

Tudor Boat & Yacht Club

Commercial Package Policy



POLICY

QM772

This Policy is underwritten by QBE Insurance (Australia) Limited
ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney

**Tudor Insurance Australia
(Insurance Brokers) Pty Ltd**



TUDOR BOAT & YACHT CLUB POLICY

Welcome to QBE Australia

In this Policy booklet you'll find all the information you need to know about the type of cover(s) available, our terms and conditions, and making a claim.

Please read this booklet and make sure that you are satisfied with what we offer.

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

This booklet and the insurance schedule we send you form your legal contract with us, so please keep them together in a safe place.

Please do not hesitate to contact Tudor Insurance Australia (Insurance Brokers) Pty Ltd if you have any questions about this Policy booklet or your insurance cover.

About QBE Australia

QBE Insurance (Australia) Limited is a member of the QBE Insurance Group (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers worldwide. The company has been operating in Australia since 1886 and continues to provide industry-leading insurance solutions that are focused on the needs of intermediaries and their clients.

QBE is a household name in Australian insurance, backed by sizeable assets, and well known as a strong and financially secure organisation.

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TUDOR BOAT & YACHT CLUB POLICY

Important information

This Policy and your current schedule are important. Please ensure you read them carefully and keep them in a safe place. The Policy, current schedule, definitions, defined events, conditions, exclusions, extensions and endorsements are to be read together as one contract. Any word or expression to which a specific meaning has been given under the heading 'Words with special meaning' shall bear that meaning wherever it may appear unless such meaning is not applicable to the context in which that word or expression appears. The insurance by this Policy shall be invalid unless the schedule and any alterations to the wording are signed by a person authorised by us.

This Policy makes provision for payment of Goods and Services Tax by you in relation to premiums and by us in relation to claims.

If you have any questions regarding the Policy, please contact your insurance broker.

Plans, documents, reports, contracts, receipts, manuals and serial numbers relating to your property should be kept. If a claim occurs the documents may be required by us and they will assist you completing your claim form.

Cooling-off information

If you want to return your insurance after your decision to buy it, you may cancel it and receive a full refund. To do this you may notify your Financial Services Provider electronically or in writing within 21 days from the date the Policy commenced.

This cooling-off right does not apply if you have made or are entitled to make a claim. Even after the cooling-off period ends, you still have cancellation rights however your Financial Services Provider may deduct certain amounts from any refund for administration costs or any non-refundable taxes.

If your Policy is for an event that will start and finish within the 21 day cooling-off period, you can only exercise your right before the event starts or the expiry of the cooling-off period, whichever is the earlier. For example, for travel insurance, the commencement of the journey is the event.

Privacy

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. We are bound by the Privacy Act 1988 (Cth.), when collecting and handling your personal information. QBE has developed a privacy Policy which explains what sort of personal information we hold about you and what we do with it.

We will only collect personal information from or about you for the purpose of assessing your application for insurance and administering your insurance Policy, including any claims you make. We will only use and disclose your personal information for a purpose you would reasonably expect.

We may need to disclose personal information to our reinsurers, (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, our advisers and those involved in the claims handling process (including assessors and investigators), for the purposes of

assisting us and them in providing relevant services and products, or for the purposes of litigation. We may disclose personal information to people listed as co-insured on your Policy and to family members or agents authorised by you. We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request your consent to any other purpose.

By providing your personal information to us, you consent to us making these disclosures. Without your personal information we may not be able to issue insurance cover to you or process your claim.

You also have the opportunity to find out what personal information we hold about you and, when necessary, correct any errors in this information. Generally we will do this without restriction or charge. For further information about our Privacy Policy or to access or correct your personal information, please contact The Compliance Manager, QBE Insurance (Australia) Limited, GPO Box 82 Sydney NSW 2001. Telephone: (02) 9375-4656, Fax: (02) 8275-9022 or Email: compliance.manager@qbe.com.

The General Insurance Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice. The Code aims to:

- promote more informed relations between insurers and their customers; and
- improve consumer confidence in the general insurance industry;
- provide better mechanisms for the resolution of complaints and disputes between insurers and their customers; and
- commit insurers and the professionals they rely upon to higher standards of customer service.

Dispute resolution

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention.

We have a Complaints and Dispute Resolution Procedure which undertakes to provide an answer to your complaint within 15 working days.

If you would like to make a complaint or access our internal dispute resolution service please contact your nearest QBE office and ask to speak to a dispute resolution specialist.

If you are not happy with our answer, or we have taken more than 15 working days to respond, you may take your complaint to the Insurance Ombudsman Service (IOS), an ASIC approved external dispute resolution body.

The Insurance Ombudsman Service (the Service) resolves certain insurance disputes between consumers and insurers and will provide an independent review at no cost to you. QBE is bound by the determination of the Service but the determination is not binding on you.

We will provide the contact telephone number and address of the IOS office upon request.

Who is insured under the Policy

The persons or organisations covered by the Policy are shown in the current schedule. The Policy also extends to cover any subsidiary company, incorporated within Australia, its mandated territories or protectorates, whose business is similar to yours, formed or acquired during the period of cover, employee social and sporting clubs or welfare organisations (including their office bearers and members while acting in these capacities) formed with the consent of a person or organisation named in the schedule and the trustees of any employee superannuation and pension funds which are not administered by corporate fund managers. In the Policy, those persons or organisations are referred to as you or your.

Your responsibilities

Your duty of disclosure

Before you enter into a contract of insurance with us, you have a duty under the Insurance Contracts Act 1984 to tell us everything which is relevant to our decision to insure you and the terms and conditions on which we insure you.

You have the same duty to tell us those things before we issue cover, renew, extend, vary or reinstate a Policy of insurance.

You do not have to tell us anything that:

1. reduces the risk
2. is common knowledge
3. we already know or should know in the ordinary course of our business
4. has been indicated by us as not necessary to know.

The duty of disclosure applies to every person or organisation insured under the Policy. If you fail to comply with your duty of disclosure we may be entitled to reduce our liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

Our maximum liability

Except as otherwise stated elsewhere in this Policy, the maximum amount we will pay will not exceed the amount stated as the sum insured or the limit of liability for those Sections selected.

Other persons or organisations requiring cover

You must inform us of all persons or organisations to be covered by the Policy. We will cover them if you have advised us of them and we have shown them on the current schedule or included them in the Policy wording.

All persons or organisations are bound by the Policy

All persons or organisations covered by the Policy have to comply with the terms and conditions of the Policy. We may refuse to pay a claim if you or any person covered by the Policy do not comply with the terms and conditions of the Policy.

Who is the insurer

In the Policy the insurer is referred to as we, us and our, which means: QBE Insurance (Australia) Limited, ABN 78 003 191 035

Duties of insurer

We will act and conduct ourselves with utmost good faith.

When you are covered

Your cover commences when we have accepted your proposal. We will then send you the current schedule. The current schedule sets out who is insured, the covers you have selected, the Period of Cover, the limits of liability, excesses and other important information.

The insurance cover is in force for the Period of Cover set out in the schedule. We will cover you for loss, damage and liability occurring during the Period of Cover, subject to the provisions of the Policy.

Before we pay or agree to pay any claims you must have paid or agreed to pay us the premium.

Underinsurance

The following Sections of the Policy:

1. Business Property Cover
2. Business Interruption Cover

contain underinsurance provisions which require you to insure for full value. If you do not, we may pay you a lower amount after taking into account the proportion of underinsurance or you may be required to pay a portion of the loss yourself.

Words with special meaning

Some words have special meaning wherever they appear in the Policy:

Word or term	Meaning
Aircraft	any machine designed to fly, float, glide, move on a cushion of air or move through the air.
Business premises	the buildings, outbuildings, yards and land used by you for your business at the Situation.
Situation	the situation stated in the current schedule.
Business property	buildings, contents, stock and items listed on the current schedule and used in your business.
Excess	the amount, or the loss applicable to a specified period of time, expressed as an excess on the current schedule or elsewhere in the Policy. This is the first amount of any loss that you must pay before we pay your claim. The Excess applies after any necessary adjustment for wear and tear, depreciation or underinsurance.
Family	persons who normally reside with you permanently and who are: <ol style="list-style-type: none"> 1. your spouse or defacto, or 2. your or your spouse's or defacto's unmarried children, or 3. your parents or your spouse's or defacto's parents, or 4. your brother or sister.
Flood	the inundation of normally dry land by water escaping or released from the normal confines of any natural water course or lake (whether or not they have been altered or modified) or from any dam, reservoir or canal.
Hovercraft	any vessel, craft or device made or intended to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.
Money	cash, bank notes, currency notes, negotiable cheques, securities, travellers' cheques, debit and credit card vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines.

Word or term	Meaning
Normal business hours	when you or any of your employees are at the business premises for the purpose of conducting your business.
Occurrence	an event including continuous or repeated exposure to substantially the same general conditions, which results in personal injury or property damage which you neither expected nor intended to happen. All personal injury or damage to property resulting from one original cause will be treated as being caused by the one occurrence.
Period of cover	the time cover commenced to the time cover expires. The dates are shown on the current schedule. Unless stated otherwise, cover shall expire at 4.00pm local time at the place where you arranged the cover.
Stock	<ol style="list-style-type: none"> 1. products and material you intend to sell 2. raw or consumable materials used by you to make or alter your products 3. your products while being made, repaired or altered 4. any consumable products or materials used in your business. Under the Theft Cover Section, stock does not include tobacco, products containing tobacco, cigars or cigarettes unless they are specified on the current schedule.
Subsidiary company	any company in which you have a controlling interest. For the purpose of this definition the term 'controlling interest' shall mean the beneficial ownership of shares carrying more than 50% of votes capable of being cast at a general meeting of all shareholders of the company.
Vehicle	any type of machine on wheels or on caterpillar tracks made or intended to be propelled other than by manual or animal power including any trailer or other attachment that is normally towed or operated from any such machine.
Watercraft	any type of vessel, craft or object designed to float on or in or travel through water.
Your business	your occupation shown on the current schedule and all ancillary or incidental occupations.

General Policy exclusions applicable to all sections

War, Terrorism, Radioactivity

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 de jure 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) de jure or de facto, and which:

 - involves violence against one 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 the above.

Business in liquidation or ceases to trade

If your business is deregistered, placed into liquidation or administration, a receiver is appointed or the business is wound up or is permanently discontinued, then unless otherwise agreed by us in writing, all cover under this Policy ceases from the time your interest is transferred or your business ceases to trade.

Geographical limitations

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

Unoccupancy

Unless we otherwise agree in writing, we will not pay for any loss or damage to your business property if the occurrence happens after your business premises has been unoccupied for more than 60 consecutive days.

Willful acts

Subject to the provisions of the Insurance Contracts Act 1984, we will not pay for any loss or damage caused by either your willful act or by the willful act of another party committed with your knowledge and consent and which you were capable of preventing.

Except as provided otherwise this Policy does not cover:

- (a) Consequential loss
 - consequential loss of any kind
- (b) Known defects
 - damage caused by faults or defects known to you or any employee whose knowledge in law would be deemed to be yours and not disclosed to us at the time this insurance was arranged.

Date recognition special exclusion

There is no insurance under this Policy in respect of any claim of whatsoever nature which consists of or arises directly or indirectly out of or in connection with the failure or inability of any:

- (a) electronic circuit, microchip, integrated circuit, microprocessor, embedded system, BIOS or other instruction set, hardware, software, firmware, program, computer, data processing equipment, telecommunication equipment or systems, or any similar device, or any
- (b) media or systems used in connection with any of the foregoing

whether your property or not, at any time to achieve fully and successfully any or all of the purposes and consequential effects intended by the use of any number, symbol or word to denote, represent or express a date

including, but without being limited to, any failure or inability to recognise, capture, save, retain or restore and/or correctly to manipulate, interpret, transmit, return, calculate or process any date, data, information, command, logic or instruction as a result of or in connection with

- (i) anything referred to in (a) or (b) recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time, or
- (ii) the operation of any command or logic which has been programmed or incorporated into anything referred to in (a) or (b) above.

Exception to date recognition special exclusion

This special exclusion will not exclude any claim for subsequent loss or destruction of or damage to any business property or consequential loss which is solely and directly occasioned by a Defined Contingency (as defined hereunder), arising under any of the Sections listed below, but only to the extent that such claim would otherwise be insured under those Sections.

Business Property Cover Section

Business Interruption Cover Section

Money Cover Section

Glass Cover Section

General Property Cover Section

This special exclusion does not apply in respect of the Theft Cover Section, if provided by this Policy.

