



# Nautilus Marine

Marine and Associated Industries  
Business Insurance

Policy Wording



## Contents

INTRODUCTION .....	2
ABOUT YOUR POLICY' .....	3
GENERAL POLICY EXCLUSIONS APPLICABLE TO ALL SECTIONS.....	11
GENERAL POLICY CONDITIONS.....	14
POLICY SECTION 1: BUSINESS PROPERTY.....	19
POLICY SECTION 2: BUSINESS INTERRUPTION.....	31
POLICY SECTION 3: PUBLIC AND PRODUCTS LIABILITY.....	38
POLICY SECTION 4: THEFT .....	50
POLICY SECTION 5: MONEY .....	55
POLICY SECTION 6: GLASS .....	59
POLICY SECTION 7: GENERAL PROPERTY.....	61
POLICY SECTION 8: EQUIPMENT BREAKDOWN.....	63

## INTRODUCTION

### Who is the insurer

The insurer of this insurance is AIG Australia Limited (ABN 93 004 727 753 AFSL 381686).

The insurer acts through their agent NM INSURANCE PTY LTD T/AS Nautilus Marine Insurance (Nautilus) (ABN 34 100 633 038) (AFSL 227186).

In this document, the insurer acting through their agent Nautilus Marine Insurance Agency are referred to as "We", "Us" and "Our".

Nautilus contact details are:

Nautilus Marine Insurance

28-32 George Street

Sandringham VICTORIA 3191

Telephone: 1300 780 533

Facsimile: 03 8599 5099

Email: [customerservice@nautilusinsurance.com.au](mailto:customerservice@nautilusinsurance.com.au)

NM Insurance Pty Ltd t/as Nautilus Marine Insurance ("Nautilus") has been given a binder authority by AIG Australia which allows them to enter into this Policy to handle and settle claims for it, subject to the terms of the binder authority. In doing so Nautilus act for the AIG Australia Limited and not You . Nautilus' Australian Financial Service Licence ("AFSL") authorises it to provide these services and is providing such services under its own AFSL.

### Service queries and Changes

We are here to answer any questions You have about Your cover. If You have any questions about this insurance or would like to update or change Your cover, please:

- contact Your insurance broker or insurance advisor
- call 1300 780 533
- email [customerservice@nautilusinsurance.com.au](mailto:customerservice@nautilusinsurance.com.au),
- write to Nautilus  
28-32 George Street, Sandringham, Victoria 3191
- visit [www.nautilusinsurance.com.au](http://www.nautilusinsurance.com.au)
- claims 1300 996 110

## ABOUT YOUR POLICY

Your Policy is made up of this document, the Schedule and any Endorsements and they should all be read as one document.

If You think that any details contained in these documents are not correct or if you need to change anything, You should ask Your insurance intermediary to tell us.

Words that are emphasized by the use of capitalisation have the meaning given to them in the General definitions or the definitions applying to a particular Policy Section. The words "we", "us", and "our", have the meaning given to them in the General Definitions or the applicable Policy Section even if they are not emphasized by the use of capitalisation.

Your Policy is a legal contract between You and us.

Based on the information provided by You when You applied for this insurance and subject to You having paid the required premium, we agree to insure You during the Period of Cover.

You are only insured for those Policy Sections that are shown as insured on the Schedule.

There are specific conditions, specific exclusions and specific definitions that only apply to a specific Policy Section. In addition, there are general conditions, general exclusions, general claims conditions and general definitions that are part of this Policy and apply to each Policy Section.

### Your Duty Of Disclosure

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

You have this duty until we agree to insure you.

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

You do not need to tell us anything that:

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

### If you do not tell us something

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

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

### Cooling off period

Once cover has commenced You have 21 days to decide whether the Policy meets Your needs. This is called the "cooling off period".

If during this time, You decide you aren't completely satisfied with Your Policy, and provided You have not made a claim, You can cancel Your Policy by notifying us in writing. We will refund in full any premium You have paid.

## Privacy Notice

This notice sets out how AIG Australia Limited (AIG) collects, uses and discloses personal information about:

- You, if an individual; and
- other individuals You provide information about.

Further information about Our Privacy Policy is available at [www.aig.com.au](http://www.aig.com.au) or by contacting Us at [australia.privacy.manager@aig.com](mailto:australia.privacy.manager@aig.com) or on 1300 030 886.

## How We collect Your personal information

AIG usually collects personal information from You or Your agents.

AIG may also collect personal information from:

- Our agents and service providers;
- other insurers;
- people who are involved in a claim or assist Us in investigating or processing claims, including third parties claiming under Your policy, witnesses and medical practitioners;
- third parties who may be arranging insurance cover for a group that You are a part of;
- providers of marketing lists and industry databases; and
- publically available sources.

## Why We collect Your personal information

AIG collects information necessary to:

- underwrite and administer Your insurance cover;
- maintain and improve customer service; and
- advise You of Our and other products and services that may interest You.

You have a legal obligation under the Insurance Contracts Act 1984 to disclose certain information. Failure to disclose information required may result in AIG declining cover, cancelling Your insurance cover or reducing the level of cover, or declining claims.

## To whom We disclose Your personal information

In the course of underwriting and administering Your policy We may disclose Your information to:

- entities to which AIG is related, reinsurers, contractors or third party providers providing services related to the administration of Your policy;
- banks and financial institutions for policy payments;
- assessors, third party administrators, emergency providers, retailers, medical providers, travel carriers, in the event of a claim;
- other entities to enable them to offer their products or services to You; and
- government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

AIG is likely to disclose information to some of these entities located overseas, including in the following countries: United States of America, United Kingdom, Singapore, Malaysia, the Philippines, India, Hong Kong, New Zealand as well as any country in which You have a claim and such other countries as may be notified in Our Privacy Policy from time to time.

You may request not to receive direct marketing communications from AIG.



## Access to Your personal information

Our Privacy Policy contains information about how You may access and seek correction of personal information We hold about You. In summary, You may gain access to Your personal information by submitting a written request to AIG.

In some circumstances permitted under the Privacy Act 1988, AIG may not permit access to Your personal information. Circumstances where access may be denied include where it would have an unreasonable impact on the privacy of other individuals, or where it would be unlawful.

## Complaints

Our Privacy Policy also contains information about how You may complain about a breach of the applicable privacy principles and how We will deal with such a complaint.

## Consent

If applicable, Your application includes a consent that You and any other individuals You provide information about consent to the collection, use and disclosure of personal information as set out in this notice.

## General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice. This aims to raise the standards of practice and service in the insurance industry, improve the way claims and complaints are handled and help people better understand how general insurance works. Information brochures on the Code are available upon request. As We act through Our agent, Nautilus, Nautilus will also be bound (where applicable) by the same found in the Code of Practice.

## How We Resolve Your Complaints

We welcome every opportunity to resolve any concerns You may have with Our products or service. Any enquiry or complaint relating to this insurance or Nautilus should first be referred to NM Insurance Limited, 28-32 George Street, Sandringham VICTORIA 3191 Telephone: 1300 780 533 Facsimile: 03 5599 5099 Email: [customerservice@nautilusinsurance.com.au](mailto:customerservice@nautilusinsurance.com.au) in the first instance.

If this does not resolve the matter or You are not satisfied with the way a complaint has been dealt with, You please follow the procedure outlined below:

You can register a complaint by telephoning Us on 1800 339 669 or by writing to:

The Compliance Manager  
AIG Australia Limited  
Level 12, 717 Bourke Street  
Docklands VIC 3008

As soon as We receive Your complaint We will take all possible steps to resolve it. You will receive a written response to Your complaint within 15 working days, unless We agree a longer timeframe with You.

If You are not satisfied with Our response to Your complaint, You may wish to have the matter reviewed by Our Internal Dispute Resolution Committee ("Committee"). The Committee is comprised of Senior Management of the company who have the experience and authority to decide on matters brought to the Committee.

If You wish to have Your complaint reviewed by this Committee please telephone or write to the person who has signed the response letter to Your complaint and provide them with detailed reasons for requesting the review. This information will greatly assist the Committee in reviewing Your claim or enquiry. Your complaint will then be treated as a dispute. You may also make a request for a review by the Committee by contacting:

The Chairperson IDRC  
AIG Australia Limited  
Level 12, 717 Bourke Street  
Docklands VIC 3008

A written response setting out the final decision of the Committee and the reasons for this decision will be provided to You within 15 working days of the date You advise Us You wish to take Your complaint to IDRC.

If We are unable to provide a written response setting out the final decision We will keep You informed of progress at least every 10 days.

If You are not satisfied with the finding of the Committee, or if We have been unable to resolve Your complaint within 45 calendar days, You may be able to take Your matter to an independent dispute resolution body, the Financial Ombudsman Service (FOS). This external dispute resolution body can make decisions with which AIG are obliged to comply. Contact details are:

Financial Ombudsman Service  
GPO Box 3  
Melbourne, VIC 3001

Tel: 1300 78 08 08 (local call fee applies)  
Email: [info@fos.org.au](mailto:info@fos.org.au) Internet: <http://www.fos.org.au>

You should note that use of the FOS scheme does not preclude You from subsequently exercising any legal rights, which You may have if You are still unhappy with the outcome. Before doing so however, We strongly recommend that You obtain independent legal advice.

If Your complaint does not fall within the Financial Ombudsman Service's terms of reference, We will advise You to seek independent legal advice or give You information about any other external dispute resolution options (if any) that may be available to you.

### **Goods and Services Tax (GST)**

The amount of premium payable for this Policy also includes an amount on account of GST.

The sums insured under this Policy exclude GST.

When we make a payment under this Policy for the acquisition of goods, services or other supplies We will reduce the payment by the amount of any input tax credit that You are or would have been entitled to if You made a relevant acquisition.

Where this Policy insures Business Interruption, we will take into account the GST exclusive amount of any supply made by Your Business which is relevant to Your claim.

Where Your sum insured is not sufficient to cover Your loss, we will only pay an amount for GST that relates to our proportion of the loss.

Where You are registered for GST you must tell Us Your correct input tax credit entitlement. Any fines or penalties arising from Your incorrect advice are payable by You.

### **Headings**

Headings are included for ease of reference but are not part of the Policy.

## Words with special meaning

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

**Aircraft** means any craft or object designed to travel through air or space, other than model aircraft.

**Buildings** means Buildings and structural appurtenances at the Situation.

Buildings includes:

- 1) verandahs, carports, car parks, sealed driveways and paths, shelters, awnings, gangways, staircases and all outbuildings;
- 2) fixtures and fittings owned by the 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.

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, unsealed driveways and paths, dams, bridges, canals, roadways, tunnels, railway tracks and roadways (not at the Situation), wharves, docks and piers.

This definition of 'Buildings' is subject to the 'Designation of property' General Policy condition.

**Business Hours** means when You or any of Your employees are at the Business Premises for the purpose of conducting Your Business.

**Business Premises** means the buildings, outbuildings, yards and land used by You for Your Business at the Situation.

**Business Property** means Buildings, Contents and Stock shown as insured on the current Policy Schedule and used in Your Business.

**Computer Virus** means an executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained and which destroys or alters the host program or other computer code or data causing undesired program or computer system operation.

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



Contents includes:

- 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;
- 7) Stock, but not if it is shown as a separate item on the Policy Schedule;
- 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.

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) motor Vehicles or trailers, caravans or motorcycles all while registered or licensed to travel on a public road, provided that this limitation will not apply to:
  - a) mobile plant and equipment (excluding cars, sedans, panel vans, and trucks) not otherwise insured;
  - b) motor Vehicles or trailers, caravans or motorcycles that are Stock in trade of Your Business.
- 5) Money;
- 6) jewellery, furs, bullion, articles containing gold and silver which are not Stock and which exceed \$10,000 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) 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;
- 10) Stock if it is shown as a separate item on the Policy Schedule.

This definition of 'Contents' is subject to the 'Designation of property' General Policy condition.

