allocation of defence costs on account of a claim will be applied retrospectively to all defence costs on account of such claim.

5.2 Your right to contest

If we recommend a settlement in respect of any claim and you do not agree that the claim should be settled, then you may elect to contest the claim. Our liability in connection with that claim will not exceed the amount for which the claim can be settled, plus the defence costs incurred with our written consent up to the date of your election.

The sum for which the claim or claims can be settled is either:

- (a) the amount for which the claimants offer to settle all claims or
- (b) the amount assessed by a Senior Counsel, taking into account:
 - (i) the economics of the matter
 - (ii) the damages and costs which are likely to be recovered by the claimants
 - (iii) the likely defence costs and
 - (iv) your prospects of successfully defending the claim.

If you and we cannot agree on the Senior Counsel, we will ask the President of the Bar Association in the relevant State or Territory to nominate one.

The cost of the Senior Counsel's opinion will be regarded as part of the defence costs.

5.3 Senior Counsel

We will not require you to contest any claim unless a Senior Counsel (to be mutually agreed upon by you and us) advises that the claim should be contested. If you and we cannot agree on the Senior Counsel, we will ask the President of the Bar Association in the relevant State or Territory to nominate one.

In formulating their advice, Senior Counsel will take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely defence costs and your prospects of successfully defending the claim.

The cost of the Senior Counsel's opinion will be regarded as part of the defence costs.

General exclusions

These general exclusions apply to all sections of this Policy.

This Policy excludes loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

1. war, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or
2. any act(s) of Terrorism. For the purpose of this exclusion, an act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the Government of the day or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or Government(s) of the day or de facto, and which:
 - involves violence against one (1) or more persons; or
 - involves damage to property; or
 - endangers life other than that of the person committing the action; or
 - creates a risk to health or safety of the public or a section of the public; or
 - is designed to interfere with or to disrupt an electronic system.
3. radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

This Policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to 1, 2 or 3 above.

Sanctions limitation and exclusion

We will not be liable to provide any cover, pay any claim or provide any benefit under this Policy, to the extent that to do so may expose us to any sanction, prohibition, or restriction under United Nations resolutions or any applicable trade or economic sanctions, laws or regulations of any country.

Laws impacting cover

We will not be liable to provide any cover, pay any claim or provide any benefit under this Policy, to the extent that it is illegal for us to do so.

Additional exclusions applicable to all sections

1. Unoccupancy

Loss, damage or liability during any period in excess of sixty (60) consecutive days during which the business premises are left unoccupied, unless with our written consent.

To have been occupied, the business premises must have been used for business purposes for at least two (2) consecutive days.

2. Intentional damage

Damage or liability intentionally caused or incurred by:

- (a) you, or
- (b) a member of your family, or
- (c) a person acting with your express or implied consent or that of a member of your family.

3. Cyber Risk

This Policy does not provide cover for any loss, damage, liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Incident.

However, we will provide cover for physical loss or damage to property insured, including business interruption therefrom, directly occasioned by a Cyber Incident which is caused by the following perils:

fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, aircraft, and/or other aerial device, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising, storm and/or tempest, and/or rainwater, and/or wind, and/or hail, water, and/or other liquids, and/or substances discharged, and/or overflowing, and/or leaking from any apparatus, and/or appliance, and/or pipes.

Nevertheless, any loss or damage, destruction, distortion, erasure, corruption or alteration of Electronic Data occasioned by a Cyber Incident shall not be recoverable, nor be considered as physical loss or damage for the purpose of this exclusion.

Notwithstanding the foregoing, we will provide cover for loss to Electronic Data and rewriting of records as provided by additional benefit "Rewriting of records" of the Property section in the event that hardware or Electronic Data storage device of an insured Computer System sustains physical damage caused by the above perils, provided that it is directly occasioned by a Cyber Incident, which results in damage to or loss of Electronic Data stored on that hardware or Electronic Data storage device. The basis of valuation for the recovery of the damaged or lost Electronic Data shall only be the cost of reproducing Electronic Data. Such costs shall include all reasonable and necessary expenses incurred in recreating, gathering, assembling such Electronic Data, but does not include the value of the Electronic Data to the insured or any other party even if such Electronic Data cannot be recreated, gathered or assembled.

If the Theft section of the Policy is current we will also provide cover for losses to Electronic Data arising out of theft of any computer, and/or computer hardware, and/or firmware, and/or microchip, and/or integrated circuit, and/or device containing such Electronic Data.

If the Electronic equipment section of the Policy is current and 'Electronic data and electronic data media' is insured we will also provide cover for losses to Electronic Data arising out of vibration, power surge, low voltage, mechanical, electrical and electronic breakdown.