For the purposes of this special exclusion only, 'Defined Contingency' shall mean fire, lightning, explosion (other than loss or destruction of or damage to boilers and pressure vessels), aircraft and other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, escape of water from any tank or apparatus or pipe, impact by any road vehicle or animal, or theft (other than theft by employees).

Electronic data exclusion

Electronic Data or the cost of rewriting records as a result of loss of Electronic Data.

However, we will provide cover for losses to Electronic Data and rewriting of records arising out of 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 labor 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.

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 and/ device containing such Electronic Data.

If the Electronic Equipment Section of the Policy is current and Section 5. Electronic Data and Electronic Media is insured we will also provide cover for losses to Electronic Data arising out of malicious damage, vibration, power surge, low voltage, mechanical, electrical and electronic breakdown, but not breakdown occurring as a result of any virus, worm, trojan horse, hacking, or any unauthorised access.

For the purposes of this exclusion Electronic Data means any facts, concepts and/or information converted to a form usable for communications and/or displays and/or distribution and or processing by electronic and/or electromechanical data processing and/or electronically controlled equipment which includes but is not limited to programs and/or software and/or other coded instructions for such equipment.

General Policy conditions applicable to all sections

Breach of a condition or warranty without your knowledge or consent or error in name, description or situation of property will not prejudice your rights under this Policy provided notice in writing is given to us when such breach or error comes to your knowledge. Reasonable extra premium shall be paid if required, from the date of such breach or error.

Authorship

The Policy wording, including all attachments by way of schedules, endorsements or otherwise, shall be construed at all times as having been drawn up solely by us.

Alarm systems

If you have advised us that surveillance or protective equipment, burglar or fire alarm systems are used or installed at your business premises you must:

1. ensure it is regularly tested and maintained in accordance with the manufacturer's recommendations
2. take all reasonable precautions to ensure that it is operational outside normal business hours.

We may refuse to pay or may reduce the amount of a claim if you do not comply with this condition.

Accountancy Records

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

Cancellation

You may cancel the Policy at any time by writing to us. We will refund the unused proportion of your premium.

We may cancel the Policy if:

1. you do not pay the premium
2. payment by periodic installments is arranged from your financial services provider and if one installment is not paid for more than one month from the date on which payment was due
3. you do not comply with your duty of disclosure before entering into the contract
4. you make a misrepresentation to us before the issue of the Policy
5. you do not comply with a provision of the Policy
6. you make a fraudulent claim under the Policy or some other Policy (whether with us or some other insurer) during the period of cover by this Policy
7. you do not comply with your duty of utmost good faith
8. you fail to notify us of any specific act or omission where such notification is required under the Policy.

Our notice of cancellation shall not be less than fourteen days and can be delivered personally or posted to your address on the current schedule. Cancellation becomes effective at the time shown on the notice of cancellation or when you have insured with another company, whichever occurs first.

Premium funders

If the premium has been funded by a premium funding company which holds a legal right over the Policy by virtue of a notice of assignment and irrevocable power of attorney, then subject to Section 60 of the Insurance Contracts Act 1984, we may cancel the Policy at the request of the premium funding company, after substantiation of the debt and default in payment by you has been made and proven by us, by giving you not less than three business days written notice to that effect, following which a refund will be made to the premium funding company of the proportionate part of the premium applicable to the unexpired period of cover.

Changes

Before you renew your Policy, you must advise us as soon as practicable of any fact or event known to your officer responsible for insurance which materially affects the risks insured by us, including:

1. a change of your address
2. criminal convictions of a member of your Family, you or other persons who normally reside with you
3. poor condition of property
4. an alteration to property which affects its safety or structural integrity
5. accidents
6. illness or impairment
7. a modification affecting performance or the value of property insured
8. a change of your occupation
9. a change of insurable interest, whether by will or at law
10. your business premises becoming unoccupied and remaining so for more than sixty (60) continuous days.

This is a requirement of 'your Duty of Disclosure'. If you do not fulfil your duty of disclosure we may, subject to section 54 of the Insurance Contracts Act 1984, refuse to pay part or all of a claim.

Excess

If more than one excess can be applied to one occurrence, then you will only need to pay the highest excess. Sums insured, limits and sub-limits of liability shall apply in addition to, and shall not be reduced by, the amount of any applicable excess.

Goods and Services Tax

The amount of premium payable by you for this Policy includes an amount on account of the GST on the premium.

When we pay a claim, your GST status will determine the amount we pay.

When you are:

- (a) not registered for GST, the amount we pay is the sum insured/limit of indemnity or the other limits of insurance cover including GST.
- (b) registered for GST, we will pay the sum insured/limit of indemnity or the other limits of insurance and where you are liable to pay an amount for GST in respect of an acquisition relevant to your claim (such as services to repair a Damaged item insured under the Policy) we will pay for the GST amount.

We will reduce the GST amount we pay for by the amount of any input tax credits to which you are or would be entitled if you made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through your Business Activity Statement (BAS).

You must advise us of your correct Australian Business Number & Taxable Percentage.

Any GST liability arising from your incorrect advice is payable by you.

Where the settlement of your claim is less than the sum insured/limit of indemnity or the other limits of insurance cover, we will only pay an amount for GST (less your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover your loss, we will only pay the GST relating to our settlement of the claim.

We will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by any business of yours which is relevant to your claim.

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is your entitlement to an Input Tax Credit on your premium as a percentage of the total GST on that premium.

Inspections

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

Jurisdiction

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

Other persons or organisations

If any person or entity shall have any interest in the business property, we shall protect that interest in the event of a claim, provided that interest is disclosed in your business records and you shall have disclosed the nature and extent of that interest to us at the time of notification of the claim.

Where the separate interests of more than one party in the business property are insured under this Policy, any act or neglect of one party will not prejudice the rights of the remaining

party or parties provided that the remaining party/ies shall, within a reasonable time after becoming aware of any act or neglect whereby the risk of loss, damage or destruction has increased, give notice in writing to us and shall on demand pay such reasonable additional premium as we may require.

You can not transfer the Policy into someone else's name without our written consent.

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

When a claim is paid under the Policy and is also recoverable under another Policy or policies, you agree to permit us to seek contribution from the other insurer or insurers.

Progress payments

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

Reasonable care

You must take reasonable precautions to prevent personal injury or property damage as if you were not covered by this Policy such as:

1. if you discover your products may be defective and the defect may cause a claim under the Public and Products Liability Cover Section, at your expense you must take reasonable steps to restrict, trace, recall, modify, replace or repair the products
2. maintain and look after other person's or organisation's property and buildings used or occupied by you, in accordance with your agreement with them
3. if your occupation includes digging below ground at sites away from your business premises you must obtain the location of underground services from the owners of the services
4. use and store all hazardous materials as required by law.

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

Reinstatement of sum insured

If we pay a claim under any Section of this Policy other than

- (a) the Public and Products Liability Cover Section
- (b) the Personal Accident and Illness Cover Section
- (c) the Dishonesty of Employees Cover Section

and your sum insured has been reduced due to payment of a claim by us, we will automatically reinstate your full sum insured provided:

1. you have not (in writing) requested otherwise
2. you agree to pay any additional premium to reinstate the sum insured, and
3. you agree to implement any risk improvements required.

Single occurrence

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

Subrogation rights

Subject to sections 65 and 66 of the Insurance Contracts Act 1984, we have the right to take over and conduct in your name the defence or settlement of any claim or to prosecute in your name any claim for damages, indemnity, contribution or otherwise. We have full discretion in the conduct of any proceedings and in the settlement of any claim. This condition does not apply to the Personal Accident and Illness Cover Section.

You must give us all information and assistance that we may reasonably require to defend you or prosecute in your name.

Recoveries, whether effected by us or by you, shall be applied, net of the expense of such recovery, first to the satisfaction of your loss in excess of the claim paid under this Policy (disregarding the amount of any excess applicable), secondly to us as reimbursement of the amount(s) paid in settlement of your claim and thirdly to you in satisfaction of the amount of any excess applicable.

Claims

What you must do after loss, damage or accident

Protect yourself from any danger present.

Assist other people within your capabilities if required.

Take reasonable steps to prevent further loss, damage or liability.

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

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

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

What you must not do after a loss or accident

You must not admit fault or agree to pay for damage without our consent. Do not make an offer, settle, or attempt to settle any claim against you. If you do we may not pay all or part of the claim.

You must not incur any costs or expenses or authorise repairs (other than necessary temporary repairs) without our agreement.

Business Property Cover Section

Words with special meaning

Some words have special meaning wherever they appear in this Section. These words and their meanings are listed below.

Word or term	Meaning
Buildings	buildings and structural appurtenances at the Situation. Buildings include: <ol style="list-style-type: none"> 1. verandahs, carports, shelters, awnings, gangways, staircases and all outbuildings 2. fixtures and fittings owned by owner of the Building 3. underground and above ground services including aprons, supply mains and meters 4. walls, gates, fences flagpoles, floodlights and signs 5. permanently fixed water and fuel tanks. 6. Wharves, Docks, Piers, Marina, pontoons.
Wharf, pier, jetty	a platform extending from shore over water and supported by piles or pillars, but excluding: <ol style="list-style-type: none"> 1. a pier or jetty constructed to act as a breakwater or mole, or 2. any other breakwater structure, groyne, mole or bulwark, however constructed and whether extending from the shoreline or otherwise.
Dock	means the structure to enclose or partially enclose a body of water for the purpose of loading, unloading or repair of watercraft and whether on land or in/over the water, including any drydock.
Pontoon	means any floating structure intended to serve as a dock, pier or jetty.
Marina	means the moorings and all structural improvements not more specifically defined nor otherwise excluded, in, on and around the harbour complex.

What are not buildings

Buildings does not include:

1. Plant and Machinery
2. Stock
3. Contents

4. Property undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one Business Premises exceeds \$500,000 or 20% of the total sum insured on Buildings and Contents, whichever is the lesser provided that this limit shall apply only to the portion of the Business Premises or Business Property which is the subject of any such work and not to any other portion of the Business Property
5. Land, dams, bridges, canals, roadways, tunnels, railway tracks (not at the Situation)

This definition of 'Buildings' is subject to the Designation of Property condition which applies to the Business Property Cover.

'Contents ' means all property at the Business Premises, belonging to you or which you are responsible for.

Contents include:

1. fixtures, fittings and glass owned by your landlord which you are legally responsible for and leasehold improvements
2. Machinery
3. plant permanently fixed to your Buildings
4. documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations
5. computer systems records, manuscripts, other documents, deeds, specifications, plans, drawings, designs, business books and other records of every description
6. paintings, works of art and curios but unless such Contents are Stock, only up to \$10,000 any one Occurrence and only up to \$2,000 any one item
7. Stock
8. goods sold but not delivered and goods held by you on consignment or commission
9. property not owned by you but on your Business Premises for service, repair, alteration or safe keeping
10. property of your welfare, sports and social clubs.

What are not contents

Contents does not include:

1. Buildings
2. growing crops, trees or plants other than pot-plants
3. animals, livestock, fish, birds and any other living organism except laboratory cultures, Stocks of foodstuffs, of nursery plants, or Stocks of a pet shop
4. vehicles which are not Stock
5. money
6. jewellery, furs, bullion, articles containing gold and silver which are not Stock and which exceed \$10,000 any one Occurrence and \$2,000 any one item

7. Contents undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one Business Premises exceeds \$500,000 or 20% of the total sum insured on Buildings and Contents, whichever is the lesser, provided that this limit shall apply only to the portion of the Business Premises or Business Property which is the subject of any such work and not to any other portion of the Business Property
8. land, dams, bridges, canals, roadways, tunnels, railway tracks (not at the Situation), wharves, docks and piers
9. water craft, Aircraft or any accessories, equipment or spare parts whilst contained in or on these items unless they are Stock and are on your Business Premises at the time of any loss or damage.

This definition of 'Contents' is subject to the Designation of Property condition which applies to the Business Property Cover.

'Machinery' means all plant and Machinery which is

1. permanently fixed at the Business Premises
2. mechanical, electrical and electronic tools and equipment
3. accessories, equipment and spare parts used with Machinery.

Machinery does not include Vehicles or Machinery towed by or attached to a Vehicle other than Vehicles used for lifting or carrying materials at the Situation

'Market Value' means the estimated amount for which the Business Property should exchange immediately before the damage, between a willing buyer and a willing seller in an arms-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

Types of cover

The two types of cover provided are explained in 'Defined Events cover' and 'Accidental Damage Cover'.

How we will pay your claim

There are two methods of paying your claims. They are 'reinstatement or replacement value' and 'indemnity value'

The method you are covered for is shown on the current schedule.