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

**Event** means one incident or all incidents of a series consequent on, or attributable to, one source or original cause.

**Excess** means the amount, or the loss applicable to a specified period of time, expressed as an Excess on the current Policy Schedule or elsewhere in the Policy. This is the first amount of any loss that You must pay before we pay Your claim.

**Family** means any member of Your family who lives permanently with You, including Your partner.

**Flood** means the covering of normally dry land by water that has escaped or been released from the normal confines of: any lake, or any river, creek or other natural watercourse, whether or not altered or modified; or any reservoir, canal, or dam.

**Hazardous Substance** means

- 1) any Pollutant, contaminant or other substance declared by a governmental authority to be hazardous to health or the environment; or
- 2) any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergenic, pathogenic or toxigenic.

**Hovercraft** means any vessel, craft or device made or intended to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.

**Insurer** means **AIG Australia Limited, ABN 93 004 727 753, AFSL 381686**

**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.

**Money** means current coins, bank notes, currency notes, cheques, credit card sales vouchers, securities, postal orders, money orders, negotiable and non-negotiable securities and other like documents of value, phone cards and/or stored value cards, unused postage and revenue stamps, public transport tickets, private transport tickets (excluding airline tickets), bridge or highway tokens, car wash tokens, lottery tickets, authorised gift vouchers from external parties, discount vouchers, contents of franking machines and includes cash boxes, alarm bags, or any other portable container used to convey money all belonging to You or for which You are legally responsible or have assumed a responsibility to insure but does not mean any of these in the possession of or carried by professional money carriers, professional carriers or common carriers.

**North America** means

- 1) the United States of America and the Dominion of Canada;
- 2) any state, territory or protectorate incorporated in, or administered by, the United States of America or the Dominion of Canada; and
- 3) any country or territory subject to the laws of the United States of America or the Dominion of Canada.

**Period of Cover** means the time cover commenced to the time cover expires.

The dates are shown on the current Policy Schedule. Unless stated otherwise, cover shall expire at 4.00pm local time at the place where You arranged the cover.

**Policy** means this document, the Policy Schedule and any attachment or memoranda affixed and any future documents issued to You which amends the policy wording or Policy Schedule.

**Policy Schedule** means the most current schedule of insurance or any future renewal schedule, including any endorsements issued by us in connection with this Policy.

**Policy Section** means any part of this Policy numbered and described as a Policy Section.

**Pollutant** means Any solid, liquid, gaseous, biological, radiological or thermal irritant, toxic or hazardous

substance, or contaminant, whether occurring naturally or otherwise including, but not limited to, asbestos, lead, smoke, vapour, dust, fibres, mould, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. Such waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

**Rewriting of Records** means the cost of restoration of computer records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description.

**Situation** means the situation stated in the current Policy Schedule.

**Stock** means

- 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
- 5) goods for which You are responsible.

Under the Theft Policy Section, Stock does not include tobacco, products containing tobacco, cigars or cigarettes unless they are specified on the current Policy Schedule.

**Subsidiary Company** means any company in which You have a controlling interest. For the purpose of this definition the term 'controlling interest' shall mean the beneficial ownership of shares carrying more than 50% of votes capable of being cast at a general meeting of all shareholders of the subsidiary company.

**Vehicle** means any type of machine on wheels or on self laid tracks made or intended to be propelled by other than manual or animal power, and any trailer or other attachment to be utilised in conjunction with or drawn by any such machine.

**Watercraft** means any vessel, craft or thing made or intended to float on or in or travel through water, other than model boats.

**We/us/our** means "We" means NM Insurance Pty Ltd t/as Nautilus Marine Insurance Agency ABN 34 100 633 038 acting as agent for the Insurer. 'Us' and 'Our' have the same meaning as We.

**You/your/yours** means the person(s), companies or firms named on the current Policy Schedule as the 'Insured'.

**Your Business** means

the business as described in the Policy Schedule (and, where applicable, as further described in any more specific underwriting information provided to us at the time when this insurance was negotiated).

## GENERAL POLICY EXCLUSIONS APPLICABLE TO ALL SECTIONS

The following General exclusions apply to all sections of this Policy.

This Policy does not cover any loss, damage, injury, destruction or liability, cost or expense directly or indirectly caused by, or in connection with, or contributed to or arising from:

### 1) Confiscation

confiscation, nationalisation, requisition, embargo or destruction of or damage to property by order of any government or local authority unless the order is given for the purpose of controlling fire or another event which is covered by this Policy.

### 2) War

war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power.

### 3) Nuclear

a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;

b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;

d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes; or

e) any chemical, biological, bio-chemical or electromagnetic weapon.

### 4) Intentional acts

a) any intentional, reckless or wilful act or omission; or

b) fraudulent or dishonest acts;

committed by You or any person acting with Your knowledge, consent or connivance.

### 5) Pollution

a) Pollutants directly or indirectly caused by or contributed to by or arising from the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or Pollutants into or upon land, the atmosphere or any watercourse or body

of water;

b) the cost of removing, monitoring, testing, containing, treating, detoxifying, neutralising, nullifying or cleaning up smoke vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or Pollutants discharged, dispersed, released or escaped into or upon land, the atmosphere or any watercourse or body of water;

c) fines, penalties, punitive, exemplary or multiple damages relating to the circumstances detailed in a) above; and

d) the cost of preventing the escape of Pollutants.

Exclusions 5)a) and 5)b) above shall not apply where the claim or legal proceeding arises from a sudden identifiable, unintended and unexpected event that takes place in its entirety at a specific time and place and occurs outside of North America.

### 6) Terrorism

- a) any Act of Terrorism; or
  - b) any action in controlling, preventing, suppressing, retaliating against or responding to or in any way relating to Terrorism,
- regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

However, this exclusion does not apply to the Theft, Money, Glass and General Property Policy Sections.

For the purpose of this exclusion, Terrorism or an Act of Terrorism means an act, or preparation in respect of action or threat of action designed to influence any government of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purpose to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or governments(s) and which:

- a) involves violence against one or more persons;
- b) endangers life other than that of the person committing the action;
- c) creates a risk to health or safety of the public or a section of the public;
- d) involves damage to property; or
- e) is designed to interfere with or disrupt an electronic system.

An Act of Terrorism also includes any act which is verified or recognised by the government of any country in which the insured operates or exports products into.

#### **7) Electronic data**

- a) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data;
- b) error in creating, amending, entering deleting or using Electronic Data; or
- c) total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all, from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

Where an event listed below (being an event insured under the Business Property, Business Interruption, Theft, Money, Glass and General Property Policy Sections but for this exclusion) is caused by any of the matters described in paragraphs a), b) or c) above, then these Policy Sections will insure:

- i) physical loss of or damage to property insured directly caused by the event, and/or
- ii) consequential loss insured by this Policy.

This Policy subject to all its terms, conditions and exclusions will provide cover for loss of electronic data caused by the following events:

- a) fire, explosion, earthquake, subterranean fire, volcanic eruption, tsunami, lightning, storm including rain, hail, snow and wind, leakage of water or liquid, malicious damage by persons taking part in industrial disputes or riots, civil commotions or labour disturbances, impact by Vehicles, Aircraft or anything dropped from them, satellites, space debris or sonic boom, communication masts or towers, aerials, antennae, satellite dishes, falling trees or branches;
- b) Breakage of Glass;
- c) theft of Electronic Data solely where the theft is accompanied by theft of the computer hardware, firmware, microchip, or integrated circuit or similar device containing such Electronic Data.

This exclusion does not apply to the Equipment Breakdown Policy Section, additional benefit 6 - Electronic data and media restoration.

## **8) Unoccupancy**

the Business Premises or Situation being unoccupied for more than 90 consecutive days.

This exclusion will not apply if You notify us that the Business Premises or Situation will be unoccupied for more than 90 consecutive days, we agree in writing to continue Your cover and You pay us any additional premium that we may require.

## **9) Consequential loss**

This Policy does not cover loss of use, loss resulting from delay or lack of performance, depreciation in the value of land or Stock and any other kind of consequential or indirect loss including but not limited to loss of profit.

This exclusion does not apply to the Business Interruption Policy Section.

## **10) Business in liquidation or ceases to trade**

If Your Business is placed into liquidation or administration, a receiver is appointed or Your 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.

## **11) 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 Policy Section.

## **12) Known defects**

We will not pay for loss or 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.

## **13) Embargo / sanction**

In addition to the above general exclusions if, by virtue of any law or regulation which is applicable to Us, Our parent company or its ultimate controlling entity, at the inception of this Policy or at any time thereafter, providing coverage to You is or would be unlawful because it breaches an applicable embargo or sanction, We shall provide no coverage and have no liability whatsoever nor provide any defense to You or make any payment of defense costs or provide any form of security on Your behalf, to the extent that it would be in breach of such embargo or sanction.



## GENERAL POLICY CONDITIONS

The following General conditions apply to all sections of this Policy.

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.

### 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.

### Cancelling Your Policy

#### How You may cancel this Policy

- You may cancel this Policy at any time by telling us in writing that You want to cancel it. You can do this by giving the notice to Your broker.
- Where 'You' involves more than one person, we will only cancel the Policy when a written agreement to cancel the Policy is received from all persons named as the insured.

#### How we may cancel this Policy

- We may cancel this Policy in any of the circumstances permitted by law by informing You in writing.

We will give You this notice in person or send it to Your address last known to us.

### The premium

We will refund to You the pro rata portion of the premium for the remaining Period of Cover.

### Premium funders

If the premium has been funded by a premium funding company which holds a legal right over the Policy by virtue of a notice of assignment and irrevocable power of attorney, a refund will be made to the premium funding company of the proportionate part of the premium applicable to the unexpired Period of Cover.

### 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.

### Our maximum liability

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

The sum insured and sub-limits of liability shall apply in addition to, and shall not be reduced by, the amount of any applicable Excess.

### 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.

Any summons, notice or process to be served upon AIG Australia Limited may be served upon:

Nautilus Marine Insurance

28-32 George Street

Sandringham VICTORIA 3191

who has authority to accept service.

### **Designation of property**

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

Provided always that this General Policy condition shall not apply to the Theft Policy Section with respect to tobacco, products containing tobacco, cigars, and cigarettes.

Furthermore, under the Theft Policy Section, Stock does not include tobacco, products containing tobacco, cigars, cigarettes or alcohol unless they are specified on the current Policy Schedule.

### **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 cannot 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.

### **Sale of salvage**

We will not sell or dispose of any salvage without giving You the opportunity to buy it at its salvage value, provided that this condition does not allow You to abandon the property to us.

### **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 Policy 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**

In the event of damage insured under one or more of the Business Property, Business Interruption, Theft, Money and Glass Policy Sections of this Policy, the amount by which the sum insured or limit of indemnity is reduced as a consequence of the loss or damage will be automatically reinstated as from the date of loss or damage provided that:

- 1) there is no written request from You or written notice by us to the contrary;
- 2) the Policy Section is an operative Policy Section of the Policy; and
- 3) You pay the premium which we require for the reinstatement.

We will not reinstate the sum insured on the Business Property cover or Business Interruption Policy Sections if we have paid a total loss under either of these Policy Sections.

### **Single occurrence**

We will not pay for loss or damage to property covered by the Policy under more than one Policy Section 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.

### **Waiver of subrogation rights**

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

- 1) We shall waive any rights and remedies or relief to which we are or may become entitled by subrogation against:
  - a) any co-insured (including directors, officers and employees);
  - b) any corporation or entity (including directors, officers and employees) owned or controlled by any insured or against any co-owner of the property insured.
- 2) You may without prejudicing Your position under this Policy:
  - a) release any statutory governmental, semi- governmental or municipal authority from any liability if required at law to do so;
  - b) agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause;
  - c) agree to enter into a lease for occupancy of any building or part of a building or a lease or hiring of property where the terms of the lease or hiring include a disclaimer clause in favour of the lessor or the owner.