For the purposes of this exclusion:

- (a) Cyber Incident shall include:
 - (i) Unauthorised or malicious acts regardless of time and place, or the threat or hoax thereof;
 - (ii) Malware or Similar Mechanism;
 - (iii) programming or operator error whether by the insured or any other person or persons;

(iv) any unintentional or unplanned - wholly or partially - outage of the insured's Computer System not directly caused by physical loss or damage;

affecting access to, processing of, use of or operation of any Computer System or any Electronic Data by any person or group(s) of persons.

- (b) Computer System means any computer, hardware, information technology and communications system or electronic device, including any similar system or any configuration of the aforementioned and including any associated input, output or Electronic Data storage device, networking equipment or back up facility.
- (c) Electronic Data means facts, concepts, information converted to a form usable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.
- (d) Malware or Similar Mechanism means any program code, programming instruction or other set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programmes, data files or operations (whether involving self-replication or not), including but not limited to 'virus', 'trojan horses', 'worms', 'logic bombs' or 'denial of service attack'.

4. Admitted insurance

Claims made or actions instituted within any country, state or territory (outside Australia) that require insurance to be issued or secured with an insurer or organisation licensed in that country, state or territory to grant such insurance.

General conditions

There are conditions set out in this General conditions section, in the Claims section and under each particular cover and section. When making a claim, you must have met and then continue to comply with the conditions of your Policy. Any person covered by your Policy, or claiming under it, must also comply with these conditions.

If you, or someone covered under your Policy, don't meet these conditions or make a fraudulent claim we may:

- Refuse to pay your claim or reduce what we pay for your claim
- Cancel your Policy.

Assistance and co-operation

At all times when you deal with us you must:

- Provide us with all reasonable assistance, co-operation and information we may need
- Be truthful and frank
- Not behave in a way that's abusive, dangerous, hostile, improper or threatening

Alteration

Change in the nature of your business or the use of your premises

We do not cover loss, damage, or liability caused or contributed to by any change to the information you disclosed at the commencement or renewal of this Policy about:

- (a) the trade or manufacture you carry on or
- (b) the nature of the occupation or other circumstances affecting the building insured or containing the property insured

that increases the risk of damage or the likelihood of liability losses.

However, we may agree in writing to cover the increased risk if:

- (a) you tell us about the change
- (b) the changed risk is acceptable under our underwriting rules and
- (c) you agree to pay any increased premium we ask for to reflect any increased risk of damage or liability losses.

If the change does not meet our underwriting rules, we may choose not to cover the change in your business. We may also cancel this Policy

Change in the ownership of your business

Unless our written consent is obtained, we will not cover loss, damage, or liability caused or contributed to by, any alteration after the commencement of this Policy:

- (a) your interest ceasing by will or operation of law,
- (b) the business being wound up, or carried on by an insolvency practitioner or permanently discontinued.

If you alter the risk in either of these ways we may cancel your Policy.

Automatic reinstatement

- (a) After we have admitted liability for loss or damage (other than for a total loss under the Property section, Employee dishonesty section, Employment practices section and Statutory liability section or claims in respect of products liability), we automatically reinstate the sum insured to the amount shown on your Policy Schedule at the time of loss.
- (b) If we request an additional premium, you must pay it to us or the cover will be reduced by the amount of the claim settlement.

Care and maintenance

You must take reasonable care to prevent damage, injury or loss. We won't pay for damage, injury, loss or your liability to which your failure to take reasonable care is a contributing factor. At all times, you must:

- Prevent damage to property insured, as well as to others and their property
- Minimise the cost of any claim under your Policy
- Comply with all laws relevant to your Business.

Full insurance – Protect your assets

If you have elected to insure your building and contents for reinstatement and replacement costs (excluding stock), the sum insured should represent the full replacement value at new costs and if this is not done losses may not be paid in full. It is your responsibility to ensure adequacy of sums insured and you should re-assess these sums insured during the currency of the Policy and prior to renewal each year.

Misrepresentation and non-disclosure

If:

- (a) you failed to disclose any matter which you were under a duty to disclose to us, or
- (b) you made a misrepresentation to us before the contract of insurance was entered into, and
- (c) as a consequence we would not have entered into the contract for the same premium and on the same terms and conditions expressed in this Policy, then:
 - (i) our liability in respect of any claim will be reduced to an amount to place us in the same position in which we would have been placed if the failure to disclose had not occurred or the misrepresentation had not been made, or
 - (ii) if the non-disclosure or misrepresentation was fraudulent, we may avoid this Policy.

Other interests

You must not transfer any interests in your Policy without our written consent.

Any person whose interests you've told us about and we've noted on your Policy Schedule is bound by the terms of your Policy.