Method of settlement – reinstatement or replacement value

We will pay the cost of rebuilding, replacing or repairing any damaged part of your Business Property to the same condition as when they were new or, where appropriate, in accordance with the Output Replacement clause set out below.

Business Property may be rebuilt or erected at another location provided you pay any additional costs to build or erect elsewhere.

If the Business Property is lost or damaged you must commence to rebuild, replace or repair within a reasonable time of the loss or damage. If you do not, we will pay your claim in accordance with the indemnity value method of settlement.

Extra costs of reinstatement

We will also pay the extra costs of reinstatement (including demolition and dismantling) of Business Property necessarily incurred by you following damage to comply with the requirements of any statute or regulation of any municipal or statutory authority for reinstatement, provided that:

- (i) we will not pay for any additional cost incurred in complying with any such requirement with which you had been required to comply prior to the happening of the damage
- (ii) the specific condition headed 'Underinsurance' shall not apply to any amount recoverable under this clause and any amount payable shall not be taken into account for the purpose of the application of that condition
- (iii) the amount payable under this clause shall be limited to the sub-limit of liability stated in the current schedule for 'Extra Costs of Reinstatement', which shall be in addition to the sum insured. If no such sub-limit of liability is stated, our liability shall be limited to the extra cost necessarily incurred in reinstating only that portion damaged.

In the case of raw materials, supplies and other merchandise not manufactured by you, the basis of settlement shall be the replacement cost calculated at the time and place of replacement, provided that replacement shall have been carried out with reasonable despatch, or if not replaced the original cost to you of such property or the market value, whichever is the lesser. If such property is obsolete, the basis of settlement if such property is replaced shall be the original cost to you of such property or its market value, whichever is the lesser.

In the case of materials in process of manufacture, the basis of settlement shall be the replacement cost of the raw materials and the cost of labour and other manufacturing costs expended on them calculated at the time and the place of the damage.

In the case of finished goods manufactured by you, the basis of settlement shall be either the replacement cost of the raw materials and the cost of labour and other manufacturing costs expended on them without any allowance for profit calculated at the time and place of the damage or the cost of restocking such goods within a reasonable time, whichever is the lesser. If such goods are obsolete, the basis of settlement whether or not such goods are replaced shall be the original cost to you of the raw materials and the cost of labour and other manufacturing costs expended on them without any allowance for profit or their market value, whichever is the lesser.

In the case of goods sold but not delivered and for which you are responsible, to the extent to which under the conditions of sale or any statute or at common law the sale contract is cancelled whether wholly or in part by reason of the damage, the basis of settlement shall be the contract price.

In the case of documents of aesthetic, historic, scientific or social value to past, present or future generations and which cannot be replaced, the basis of settlement shall be the expert valuation agreed between you and us.

In the case of computer systems records, manuscripts, deeds, other documents, specifications, plans, drawings, designs, business books and other records of every description, the basis of settlement shall be the cost of repairing, replacing, reproducing or restoring them, including the information contained on or in them, but excluding the value to you of that information. If repair, replacement, reproduction or restoration is not carried out with reasonable despatch, the basis of settlement shall be the replacement cost of the materials as blank stationery calculated at the time and place of the damage.

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

- (a) if the securities can with our approval be replaced, the cost of replacement paid or payable by you, or
- (b) if the securities cannot or are not to be replaced by you, the greater of
 - (i) the price for which you purchased them, or
 - (ii) the closing market value on the last business day prior to the date of discovery by you of the loss or destruction of the securities, or if the time of discovery by you is after the close of the market, their closing market value on the day of discovery by you of the loss or destruction of the securities,
- (c) in the case of a loss of subscription, conversion or redemption privileges through the loss of any security, the value of such privileges immediately preceding the expiration thereof, such valuation being in the currency in which the loss was sustained. Losses sustained in currencies other than Australian dollars shall be settled by converting the amount of loss to Australian dollars at the market rate at the time of settlement of the loss or such other rates as may have been expressly agreed with us. If there is no market price or value on the relevant day stated herein, then the value shall be agreed between you and us, or in default thereof, we and you shall submit to arbitration and be bound by the decision of the umpire.

In the case of discount house vouchers, the basis of settlement shall be the original purchase price.

In the case of patterns, models, moulds, dies, lasts, jigs or templets, the basis of settlement shall be the reinstatement value (if replaced with reasonable despatch), otherwise the value of such property to you calculated at the time and place of the damage, but not exceeding reinstatement value.

In the case of empty premises awaiting demolition, the basis of settlement shall be the salvage value of the building materials and landlord's fixtures and fittings, net of demolition costs.

Output replacement

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

- (a) Where any Business Property is to be replaced with any item or items which have the same or a lesser total function, capability or output, then the basis of settlement is the new installed cost of such replacement item or items as

would give the same total function, capability or output as the Business Property.

- (b) Where any Business Property is to be replaced with an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of that Business Property, then the basis of settlement is the new installed cost of the item or items so replaced.
- (c) Where any Business Property is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the replacement value of the Business Property, then the basis of settlement is the lesser of the reinstatement value or that proportion of the new installed cost of the replacement item or items which the output of the Business Property damaged bears to the output of the replacement item or items. If the reinstatement value of the damaged Business Property is not ascertainable then the basis of settlement is the new installed cost of the replacement item or items.

Floor Space Ratio Index (Plot Ratio)

Where Buildings are damaged and the cost of reinstatement is more than 50% of the cost of reinstatement if the Buildings had been totally destroyed and reinstatement of such damage is limited or restricted by:

- (a) any Act of Parliament or regulation thereunder, 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 shall pay in addition to the amount payable on reinstatement of such Buildings:

- (a) the difference between:
 - (i) the actual costs incurred in reinstatement subject to the reduced floor space ratio index (plot ratio) and
 - (ii) the estimated cost of reinstatement at the time of damage had the reduced floor space ratio index (plot ratio) not applied,
- (b) any fee, contribution or other impost, not exceeding \$2,000 in respect of any one Occurrence, payable to any governmental, statutory or public authority where payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to reinstate the Building, provided that we will not be liable for payment of any fines or penalties imposed upon you by any such authorities.

Provided that our total liability for reinstatement or replacement value, additional costs of compliance and under this Floor Space Ratio Index (Plot Ratio) clause shall not exceed the sum insured in respect of the Buildings which are the subject of the claim.

Branded goods

In the event of a claim, any salvage of branded goods or merchandise owned by you or held by you in trust or on commission and any goods sold but not delivered shall not be disposed of by sale without your consent. If such salvage is not disposed of by sale, then the basis of settlement of the claim shall be the indemnity value of the goods after brands, labels or names have been removed by you or on your behalf.

Method of settlement – indemnity value

We will at our option either pay you:

1. the indemnity value, or
2. the cost to repair, or
3. the cost you incur to replace

the damaged part of Business Property to a condition substantially the same as at the time the loss or damage occurred taking into consideration age, condition and state of repair.

We will also pay, in accordance with the Extra Cost of Reinstatement Clause, the additional costs required to comply with the requirements of any statutory authority or by-laws, provided you were not required to comply with any of the by laws prior to the loss or damage occurring.

What you are covered for

We will cover you for loss or damage caused by the events listed under Defined Events Cover and Accidental Damage Cover to your Business Property which occurs during the Period of Cover.

The current schedule shows what you have covered and the method of settlement.

Defined events cover

We cover you for loss or damage at the Business Premises caused by the following defined events:

1. Bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks or fixed pipes used to hold or carry liquid (including if necessary the cost of identifying and locating the cause of damage) but we will not cover damage which occurs as a result of your failure to repair or prevent the burst, leak, discharge or overflow within a reasonable amount of time of discovering an Occurrence
2. Earthquake, volcanic eruption, subterranean fire or tsunami.

We will not pay for the first \$20,000 or 1% of the sum insured at the damaged Business Premises (whichever is the lower amount) of each claim caused by earthquake, subterranean fire or volcanic eruption.

You only have to pay one Excess if further damage occurs within 72 hours of an Occurrence.

3. Fire, lightning or explosion, but we will not pay for damage to a boiler or other pressure vessel exceeding one cubic metre capacity if caused by self-explosion.
4. Impact by:
 - (a) a Vehicle or its load, Aircraft or water craft or sonic boom

- (b) space debris or debris from an Aircraft, rocket or satellite
- (c) an animal
- (d) a falling tree or part of a tree but excluding damage caused by
 - (i) you, or
 - (ii) someone else when you have agreed not to hold them responsible if they cause damage to your property

whilst cutting down trees or removing tree branches.

- (e) a mast, aerial, antenna or satellite dish that has broken or collapsed, but excluding loss or damage to the mast, aerial, antenna or satellite dish itself unless caused by an insured peril
- (f) a falling Building or other structure or part thereof.
5. Malicious damage, including damage by burglars or thieves, other than damage caused by you or anyone who permanently or temporarily lives with you.
6. Riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances including resultant acts of any lawfully constituted authority.
7. Storm, wind, rain, hail or snow, but we will not pay more than \$20,000 in respect of any one Occurrence for loss or damage:

- (a) to textile blinds and awnings, shade cloth, shade houses, fibreglass houses and glass houses
- (b) to gates, fences, signs and retaining walls

Provided that you will be required to pay only the first \$250 of such loss or damage under 7.(a) and (b), unless any higher Excess is specified in the current schedule as applicable to such loss of or damage to such property. The above \$20,000 limit does not apply to storm and rainwater damage as excluded in paragraphs 7.(c), (d), (e) and (f) hereunder:

- (c) to Contents and Stock in the open air unless such property comprises or forms part of a permanent structure designed to function without the protection of the walls or roof
- (d) to Buildings whilst they are being built that do not have all walls, doors and roofs completely fixed
- (e) to growing crops, trees or any other plants
- (f) caused by water that does not enter the Building through an opening made by the storm
8. Escape of molten material from its intended confines on or about the Business Premises but excluding:
 - (a) the cost of repairing any fault which permitted such escape,
 - (b) the cost of retrieving or removing escaped material from any escape channel or catchment area designed for the purpose,
 - (c) loss of or damage to such escaped material,

- (d) loss or destruction of or damage to furnace linings, crucibles, moulds, other containers or ladles from which molten material escapes.

Temporary removal

We also cover the Defined Events, for an amount equal to ten percent (10%) of the total of the sums insured for Contents including Stock, on your Business Property (except any registered motor Vehicle which is not Stock) while it is temporarily removed from your Business Premises to premises elsewhere in Australia, provided that details of the additional risk are advised to us within sixty days of your using the other premises for the first time and that you pay or agree to pay any reasonable additional premium required by us.

Limited transit

Business Property is covered, up to the lesser of \$25,000 or ten percent (10%) of the sum insured for Contents including Stock, if it is in transit in or on any Vehicle owned or operated by you anywhere in Australia away from your Business Premises, including storage during the transit, but only for damage caused by fire or explosion, wind or earthquake, acts of malicious persons or by collision or overturning of the conveying Vehicle.

Accidental Damage Cover

We will cover you for accidental loss or damage to your Business Property at the Situation other than the events or items listed in 'What we do not cover you for under Accidental Damage Cover'.

The maximum amount we will pay for Accidental Damage Cover for any Occurrence is the lesser of \$100,000 or 10% of the total sum insured for Buildings and Contents unless a higher amount is specified in the current schedule as the accidental damage sum insured.

What we do not cover you for under Accidental Damage Cover

We will not pay for claims under Accidental Damage Cover for:

1. loss or damage caused by any defined events cover in this Section
2. loss or damage caused by events or to the items listed under general exclusions
3. loss or damage (other than to electronic equipment that is not insured under Part 2 of the Machinery and Electronic Cover Section) insurable under any other Section or Sections of this Policy except the General Property Cover Section
4. Business Property to the extent insured under the General Property Cover Section
5. for damage which occurs as a result of your failure to repair or prevent bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks or fixed pipes used to hold or carry liquid within a reasonable amount of time of discovering an Occurrence

6. Storm and rainwater damage:
 - to growing crops, trees or any other plants
 - caused by water seeping or percolating through walls, floors or roofs
 - caused by water that does not enter the Building through an opening made by a storm
7. Unexplained disappearance or unexplained inventory shortage, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by you
8. loss or damage caused by demolition, other than demolition by or ordered by a public authority, if the value of the demolition work exceeds \$500,000 or 20% of the total sum insured on Buildings and Contents, whichever is the lesser
9. loss or damage which occurs during loading or unloading, delivery or despatch
10. pollution or contamination of Business Property unless caused by a defined event
11. theft.

Additional benefits – Business Property Cover

The following additional benefits are provided if you have selected the Business Property Cover Section:

Capital Additions

We cover additions to your Buildings and Contents obtained or built during the Period of Cover up to 10% of the sum insured or \$500,000 whichever is the lower amount. This additional benefit is in addition to your sum insured.