### **Claim preparation expenses**

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

Provided that before You incur these claim preparation costs You obtain our written approval to incur these costs.

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

### **Bankruptcy or insolvency**

In the event that You should become bankrupt or insolvent, we shall not be relieved thereby of the payment of any claims hereunder because of such bankruptcy or insolvency.

In case of execution against You of any final judgment covered by this Policy being returned 'unsatisfied' by reason of such bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against us in the same manner, and to the same extent as You but not in excess of the limit of liability.

### **Non-imputation**

Where this insurance is arranged in the joint names of more than one insured, as described in the definitions of You, it is hereby declared and agreed that:

- 1) each insured shall be covered as if it made its own proposal for this insurance;
- 2) any declaration, statement or representation made in any proposal shall be construed as a separate declaration, statement or representation by each insured;
- 3) any knowledge possessed by any insured shall not be imputed to the other insured(s).

### **Rewards**

We will pay You up to \$5,000 or any higher amount shown in the current Policy Schedule for the reasonable cost of any reward paid by You to recover any property belonging to You or for which You are responsible that is lost, destroyed or damaged and which is insured under the Business Property, Theft, Money or Glass Policy Sections of this Policy.

However:

- 1) the terms of the reward must be agreed by Us before it is offered, and
- 2) no such payment shall be made by You unless the value of the property recovered exceeds the reward.

We shall not unreasonably withhold or refuse consent to the terms of any reward payable under this General Policy condition.

### **Our rights of conduct and recovery**

Subject to the provisions of the *Insurance Contracts Act 1984*, We have the right to recover or obtain contribution

from any person against whom You may be able to claim and the right to take action in Your name. We shall have full discretion in the conduct, defence or settlement of any claim. You and any other person entitled to benefit under the Policy must not hinder these rights and must give all such information and cooperation as We may require.

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 the 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, injury 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.

## POLICY SECTION 1: BUSINESS PROPERTY

### Types of cover

The scope of cover provided is explained in the clauses 'Defined events cover' and 'Accidental damage cover'.

Subject to the provisions of this Policy, We will cover You for loss or damage to Your Business Property caused by the events listed under 'Defined events cover' and 'Accidental damage cover' which occurs during the Period of Cover.

### 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 occur during the Period of Cover.

The current Policy Schedule shows what You have covered and the method of settlement.

### Defined events cover

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

1) Bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems used to hold or carry liquid (including the reasonable cost of identifying and locating the cause of damage) but we will not cover the repair or replacement of such apparatus, appliances, tanks, pipes or other systems which give rise to the damage.

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, volcanic eruption, subterranean fire or tsunami.

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

3) Fire, lightning or explosion.

4) Impact by:

a) a Vehicle designed primarily for use on land;

b) an animal;

c) trees or branches of trees including the reasonable costs associated with the removal and disposal of the tree or branches, which caused the damage),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 branches.

d) communication masts, towers, antennae or satellite dishes;

e) Aircraft or Watercraft

f) meteorites or debris from an Aircraft, rocket or satellite;

g) 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, tempest, rainwater, snow, sleet, wind, hail but not:

a) by water from or action of the sea, tidal wave, storm surge, high water or Flood.

b) to gates, fences, retaining walls, shade cloth, exterior textile awnings or blinds which exceeds \$25,000 in respect of any one occurrence for loss or damage.

c) to property in the open air unless such property is a permanent structure designed to function without the protection of walls or roof.

d) erosion, subsidence, landslide, collapse or any other movement of earth.

e) caused by water entering the Buildings through an opening in the wall or roof made for the purpose of alterations, additions, renovations, or repairs.

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.

### **Accidental damage cover**

We will cover You for accidental loss or damage to Your Business Property at the Business Premises other than the events or items listed in 'What You are not covered for under Accidental damage cover'.

The maximum amount we will pay for Accidental damage cover for any occurrence is the lesser of \$500,000 or the total sum insured for Buildings and Contents.

### **What You are not covered 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 covered under the heading 'Defined events cover' in this Policy Section.

2) loss or damage excluded under 'General Policy exclusions applicable to all sections.

3) loss or damage insurable under any other Policy Section of this Policy except Policy Section 7: General Property.

4) Business Property to the extent insurable under the General Property Policy 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) 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.

7) 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.

8) pollution or contamination of Business Property unless caused by a defined event covered under the heading 'Defined events cover' in this Policy Section.

9) theft, except where the Business Premises 'Buildings' insured by the owner under this Policy Section are tenanted under a lease agreement by another party, person or entity not named in the Policy, in which case, the insured owner will be entitled to be indemnified against loss by theft of their Business Property (as defined in this section for 'Buildings') at the Business Premises in accordance with the terms and conditions of the Theft Policy Section of this Policy regardless of whether it is selected in this Policy or otherwise. The maximum we will pay in respect to any loss under this additional protection provided under this Business Property Policy Section in relation to theft shall be limited to \$25,000 in total any one occurrence happening during the currency of the Policy.

10) loss or damage following breakage of external glass to signwriting or ornamentation affixed to the glass, except where you are a tenant of a building and not required by lease to insure Glass.

11) loss or damage which occurs during loading, unloading, delivery or dispatch.

### How we will pay Your claim

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

The claim payment method You are covered for is shown on the current Policy Schedule.

### Method of settlement – reinstatement or replacement value

1) Business Property (other than Stock or Watercraft):

a) being empty Buildings awaiting demolition: we will pay for the salvage value of the materials and landlord's fixtures and fittings from the Building which suffered loss or damage;

b) being Director's and employees' Contents and personal property (other than works of art, antiques or curios): we will pay the cost of repairing or replacing the item damaged or destroyed;

c) being works of art, antiques or curios: we will pay the amount of a valuation by the Auctioneers and Valuers Association of Australia;

d) being all other Business Property: we will pay the cost of rebuilding, replacing or repairing any damaged part of the Business Property to the same condition when new or, where appropriate, in accordance with the 'Output replacement' clause set out below. The Business Property may be rebuilt or erected at another location and in a manner suitable to You 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, after our consent has been obtained. If You do not, we will pay no more than the cost that would have been incurred if the work of rebuilding, replacement or reinstatement had been commenced and carried out with reasonable dispatch. If You choose not to repair, replace, reinstate or rebuild the Business Property, we shall effect settlement on an indemnity value basis (as detailed below).

2) Business Property consisting of Stock or Watercraft:

We will pay at our option:

a) the cost of repairing or reinstating the Business Property to its condition immediately prior to the loss; or

b) the Market Value of the Business Property.

### **Extra cost of reinstatement**

This basis is applicable to Buildings, machinery and plant).

Where 'Reinstatement or replacement' basis of settlement is shown in the Policy Schedule, this Policy Section extends

to include the extra cost of reinstatement (including demolition or dismantling) of damaged property insured which is necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made under an Act or By-law or the Regulation of any Municipal or Statutory Authority, subject to the following proviso and subject also to the terms, conditions of the Policy and the sums insured of this Policy Section.

Provided that:

- 1) the work of reinstatement, must be commenced and carried out within a reasonable period, failing which we will not pay more than the amount which would have been payable under the Policy if the work of reinstatement had been commenced and carried out with reasonable dispatch;
- 2) the work of reinstatement may be carried out wholly or partly upon any other site, if the requirements of the Act, Regulation or By-law necessitate it, subject to our liability not being increased;
- 3) Our total liability under this clause 'Extra cost of reinstatement' will be limited to:
  - a) the sub limit of liability shown in the current Policy Schedule for 'Extra cost of reinstatement' which shall be in addition to the sum insured; or
  - b) if no such sub-limit of liability is stated, our liability shall be limited to the sum insured not otherwise exhausted;
- 4) the amount recoverable shall not include the additional costs incurred in complying with any such Act, Regulation or By-law or requirement with which You have been required to comply prior to the happening of the damage;

The underinsurance condition of the Business Property Policy Section of the Policy will not apply to the amount payable under this clause.

### **Method of settlement – Indemnity value**

If the basis of settlement is shown in the Policy Schedule as Indemnity value, we will pay the cost to repair or replace the Business Property less an equitable amount for age, wear, tear, depreciation and will make an adjustment for the general condition and remaining useful life of the individual item or components that are damaged.

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.

The Underinsurance/average condition in this Policy Section is amended to read:

In the event of covered loss or damage to property we shall be liable for no greater proportion of the loss or damage than the sum insured at the location bears to eighty percent (80%) of the current value of the property insured, provided that our liability shall not exceed the sum insured stated against each item in the Policy Schedule.

### **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 Business Property shall be:

- 1) 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.
- 2) 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.
- 3) 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:

- 1) any Act of Parliament or regulation thereunder, or
  - 2) 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 the difference between:
- a) the actual costs incurred in reinstatement subject to the reduced floor space ratio index (plot ratio), and
  - b) the estimated cost of reinstatement at the time of damage had the reduction in the floor space ratio index (plot ratio) been available.

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 Market Value of the goods after brands, labels or names have been removed by You or on Your behalf.

## **ADDITIONAL BENEFITS – BUSINESS PROPERTY COVER**

The following additional benefits are provided if You have selected the Business Property Policy Section:

### **Capital Additions**

We cover additions to Your Buildings, Contents, and specified items obtained or built during the Period of Cover to an amount not exceeding 20% of the total sum insured on Buildings, Contents and specified items or \$500,000 whichever is the lesser, in respect of property insured at any one Situation. This additional benefit is in addition to Your sum insured.

### **Catastrophe Escalation Cost**

If:

- 1) any of Your Buildings are destroyed or damaged by any event insured against by this Policy Section, and
- 2) we classify such destruction or damage as a total loss; and
- 3) the event giving rise to the destruction or damage has resulted in any competent authority declaring a state of emergency affecting the area in which Your Building is situated;

we will:

4) increase the sum insured applicable to such Buildings under this Policy Section by up to 20% provided that Your Building is rebuilt, and

5) increase the amounts payable under the 'Capital Additions' (relating to Buildings only) and 'Temporary protection and security guards' Additional benefits of this Policy Section by 20%;

to cover any Increase in building costs for labour and materials and any other additional costs which may apply after the event.

Provided that:

- a) we shall not pay more than the increased building costs which are actually incurred by You.
- b) we will not pay any amount under this Additional benefit until You have incurred costs exceeding the sum insured applicable to such Building under this Policy Section.

Increase in building costs means the difference between the cost of reinstatement actually incurred in accordance with the Basis of Settlement provisions of this Policy Section and the cost of reinstatement that would have applied had the event not occurred.

### **Director's and Employee's Contents and personal property**

Cover is extended to include personal property and Contents of directors and employees of Your Business whilst at the Business Premises if the person to whom the personal effects belong is not named as an insured.

Cover is limited to \$5,000 for any one employee.

This additional benefit provides cover to You. It does not provide any insurance cover to any director or employee.

### **Discharge of mortgages**

If Business Property has been damaged and the damage is covered by this Business Property Policy Section, and the sum insured is not otherwise exhausted, we will pay up to the balance of the sum insured, for the reasonable legal costs to discharge a mortgage or mortgages on Buildings or Contents following settlement of a claim on the basis of a total loss whether actual or constructive.

Where the sum insured is exhausted, in respect of the discharge of a mortgage on Buildings only, we will pay up to an additional ten percent (10%) of the total sum insured on Buildings, for the reasonable legal costs to discharge a mortgage or mortgages following settlement of a claim on the basis of a total loss whether actual or constructive.

### **Fire Brigade attendance fees**

We will pay up to \$50,000 for any statutory charges payable by You to a fire brigade or 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 any fee, contribution or other impost payable to any other Government, Local Government or other Statutory Authority where payment of the fee, contribution or impost is necessary to obtain consent to reinstate any property insured provided that we will not be liable for payment of any fines and/or penalties imposed upon You by any such authorities.

The cost of government fees is included in the sum insured for Business Property.