Other party's interests

You must tell us of the interest of all parties (e.g. financiers, lessors or owners) who'll be covered by your Policy. We'll protect their interests only if you've told us about them and we've noted them on your Policy Schedule.

Your obligations

You are to:

- (a) take all reasonable precautions to avoid or minimise loss, damage, disablement or liability,
- (b) maintain all business premises, fittings, appliances and equipment in sound condition,
- (c) comply with all statutory obligations, by-laws and regulations imposed by any public authority, for the safety of persons or property, and
- (d) obtain certificates of inspection for all equipment required by any statute or regulation to be so certified.

Claims

This section describes what you must do, as well as conditions that apply when you make a claim and at the time loss or damage occurs which is likely to give rise to a claim.

What you must do if you want to claim under this Policy

You must follow these procedures if something happens which causes loss or damage or injury which may lead to a claim. If you do not, we may refuse your claim or reduce the amount we pay you.

When loss or damage occurs you must:

- (a) take all reasonable steps to reduce the loss or damage and to prevent further damage,
- (b) make a full report to the police as soon as reasonably practicable if:
 - (i) you know or suspect that property has been stolen,
 - (ii) someone has broken into your premises, or
 - (iii) someone has caused malicious damage to your property,
 and provide details of the report to us. We may need the police report number to process your claim or our recovery action if there is a third party who is liable for your loss,
- (c) not make any admission of liability, offer, promise or payment in connection with any event,
- (d) promptly inform your broker or us,
- (e) preserve any damaged property and make it available for inspection by our representative or agent (including a loss adjuster) and not dispose of it before informing us,
- (f) not authorise the repair or replacement of anything without our agreement.

If you want to make a claim you must:

- (a) fill in our claim form,
- (b) return it to us within thirty (30) days of the event that gave rise to the claim,
- (c) give us all the information and documentation which we request. If we ask for it, you must provide us with a statutory declaration verifying the truth of your claim and any matters connected with it, and
- (d) as soon as reasonably practicable send us any court document or other communication you receive about the claim. Do not take any action yourself or ask anyone else to do so on your behalf.

Claim preparation expenses

We will pay for costs necessarily and reasonably incurred for the preparation and negotiation of a claim for which we agree to indemnify you under this Policy. The most we will pay is \$25,000 in total any one claim, unless a higher amount is included in the particular section of the Policy.

This benefit is in addition to any sum insured.

This benefit does not apply to the Tax audit, Employee Dishonesty, Employment Practices or Statutory Liability section.

Contribution

When making a claim, you must notify us of any other insurance that you're aware will or may, whether in whole or in part, cover any loss insured under your Policy.

If at the time of any loss, damage or liability there's any other insurance (whether issued to you or any other person) which covers the same loss, damage or liability you must provide us with any reasonable assistance we require to make a claim for contribution from any other insurer(s).

Discharge of our liabilities

At any time we can pay to you or on your behalf, for all claims made against you for any one occurrence:

- (a) the limit of liability of the section under which the claim is made, after deducting any amounts already paid, or
- (b) any lower sum for which the claim may be settled.

If we do so:

- (c) the conduct of any outstanding claim(s) will become your responsibility; and
- (d) we will not be liable to pay any further amounts other than costs, charges, or expenses that we agreed to pay before we made the payment referred to above.

The sum for which the claim or claims can be settled is either:

- (a) the amount for which the claimants offer to settle all claims or
- (b) the amount assessed by a Senior Counsel, taking into account:
 - (i) the economics of the matter
 - (ii) the damages and costs which are likely to be recovered by the claimants
 - (iii) the likely defence costs and
 - (iv) your prospects of successfully defending the claim.

If you and we cannot agree on the Senior Counsel, we will ask the President of the Bar Association in the relevant State or Territory to nominate one.

We will include the cost of the Senior Counsel's opinion in your defence costs.

Due observance

If you fail to comply with any term, condition or provision of the Policy, we may refuse to pay a claim, but in any event, our rights will be subject to the provisions of Section 54 of the *Insurance Contracts Act 1984* (Cth) (the Act).

False claims

If you, or someone acting on your behalf makes a false claim, or causes loss or damage deliberately, we may:

- (a) refuse to pay the claim,
- (b) cancel this Policy, or
- (c) take legal action against you.

GST

If you're a business you must tell us if you're registered, or are required to be registered, for GST. When you do this, we need you to give us:

- Your ABN
- The percentage of any input tax credit you will claim, or will be entitled to claim, on your premium.

When we pay a claim, your GST status will determine the amount we pay you. Your claim settlement amount will be adjusted to allow for any ITC entitlement.