Directors and employees personal property

We will pay the reinstatement or replacement value of personal property of your employees if such property is physically lost, destroyed or damaged by a defined event whilst at the Situation.

This cover is provided if:

- the personal property is used solely for business purposes, and
- 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. This additional benefit is in addition to your sum insured.

We also include cover for loss of or damage to Business Property consisting of Contents at the premises owned or occupied by your employees which is caused by a defined event. There is no cover for any property belonging to you or any person named as the insured on your Policy Schedule.

Prevention of imminent damage

We will pay up to \$25,000 for necessary costs you incur to extinguish a fire on or in the vicinity of your Business Premises which causes or threatens property damage or for necessary costs to prevent or diminish imminent damage to your property by any other insured peril.

We will not pay under this additional benefit for:

1. any fines, penalties or liability incurred by you
2. any loss or damage to your property.

This additional benefit is in addition to your sum insured.

Fire Brigade Attendance Fees

We will pay up to \$25,000 for any statutory charges payable by you to a fire brigade of firefighting authority for attendance at a fire or chemical emergency involving insured property. This additional benefit is in addition to your sum insured.

Government fees

We will pay your fees paid or payable to government or statutory authorities where payment is necessary to obtain consent to repair or replace Business Property. We will not pay any fines or penalties. The cost of government fees are included in the sum insured for Business Property.

Professional fees and legal costs

If Business Property has been damaged and the damage is covered by the Business Property Cover Section, we will pay:

1. the reasonable professional fees incurred to rebuild or repair your Buildings and Contents
2. your legal costs incurred for the discharge of your mortgages at the Business Premises following settlement of a claim for total loss of a Building.

The cost of professional fees and legal costs are included in the sum insured of the property lost or damaged.

Removal of debris

If Business Property has been damaged or destroyed and is covered by the Business Property Cover Section, we will pay the reasonable costs incurred for the demolition, dismantling, necessary temporary repairs, cleaning up and/or removal, storage and disposal of debris from the Business Premises. We will also pay for your legal liability for the cost of removal of debris from adjoining premises, property, services, roadways and waterways as well as on the site. We will pay you up to \$10,000 (in addition to the sum insured) or the higher amount shown in the current schedule for removal of debris or if this is insufficient and you have not exhausted your sum insured on the damaged items requiring demolition and/or removal of debris, we will pay up to the remaining balance of the sum insured.

Re-writing of records

We will pay you, in addition to your sum insured, up to \$25,000 or any higher amount shown in the current schedule for rewriting of records, for clerical and professional costs incurred by you to re-write your necessary business records if they are damaged by an Occurrence which you are covered for in the Business Property Cover Section. We will not pay you for any financial loss caused by the loss of your records under this additional benefit.

Temporary protection

If Business Property has been lost or damaged and is covered by the Business Property Cover Section, we will pay up to \$25,000 any one Occurrence and in the aggregate during the Period of Cover for the reasonable cost of protecting Business Property. This additional benefit is in addition to the sum insured.

Undamaged foundations

If foundations are not destroyed following an Occurrence and any government or statutory authority requires reinstatement of the Business Property to be carried out on another site, the abandoned foundations will be considered as destroyed. If the resale value of the original building site is increased due to the presence of the abandoned foundations, the increase in resale value will be paid to us at the time of sale.

Landscaping

Loss, damage or destruction by the defined events (other than storm, tempest or rainwater) to growing plants, shrubs, garden plots and lawns (including rock work, ornamentation and edging pertaining thereto) and resultant expenses necessarily incurred in cleaning, clearing and/or repairing drains, gutters, sewers and the like, all contained in or on or forming part of or implicitly pertaining to the Buildings insured, up to but not exceeding \$10,000 in respect of any one loss. This additional benefit is in addition to the sum insured.

Loss of land value

Up to \$100,000 for the reduction in land value, which shall be the value certified by the Valuer General or other competent person or authority selected by us, that results from the requirements of any statutory authority that does not allow rebuilding (or only partial rebuilding) at the Business Premises following loss or damage covered by this Section.

Provided that:

- (a) this shall be calculated by subtracting the land value after rebuilding or after we have agreed that rebuilding is not possible, from the land value before the damage, and
- (b) we will not pay more than 10% of the sum insured for Buildings at the Situation where the damage happened.

The underinsurance condition does not apply to this additional benefit, which is in addition to the sum insured.

Optional extension to the Business Property Cover

Flood

When Flood is shown in the current schedule, we will cover loss of or damage to Business Property caused by Flood.

What you are not covered for under this Section

1. We will not pay for loss or damage under the Business Property Cover Section caused by:

(a) Tenants

intentional loss or damage caused by your tenants other than damage caused by fire or explosion

(b) wear and tear

(i) birds, insects, mice, rats or other vermin

(ii) rust, corrosion, or oxidation

(iii) mildew, mould, rotting, disease, contamination, pollutants, or industrial fallout

(iv) inherent vice, change of colour, loss of weight, loss of volume, change in flavour, change in texture

(v) variation in temperature, variation in humidity, variation in controlled atmosphere

(vi) wear, tear, fading or gradual deterioration.

(c) Movement of foundations

(i) vibration, heaving, creeping, shrinking, settling, or expansion of foundations or supports of Business Property

(ii) erosion, subsidence or earth movement unless caused suddenly by a defined event

(iii) collapse of Business Property unless caused suddenly by a defined event

(d) Faulty work

(i) error in, omission of or wrong design

(ii) faulty materials or faulty workmanship

(e) Cessation of work

partial or complete cessation of work, process, operation or activity caused by strikes, labour disputes or locked out workers except as a result of physical loss or damage to the Business Property committed by persons taking part in strikes or labour disputes, or by locked out workers

(f) Incorrect siting of property

incorrect siting of Business Property

(g) Heat

spontaneous combustion, fermentation, heating or any process involving the direct application of heat

(h) Flood

(i) The sea

the action of water from the sea, tidal wave or high water

2. We will not pay for loss or damage under the Business Property Cover Section for:

Underground mine

Business Property located in an underground mine.

3. We will not pay under the Business Property Cover Section for:

(a) Legal liability

any legal liability you incur to pay compensation, damages, fines, or penalties

(b) Breakdown

cost to repair or replace Business Property due to:

(i) mechanical, hydraulic, electrical or electronic breakdown, malfunction, breakage or failure unless caused by an insured Occurrence

(ii) computer virus

(iii) access to your computer systems and records by any person not on your Business Premises

4. We will not pay for loss or damage under the Business Property Cover Section arising from demolition ordered by government or public or local authorities due to failure by you or your agents to obtain the necessary permits.

Specific conditions applicable to this section

Designation of property

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

Progress payments

We will make reasonable progress payments for any claim if requested by you after we have a reasonable opportunity to investigate the cause and extent of the loss or damage.

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

1. 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
2. you notify us within a reasonable amount of time of becoming aware of the breach
3. you agree to pay a reasonable increase in premium for the additional risk.

Underinsurance

For each Occurrence under the Business Property Cover Section, we will pay the proportion of the loss or damage that the sum insured bears to 80% of:

1. the reinstatement or replacement cost, at the time this contract was entered into, of the Business Property where the method of settlement is reinstatement or replacement value, or

- the indemnity value, at the time this contract was entered into, of the Business Property where the method of settlement is indemnity value.

This condition will not apply if the amount of loss or damage is less than 5% of the sum insured nor shall it apply to any claim to which a sub-limit of liability applies.

Any additional costs incurred to comply with the requirements of any statutory authority, by-laws or regulations shall be omitted from the calculation of our proportion.

Release

Whenever you have been required in accordance with established commercial practice to sign any contractual agreement, entered into prior to the happening of any claim under this Section, to release railroads, other transportation companies and municipal, government and semi-government and other statutory authorities, lessors and property owners from liability under this Section, such release is allowed without prejudice.

Hazardous goods

The storage and use of hazardous goods usual to your business is allowed in quantities and manner as permitted by law, by-law or local government regulations.

Business Interruption Cover Section

There are three Parts available in this Section:

- Part A – Annual Revenue Basis
- Part B – Weekly Revenue Basis
- Part C – Gross Profit Basis

Your Policy schedule indicates which Part has been selected by you.

Definitions applicable to this section

Unless the context otherwise requires, where the following words and expressions appear in or are read in conjunction with this Section, they will have the following meanings:-

Damage – actual physical loss, destruction or damage from the operation of a peril or event insured against under the Business Property Cover Section, the Theft Cover Section, the Money Cover Section, the Glass Cover Section or the General Property Cover Section of your Policy.

Indemnity Period – the period beginning with the occurrence of the Damage during which the results of your business are affected by the Damage and ending at the expiration of the maximum period specified in the current schedule or, in the case of weekly Revenue, ending at the earliest of either the expiration of the maximum period specified in the schedule or when weekly Revenue during that period equals or exceeds 95% of Standard weekly Revenue.

Rent Receivable – the amount of the rent received or receivable (including base rental, turnover rental and contributions to outgoings) from the letting of property at the Business Premises.

Part A – Annual Revenue Basis

In the event of interruption of or interference with your business in consequence of Damage occurring during the Period of Cover to the Business Premises or property used by you at the Business Premises, we will pay you in respect of each Item selected by you and shown in the current schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

- the payment is in accordance with the basis of settlement provision for the Item
- we have admitted liability in respect of such Damage under the relevant Section of your Policy, or would have, except for the application of an Excess, and
- our liability in no case will exceed in respect of each Item the sum insured shown in the current schedule for that Item.

The insurance under this Section provides protection with regard to loss under:

- Item 1. Revenue
- Item 2. Additional Expenditure
- Item 3. Accounts Receivable
- Item 4. Claim Preparation Expenses

Definitions for Part A

Unless the context otherwise requires, where the following words and expressions appear in or are read in conjunction with this Part, they will have the following meanings:

Revenue – the money paid or payable to you as a:

- Wholesaler or Retailer of Goods – for goods sold and delivered in the course of your business less the cost of any related purchases (after any discounts).
- Motel Operator – in respect of facilities, accommodation, food and drink made available and services rendered in connection with your business, less the cost of any related purchases (after any discounts) and laundering and cleaning expenses.
- Professional Practitioner or Consumer Services Provider – for services rendered and work performed in connection with your business.
- Property Owner – by tenants (being Rent Receivable).

Standard Revenue – the revenue earned within that period during the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period.*

Annual Revenue – the Revenue earned during the twelve months immediately before the date of the Damage.*

* adjusted, as may be necessary, for trends, variation in or other circumstances affecting your business so that the adjusted figures will represent as far as possible the results which, but for the Damage, would have been obtained during the relevant period after the Damage.

Basis of settlement

Item 1. Revenue

This Item is limited to the loss of Revenue and Increase in the Cost of Working.

The amount payable as indemnity under Item 1 will be:

- (a) in respect of the loss of Revenue:
- the amount by which the Revenue earned during the Indemnity Period falls short of the Standard Revenue, in consequence of the Damage, and
- (b) in respect of the Increase in Cost of Working:
- the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Revenue which, but for the additional expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of reduction in Revenue thereby avoided,

less any sum saved during the Indemnity Period in respect of such charges and expenses of your business payable out of Revenue as may cease or be reduced in consequence of the Damage.

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

This provision will not apply if your claim is for less than 5% of the sum insured for this Item.

Item 2. Additional Expenditure – see Common Clauses to Parts A, B and C.

Item 3. Accounts Receivable – see Common Clauses to Parts A, B and C.

Item 4. Claim Preparation Expenses – See Common Clauses to Parts A, B and C.

Departmental

If your business is conducted in departments or business units the independent trading results of which are ascertainable, the provisions of (a) and (b) of Item 1 will apply separately to each department affected by the Damage. For the purposes of this clause, the Rent Receivable from letting of property at the Business Premises will be regarded as the proceeds of one such department.

Part B – Weekly Revenue Basis

In the event of interruption of or interference with your business in consequence of Damage occurring during the Period of Cover to the Business Premises or property used by you at the Business Premises, we will pay you in respect of each Item selected by you and shown in the current schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

- (a) the payment is in accordance with the basis of settlement provision for the Item
- (b) we have admitted liability in respect of such Damage under the relevant Section of your Policy, or would have, except for the application of an Excess, and
- (c) our liability in no case will exceed in respect of each Item the sum insured shown in the current schedule for that Item.

We will not pay any claim under this Part where the interference or interruption to your business is for a period of less than three days.