### **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, retaining walls, 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 \$50,000 or 20% of the sum insured at the Business Premises specified in the Policy Schedule, whichever is the lesser, in respect of any one loss. This additional benefit is included in the sum insured of the Buildings covered by this Policy Section.

### **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.

### **Loss of land value**

Up to \$100,000 for the reduction in land value at the Building Premises, 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 Policy Section.

Provided that:

- 1) 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
- 2) we will not pay more than 20% 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.

### **New premises – temporary cover**

We will temporarily extend cover provided by this Policy Section to property at any new Situation first occupied by You during the

Period of Cover provided that:

- 1) this temporary cover period is limited to the earliest of;
  - a) 60 days from the date You acquire or commence using the premises, or
  - b) the expiry date of the current Period of Cover, or
  - c) the date on which the property ceases to belong to You.
- 2) the property is used for the business described in the Policy Schedule.
- 3) the property is of similar type to that already insured under this Policy Section.
- 4) the new premises comprise Buildings of similar construction, fire and burglary protection as featured in any premises currently described in the Policy Schedule.



5) You must provide to us full details of the new premises within 60 days of the commencement of this temporary cover. If we agree to continue the cover You must pay any additional premium that we may require.

The maximum we will pay for this additional benefit is 50% of the highest sum insured shown on the Policy Schedule for each item of property.

### **Playing surfaces**

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

- 1) vandals or malicious persons, other than You or Your guests, director's partners, officers, employees or members, or their guests;
- 2) fire occurring to insured property at the Situation for which we have admitted liability under this Policy Section; or
- 3) the action of the fire fighting services, police or other emergency services in attending to their duties at the Situation.

This additional benefit is in addition to the sum insured.

### **Prevention of imminent damage**

We will pay up to \$50,000 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.

### **Professional fees**

If Business Property has been damaged and the damage is covered by the Business Property Policy Section, we will pay the reasonable professional fees incurred to rebuild or repair Your Buildings and Contents. 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 Policy 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 \$50,000 (in addition to the sum insured) or the higher amount shown in the current Policy 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.

### **Rewriting of Records**

We will pay You, in addition to Your sum insured, up to \$25,000 or any higher amount shown in the current Policy Schedule for Rewriting of Records, for clerical and professional costs incurred by You to re-write Your necessary business records if they are lost, destroyed or damaged, whilst located at your Business Premises or offsite anywhere in the Commonwealth of Australia, by an occurrence. We will not pay You for any financial loss caused by the loss of Your records under this additional benefit.

### **Seasonal increase in Stock**

If you have insured Stock as a separate item to your contents, the sum insured on Stock is increased by 50% for:

- 1) eight weeks prior to and including Christmas Day;
- 2) two weeks after and including 26 December;
- 3) seven weeks prior to and including Easter Tuesday;
- 4) thirty days immediately prior to, ten days immediately after and on the day of the major boat show in Your State and any other boat show specified on the Policy Schedule;
- 5) any other period shown on the Policy Schedule.

If your sum insured for Stock is included in another item on the current Policy Schedule we will only apply the increase to the portion of the sum insured which relates to Stock.

### **Temporary protection and security guards**

If Business Property has been lost or damaged and is covered by the Business Property Policy Section, we will pay for the cost of temporary protection including employment of security guards, to safeguard the property insured as follows:

- 1) where the sum insured is not otherwise exhausted, we will pay the reasonable costs and expenses reasonably incurred; or
- 2) when the sum insured becomes exhausted, we will pay an additional amount of up to \$25,000, pending repair or replacement, consequent upon damage for which a claim is payable under this Policy Section.

If an occurrence results in a claim being paid under this Policy Section and another Policy Section of the Policy, only the highest single limit of liability under the relevant Policy Sections shall apply. The benefit of Temporary Protection and Security Guards shall not be cumulative under this Policy.

### **Temporary removal**

We also cover Your insured Business Property while temporarily removed to any other premises within the Commonwealth of Australia.

Provided that:

- 1) we will not cover motor Vehicles or trailers, caravans or motorcycles unless they are:
  - a) Stock in trade of Your Business; or
  - b) forklift trucks or similar appliances that are normally used for hauling or lifting goods at Your Business Premises.
- 2) we will not cover Stock in trade that is on consignment to other parties unless it is owned by You or is property for which you are responsible.
- 3) the maximum amount we will pay for this additional benefit will be 20% of the sum insured.
- 4) this additional benefit will not apply to any property insured, which has been removed for a period greater than 90 days without our prior written consent.

### **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.

### **OPTIONAL BENEFITS**

(The following optional benefits do not apply unless shown as insured in the current Policy Schedule.)

### **1) Flood, tidal wave, high water, storm surge**

When 'Flood, tidal wave, high water, storm surge' is shown as insured in the current Policy Schedule, we will cover loss of or damage to Business Property caused by Flood, tidal wave, high water or storm surge, for an amount up to \$500,000 in respect of any on Occurrence.

Solely for the purposes of coverage under this Optional benefit, Exclusion h) and i) specified under the Section "What You are not covered for under this Policy Section" below, shall not be applicable

### **2) Malicious damage by tenants**

When "malicious damage by tenants" is shown on the Policy Schedule, We will cover You if a tenant of Yours or a

tenant of Your landlord (but not You) without Your consent, causes malicious damage covered by this Policy Section

to Your Business Property, which is in breach of any terms or conditions of Your lease agreement.

We will cover You for Your loss or damage in accordance with this Policy Section, provided You:

1. 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. notify Us within a reasonable amount of time of becoming aware of the breach; and
3. have a current lease agreement in force at the date of the loss or damage.

### **3) Storm damage to Stock (including damage caused by hail) in open air**

When this optional extra is shown as insured on the Policy Schedule, We will cover loss of or damage to Stock in the open air but within the boundaries of Your premises due to storm, including hail damage.

## **WHAT YOU ARE NOT COVERED FOR UNDER THIS POLICY SECTION**

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

a) tenants intentional loss or damage caused by Your tenants other than:

i) damage caused by fire or explosion; or

ii) where cover is provided under optional benefit 2) Malicious damage by tenants.

b) 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;

provided that this Exclusion 1)b) shall not apply to subsequent loss or damage to Your Business Property occasioned by a peril (not otherwise excluded) resulting from any event referred to in this Exclusion.

c) movement of foundation

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;

provided that this Exclusion 1)d) shall not apply to subsequent loss or damage to Your Business Property occasioned by a peril (not otherwise excluded) resulting from any event referred to in this Exclusion.

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 Business Property

g) heat

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

provided that this Exclusion 1)g) shall be limited to the item or items of Your Business Property immediately affected and shall not extend to other Business Property damaged as a result of such spontaneous combustion, fermentation or heating or process involving the direct application of heat.

h) flood

i) the sea

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

j) self-explosion of boilers or other pressure vessels.

We do not cover damage to the boiler or pressure vessel where the boiler or pressure vessel:

i) is not solely used for domestic purposes, or

ii) has a value of more than \$200,000.

However we do cover resultant damage to other Business Property.

2) We will not pay under the Business Property Policy 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.

c) loss or damage to animals, plants, landscaping or growing crops, other than as provided for under Additional benefit 'Landscaping'.

d) loss or damage to Watercraft whilst in or on water.

3) We will not pay for loss or damage under the Business Property Policy 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.

4) Under the Business Property Cover Section, We will not pay for loss of or damage to jewellery, furs, bullion, articles containing gold and silver, paintings, works of art and curios in excess of \$10,000 in respect of any one Occurrence or \$2,000 in respect of any one item where such items are not Stock.

## **SPECIFIC CONDITIONS APPLICABLE TO THIS POLICY SECTION**

### **Underinsurance/average**

For each occurrence under the Business Property Policy Section', we will not be liable for more than that proportion of damage which; in respect of Buildings, Contents, Stock and specified items, the total sums insured for Buildings, Contents, Stock and specified items at the Situation, at the time of the commencement of each Period of Cover bears to eighty percent (80%) of the full insurable value of such Buildings, Contents, Stock and specified items.

### **Conditions:**

- 1) Our liability is limited to the sum insured at the Situation as shown in the Policy Schedule.
- 2) This clause will not apply if the amount of any damage does not exceed ten percent (10%) of the sum insured at the Situation.

### **Example;**

Total value \$200,000 80% of value = \$160,000 Sum insured \$144,000

Therefore if a \$100,000 loss occurs, we would pay  $(\$144,000 / \$160,000) \times \$100,000 = \$90,000$

We would pay \$90,000.

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**

Without prejudicing Your position under this Policy Section, You may release any railways, other transportation companies, statutory governmental, semi-governmental or municipal authority from any liability if required by any contract to do so.

### **Leased building clause**

Without prejudicing Your position under this Policy Section, You may agree to enter into a lease for occupancy of any building or a lease for hiring of property where the terms of the lease include a disclaimer clause in favour of the lessor to the owner.

### **Storage premises**

Without prejudicing Your position under this Policy Section, You may enter into a contract which includes a disclaimer clause in relation to the storage of goods or merchandise.

## POLICY SECTION 2: BUSINESS INTERRUPTION

### Words with special meaning applicable to this Policy Section

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

**Annual Rent Receivable** means the Rent Receivable during the twelve months immediately before the date of the Damage.\*

**Annual Turnover** means the Turnover during the twelve months immediately before the date of the Damage.\*

**Damage** means physical loss, destruction or damage (occurring during the Period of Cover) from the operation of a peril or event insured against under the Business Property Policy Section, the Theft Policy Section, the Money Policy Section, the Glass Policy section or the General Property Policy Section' of Your Policy.

**Gross Profit** means the amount by which the sum of the Turnover and the amount of the closing Stock and work in progress exceeds the sum of the opening Stock and work in progress and the amount of any 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.

**Indemnity Period** means 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 Policy Schedule.

**Rate of Gross Profit** means the Rate of Gross Profit, expressed as a percentage, earned on the Turnover during the financial year immediately before the date of the Damage.\*

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

**Shortage in Turnover** means the amount by which the Turnover during a period will, in consequence of the Damage, fall short of the part of the Standard Turnover which related to that period.

**Standard Rent Receivable** means 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** means the Turnover during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period.\*

**Turnover** means 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.

\* 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.



## What You are covered for

In the event of interruption of or interference with Your Business in consequence of Damage to any building or any other property or any part thereof used by You at the Situation for the purpose of Your Business, we will pay You the amount of the loss resulting from such interruption or interference in respect of each item selected by You and shown in the current Policy Schedule,

provided that:

- a) the payment is in accordance with the basis of settlement provision for the item;
- b) we have paid for or admitted liability in respect of such Damage under the relevant Policy Section of Your Policy, or another insurer has paid for or admitted liability in respect of such Damage, unless no such payment shall have been made or liability shall not have been admitted for such Damage (by us or another insurer) solely due to 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 Policy Schedule for that item.

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

### **Item 1. Gross Profit**

### **Item 2. Additional increase in cost of working**

### **Item 3. Accounts receivable**

### **Item 4. Claim preparation expenses**

### **Item 5. Rent Receivable**

## 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 additional expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of reduction thereby avoided, less any sum saved during the Indemnity Period in respect of such charges and expenses of Your Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage.

### **Item 2. Additional increase in cost of working**

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

### **Item 3. Accounts receivable**

Under this item we will pay You up to the amount shown in the current Policy 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 expenses**

In addition to the amount payable under General Condition 'Claim preparation expenses' of this Policy we will pay You up to the amount shown in the current Policy Schedule for the costs of such reasonable professional fees as may be payable by You and other such reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation and negotiation of claims under this Policy Section.

#### **Item 5. 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.

## CLAUSES APPLICABLE TO THIS POLICY SECTION

### **Departmental**

If Your Business is conducted in departments or business units the independent trading results of which are ascertainable, the provisions 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.