Unless we say otherwise, all amounts in your Policy are inclusive of GST. There may be other taxation implications affecting you, depending upon your own circumstances. We recommend you seek professional advice.

Inspection and salvage

You must:

- (a) give us access to your property and the location or make them available to us for inspection if you make a claim;
- (b) allow us to take possession of any damaged property and deal with it in a reasonable manner. If we do not take possession of the damaged property, you cannot abandon your responsibilities for the property.

Insurance Contracts Act 1984

Nothing contained in this Policy is to be construed to reduce or waive either your or our privileges, rights or remedies available under the *Insurance Contracts Act 1984*.

Limits and excess

- (a) We will not pay more than the sum insured in respect of any claim:
 - (i) other than those benefits that are identified as payable in addition to the sum insured; or
 - (ii) unless we agree in writing to pay legal costs or expenses in relation to a claim.
- (b) You must pay the amount of any excess shown in the Policy or on your Policy Schedule for each claim you make. Payment of your excess may be requested when you lodge your claim form or may be deducted from our payment to you.
- (c) If you suffer damage which leads to a claim under more than one section of this Policy:
 - (i) the highest applicable excess is payable; but
 - (ii) only one excess is payable.

Other insurance

You must notify us of any other insurance which will or may, whether in whole or in part, cover any loss insured under your Policy.

Preventing our right of recovery

If you've agreed with or told someone who caused you loss, damage or liability covered by your Policy that you won't hold them responsible then, to the extent we've been prejudiced by this act, we won't cover you for that loss, damage or liability.

Proceedings and negotiations

- (a) We control all claims.
- (b) We require that you give us all information and assistance we may need:
 - (i) to settle or defend claims; or
 - (ii) to recover from others any amount we have paid for a claim.
- (c) You must allow us to:
 - (i) make admissions, settle or defend claims on your behalf; and
 - (ii) take legal action in your name against another person to recover any payment we have made on a claim.
- (d) During the administration, conduct or settlement of the recovery, you can seek an update on the status of proceedings and we will consult you where appropriate.
- (e) We may keep any amount we recover in priority to your right to recover any amount that you have lost which is not insured under this Policy, up to the value of your claim.

Subrogation, recovery action & uninsured loss

We may at any time, at our expense and in your name, use all legal means available to you of securing reimbursement for loss or damage arising under your Policy. In the event we do so, you agree to give all reasonable assistance for that purpose.

If you've suffered loss that wasn't covered by your Policy as a result of the incident, we may offer to attempt to recover this. You may also specifically ask us to recover this for you. You'll need to give us documents supporting your loss. Before we include any uninsured loss in the recovery action we'll also ask you to agree to the basis on which we'll handle your recovery action. You may need to contribute to legal costs in some circumstances.

Waiver of subrogation rights

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

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

Other terms

These other terms apply to how your Policy operates.

Cancelling your Policy

- (a) You may cancel this Policy at any time in which case we will retain the pro-rata rate for the time the Policy has been in force.
- (b) We may cancel this Policy by giving you written notice to that effect where you have:
 - (i) failed to comply with the duty of utmost good faith,
 - (ii) failed to comply with the duty of disclosure at the time when the Policy was entered into,
 - (iii) made a misrepresentation to us during the negotiations for the Policy before we entered into the Policy,
 - (iv) failed to comply with a provision of the Policy,
 - (v) failed to pay the premium or failed to pay any instalments for longer than one month,
 - (vi) made a fraudulent claim under this Policy or any other policy of insurance (whether with us or some other insurer), that provided insurance cover during any part of the period during which this Policy of insurance provides insurance cover,
 - (vii) failed to notify us of any specific act or omission where such notification is required under the terms of this Policy.
- (c) We may cancel this Policy pursuant to any right at law but subject to the provisions of the *Insurance Contracts Act 1984* (Cth) (the Act).
- (d) When we cancel the Policy it will have effect from whichever of the following times is the earliest:
 - (i) the time when another Policy of insurance replacing this Policy is entered into, or
 - (ii) four (4) o'clock in the afternoon of the third business day after the day on which notice was given to you.
- (e) When we cancel the Policy we will repay on demand a rateable proportion of the premium for the unexpired period of insurance from the date of cancellation.

Changes in Policy

No change in this Policy will be valid unless agreed to in writing by us, nor will the requirements of any section be deemed to be waived unless we agree in writing.

Jurisdiction

All disputes arising out of or under any section of this Policy will be subject to determination by any court of competent jurisdiction within Australia according to the law applicable to the jurisdiction.

Sending you documents

We may send letters, policy and other related documents to you. If we email them to you, we'll consider the email to be received by you 24 hours after we send it.

Please make sure we have your current email and mailing address on record and let us know as soon as these change.

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