The insurance under this Part provides protection with regard to loss under:

- Item 1. Weekly Revenue
- Item 2. Additional Expenditure
- Item 3. Accounts Receivable
- Item 4. Claim Preparation Expenses

Definitions for Part B

Unless the context otherwise requires, where the following words and expressions appear in or are read in conjunction with this Part, they will have the following meanings:-

Weekly Revenue – the money paid or payable to you each week as a:

- Wholesaler or Retailer of Goods – for goods sold and delivered in the course of your business less the cost of any related purchases (after any discounts).

- Motel Operator – in respect of facilities, accommodation, food and drink made available and services rendered in connection with your business, less the cost of any related purchases (after any discounts) and laundering and cleaning expenses.
- Professional Practitioner or Consumer Services Provider – for services rendered and work performed in connection with your business.
- Property Owner – by tenants (being Rent Receivable).

Standard weekly Revenue – the average of the weekly Revenues in that period during the fifty-two weeks immediately before the date of the Damage which corresponds with the Indemnity Period, adjusted as may be necessary for trends, variations in or other circumstances affecting your business, so that the adjusted figure will represent as far as possible the weekly results which, but for the Damage, would have been obtained during the relative period after the Damage.

Basis of Settlement

Item 1. Weekly Revenue

This Item is limited to the loss of weekly Revenue and the amount payable as compensation under this Item will be the amount by which the weekly Revenue during the Indemnity Period falls short of the Standard weekly Revenue in consequence of the Damage.

Item 2. Additional Expenditure – See Common Clauses to Parts A, B and C.

Item 3. Accounts Receivable – See Common Clauses to Parts A, B and C.

Item 4. Claim Preparation Expenses – See Common Clauses to Parts A, B and C.

Part C – Gross Profit

In the event of interruption of or interference with your business in consequence of Damage occurring during the Period of Cover to the Business Premises or property used by you at the Business Premises, we will pay you in respect of each Item selected by you and shown in the current schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

- (a) the payment is in accordance with the basis of settlement provision for the Item
- (b) we have admitted liability in respect of such Damage under the relevant Section of your Policy, or would have, except for the application of an Excess, and
- (c) our liability in no case will exceed in respect of each Item the sum insured shown in the current schedule for that Item.

The insurance under this Part provides protection with regard to loss under:

- Item 1. Gross Profit
- Item 2. Additional Expenditure
- Item 3. Accounts Receivable
- Item 4. Claim Preparation Expenses
- Item 5. Wages
- Item 6. Rent Receivable

Definitions for Part C

Unless the context otherwise requires, where the following words and expressions appear in or are read in conjunction with this Part, they will have the following meanings:

Word or Term	Meaning
Annual rent receivable	the Rent Receivable during the twelve months immediately before the date of the Damage.*
Annual turnover	the Turnover during the twelve months immediately before the date of the Damage.*
Rate of gross profit	the rate of Gross Profit, expressed as a percentage, earned on the Turnover during the financial year immediately before the date of the Damage.*
Standard rent receivable	the Rent Receivable during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period.*
Standard turnover	the Turnover during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period.*
Gross profit	the amount by which the sum of the Turnover and the amount of the closing Stock and work in progress exceeds the sum of the opening Stock and work in progress and the amount of the Uninsured Working Expenses. Note: The amount of the opening and closing Stocks will be arrived at in accordance with your normal accounting methods, due provision being made for depreciation.
Shortage in turnover	the amount by which the Turnover during a period will, in consequence of the Damage, fall short of the part of the Standard Turnover which related to that period.
Turnover	the amount (less discounts allowed) paid or payable to you for goods sold and delivered and for services rendered in the course of your business at the Business Premises.

Word or Term	Meaning
Uninsured working expenses	the working expenses of your business which you have elected not to insure under this Section, and which are specified in the current schedule.
Wages	the remuneration (including bonuses, holiday pay, and other payments pertaining to wages) of all employees other than those whose remuneration is treated as salaries in your books of account.

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

Basis of Settlement

Item 1. Gross Profit

This Item is limited to the loss of Gross Profit due to a reduction in Turnover and the increase in your cost of working.

The amount payable as indemnity under this item will be:

- (a) in respect of reduction in Turnover:
- the sum produced by applying the Rate of Gross Profit to the Shortage In Turnover during the Indemnity Period, and
- (b) in respect of the increase in cost of working:

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

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

Provided that if the sum insured for Gross Profit at the commencement of each Period of Cover is less than the sum produced by applying the Rate of Gross Profit to 80% of the Annual Turnover (or its proportionately increased multiple where the Indemnity Period exceeds twelve months), the amount payable under this Item will be proportionately reduced. This provision will not apply if the amount of the claim does not exceed 5% of the sum insured for this Item.

Item 2. **Additional Expenditure** – See Common Clauses to Parts A, B and C.

Item 3. **Accounts Receivable** – See Common Clauses to Parts A, B and C.

Item 4. **Claim Preparation Expenses** – See Common Clauses to Parts A, B and C.

Item 5 Wages

This Item is limited to the loss incurred by you by the payment of Wages for a period beginning with the occurrence of the Damage and ending not later than the expiration of the period of wages liability shown in the current schedule against 'Short Period Wages'.

The amount payable under this Item will be the actual amount which you will pay as Wages for such period to employees whose services cannot in consequence of the Damage be utilised by you at all and an equitable part of the Wages paid for such period to employees whose services cannot in consequence of the Damage be utilised by you to the full.

Provided that if the sum insured for this Item is less than 80% of the total amount of the Wages that would have been paid during the number of weeks specified in the schedule commencing immediately following the occurrence of the Damage, had the Damage not occurred, the amount payable will be proportionately reduced by the proportion which the sum insured bears to the latter sum. This provision will not apply if your claim is for less than 5% of the sum insured for this Item.

Item 6. Loss of Rent Receivable

This Item is limited to loss of Rent Receivable and additional expenditure.

The amount payable will be:

- (a) in respect of loss of Rent Receivable:
- the amount by which the Rent Receivable during the Indemnity Period falls short of the Standard Rent Receivable, in consequence of the Damage, and
- (b) in respect of additional expenditure:
- the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent Receivable which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of the reduction in Rent Receivable thereby avoided,

less any sum saved during the Indemnity Period in respect of such of the expenses and charges payable out of the Rent Receivable as may cease or be reduced in consequence of the Damage.

Provided that if the sum insured for this Item is less than 80% of the Annual Rent Receivable (or its proportionately increased multiple where the Indemnity Period exceeds twelve months), the amount payable will be reduced so that we will be liable for no greater proportion of the loss under this Item than that which the sum insured bears to 80% of the Annual Rent Receivable (or its proportionately increased multiple, if appropriate). This provision will not apply if your claim is for less than 5% of the sum insured for this Item.

Departmental

If your business is conducted in departments or business units the independent trading results of which are ascertainable, the provisions of paragraphs (a) and (b) of

Item 1 will apply separately to each department affected by the Damage. For the purposes of this clause, the Rent Receivable from letting of property at the Business Premises will be regarded as the proceeds of one such department.

Common Clauses to Parts A, B & C

The following clauses are applicable to Parts A, B and C.

Sum Insured

Our liability to you will in no case exceed in respect of each Item the sum insured expressed against that Item in the current schedule. Any limits stated under 'Extra Benefits' are within the total sum insured of this Section and not additional to the total sum insured.

Item 2. Additional Expenditure

This Item is limited to such further additional expenditure beyond that recoverable under Items 1 and 6 as you necessarily and reasonably incur during the Indemnity Period to maintain normal operations or to avoid or diminish the reduction in Revenue or weekly Revenue or Turnover (as the case may be) in consequence of the Damage.

Item 3. Accounts Receivable

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

- (a) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the Damage occurs
- (b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the Damage occurs, as compared with such average for the same months of the preceding year
- (c) the amount determined under (a), increased or decreased by the percentage calculated under (b) above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said Damage occurs
- (d) the amount determined under (c) above will be increased or decreased in conformity with the normal fluctuation in the amount of accounts receivable during the fiscal month involved, consideration being given to the experience of your business since the last day of the last fiscal month for which statements have been rendered less:
 - (i) the amounts of such accounts evidenced by records not suffering damage or otherwise established or collected by you

- (ii) an amount to allow for probable bad debts that would normally have been uncollectible by you
- (iii) all unearned interest and service charges, and
- (iv) settlement or term discounts normally allowed.

Item 4. Claim Preparation and Proving Expenses

This Item is limited to professional fees and other reasonable additional expenses incurred by you in the preparation and proof of a claim under this Section and, provided you have selected cover under this Business Interruption Cover Section, any one of the following Sections:

The Business Property Cover Section, the Theft Cover Section, the Money Cover Section, the Glass Cover Section or the General Property Cover Section

The sum insured for this Item is \$5,000 for each claim and in addition, any sub-limit stated in the current schedule for Additional Claim Preparation and Proving Expenses.

Accumulated Stocks

In adjusting any loss, account will be taken and equitable allowance made, if any loss of Revenue or weekly Revenue or Gross Profit (as the case may be) in consequence of the Damage is postponed by reason of the Revenue or weekly Revenue or Gross Profit (as the case may be) being temporarily maintained from accumulated Stocks.

Alternative Trading

If during the Indemnity Period, goods are sold, work is performed or services are rendered elsewhere than at the Business Premises for the benefit of your business either by you or by others acting on your behalf, the money paid or payable in respect of such sales, work or services will be brought into account in arriving at the Revenue or weekly Revenue or Gross Profit (as the case may be) during the Indemnity Period.

New Business

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

'Standard Revenue' means the revenue achieved between the date of commencement of your business and the date of the Damage, converted to the selected Indemnity Period.

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

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

'Rate of Gross Profit' means the proportion that the Gross Profit bears to the Turnover during the period between the date of commencement of your business and the date of the Damage.

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

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

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

Extra Benefits

This Section is extended to include the following Extra Benefits. Extra Benefits 1 to 11 inclusive are payable provided that the sum insured expressed against the relevant Item(s) in the schedule is not otherwise exhausted.

We will pay you (depending on the Part of this Section which is applicable to you) for:

- (a) loss of Revenue
- (b) loss of weekly Revenue, or
- (c) loss of Gross Profit,

resulting from interruption of or interference with your business as a result of Damage occurring during the Period of Cover to:

1. Customers and Suppliers – Unspecified

property at premises owned or used by any of your customers and suppliers anywhere in the Commonwealth of Australia up to an amount not exceeding 10% of the sum insured or the percentage shown in the current schedule, whichever is the greater.

2. Prevention of Access

property, or intervention of any lawful authority resulting from threat of Damage to property in the vicinity of the Business Premises, which prevents access to or hinders the use of the Business Premises.

3. Public Utilities

any land-based telecommunications system or any electricity, gas or water supply systems within the Commonwealth of Australia. This Extra Benefit will not apply in respect of Revenue, weekly Revenue or Gross Profit unless the interruption to your business exceeds 48 hours immediately following the Damage. In any event, our total liability under this Extra Benefit will not exceed 10% of the sum insured.

4. Computer Facilities

computer installations, including ancillary equipment and data processing media, utilised by you in the Commonwealth of Australia other than at the Business Premises. Our total liability under this Extra Benefit will not exceed 20% of the sum insured.

5. Roads, Bridges and Railway Lines

roads, bridges and/or railway lines within the Commonwealth of Australia over which raw materials and other Stock are conveyed to or from the Business Premises, up to an amount not exceeding 10% of the sum insured in respect of any one occurrence.

6. Storage Sites / Temporary Removal

your property stored or being processed at any premises in the Commonwealth of Australia not occupied by you. Our total liability under this Extra Benefit will not exceed 20% of the sum insured.

7. Transit

your property while in transit by road, rail, sea or air within the Commonwealth of Australia and outside of the Business Premises occupied by you, up to an amount not exceeding 10% of the sum insured in respect of any one Occurrence.

we will also pay you (depending on the Part of this Section which is applicable to you) for loss of Revenue, loss of weekly Revenue; or loss of Gross Profit resulting from interruption of or interference with your business as a direct result of:

8. Explosion of Pressure Vessels

Damage to pressure vessels by self-explosion or collapse.

9. Documents

Damage to documents and electronic data files belonging to or held in trust by you, while in transit or while at Premises not occupied by you, but limited to 10% of the sum insured.

10. Motor vehicles owned or operated by you

Damage during the Period of Cover To any registered vehicles or trailers owned or operated by you, while such vehicles are at the Business Premises or at other Premises in Australia but not on a public thoroughfare.