### **Sum insured or limit of liability**

Our liability to You will in no case exceed in respect of each item the sum insured or limit of liability expressed against that item in the current Policy Schedule. 'Additional Benefits' are within the total limit of liability of this Policy Section and not additional to the total limit of liability.

### **Accumulated Stocks**

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

### **Alternative trading**

If during the Indemnity Period, goods are sold, work is performed or services are rendered elsewhere than at the 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 Turnover 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 'Rate of Gross Profit', 'Standard Turnover' and 'Annual Turnover' shall instead have the following meanings wherever they appear in this Policy Section:

'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.

## **ADDITIONAL BENEFITS**

This Policy Section is extended to include the following Additional Benefits. Additional Benefits 1 to 11 inclusive are payable provided that the sum insured or limit of liability expressed against the relevant item(s) in the Policy Schedule is not otherwise exhausted.

We will pay You for loss of Gross Profit (ie Basis of settlement Item 1) resulting from interruption of or interference with Your Business as a result of Damage occurring during the Period of Cover to, or as a direct result of:

### **1) Customers and suppliers – unspecified**

Unspecified property at the premises of Your suppliers or customers of goods or materials or services (other than those services provided by any Public utilities) or at storage premises neither owned nor operated by You where You store goods or materials, all within the Commonwealth of Australia, provided that our liability will not exceed 20% or the percentage shown in the Policy Schedule of the sum insured applicable to this Policy Section.

### **2) Prevention of access**

- a) property, or intervention of any lawful authority resulting from threat of Damage to property within a 50-kilometre radius of the Business Premises, which prevents access to or hinders the use of the Business Premises.
- b) property forming part of or contained in a complex of which the location forms part whether the Premises or property of the Insured forming part of or contained in the complex shall be damaged or not.

### **3) Public utilities**

any land-based telecommunications system or any electricity, gas or water supply systems within the Commonwealth of Australia, provided that where public supply is not at or immediately adjacent to Your premises the interruption of supply extends for greater than 48 hours.

### **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.

### **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.

### **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 additional 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 20% of the sum insured in respect of any one occurrence.

### **8) Explosion of pressure vessels**

Damage to pressure vessels including boilers, compressors or economisers 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 the premises not occupied by You but limited to 20% of the sum insured or the amount shown in the Policy Schedule, whichever is the greater.

#### **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) vermin or pests or defects in the drains or other sanitary arrangements, occurring at the Business Premises;
- b) an outbreak of an infectious or contagious human disease occurring within a 20-kilometre radius of the Business Premises, however there is no cover for highly pathogenic Avian Influenza or any disease declared to be a quarantinable disease under the Quarantine Act 1908 (as amended) irrespective of whether discovered at the location of Your premises, or out-breaking elsewhere;
- c) injury, illness or disease caused by the consumption of food or drink supplied at or from Your Business Premises during the Period of Cover;
- d) murder or suicide occurring at the Business Premises; or
- e) shark or crocodile attack occurring within a 20-kilometre radius of the Business Premises during the Period of Cover.

#### **12) Salvage sale**

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

- a) clause a) of Item 1 'Gross Profit' of this Policy Section shall, for the purpose of such claim, read as follows:

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

- b) the definition of Shortage in Turnover shall, for the purpose of such claim, mean the amount by which the Turnover during a period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period, from which shall be deducted the pay-roll paid out of the proceeds of the salvage sale.

#### **13) Turnover output**

In the event of Damage giving rise to a claim under this Policy Section, at Your option, the term 'Output' may be substituted for the term 'Gross Profit' wherever appearing in this Policy Section. Provided that only one such term will operate in connection with any one occurrence involving Damage.

#### **14) Government incentives**

Gross Profit is extended to include the loss of any Government approved incentives, subsidies or market development allowances You are entitled to in relation to Your Business.

#### **15) Contractual fines and penalties**

Following a claim under Item 1 Gross Profit, we will also pay:

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

The amount payable shall not exceed 20% of the total sum insured for Gross Profit.

## SPECIAL CONDITION APPLICABLE TO THIS POLICY SECTION

### 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 Policy 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.

### Underinsurance/average

Where at the date of the occurrence of Damage the sum insured for Gross Profit being less than 80% of the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or the proportionately increased multiple thereof where the Indemnity Period exceeds 12 months) the amount payable will be proportionately reduced. Provided that this special condition shall not apply if the claim does not exceed 10% of the sum insured for Gross Profit.

## OPTIONAL BENEFIT – APPLICABLE ONLY IF SHOWN AS INSURED IN THE POLICY SCHEDULE

### 1) Floating Asset

We will also pay for loss of Gross Profit resulting from interruption of, or interference with Your Business, following an Event which causes Damage to a floating asset owned or leased by You at the Situation or directly adjoining the Situation, provided that the floating asset is insured under a Floating Asset Policy provided the full premium has been paid for the Floating Asset Policy (covering such floating asset), and the period of insurance of such Floating Asset Policy is identical to the Period of Cover of this Policy.

### For the purposes of this Optional Benefit.

**Damage** means for the purposes of this Optional Benefit physical loss, destruction or damage (occurring during the Period of Cover) from the operation of a peril or event insured against under the Floating Asset Policy

**Floating Asset Policy** means the Nautilus Marine Wharves, Piles and Jetties Wording which is the subject matter of the binder and claim settlement agreements between Nautilus and AIG Australia Ltd

## POLICY SECTION 3: PUBLIC AND PRODUCTS LIABILITY

### Words with special meaning

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

#### **Advertising Injury** means

injury arising out of:

- a) libel, slander or defamation; or
- b) any infringement of copyright or passing off of title or slogan; or
- c) unfair competition, piracy, idea misappropriation contrary to an implied contract; or
- d) invasion of privacy;

committed or alleged to have been committed during the Period of Cover in any advertisement, publicity article, broadcast or telecast and caused by or arising out of Your advertising activities.

**Compensation** means monies paid or agreed to be paid by judgment, award or settlement for Personal Injury and/or Property Damage and/or Advertising Injury. Provided that such Compensation is only payable in respect of an Occurrence to which this insurance applies.

**Employee** means 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** means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination in respect of Your Employees.

**Excess** means the first amount of each claim or series of claims, arising out of any one Occurrence, for which You are responsible. The Excess applicable to this insurance appears in the Policy Schedule. The Excess applies to all amounts for which we will be liable, including the indemnity provided by Defence Costs and Supplementary Payments.

**General Liability** means Your legal liability for Personal Injury, Property Damage or Advertising Injury caused by or arising out of an Occurrence happening in connection with Your Business other than Products Liability.

#### **Geographical Limit** means

- a) anywhere within the Commonwealth of Australia and its external territories;
- b) elsewhere in the world but only with respect to:
  - i) overseas business visits by any of Your directors, partners, officers, executives or Employees, who are normally resident in Australia but not where they perform manual work or supervise manual work in North America;
  - ii) Products supplied from the Commonwealth of Australia, but the indemnity granted in relation to such Products shall not apply to claims in respect of Personal Injury and/or Property Damage happening in North America where such Products have been exported to North America with Your knowledge.

**Incidental Contracts** means

- a) any written rental agreement or lease of real or personal property not requiring an obligation to insure such property or be strictly liable regardless of fault;
- b) any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work done for such authorities or entities;
- c) any written contract with any railway authority for the loading, unloading and/or transport of Products, including contracts relating to the operation of railway sidings;
- d) those contracts designated in the Policy Schedule.

**Internet Operations** means

- a) transfer of computer data or programmes by use of electronic mail systems by You or Your Employees, including for the purpose of this definition only, part-time and temporary staff, contractors and others within Your organisation whether or not such data or programmes contain any malicious or damaging code, including but not limited to Computer Virus, worm, logic bomb, or trojan horse;
- b) access through Your network to the world wide web or a public internet site by You or Your Employees, including for the purposes of this definition only, 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.

**Medical Persons** means includes but is not limited to medical practitioners, medical nurses, dentists and first aid attendants.

**Named Insured** means

- a) the person(s), corporations and/or other organisations specified in the Policy Schedule;
- b) all existing subsidiary and/or controlled corporations (including subsidiaries thereof) of the Named Insured incorporated in the Commonwealth of Australia and/ or any other organisations under the control of the Named Insured;
- c) all subsidiary and/or controlled corporations (including subsidiaries thereof) of the Named Insured and/or any other organisations under the control of the Named Insured incorporated in the Commonwealth of Australia and which are constituted or acquired by the Insured after the commencement of the Period of Cover;
- d) every subsidiary and/or controlled corporation and/or other organisation of the Named Insured which is divested during the Period of Cover, but only in respect of claims made against such divested subsidiary, related or controlled corporation or organisation caused by or arising out of Occurrences insured against by this Policy, which occurred prior to the divestment.

**Occurrence** means an event, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury and/or Property Damage and/or Advertising Injury that is neither expected nor intended (except for the matters set out in item e) of the definition of 'Personal Injury') from Your standpoint. With respect to Personal Injury or Property Damage, all events of a series consequent upon or attributable to one source or original cause shall be deemed to be one Occurrence.

All Advertising Injury arising out of the same injurious material or act (regardless of the frequency or repetition thereof, the number and kind of media used, or the number of claimants) shall be deemed to be one Occurrence.



**Personal Injury** means

- a) bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and mental injury, including loss of consortium or services resulting therefrom;
- b) false arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation;
- c) wrongful entry or wrongful eviction or other invasion of privacy;
- d) libel, slander or defamation of character, unless arising out of Advertising Injury;
- e) assault and battery not committed by You or at Your direction, unless committed for the purpose of preventing or eliminating danger to persons or property.

**Products** means anything manufactured, constructed, erected, assembled, installed, grown, extracted, produced or processed, treated, altered, modified, repaired, serviced, bottled, labelled, handled, sold, supplied, re-supplied or distributed, imported or exported, by You or on Your behalf (including Your predecessors in Your Business), including any packaging or containers thereof, including the design, formula or specification, directions, markings, instructions, advice or warnings given or omitted to be given in connection with such Products and anything which, by law or otherwise, You are deemed to have manufactured in the course of Your Business including discontinued Products.

Provided always that for the purpose of this insurance the term 'Products' shall not be deemed to include:

- a) food and beverages supplied by You or on Your behalf primarily to Your Employees as a staff benefit;
  - b) any vending machine or any other property rented to or located for use of others but not sold by You;
- and any claims made against You in respect of Personal Injury and/or Property Damage arising out of any Occurrence in connection therewith shall be regarded as General Liability claims hereunder.

**Products Liability** means Your legal liability for Personal Injury and/or Property Damage caused by or arising out of any Products or the reliance upon a representation or warranty made at any time with respect to such Products; but only where such Personal Injury and/or Property Damage occurs away from premises owned or leased by or rented to You and after physical possession of such Products has been relinquished to others.

**Property Damage** means

- a) physical loss, destruction of or damage to tangible property, including the loss of use thereof at any time resulting therefrom; and/or
  - b) loss of use of tangible property which has not been physically lost, destroyed or damaged;
- provided that such loss of use is caused by or arises out of an Occurrence.

**Tools of Trade** means a Vehicle that has tools, implements, machinery or plant attached to or towed by the Vehicle and is being used by You at Your premises or on any Work Site. Tools of Trade does not include any Vehicle whilst travelling to or from a Work Site or Vehicles that are used to carry goods to or from any premises.

**Work Site** means any premises or site where any work is performed for and/or in connection with Your Business together with all areas surrounding such premises or site and/or all areas in between such premises or site that You shall use in connection with such work.