11. Infectious Disease, etc.

we will also pay you for interruption or interference with your business due to closure or evacuation of the whole or part of the Business Premises during the Period of Cover by order of a competent government, public or statutory authority as a result of:

- (a) infectious or contagious human disease, vermin or pests or defects in the drains or other sanitary arrangements, occurring at the Business Premises, bomb threat
- (b) the outbreak of a notifiable human infectious or contagious disease occurring within a twenty kilometre radius of the Business Premises,

injury, illness or disease caused by the consumption of food or drink provided and consumed on your Business Premises during the Period of Cover

murder or suicide occurring at the Business Premises, or

shark or crocodile attack occurring within a 20 kilometre radius of the Business Premises during the Period of Cover

Provided that our liability under this Extra Benefit 11 shall be limited to 20% of the sum insured by this Section.

Optional benefits

The following Optional Benefits do not apply automatically. They apply when you have requested their inclusion in this Section, and the current schedule has been endorsed by us noting the inclusion.

1. Contractual Penalties and Damages

The insurance is extended to cover penalty charges and liquidated damages for breach of contract which you become legally liable to pay as a result of Damage occurring during the Period of Cover and which causes your failure to complete or your late completion of an order, your cancellation of an order or your inability to meet contract specifications.

The cover hereby granted shall be subject to the sub-limit of liability stated in the current schedule against 'Contractual Penalties and Damages', for any one loss or series of losses arising from any one Occurrence at any one Business Premises.

2. Goodwill

Following Damage to any building at your Business Premises we will pay, up to the sub-limit of liability shown in the current schedule for 'goodwill', for the actual cost of goodwill incurred by you when purchasing a business in order to maintain your business activities. Provided that:

- (a) we will only pay these goodwill costs when the building that is damaged cannot or will not be repaired or rebuilt. This includes: any refusal by any owner or lessor other than you to repair or rebuild; and any restrictions imposed by any legal authority, and
- (b) the purchase of the business is incurred because you were unable to continue your business at the Business Premises as a result of the Damage to the buildings not being repaired, and
- (c) the cause of the Damage to the buildings would have been covered by the Business Property Section of your Policy had that building been insured under that Section, and
- (d) the business that is purchased is similar to your business.

Special conditions applicable to this section

Adjustment of premium

We will reduce your premium for Part A – Revenue or

Part C – Gross Profit Cover at the end of each Period of Cover if the Revenue or Gross Profit (as the case may be) earned during the previous 12 months accounting period is less than the sum insured. The adjustment rate is 50% of the difference between the premium payable for the Revenue or Gross Profit sum insured and for the Revenue or Gross Profit earned.

Any payment made by us for a claim under Part A – Revenue or Part C – Gross Profit is to be included in the Revenue or Gross Profit earned for the purpose of this adjustment.

Books of account

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

Theft Cover Section

What you are covered for

We cover you for loss of or damage to the property shown under the Theft item on the current schedule caused by:

1. any person who forcibly and violently enters or attempts to enter the Business Premises
2. any person unlawfully concealed on the Business Premises
3. any person who threatens or commits physical violence to you, your employees or other persons
4. armed hold-up at the Situation.

The loss or damage must occur during the Period of Cover.

How we will pay your claim

We will not pay more than the sum insured shown on the current schedule for the Theft Cover Section, except to the extent stated under the heading 'Additional benefits not in your sum insured'.

Property not recovered or not repairable

If the covered property is not found within a reasonable time after the loss or cannot be economically repaired, we will pay your cost to re-purchase or reinstate. If the covered property is not replaced by you we will pay you the indemnity value.

Property that can be repaired

If the covered property can be repaired for less than the cost to re-purchase, at your option we will pay:

1. for the cost to repair covered property up to the cost to repurchase, or
2. the indemnity value of covered property after deducting its residual value.

Additional Benefits: Theft Cover Section

Additional benefits included in your sum insured

Following an Occurrence or attempted Occurrence covered under this Section, we will pay for:

1. **Theft (limited) without forcible and violent entry**
 - (a) loss or damage, limited to \$1,000 for any one Occurrence, by theft or attempted theft of Business Property other than electronic equipment, Stock or customers' goods,
 - (b) loss or damage, limited to \$2,000 (unless a higher amount applicable to this paragraph (b) is shown in the current schedule against the above heading) for any one Occurrence, by theft or attempted theft of your electronic equipment which is not Stock, from an office,

occurring during the Period of Cover from the Business Premises without forcible and violent entry but excluding theft or attempted theft from any open-sided structure

such as, but not limited to verandas or yards or other open spaces even if they are partially or fully enclosed. This additional benefit does not cover loss as a result of unexplained disappearance, unexplained or inventory shortage, clerical or accounting errors or shortage in supply or delivery to or from the Business Premises. An Excess of \$100 any one Occurrence applies to this additional benefit.

2. **Damage to business premises**

the repair of your Business Premises and property contained inside. We will not pay for damage that is or can be covered in the Business Property Cover Section, the Money Cover Section and the Glass Cover Section. The maximum amount we will pay for this additional benefit 2 is the total of:

- (a) the remaining sum insured for each item covered after payment of a claim, and
- (b) the sub-limit (if any) shown in the current schedule for this additional benefit.

Additional benefits not in your sum insured

3. **Seasonal increase of cover**

All Theft Cover sums insured are increased by 30% for:

- (a) eight weeks prior to and including Christmas Day
- (b) two weeks after and including 26th December
- (c) seven weeks prior to and including Easter Tuesday
- (d) any other period shown on the current schedule.

4. **Temporary protection**

The cost of necessary temporary protection and repairs and the employment of guards/watchmen to protect covered property following an Occurrence covered by this Section. The maximum amount we will pay for each Occurrence is \$5,000. If you are also insured under the Money Cover Section, the benefits payable under this extension shall not be cumulative and shall be limited to \$5,000 in the aggregate per Occurrence.

5. **Locks, keys and combinations**

- (a) the cost of replacing locks, keys or combinations used in your Business and the cost of opening safes and strongrooms This additional benefit shall also apply if there are reasonable grounds to suspect that keys or combinations have been copied without your authority.
- (b) the cost of replacing and developing security film exposed because of theft or attempted theft.

A sub-limit of \$ 5,000 any one Occurrence applies to this additional benefit 5.

6. **Rewriting of records**

additional clerical and professional costs, limited to \$5,000 any one Occurrence, incurred by you to reinstate, reproduce or restore:

- (a) computer systems

- (b) records, documents, manuscripts, securities, deeds
- (c) specifications, plans, drawings.

7. Property of directors, employees and clubs

the cost of replacing property (excluding Money) belonging to your directors, and employees or to your welfare, sports and social clubs if:

- lost or damaged at the Situation
- the person to whom the property belongs is not named as an insured
- the property is used solely for business purposes but limited to \$2,000 for any one person or club and \$10,000 any one Occurrence.

8. Temporary removal

Provided that details of the additional risk are advised to us within sixty days of your using other premises for the first time and that you pay or agree to pay any reasonable additional premium required by us, we will cover you, for up to 20 % of the sum insured by this Section, on Business Property temporarily removed from the Business Premises to a locked building at any other premises in Australia.

But we do not cover Business Property temporarily removed:

- (a) unless it is owned by you or property for which you are responsible
- (b) which is tobacco, tobacco products, cigars, cigarettes or alcoholic beverages
- (c) for more than 60 consecutive days, unless a longer period has been agreed in writing.

9. Death following assault

If any person is injured while protecting or attempting to protect the property from theft and death results from that injury within twelve months, we will pay \$10,000 to the estate of that person. This amount is additional to any amount we pay for the theft of property. If you are also insured under the Money Cover Section, the benefits payable for death following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate.

10. Employee Dishonesty

we will pay you for loss of Business Property by theft or dishonesty by any of your employees occurring during the Period of Cover, which is discovered within thirty-one days of its occurrence. Exclusion 3, so far as it relates to loss or damage due to theft or attempted theft committed by an employee, does not apply to this additional benefit. Our liability under this additional benefit is limited to \$2,500 for any one Occurrence. If you are also insured under the Money Cover Section, the benefits payable for employee dishonesty shall not be cumulative and shall be limited to \$2,500 in the aggregate per Occurrence. This extension shall not apply if you are also insured under the Dishonesty of Employees Cover Section.

11. Tenanted premises

we will pay the cost of repairing damage to Business Premises in which you are a tenant and for which you are legally liable to pay in accordance with the terms of your lease, provided such damage occurs as a result of theft or attempted theft of Business Property occurring during the Period of Cover. The limit of our liability under this additional benefit is \$1,000 for any one Occurrence.

What we will not pay for

1. We will not pay under the Theft Cover Section for loss of or damage to:
 - (a) Money and negotiable instruments in excess of \$100
 - (b) jewellery, furs, bullion, property made of gold or silver or precious stones exceeding \$10,000 any one loss and \$2,000 any one item unless they are Stock
 - (c) motor Vehicles unless they are Stock
 - (d) glass unless it is Stock
 - (e) property not contained in a locked building.
2. We will not pay under the Theft Cover Section for loss of or damage to property caused by:
 - (a) any person lawfully on your Business Premises
 - (b) any person who does not steal or intend to steal property
 - (c) fire, earthquake, riot or civil commotion
3. We will not pay under the Theft Cover Section for loss of or damage to property caused by or in any way contributed to by dishonest acts by you, your directors, partners, employees or any members of your Family, other than by an employee following visible forcible and violent entry.
4. Loss from a safe, strongroom or security enclosure opened by a key or by the use of details of a combination, either of which has been left on your Business Premises while closed for business, is not covered for more than the sum insured on Business Property anywhere on the premises outside business hours.
5. We will not pay under the Theft Cover Section for unexplained disappearances or unexplained shortages, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by you.

Optional Benefit applicable to the Theft Cover Section

The current schedule will show if the following optional benefit, which is in addition to Additional Benefit 1, is covered:

Theft without forcible and violent entry

Theft of Business Property in the open air but within the boundaries of the Situation or contained in an unlocked building, up to the amount shown in the current schedule for 'theft without forcible and violent entry'.

Money Cover Section

Words with special meaning

Some words have special meaning wherever they appear in the Money Cover Section.

Word or Term	Meaning
Financial Service Provider	means a bank, building society or credit union or an agency for any of these.
Safe	means a burglar-resistant container which has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of Money and valuables.
Strongroom	means a burglar-resistant structure constructed of masonry and steel which has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of Money and valuables.

What you are covered for

We will pay you for loss of or damage to Money during the Period of Cover when the Money is at risk of any of the covered listed events.

Listed Events

1. Money in transit

Money in transit to or from your Business Premises or private residences while in your personal custody or the custody of persons authorised by you.

Money in transit includes Money contained in a night Safe or automatic teller machine from the time you deposit the Money until the time your Financial Service Provider ceases trading on its next full trading day.

2. Money on business premises

Money contained in your Business Premises:

- (a) during Normal Business Hours
- (b) outside Normal Business Hours
- (c) at any time while contained in a locked Safe or Strongroom.

3. Money in private residence

Money contained in:

- (a) your home, or
- (b) in the home of a person authorised by you

when it has been taken home for safe keeping from your Business Premises or the place of collection until the time your Financial Service Provider ceases trading on its next full trading day.

How we will pay your claim

We will pay you up to the sum insured shown on the current schedule for each of the listed events.

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

- (a) if the securities can with our approval be replaced, the cost of replacement paid or payable by you, or
- (b) if the securities cannot or are not to be replaced by you, the greater of
 - (i) the price for which you purchased them, or
 - (ii) the closing market value on the last business day prior to the date of discovery by you of the loss or destruction of the securities, or if the time of discovery by you is after the close of the market, their closing market value on the day of discovery by you of the loss or destruction of the securities,
- (c) in the case of a loss of subscription, conversion or redemption privileges through the loss of any security, the value of such privileges immediately preceding the expiration thereof, such valuation being in the currency in which the loss was sustained. Losses sustained in currencies other than Australian dollars shall be settled by converting the amount of loss to Australian dollars at the market rate at the time of settlement of the loss or such other rates as may have been expressly agreed with us. If there is no market price or value on the relevant day stated herein, then the value shall be agreed between you and us, or in default thereof, we and you shall submit to arbitration and be bound by the decision of the umpire.

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

Additional benefits to the Money Cover Section

The following additional benefits shall apply only following loss of or damage to Money or any attempt thereat, insured by this Section.

Additional benefits included in your sum insured

Locks, keys and combinations

When you have Money Cover, we will pay you the cost of replacing locks, keys or the combination, that are used to lock your Safe or Strongroom which are stolen, damaged or copied.

The maximum amount we will pay you for this additional benefit is \$5,000.