**You, Your, Insured** (where used in this Policy Section) means the person(s), companies or firms named on the current Policy Schedule as the 'Insured'. Each of the following is an Insured to the extent specified below:

- a) the Named Insured,
- b) every past, present or future director, stockholder or shareholder, partner, proprietor, officer, executive or Employee of the Named Insured (including the spouse of any such person while accompanying such person on any commercial trip or function in connection with Your Business), or work experience persons or volunteers while such persons are acting for or on behalf of the Named Insured and/or within the scope of their duties in such capacities.
- c) any Employee superannuation fund or pension scheme managed by or on behalf of the Named Insured, and

the trustees and the directors of the trustee of any such Employee superannuation fund or pension scheme which is not administered by corporate fund managers.

d) every principal in respect of the principal's liability arising out of:

i) the performance by or on behalf of the Named Insured of any contract or agreement for the performance of work for such principal, but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this Policy.

ii) any Products sold or supplied by the Named Insured, but only in respect of the Named Insured's own acts or omissions in connection with such Products and in any event only for such coverage and limits of liability as are provided by this Policy.

e) every person, corporation, organisation, trustee or estate to whom or to which the Named Insured is obligated by reason of law, (whether written or implied) to provide insurance such as is afforded by this Policy, but only to the extent required by such law, and in any event only for such coverage and limits of liability as are provided by this Policy;

f) every officer, member, Employee or voluntary helper of the Named Insured's canteen, social and/or sporting clubs, first aid, medical, ambulance or fire fighting services, charities, welfare and/or child care facilities, while acting in their respective capacities as such;

g) any director, partner, proprietor, officer or executive of the Named Insured in respect of private work undertaken by the Named Insured's Employees for such person and any Employee whilst actually undertaking such work;

h) the estates, legal representatives, heirs or assigns of:

i) any deceased or insolvent persons, or

ii) persons who are unable to manage their own affairs by reason of mental disorder or incapacity,

who would otherwise be indemnified by this Policy, but only in respect of liability incurred by such persons as described in clauses h)i) and h)ii) above;

i) every party including joint venture companies and partnerships to whom the Named Insured is obligated by virtue of any contract or agreement to provide insurance such as is afforded by this Policy; but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this Policy.

**Your Business** means the business as described in the Policy Schedule (and, where applicable, as further described in any more specific underwriting information provided to us at the time when this insurance was negotiated) and shall include:

a) the ownership of premises and/or the tenancy thereof by You.

b) the provision of any sponsorships, charities, galas, first aid, medical, ambulance or fire fighting service by You or on Your behalf.

c) private work undertaken by Your Employees for any of Your directors, partners, proprietors, officers or executives.

d) the provision of any canteen, social and/or sporting clubs or welfare and/or child care facilities by You or on Your behalf, which are primarily for the benefit of Your Employees.

## WHAT YOU ARE COVERED FOR

We agree (subject to the terms, Claims conditions, General Policy conditions, Exclusions, definitions and Limits of liability incorporated herein) to pay to You or on Your behalf all amounts which You shall become legally liable to pay as Compensation in respect of:

- 1) Personal Injury, and/or
- 2) Property Damage; and/or
- 3) Advertising Injury;

happening during the Period of Cover within the Geographical Limits and caused by or arising out of an Occurrence in connection with Your Business.

### Defence costs and supplementary payments

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

- 1) defend, in Your name and on Your behalf, any claim or suit against You alleging such Personal Injury, Property Damage or Advertising Injury and seeking damages on account thereof even if any of the allegations of such claim or suit are groundless, false or fraudulent.
- 2) pay all charges, expenses and legal costs incurred by us and/or by You with our written consent:
  - a) in the investigation, defence or settlement of such claim or suit, including loss of salaries or wages because of Your attendance at hearings or trials at our request, or
  - b) in bringing or defending appeals in connection with such claim or suit.
- 3) pay all charges, expenses and legal costs recoverable from or awarded against You in any such claim or suit and all interest accruing on our portion of any judgment until we have paid, tendered or deposited in court that part of such judgment which does not exceed the limit of our liability thereon.
- 4) pay expenses incurred by You for:
  - a) rendering first aid and/or surgical or medical relief to others at the time of any Personal Injury (other than any medical expenses, which we are prevented from paying by any law).
  - b) temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up and/or unpinning thereof.
  - c) purchasing and/or hiring and/or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including such protection which You must provide in compliance with the requirements of any Government, Local Government or other Statutory Authority.
- 5) pay all legal costs incurred by You with our consent for representation of You at:
  - a) any Coronial inquest or Inquiry
  - b) any proceedings in any court or tribunal in connection with liability insured against by this Policy.

The amounts of such defence costs and supplementary payments incurred, except payments in settlement of claims and suits, are payable by us in addition to the applicable Limit of Liability of this Policy.

However, in respect of any claims or suits originating in any court in North America, the applicable Limit of Liability shown in the Policy Schedule shall be inclusive of all defence costs and supplementary payments.

Where we are prevented by law or otherwise from making payments on Your behalf, we will indemnify You for legal liability incurred to the extent that such liability is covered by this Policy.

In jurisdictions where we may not legally be permitted to, or cannot for any other reason, defend any claim or suit against You, we will reimburse You for the expense of such defence incurred with our written consent.

## Limits of liability and Excess

Subject to:

- i) the 'Claim preparation expenses' provision under 'General Policy conditions',
- ii) the 'Defence costs and supplementary payments' clause above,
- iii) item 4 of Additional benefit 'Property in your physical and legal control' below,

for General Liability the limit of liability specified in the Policy Schedule represents the maximum amount which we shall be liable to pay in respect of any one claim or series of claims arising out of any one Occurrence.

For Products Liability the limit of liability specified in the Policy Schedule represents the maximum amount which we shall be liable to pay in respect of any one claim or series of claims, and in the aggregate during any one Period

of cover.

The applicable limit of liability will not be reduced by the amount of any Excess payable by you.

## What You are not covered for under this Policy Section

We do not cover any liability:

### 1) Property owned by You

for Property Damage to property owned by You.

### 2) Vehicles

for Personal Injury or Property Damage arising out of the ownership, possession or use by You of any Vehicle:

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

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

c) Personal Injury where:

- i) that compulsory liability insurance or statutory indemnity does not provide indemnity, and
- ii) the reason or reasons why that compulsory liability or statutory indemnity does not provide indemnity do not involve a breach by You of legislation relating to Vehicles.
- d) any Vehicle (including any tool or plant forming part of or attached to or used in connection with such Vehicle) whilst being operated or used by You or on Your behalf as a Tool of Trade at Your premises or on any Work Site;
- e) the delivery or collection of goods to or from any Vehicle;
- f) the loading or unloading of any Vehicle;
- g) any Vehicle temporarily in Your custody or control for the purpose of parking.

### 3) Aircraft, Hovercraft

for Personal Injury and/or Property Damage arising from:

- a) the ownership, maintenance, operation, or use by You of any Aircraft or Hovercraft,
- b) any property used for the purpose of an airport or any Aircraft landing strip.

### 4) Aircraft Products

arising out of any Products which You knew or have reasonable cause to believe would be or is intended for incorporation into any critical part, the structure, machinery or controls of any Aircraft.

### 5) Damage to Products

for Property Damage to any Products where such damage is directly caused by a fault or defect in such Products; but this exclusion shall be interpreted to apply with respect to damage to the specific part and only that part of such product to which the damage is directly attributable.

### 6) Faulty workmanship

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

#### **7) Loss of use**

for loss of use of tangible property, which has not been physically lost, destroyed or damaged, directly arising out of:

- a) a delay in or lack of performance by You or on Your behalf of any contract or agreement; or
- b) failure of any Products or work performed by You or on Your behalf to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by You; but this Exclusion 7)b) shall not apply to Your liability for loss of use of other tangible property resulting from sudden and accidental physical loss, destruction of or damage to any Products or work performed by You or on Your behalf after such Products or work have been put to use by any person or organisation other than You.

#### **8) Product guarantee**

for any Products warranty or guarantee given by You or on Your behalf, but this exclusion shall not apply to the requirements of any Federal or State legislation as to product safety and information.

#### **9) Product recall**

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

#### **10) Pollutants**

- a) for Personal Injury and/or Property Damage directly or indirectly arising out of the discharge, dispersal, release or escape of Pollutants into or upon land, the atmosphere or any watercourse or body of water;
- b) for the cost of testing and monitoring for, removing, nullifying, or cleaning up of Pollutants provided that, with respect to any such liability which may be incurred anywhere other than North America, Exclusions 10)a) and 10)b) shall not apply where such discharge, dispersal, release or escape is caused by a sudden, identifiable, unintended and unexpected event from Your standpoint which takes place in its entirety at a specific time and place.

#### **11) Advertising Injury**

for Advertising Injury:

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

## **12) Breach of professional duty**

arising out of any breach of duty owed in a professional capacity by You and/or any person(s) for whose breaches You may be held legally liable, but this exclusion shall not apply to claims for Personal Injury and/or Property Damage arising out of:

- a) the rendering of or failure to render professional medical advice by Medical Persons employed by You to provide first aid and other medical services on Your premises;
- b) advice which is given by You for no fee;
- c) advice given in respect of the use or storage of Your Products.

## **13) Property in Your physical or legal control**

for damage to property:

- a) owned by, leased or rented to You;
- b) not belonging to You but in Your physical and legal control other than the property described in 'Additional benefit – Property in physical and legal control'.

## **14) Contractual liability**

which has been assumed by You under any contract or agreement that requires You to:

- a) effect insurance over property, either real or personal.
- b) assume liability for Personal Injury and/or Property Damage and/or Advertising Injury regardless of fault; provided that this exclusion shall not apply with regard to:
  - i) liabilities which would have been implied by law in the absence of such contract or agreement; or
  - ii) liabilities assumed under Incidental Contracts; or
  - iii) terms regarding merchantability, quality, fitness or care of Your product which are implied by law or statute; or
  - iv) liabilities assumed under the contracts specifically designated in the Policy Schedule or in any endorsement(s) to this Policy.

## **15) Watercraft**

a) for Personal Injury and/or Property Damage arising from the ownership, maintenance, repair, servicing, storage, operation, use, installation work in or on or loading or unloading, by You or on Your behalf, of any Watercraft exceeding ten (10) metres in length. Provided that this Exclusion 15) a) shall not apply with regard to claims arising out of or in connection with

- i) Watercraft operated by an independent contractors used by You for the purpose of business entertainment; or
  - ii) Watercraft not exceeding 25 metres in length whilst stored on land at the Situation and/or whilst stored at exhibitions and/or whilst stored at displays..
- b) for Personal Injury and/or Property Damage arising directly or indirectly out of, caused by or in connection with Watercraft whilst in or on water.

## **16) Employers liability**

a) for bodily injury to any worker in respect of which You are or would be entitled to indemnity under any Policy of insurance, fund, scheme or self insurance pursuant to or required by any legislation relating to Workers Compensation or Accident Compensation whether or not such Policy, fund, scheme or self insurance has been effected.

Provided that this Policy will respond to the extent that Your liability would not be covered under any such Policy, fund, scheme or self insurance arrangement had You complied with its obligations pursuant to such law.

b) imposed by:

- i) the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination or contract of employment or workplace agreement.
- ii) any law relating to Employment Practices.

For the purpose of Exclusions 16)a) and 16)b):

a) the term 'worker' means any person deemed to be employed by You pursuant to any Workers Compensation Law. Voluntary workers, secondees and work experience students (if any) shall not be deemed to be Your Employees.

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

#### **17) Fines, penalties, punitive, exemplary or aggravated damages**

a) for any fines, penalties, punitive, exemplary, aggravated damages; and

b) any additional damages resulting from the multiplication of compensatory damages.

#### **18) Information technology hazards, computer data, program and storage media exclusion**

a) for Personal Injury and/or Property Damage and/or Advertising Injury arising directly or indirectly out of, or in any way involving Your Internet Operations, or

b) for 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:

i) the use of any computer hardware or software;

ii) the provision of computer or telecommunication services by You or on Your behalf;

iii) the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any Computer Virus.

But this exclusion does not apply to:

a) Personal Injury and/or Property Damage and/or Advertising Injury 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; or

b) liability which arises irrespective of the involvement of Your Internet Operations.

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

#### **19) Libel and slander**

for libel and slander:

a) resulting from statements made prior to the commencement of the Period of Cover;

b) resulting from statements made at Your direction with knowledge that such statements are false;

c) incurred by You if Your Business is advertising, broadcasting, publishing or telecasting.

#### **20) Liquidated damages**

arising out of liquidated damages clauses, penalty clauses or performance warranties except to the extent that such liability would have attached in the absence of such clauses or warranties.

#### **21) Asbestos**

for Personal Injury, Property Damage (including loss of use of property) or Advertising Injury directly or indirectly caused by or arising from exposure to asbestos or materials containing asbestos.

#### **22) Construction**

for Personal Injury and/or Property Damage and/or Advertising Injury arising from, out of, or in connection with, or in any way involving, the construction, erection, addition, alteration, renovation, installation or demolition of any building or structure by you or on your behalf where the value of such work is more than \$500,000.

### **23) Tobacco**

for Personal Injury or Advertising Injury arising from, out of, or in connection with , or in any way involving, the inhalation or ingestion of or exposure to:

- a) tobacco or tobacco smoke; or
- b) any ingredient or additive present in any articles, items or goods which contain or include tobacco.

### **24) Vibration and weakening of support**

for Personal Injury or Property Damage as a result of or in connection with :

- (a) vibration, underpinning, restumping, shoring of; or
- (b) the removal, weakening or interference with, support to land, buildings or any other property.

### **25) Welding**

for Personal Injury and/or Property Damage arising from, out of, or in connection with for the failure to comply with Australian Standard 1674. 1-1997 "Safety in welding and allied processes – fire precautions" as amended or replaced, or other relevant Australian Standard, when you or anyone on your behalf is carrying out welding, thermal or oxygen cutting or heating or any other heat or spark producing operations including the use of blowlamps or blow torches.

### **26) Defective Design**

for Personal Injury and/or Property Damage and/or Advertising Injury arising from or in connection with the design, plan, formula or specification of Your Products or any instructions, advice or information on the characteristics, use, storage or application of any of Your Products.

### **27) Explosives**

for Personal Injury and/or Property Damage arising from, out of, or in connection with the use of explosives for s with the demolition of any structure.

### **28) Boilers and pressure vessels**

for Personal Injury and/or Property Damage arising from, out of, or in connection with the the explosion or collapse of boilers or other pressure vessels in respect of which a certificate is required in accordance with any Act of Parliament or regulation made under an Act.

### **29) Product Defects**

for Personal Injury and/or Property Damage arising from, out of, or in connection with the any defect or deficiency in any of Your Products which defect or deficiency You or Your employees or agents had knowledge of or had reason to suspect at the time when Your Products passed from Your actual physical control or of any person under Your control.



## **ADDITIONAL BENEFIT APPLICABLE TO THIS POLICY SECTION**

### **Property in Your physical and legal control**

Exclusion 13 will not apply to the following property:

- 1) premises or part(s) of premises (including their contents) leased or rented to, or temporarily occupied by, You for the purpose of Your Business, but no cover is provided by this Policy if You have assumed the responsibility to insure such premises.
- 2) a) premises (and/or their contents) temporarily occupied by You for the purpose of carrying out work in connection with Your Business, or  
b) any other property temporarily in Your possession for the purpose of being worked upon;  
but no indemnity is granted for damage to that part of any property upon which You are or have been working if the damage arises solely out of such work.
- 3) any Vehicle (including its contents, spare parts and accessories while they are in or on such Vehicle) not belonging to or used by You, whilst any such Vehicle is in a car park owned or operated by You provided that You do not operate the car park for reward, as a principal part of Your Business.
- 4) any property (except property that You own) not mentioned in clauses 1, 2, 3 and 5 of this additional benefit whilst in Your physical or legal care, custody or control where You have accepted or assumed legal liability for such property. Provided that our liability under this clause 4 shall not exceed:
  - i) \$100,000 in the case of property other than Watercraft; and
  - ii) \$500,000 in the case of Watercraft up to 10 metres in length including parts and accessories belonging to third parties,or the amount stated in the Policy Schedule, whichever is the greater, in respect of any one claim or series of claims arising out of any one Occurrence.
- 5) the personal property, tools and effects of any of Your directors, partners, proprietors, officers, executives or Employees, or the clothing and personal effects of any of Your visitors.

## **SPECIAL CONDITIONS APPLICABLE TO THIS POLICY SECTION**

### **Claims**

#### **1) Notification of Occurrence, claim or suit**

You shall give:

- a) written notice (including facsimile transmission) via Your Steadfast broker, to us, as soon as reasonably practicable, of any claim made against You or any Occurrence that may give rise to a claim being made against You and which is covered by this Policy Section.
- b) all such additional information that we may reasonably require and every demand, writ, summons, proceedings, impending prosecution or inquest and all documents relating to the claim or Occurrence shall be forwarded to us as soon as practicable after they are received by You.

#### **2) Your duties in the event of an Occurrence, claim or suit**

- a) You shall not, without our written consent, make any admission, offer, promise or payment in connection with any Occurrence or claim.
- b) You shall use the best endeavours to preserve all property, Products, appliances, plant, and all other things which may assist in the investigation or defence of a claim or suit or in the exercise of rights of subrogation and, so far as may be reasonably practicable, no alteration or repair shall be effected without our consent until we have had an opportunity of inspection.
- c) You shall, when so requested, provide us with details of any other insurances current at the time of any Occurrence, and/or Personal Injury and/or Property Damage and/or Advertising Injury and covering any of the liability insured by this Policy.

#### **3) Our rights regarding claims**

- a) we may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If we do this we will do it in your name. We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving us any statements, documents or assistance we require. This may include giving evidence in any legal proceedings.
- b) we may at any time pay to You, in respect of all claims against You arising directly or indirectly from one source or original cause:
  - i) the amount of the limit of liability or such other amount specified in respect thereof (after deduction of any sum(s) already paid by us, which sum(s) would reduce the amount of our unfulfilled liability in respect thereof);

or

ii) any lesser sum for which the claim(s) can be settled.

c) upon making such payment, we shall relinquish conduct and control of, and be under no further liability under this Policy in connection with, such claim(s) except for defence costs and supplementary payments:

i) recoverable from You but only where incurred during the period prior to the date of such payment (whether or not pursuant to an order made subsequently); or

ii) incurred by us, or by You with our written consent, prior to the date of such payment.

### **Cross liabilities**

This Policy Section extends to indemnify:

1) each of the parties comprising the Named Insured, and

2) each of the Insureds hereunder,

separately in the same manner and to a like extent as though policies had been issued in their separate names.

In particular, but without limiting the foregoing, this Policy Section shall indemnify each of the parties described in clauses 1 and 2 of 'Cross liabilities' in respect of claims made by any other of such parties.

Provided always that:

3) each of such parties shall be separately subject to the terms, claims conditions, General Policy conditions, exclusions and definitions of this Policy in the same manner and to a like extent as though separate policies had been issued, and

4) in no case shall the amount payable by us exceed the applicable limit of liability as specified in the Policy Schedule (except for defence costs and supplementary payments which operate in addition to the applicable limit of liability).

### **Inspection and audit**

We shall be permitted, but not obligated, to inspect Your premises and operations at any reasonable time.

Neither our right to make inspections, nor our failure to make inspections, nor the making of any inspections, nor any report of an inspection shall constitute an undertaking, on behalf of or for the benefit of You or others, to determine or warrant that such premises or operations are safe or healthful or are in compliance with any law, rule or regulation.

We may examine and audit Your books and records at any time during the currency of this Policy and within three (3) years after the final termination of this Policy but only with regard to matters which in our opinion are relevant to this Policy.

### **Release**

Where You are required by contractual agreement to release any Government or Public or Local Authority or other Statutory Authority from liability for loss, destruction or damage or legal liability insured against under this Policy, such release is allowed without prejudice to this insurance.

Notwithstanding General condition 'Subrogation rights' of this Policy, we agree to waive all our rights of subrogation against any such Authority in the event of any Occurrence for which a claim for indemnity may be made under this Policy.

### **Optional benefit – applicable only if shown as insured in the Policy Schedule**

#### **1. Rectification of Faulty Workmanship**

We will pay up to \$25,000 for costs or expenses incurred in undertaking completion, re-performing, recompleting

or improving any work previously undertaken by You or on Your behalf which is considered faulty workmanship.

An excess of \$2,000 is applicable to this Optional benefit and We may insist rectification work is undertaken by third parties.

## POLICY SECTION 4: THEFT

### What You are covered for

We cover You for loss of or damage to the property shown as insured under Policy Section 4: Theft on the current Policy 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;
- 5) any person who breaks into any locked cabinet and/or counter and/or showcase which is located on the Business Premises;

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 Policy Schedule for the Theft Policy Section, except to the extent stated under the heading 'Additional benefits in addition to Your sum insured.

Where You have a covered claim under the Theft Policy Section, we will settle Your claim using one of the following methods of settlement.

#### Method of settlement – reinstatement or replacement value

We will pay Your cost to:

- a) replace the property if the covered property is not found within a reasonable time after the loss, or
- b) replace the property if the covered property cannot be economically repaired, or
- c) repair the property if the covered property can be economically repaired.

#### Method of settlement – Indemnity

We will pay You the replacement cost of the insured property less an equitable amount for age, wear, tear, depreciation and will make an adjustment for the general condition and remaining useful life of the individual item or components that are damaged:

- a) if you do not replace the covered property which is lost or destroyed, or
- b) if the covered property can be repaired for less than the cost to replace but you choose not to repair the property.

## ADDITIONAL BENEFITS

### Additional benefits included in Your sum insured

Where a sum insured is shown on the Policy Schedule for contents or total contents and where that sum insured has not been otherwise exhausted, cover is extended to include:

#### Theft (limited) without forcible and violent entry

- a) loss or damage, limited to \$10,000 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 \$20,000 (unless a higher amount applicable to this paragraph b) is shown in the current Policy Schedule against the above heading) for any one occurrence, by theft or attempted theft of Your electronic equipment which is not Stock.
- c) loss of the buildings at the Business Premises if caused by theft, limited to \$10,000 for any one occurrence, 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.

### **Damage to Business Premises**

The cost to repair Your Business Premises and property contained inside. The maximum amount we will pay for this additional benefit 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 Policy Schedule for this additional benefit.

### **Permanently fixed (non-portable) apparatus**

Theft, whether following forcible and violent entry or otherwise, of permanently fixed (non-portable) apparatus or appliances, owned by You or for which You are legally responsible or have assumed a responsibility to insure, attached to the building other than by means of a flexible or tensile cord to a power point but limited to an amount not exceeding:

- a) \$10,000; or
- b) the balance of the sum insured on either contents or total contents whichever is the lesser.

## **Additional benefits in addition to Your sum insured**

### **Seasonal increase of cover**

All theft cover sums insured are increased by 50% for:

- a) eight weeks prior to and including Christmas Day;
- b) two weeks after and including 26 December;
- c) seven weeks prior to and including Easter Tuesday;
- d) thirty days immediately prior to, ten days immediately after and on the day of the major boat show in Your State and any other boat show specified on the Policy Schedule;
- e) any other period shown on the current Policy Schedule.

### **Temporary protection and security guards**

The cost of necessary temporary protection and repairs and the employment of guards/watchmen to protect insured property following an occurrence covered by this Policy Section. The maximum amount we will pay for each occurrence is \$10,000. If an occurrence results in a claim being paid under this Policy Section and another Policy Section of the Policy, only the highest single limit of liability under the relevant Policy Section applies. The benefit of Temporary Protection and Security Guards shall not be cumulative under this Policy.

### **Locks, keys and combinations**

Following an occurrence covered by this Policy Section we will pay the cost of:

- a) 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 stolen or copied without Your authority.
- b) replacing and developing security film exposed because of theft or attempted theft.

A sub-limit of \$10,000 any one occurrence applies to this additional benefit.