Additional benefits not in your sum insured

Loss of or damage to safes, strongrooms and cash carrying bags

If Money is stolen or there is an attempt at stealing your Money from your Safe or Strongroom, we will pay you:

- (a) the cost of opening the Safe or Strongroom and to repair or replace any loss or damage to the Safe or Strongroom that was caused by the theft or attempt

- (b) the cost of replacing and developing security film exposed because of the theft or attempt
- (c) If Money is stolen or if there is an attempt at stealing your Money, we will pay for loss of or damage to your cash carrying bag that was caused by the theft or attempt.

Our liability under this additional benefit is \$5,000 any one Occurrence.

Temporary protection and security guards

We will pay you the costs necessarily and reasonably incurred by you in effecting temporary protection and the employment of guards/watchmen to safeguard the insured property as a result of theft or attempted theft of Money occurring during the Period of Cover and that is insured under this Section. The maximum amount we will pay for each Occurrence is \$5,000. If you are also insured under the Theft Cover Section, the benefits payable under this extension shall not be cumulative and shall be limited to \$5,000 in the aggregate per Occurrence.

Seasonal increase of cover

All Money Cover sums insured are increased by 30% for:

1. eight weeks prior to and including Christmas Day
2. two weeks after and including 26th December
3. seven weeks prior to and including Easter Tuesday
4. any other period shown on the current schedule.

Bank and public holidays extension

The sums insured for Money Cover are automatically increased by 100% or \$50,000 whichever is the lesser on days that are gazetted bank or public holidays. This increase shall apply up until bank closing time on the next business day after such holiday. This additional benefit does not apply to Money on Business Premises outside business hours, damage to Safes and Strongrooms and seasonal increases.

Death following assault

If any person is injured while protecting or attempting to protect Money from theft or attempted theft and death results from that injury within twelve months, we will pay the estate of that person \$10,000. This amount is in addition to any amount we pay for loss of Money. If you are also insured under the Theft Cover Section, the benefits payable for death following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate.

Employee Dishonesty

We will pay you for loss of Money by theft or dishonesty by any of your employees occurring during the Period of Cover, which is discovered within thirty-one days of its Occurrence. Exclusion 1c, so far as it relates to loss or damage due to theft or attempted theft committed by an employee, does not apply to this additional benefit. Our liability under this additional benefit is limited to \$2,500 for any one Occurrence. If you are also insured under the Theft Cover Section, the benefits payable for employee dishonesty shall not be cumulative and shall be limited to \$2,500 in the aggregate per Occurrence. This extension shall not apply if you are also insured under the Dishonesty of Employees Cover Section.

Optional Benefit

(The following benefit does not apply unless stated in the current schedule)

Transit – Customer's Premises

Listed event 1 – Money in Transit is extended to include Money in transit to or from a customer's premises while in your personal custody or the custody of persons authorised by you.

What you are not covered for under the Money Cover Section

1. We will not pay for loss or damage caused by:
 - (a) clerical or accounting errors
 - (b) errors in receiving or paying out Money
 - (c) dishonest acts of your directors, partners, employees or any member of your Family other than theft by an employee following visible forcible and violent entry.
2. We will not pay for loss of or damage to:
 - (a) Money which was not discovered missing within seven working days of the loss or damage occurring
 - (b) Money whilst contained in an unlocked and unattended Vehicle
 - (c) Money from a Safe or Strongroom opened by a key or by use of a combination which has been left on the Business Premises outside Normal Business Hours
 - (d) Money whilst it is outside the Commonwealth of Australia.

Public and Products Liability Cover Section

Words with special meaning

Wherever the following words appear in the Public and Products Liability Cover Section, they have the following special meaning.

Word or Term	Meaning
Employee	any person who is employed by you and/or in respect of whom you are required to have cover for workers compensation or similar cover by any workers compensation legislation.
Employment practices	any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination in respect of employment by you.
Excess	the amount you must pay towards each and every claim for Property Damage and is shown on the current schedule.
Compensation	compensatory damages, all legal costs awarded against you and interest accruing after entry of judgment against you until we have paid the amount outstanding.
Geographical limit	<ol style="list-style-type: none"> anywhere within the Commonwealth of Australia and its external territories elsewhere in the world but only: <ol style="list-style-type: none"> arising from the presence outside Australia of any traveling executives, Non-Manual Salesmen or other non-manual Employees who are normally resident in Australia any part of the world to which your Products are exported except Products you know have been exported to the United States of America or the Dominion of Canada or any country, territory or protectorate where the laws of these countries are applied.
Limit of liability	the amount(s) stated in the current schedule as the sum insured or any lesser limit shown in the current schedule or in this Section. The Limit of Liability is inclusive of and not additional to any applicable Excess.

Word or Term	Meaning
Non-manual salesmen	your agents, servants or Employees who are involved solely in the marketing of your Products but does not mean any such person who undertakes the manufacturing, maintenance or repair of your Products whether or not such activities are incidental to marketing of your Products.
Personal injury	<ol style="list-style-type: none"> bodily injury, sickness, disease, disablement, loss of consortium, shock, fright, mental anguish and mental injury, including death at any time resulting from any of these wrongful entry, wrongful eviction, false arrest, wrongful detention, false imprisonment, malicious prosecution and humiliation assault, provided you did not commit the assault or direct the assault unless reasonably committed for the purpose of preventing Personal Injury or Property Damage libel, slander, defamation of character invasion of right of privacy which occurs during the Period of Cover.
Pollutants	Any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals, material to be recycled, reconditioned or reclaimed or wastes.
Products	anything after it is no longer in your possession or control that you manufactured, grew, extracted, processed, assembled, constructed, erected, installed, repaired, serviced, treated, imported, exported, sold, supplied or distributed including the packaging materials, labels, containers (other than a Vehicle), the design formula or specification, directions, instructions or advice given or omitted in connection with such Products. The term includes anything which by operation of a law of the Commonwealth of Australia you are deemed to have manufactured.
Professional service	service, advice, counseling, diagnosis, treatment of persons or animals, prescription, or service provided by you which is normally provided for a fee by professional persons.

Word or Term	Meaning
Property damage	physical loss or damage that occurs during the Period of Cover to tangible property and loss of use of tangible property arising out of physical loss or damage to other tangible property
Tool of trade	a Vehicle that has tools, implements, machinery or plant attached to or towed by the Vehicle and is being used by you at your Business Premises or a work site you have been contracted to work at. Tool of trade does not include Vehicles whilst traveling to or from a work-site or Vehicles that are used to carry goods to or from any premises.
You, your, yours	<p>where used in this section,</p> <p>(a) the persons or organisations shown in the current schedule</p> <p>(b) any subsidiary companies of (a) above, existing at the effective date of the Period of Cover as shown in the current schedule, whose places of incorporation are within Australia or its external territories</p> <p>(c) (i) any company acquired by, and whose operations are controlled and managed by, a person or organisation shown in the current schedule or a company referred to in (b) above during the Period of Cover as a result of consolidation, merger or purchase</p> <p>(ii) any subsidiary entity that is incorporated by a person or organisation shown in the current schedule or by a company referred to in (b) above, during the Period of Cover</p> <p>Provided that any such acquisition or incorporation:</p> <p>(i) must be notified to us within 90 days of it being effected</p> <p>(ii) must be of the same type of business as your Business, and</p> <p>(iii) must be incorporated within Australia or its external territories</p>

Word or Term	Meaning
You, your, yours (continued)	<p>(d) (i) any director, executive officer, Employee or partner of a person or organisation shown in the current schedule or a company referred to in (b) or (c) above, but only while acting within the scope of their duties in such capacity, and</p> <p>(ii) any shareholder of a company referred to in (a), (b) or (c) above, but only while acting within the scope of their capacity as shareholders of such company</p> <p>(e) any office bearer or member of a canteen, social and/or sporting club, welfare or child care organisation, first aid, fire or ambulance service, all or any of which has been formed with the consent of any of the parties in (a), (b) or (c) above.</p>
Your business	for the purposes of this Section, means your occupation shown on the current schedule and all ancillary or incidental operations including the ownership and tenancy of premises, private work carried out with your consent by any of your Employees for any director or senior official of yours and the provision and management of canteen, social, sports, welfare or child care organisations for your Employees and internal first aid, fire and ambulance services.

What you are covered for

We cover your legal liability to pay Compensation for Personal Injury or Property Damage occurring within the Geographical Limit as a result of an Occurrence arising out of your Business. We will not pay more than the Limit of Liability shown on the current schedule under the Public and Products Liability Cover Section in respect of any one claim or series of claims arising out of any one Occurrence or, for Products liability, in respect of all claims during the Period of Cover.

Additional payments

We will pay the following amounts in addition to the Limit of Liability:

1. all charges, expenses and legal costs incurred by us or by you with our consent for the defence or negotiation or settlement of any claim for which you are covered by the Public and Products Liability Cover Section

2. all charges, expenses and legal costs for which you are covered by the Public and Products Liability Cover Section, necessarily incurred by you in relation to any coroner's inquest into matters that happened during the Period of Cover
3. for the cost of emergency first aid to other persons and for costs incurred with our consent for temporary repairs, shoring up or protection of damaged property of others

Provided that such amounts shall not be payable in addition to the Limit of Liability if the claim is subject to or determined by the law of the United States of America or the Dominion of Canada or any country, territory or protectorate where the laws of these countries are applied.

Additional payments you have to pay for

If we pay the full Limit of Liability, then you must pay your proportion of 'Additional Payments.' Your proportion is calculated by dividing the total of the Limit of Liability by the cost of the total amount required to dispose of or settle the claim (but not the cost of additional payments) against you.

Products liability limit aggregated

We will not pay more than the Limit of Liability shown on the current schedule, for all legal liability from all Occurrences, that is caused by your Products during the Period of Cover.

Exclusions

We will not cover you for any liability:

1. Aircraft, Hovercraft
 - caused directly or indirectly by or arising from:
 - (a) ownership, possession, maintenance, operation or use by you or on your behalf
 - (b) any of your Products which are with your knowledge incorporated into the structure, machinery or instruments
 - of any Aircraft or Hovercraft.
2. Asbestos

This Policy does not cover liability resulting from the existence, mining, handling, processing, manufacture, sale, distribution, storage or use of asbestos, asbestos products and/or products containing asbestos.
3. Contractual Liability
 - (a) assumed under a contract or agreement other than liability for Personal Injury and Property Damage that you would have been liable for by law if the contract or agreement had never existed
 - (b) for delay in or lack of performance by you or on your behalf arising from any contract or agreement.

This exclusion 3 does not apply to:

 - (i) liability assumed by you under a warranty of fitness or quality as regards your Products,
 - (ii) liability assumed by you under any lease of real or personal property but this exemption does not extend to any obligation to insure such property.

4. Employer's liability (Workers' Compensation)
 - (a) for Personal Injury to any person arising out of, or sustained in the course of, the employment of such person in your service, or through the breach of any duty owed to that person, where you:
 - (i) are indemnified or entitled to be indemnified (either in whole or in part) in respect of claims for damages under a Policy of insurance (which expression includes arrangements made by you to provide accident insurance for your workers under a licence to self insure) arranged (whether required by law or not) in accordance with any workers' compensation legislation or accident compensation legislation, or
 - (ii) would have been indemnified or entitled to be indemnified had you arranged a Policy of insurance as required by such legislation.
 - (b) for Personal Injury to any person arising out of, or sustained in the course of, the employment of such person in your service in western Australia, other than a person of whom you are deemed to be an employer by reason only of Section 175 of the Workers' Compensation and Rehabilitation Act 1981 (WA).
 - (c) for mental anguish suffered by any person arising out of, or in the course of, that person's employment by, or service to, you.
 - (d) for Personal Injury arising out of Employment Practices or out of the libel, slander or humiliation of any person while in your service or while employed by you.
 - (e) any other liability imposed by the provisions of any workers' compensation legislation or accident compensation legislation or any industrial award, agreement or determination.
5. Erections, alterations and additions

directly or indirectly arising out of the construction, erection, alteration, demolition of and/or addition to buildings by you or on your behalf.

This exclusion 5 will not apply to alteration of or addition to buildings owned and/or occupied by you where the cost of such alterations or additions does not exceed \$500,000 or 10% of the Limit of Liability, whichever is the lesser.
- 6a. Faulty workmanship

arising directly or indirectly from or in connection with the cost of performing, completing, reworking, correcting or improving any service or work done or promised to be done by you or someone else on your behalf
- 6b. Product Defect

for damage to your Products if the damage is attributed to any defect in them or to their harmful nature or unsuitability.
7. Libel, slander, defamation

arising directly or indirectly from the publication or utterance of libellous, slanderous or defamatory material:

 - (a) made prior to the effective date of this insurance, or

- (b) that you knew to be false and the material was approved to be released by you
 - (c) arising from publishing of books, newspapers, magazines and similar material
 - (d) arising from publishing of any political or social material
 - (e) arising from radio or television broadcasting or any other medium of public transmission such as internet, telephone or dedicated landlines.
8. Loss of use of property
- for loss of use of tangible property that has not been physically damaged or destroyed and is caused by:
- (a) delays, non completion or poor performance by you or any other person acting on your behalf in relation to any contract or agreement, or
 - (b) the failure of your Products to meet the level of performance, quality, fitness or durability that you have implied or promised 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 you.
9. Penalties
- (a) for fines or penalties imposed on you due to the application of government legislation or order of a court of law, or
 - (b) for punitive, exemplary or aggravated damages, or
 - (c) for any additional damages resulting from the multiplication of compensatory damages against you, or
 - (d) for liquidated damages.
10. Pollution
- arising directly or indirectly out of:
- (a) the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants
- Exclusion 10 (a) will not apply to liability for Personal Injury or Property Damage where such discharge, dispersal, release or escape is caused by a sudden, identifiable, unintended and unexpected happening which takes place in its entirety at a specific time and place
- (b) testing, monitoring, clean-up, removal, containment, treatment, detoxification or neutralisation of Pollutants whether or not any of the foregoing are or should be performed by you or by others
 - (c) the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants caused by any Products that have been discarded, dumped, abandoned or thrown away by others
 - (d) the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants in the United States of America or Canada or in any country to which the laws of the United States of America or Canada apply.
11. Product Recall
- for the costs incurred by you in recalling, withdrawal, removal, inspection, repair, reconditioning, loss of use or replacement of your Products.
12. Professional Liability
- arising out of your Professional Service or failure to provide Professional Service or any act, mistake or omission you make relating to or from your Professional Service if such service or act is of a kind ordinarily undertaken for a fee.
- Emergency first aid is not a Professional Service unless you are a qualified medical person and you have insurance for your Professional Services liability.
13. Property in your physical or legal control
- (a) for damage to property owned by, leased or rented to you
 - (b) for damage to property not belonging to you but in your physical and legal control other than the property described in Additional benefits – Property in Physical and Legal Control.
14. Vehicles
- caused by or arising directly or indirectly from the use of, ownership or possession of any Vehicle which is:
- (a) registered or required by law to be registered
 - (b) insured for compulsory injury insurance or required by any government legislation to be insured for injury liability.
15. Watercraft
- caused by or arising directly or indirectly from the use, ownership, or possession of any Watercraft which exceeds 10 meters in length, but this exclusion shall not apply in regard to such Watercraft operated by independent contractors whilst being used by you for business entertainment.
16. Personal Injury or Property Damage arising, directly or indirectly, out of, or in any way involving your 'Internet Operations'.
- This exclusion does not apply to Personal Injury or Property Damage 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.
- 'Internet Operations' means the following:
- (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.
- 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.

17. 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:
- the use of any computer hardware or software
 - the provision of computer or telecommunication services by you or on your behalf
 - the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any computer virus.

Additional benefits applicable to this Section

Property in your Physical and Legal Control

Exclusion 13 will not apply to the following property:

- buildings including landlords' fixtures and fittings used by you for your Business (including permanent fixtures) which are leased or rented to you and which you are not required to insure for Property Damage
- buildings, (including permanent fixtures and contents) which are not owned by or leased to you and which you have temporarily occupied for your Business purposes
- Vehicles not belonging to or used by you whilst temporarily contained in a Vehicle parking area owned or controlled by you provided you do not require payment from the drivers or owners of the Vehicles parked
- property that is being stored, used or repaired by you other than property that you are transporting in a Vehicle or storing where you are receiving payment for the transportation or storage
- property belonging to visitors or to your Employees.

The maximum we will pay for your legal liability for additional liability benefit – property in your physical and legal control benefits – paragraph 4 – is the Limit of Liability for goods in physical legal control shown on the current schedule.

Vehicles used as a tool of trade

Exclusion 14 (vehicles) will not apply to liability for Personal Injury (not covered by compulsory liability insurance) or Property Damage caused by the use of a Vehicle as a Tool of Trade.

Vehicles unloading or loading goods

Exclusion 14 (vehicles) will not apply to liability incurred because goods are being unloaded or loaded from the Vehicle provided the Vehicle is not being driven or towed during unloading or loading. For the purpose of this additional benefit the term 'loading or unloading' shall mean the single action of transferring the weight of the goods.

Cross liability

Where you are comprised of more than one entity, the term 'you' will be considered as applying to each entity in the same manner as though a separate Policy had been issued to each entity, provided that our total liability will apply as though there were no separate policies issued to each entity. We agree to waive all rights of subrogation or action which we may have against any such entity in relation to matters covered by this Section.

Indemnity to principal

The insurance by the Public and Products Liability Cover Section extends to indemnify any principal but only for liability as principal arising out of work performed by you under a contract for that principal. Our liability is limited to the lesser of the Limit of Liability by this Section or the amount of liability cover required under the contract to perform work.

Special conditions applicable to this section

1. Claims

You must provide as soon as practicable written notice of:

- any claim made against you,
- the receipt of written notice from anyone that it is their intention to make a claim against you,
- every Occurrence or circumstance known to you which you believe could give rise to a claim under this Section.

2. Discharge of liabilities

We may at any time pay you for all claims against you under this Section which arise out of one Occurrence or a series of Occurrences or where the Limit of Liability is subject to an aggregate limit (such as liability caused by your Products):

- the Limit of Liability (after amounts already paid by us have been deducted), or
- any lower amount for which the claim(s) can be settled.

When we have made payment to discharge our liability:

- we will relinquish conduct of and control of the claims(s), and
- we will not pay further amounts under the Public and Products Liability Cover Section in connection with the claim(s).

If we have made payment to discharge our liability:

- you will pay us costs, charges and expenses we are entitled to from you that were incurred prior to the date of our payment which discharged our liability
- we will pay you costs, charges and expenses incurred by you (with our written permission) prior to the date of our payment which discharged our liability.

3. Premium adjustment

If the premium for this Policy has been calculated on any estimates given by you, you must keep accurate records containing all relevant particulars and at any reasonable time allow us to inspect such records.

Following the expiry of each Period of Cover you must supply us with such records as we may reasonably require so that the premium for that period may be calculated. Subject to any minimum premium applicable, the difference must be paid by or will be allowed to you as the case may be.

Glass Cover Section

Words with special meaning

Some words have special meaning wherever they appear in the Glass Cover Section. These words and their meanings are listed below.

Word or Term	Meaning
Breakage of Glass and Broken Glass	a fracture which extends through the entire thickness of the Internal Or External Glass.
External Glass	glass permanently fixed to the building comprising of windows, walls and doors which you own or are responsible for under a lease or rental agreement.
Internal Glass	<p>(a) glass forming part of furniture, showcases, storage cabinets, refrigeration cabinets, partitions and shelves</p> <p>(b) mirrors other than hand-held mirrors</p> <p>(c) toilet pans, cisterns and hand basins which you own or are responsible for under a lease or rental agreement.</p>

What you are covered for

We cover you under the Glass Cover Section for accidental breakage at the Situation of the glass shown on the current schedule which occurs during the Period of Cover.

What you are not covered for

Under the Glass Cover Section we will not pay the cost to repair or replace Broken Glass:

1. which is Stock
2. which is chipped or in poor condition when the period of cover commences
3. which is damaged during transit to or from your business premises
4. while it is being fitted or removed from its frame or mounting brackets
5. which is part of any glass house, conservatory, radio, television screen, computer screen, vase, picture, crystal, crockery, china, or glass item normally carried by hand.

How we will pay your claim

We will at our option either pay the cost to repair or replace broken glass with glass of similar or higher quality to comply with the requirements of any statute or regulation.

Additional benefits applicable to the glass cover section

If a claim is payable by us under the Glass Cover Section we will also pay up to the sum insured shown on the current schedule for the reasonable cost to replace or repair the following additional items:

- (a) Alarm tapes and protective film
protective and heat reflective film, alarm tapes, wires or electrical connections attached to the glass.
- (b) Frames
door frames, tiled shopfronts or window frames which have been accidentally damaged.
- (c) Sign writing
sign writing and decorations damaged by the Occurrence.
- (d) Temporary shuttering
we will also pay the reasonable cost of temporary shuttering and security pending replacement of the Broken Glass.
the total of all payments under additional benefits (a), (b), (c), and (d) is limited to \$5,000 during the Period of Cover, unless a higher amount is stated in the current schedule.
- (e) Stock
spoilage of Stock caused by Breakage of Glass. This additional benefit is subject to a sub-limit of liability of \$5,000 or any higher sub-limit stated in the current schedule for 'spoilage of Stock caused by Breakage of Glass'.
- (f) Signs
glass or plastic which forms part of an illuminated sign and which is damaged during the Period of Cover. This additional benefit is subject to a sub-limit of liability of \$5,000 or any higher sub-limit stated in the current schedule for 'signs'. The admissibility of claims for damage to signs shall not be contingent upon other damage to glass.
- (g) Overtime
we will pay the reasonable costs for after-hours service by repairers, express delivery and overtime charges to repair or replace Broken Glass. The maximum we will pay for this benefit is the amount shown on the current schedule.

General Property Cover Section

Words with special meaning

Some words have special meaning wherever they appear in the General Property Cover Section. These words and their meanings are listed below.

Word or Term	Meaning
General Property	the property listed on the current schedule under the General Property Cover Section.

What you are covered for

We cover you for physical loss or damage to General Property which occurs during the Period of Cover other than the exclusions in 'What you are not covered for'.

What you are not covered for

1. We will not cover loss or damage to General Property under the General Property Cover Section which is:
 - (a) covered under any other Section of this Policy
 - (b) being constructed, erected, altered, manufactured, cleaned or repaired
 - (c) sporting equipment whilst in use.
2. We will not cover loss or damage caused by:
 - (a) flood
 - (b) water from or action by the sea, tidal wave or high water
 - (c) fraudulent or dishonest acts, fraudulent misappropriation, embezzlement, forgery, counterfeiting, data corruption, unauthorised amendment of data, erasure by electronic or non-electronic means involving Business Property, committed by you or by any employee(s) of yours or with your knowledge, by any Family member(s), whether acting alone or in collusion with any other person(s) or unexplained disappearance or unexplained inventory shortage, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by you
 - (d) theft from a Vehicle or premises without either forcible and violent entry, armed hold-up or the direct threat of physical violence
 - (e) wear and tear, fading, scratching or marring, rust, corrosion, mildew, mould, contamination or pollution, wet or dry rot, change of colour, flavour, texture or finish, dampness of atmosphere, variations in temperature, evaporation, disease, inherent vice, latent defect, loss of weight, depreciation, gradual deterioration or developing flaws, normal upkeep or making good, smut or smoke from industrial operations (other than sudden or unforeseen damage resulting therefrom)
 - (f) erosion, subsidence, earth movement or collapse resulting from any of these

- (g) kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt at any of these
- (h) insects or vermin such as rats, mice, rabbits, possums and birds
- (i) faulty materials
- (j) faulty workmanship
- (k) wrong or incorrect design, plan or specification or failure of design
- (l) mechanical, electrical or electronic breakdown.

Exclusions (e), (f), (g), (h), (i), (j), (k) and (l) apply to the part first and immediately affected and do not extend to subsequent damage to other parts of the property occasioned by a peril which is not otherwise excluded.

3. We will not cover:
 - (a) General Property not being used by you in accordance with the manufacturer's instructions
 - (b) any legal liability of whatsoever nature
 - (c) consequential loss of any kind.

Extra Benefit applicable to the General Property Cover Section

Theft (limited) without forcible and violent entry

Loss or damage by theft or attempted theft of General Property other than Stock and customers' goods occurring during the Period of Cover from the Situation without actual forcible and violent entry, but excluding theft or attempted theft from any open sided structure such as, but not limited to, verandas or yards or other open spaces whether they are partially or fully enclosed. A sub-limit of \$1,000 per Occurrence and an Excess of \$100 per Occurrence apply to this extra benefit.

Optional Benefit applicable to the General Property Cover Section

The current schedule will show if the following optional benefit is covered:

Theft without forcible and violent entry

Theft from premises without forcible and violent entry, to the extent not insured by the extra benefit headed 'Theft (limited) without forcible and violent entry' but limited in respect of any one Occurrence to the sum insured stated in the current schedule against this optional benefit.

How we will pay your claim

Unless you have elected to insure for indemnity value, we will at our option either

1. pay you the replacement cost of the General Property at the time of loss or damage, or
2. repair the General Property to a condition equal to but not better or more extensive than its condition when new, or
3. replace the General Property with an item of equal output or capability.