If you are also insured under the Money Policy Section, the benefit payable for Locks, keys and combinations shall not be cumulative and shall be limited to \$10,000 in the aggregate.

### **Rewriting of Records**

The cost of additional clerical and professional costs, limited to \$25,000 any one occurrence, incurred by You to rewrite Your necessary business records if they are lost, destroyed or damaged, whilst located at Your Business Premises or offsite anywhere in the Commonwealth of Australia, by an occurrence which You are covered for in the Theft Policy Section.

### **Property of directors, and employees**

Cover is extended to include personal property of directors and employees of Your Business if the person to whom the personal effects belong is not named as an insured.

Cover is limited to \$10,000 any one person and \$10,000 overall in respect of any one loss. This additional benefit provides cover to You. It does not provide any insurance cover to any director or employee.

### **Temporary removal**

We also cover Your insured Business Property while temporarily removed to any other premises within the Commonwealth of Australia.

Provided that:

- a) we will not cover tobacco, tobacco products, cigars, cigarettes or alcoholic beverages;
- b) we will not cover Stock in trade that is on consignment to other parties unless it is owned by You or is property for which You are responsible;
- c) the maximum amount we will pay for this additional benefit will be 30% of the sum insured;
- d) this additional benefit will not apply to any property insured, which has been removed for a period greater than 60 days without our prior written consent.

### **Death following assault**

If any person is injured while protecting or attempting to protect the property from theft in respect of an occurrence covered under 'What You are covered for' in this Theft Policy Section and death results from that injury within twelve (12) months of the occurrence, we will pay \$10,000 to the estate of that person. If You are also insured under the Money Policy 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 Business Property by theft or dishonesty by any of Your employees occurring during the Period of Cover, which is discovered within forty five days of its occurrence. Exclusion 3, of 'What You are not covered for under this Policy Section', so far as it relates to loss or damage due to theft or attempted theft committed by an employee, does not apply to this additional benefit. Our liability under this additional benefit is limited to \$5,000 for any one occurrence. If You are also insured under the Money Policy Section, the benefits payable for employee dishonesty shall not be cumulative and shall be limited to \$5,000 in the aggregate per occurrence.

### **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 \$10,000 for any one occurrence.

### **Additional premises – Provisional cover**

Cover is extended to include all property within Australia that becomes Yours after the commencement of the Period of Cover, for 30 days from first being used by You (unless the Period of Cover ends sooner or the property ceases to be Yours, whichever shall first occur), but the cover is limited to:

- a) the business described in the Policy Schedule, and
- b) property insured described in the Policy Schedule.

Our maximum liability under this additional benefit is limited to twenty percent (20%) of the highest sum insured shown in the Policy Schedule in relation to each item of property insured.

Full details of such additional property are to be supplied to us within 30 days of Your commencement of the use of the property. We may require an additional premium before we will insure such property.

### What you are not covered for under this policy section

1) We will not pay under the Theft Policy Section for loss of or damage to:

- a) Money and negotiable instruments in excess of \$250;
- 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, unless insured under Additional benefits 'Theft (limited) without forcible and violent entry', 'Permanently fixed (non-portable) apparatus' and Optional benefits '1) Theft without forcible and violent entry', '2) Stock in the open air'.
- f) Watercraft whilst in or on water.

2) We will not pay under the Theft Policy Section for loss of or damage to property caused by:

- a) any loss or damage including theft which is caused by a person who is otherwise lawfully on Your Business Premises;
- b) any person who does not steal or intend to steal property.

3) We will not pay under the Theft Policy 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 forcible and violent entry.

4) We will not pay for 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 Policy 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 benefits – applicable only if shown as insured in the Policy Schedule

### 1. Theft without forcible and violent entry

If this Optional benefit 1) is noted on the Policy Schedule, We will pay You up to the amount shown in the Policy Schedule

for “theft without forcible and violent entry” for loss caused by the theft of property shown as insured under Policy Section.

### 2. Stock in the open air:

If this Optional benefit 2) is noted on the Policy Schedule, We will also cover You under this Policy Section for loss or

damage caused by theft of property shown as insured under Policy Section 4: Theft on the current Policy Schedule that is kept in the open air areas of your Business Premises following forcible and violent entry onto the Business Premises that occurs during the Period of Cover.

### 3. Extended display temporary removal

If this Optional benefit 3) is noted on the Policy Schedule, We will also cover You for loss or damage caused by theft

of Stock whilst on display at boat shows and exhibitions that occurs during the Period of Cover, for an amount up to the sum insured noted for theft in the Policy Schedule, provided that:

- (a) the boat show or exhibition is held at an indoor premises with 24 hour security; and
- (b) the loss or damage is caused by violent and forcible entry and removal of Your Stock.

### 4. Theft

In the Policy Schedule, that occurs 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 Optional 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

## POLICY SECTION 5: MONEY

### Words with special meaning

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

**Financial Services 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. Safe includes Automatic Teller Machines.

**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

Subject to the provisions of this Policy, We cover You for loss of or damage to Money which occurs during the Period of Cover as a result of the Defined events shown on the current Policy Schedule.

### Defined events

#### 1) Money in transit

Loss of or damage to Money in Your personal custody or in the custody of persons authorised by You whilst in transit within Australia but not Money in a private residence or any Vehicle left unattended. Money in transit includes loss of or damage to Money whilst contained in the night Safe, night depository chute, or automatic teller machine of any Financial Services Provider. Our liability ceases at the time Your Financial Services Provider ceases trading on the next business day following deposit therein.

#### 2) Money on Business Premises during Business Hours

Loss of or damage to Money located at Your Business Premises during Business Hours.

#### 3) Money on Business Premises outside Business Hours

Loss of or damage to Money located at Your Business Premises outside Business Hours but not in a locked Safe or Strongroom.

#### 4) Money on Business Premises at any time while in a locked Safe or Strongroom

Loss of or damage to Money located at Your Business Premises at any time while in a locked Safe or Strongroom.

#### 5) Money in private residence

Loss of or damage to 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 Services Provider ceases trading on its next full trading day.

#### 6) Combined Money

Being Money covered under items 1) to 5) above,

### How we will pay Your claim



We will pay You up to the sum insured shown on the current Policy Schedule for each of the Defined events, provided that the most we will pay under Defined event 6) 'Combined Money' for Money on Business Premises outside Business Hours (but not in a locked Safe or Strongroom) is \$1,000.

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**

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

### **Additional benefits included in Your sum insured**

#### **Counterfeit currency**

We will pay for losses sustained by You due to the acceptance in good faith in exchange for merchandise, Money or services, of counterfeit Australian currency notes up to an amount not exceeding \$500 in any one Period of Cover.

### **Additional benefits in addition to Your sum insured**

#### **Locks, keys and combinations**

Following an occurrence covered by this Policy Section we will pay the cost of:

- a) 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 stolen or copied without Your authority;
- b) replacing and developing security film exposed because of theft or attempted theft.

A sub-limit of \$10,000 any one occurrence applies to this additional benefit.

If you are also insured under the Theft Policy Section, the benefit payable for Locks, keys and combinations shall not be cumulative and shall be limited to \$10,000 in the aggregate.

### **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) we will pay for loss of or damage to Your cash carrying bag that was caused by the theft or attempt.

A sub-limit of \$10,000 any one occurrence applies to this additional benefit.

### **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 Policy Section. The maximum amount we will pay for each occurrence is \$10,000. If an occurrence results in a claim being paid under this Policy Section and another Policy Section of the Policy, only the highest single limit of liability under the relevant Policy Section applies. The benefit of Temporary Protection and Security Guards shall not be cumulative under this Policy.

### **Seasonal increase of cover**

All Money Cover sums insured are increased by 50% for:

- a) eight (8) weeks prior to and including Christmas Day;
- b) three (3) weeks after and including 26 December;
- c) six (6) weeks prior to and including Easter Tuesday;
- d) one (1) week after but not including Easter Tuesday;
- e) six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter);
- f) one (1) week after the same festive, religious or ethnic event or celebration.

Any other period shown on the current Policy Schedule, in lieu of the covers in a) to f) above.

### **Bank and public holidays extension**

The sums insured for Money cover are automatically increased by 100% or \$75,000 whichever is the lesser on days that are gazetted bank or public holidays. This increase shall apply up until bank closing time on the next business day after such holiday. This additional benefit does not apply to loss or damage to Safes and Strongrooms or to 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 \$10,000 to the estate of that person. This amount is in addition to any amount we pay for loss of Money. If You are also insured under the Theft Policy 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 forty-five days of its occurrence. Exclusion 1)c), of 'What You are not covered for under this Policy section', so far as it relates to loss or damage due to theft or attempted theft committed by an employee, does not apply to this additional benefit. Our liability under this additional benefit is limited to \$5,000 for any one occurrence. If You are also insured under the Theft Policy Section, the benefits payable for employee dishonesty shall not be cumulative and shall be limited to \$5,000 in the aggregate per occurrence.

### **Traveller's Money**

Cover under this part is extended to include loss of Money belonging to You, occurring while such Money is in Your personal custody, or in the custody of Your employee, up to the lesser of \$10,000 or the amount specified on the Policy Schedule for Defined event 'Money in transit', while travelling outside of Australia in connection with Your Business.

### **Additional premises – Provisional cover**

Cover is extended to include Money at, or in transit to or from any new Business Premises occupied by You after the commencement of the Period of Cover, within Australia, for 30 days from first being used by You (unless the Period of Cover or Your occupancy of such premises ends sooner, whichever shall first occur), but the cover is limited to:

- a) the business described in the Policy Schedule, and
- b) the Money insured as described in the Policy Schedule.

Our maximum liability under this additional benefit is limited to 20% of the sum insured shown in the Policy Schedule in relation to each item of Money covered under this Policy Section.

Full details of such additional property are to be supplied to us within 30 days of Your commencement to use the property. If we agree to cover Money at the additional location, we may require payment of an additional premium.

### **Property of directors, and employees**

If clothing or personal effects are lost or damaged during a theft of Money, we will pay in addition to the sum insured the cost of repairing or replacing these items.

Cover is limited to \$5,000 any one person and \$10,000 overall in respect of any one loss. This additional benefit provides cover to you. It does not provide any insurance cover to any director or employee. There is no cover for you or any person named as the insured on your Policy Schedule.

### **What You are not covered for under this 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 ten 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 Business Hours;
- d) Money whilst it is outside the Commonwealth of Australia, except as provided under additional benefit - 'Traveller's Money'.

## POLICY SECTION 6: GLASS

### Words with special meaning

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

#### **Breakage** means

- a) for plate or sheet Glass or porcelain, a fracture extending through the entire thickness of the Glass or porcelain
- b) for laminated Glass, a fracture extending through the entire thickness of a lamination but not any other damage or disfiguration.

**External Glass** means glass, or plastic material used as glass fixed in external windows, doors, showcases or skylights forming part of the Premises.

**Glass** means 'Internal Glass', 'External Glass' and 'Specified Glass'

#### **Internal Glass** means

- a) glass, or plastic material used as glass in internal partitions, windows and doors, glass in counters, glass forming shelves and/or stock restraints, interior showcases, fixed mirrors and other fixed internal glass including ceramic vitreous china urinals, toilet pans and hand basins; and
- b) frames of showcases, display cabinets and counters containing the broken Glass.

**Premises** means the buildings at the Situation.

**Sign** means Glass or plastic that forms part of a Sign.

### What You are covered for

We cover You under the Glass Policy Section for Breakage at the Situation of the Glass shown on the current Policy Schedule which occurs during the Period of Cover.

### What You are not covered for under this Policy Section

Under the Glass Policy 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 part of any glasshouse, 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 The Standards Association of Australia, any statute or regulation.

### Additional benefits

If a claim is payable by us under the Glass Policy Section we will also pay up to the greater of the limit defined below or the sum insured shown on the current Policy Schedule for the reasonable cost to replace or repair the following additional items:

#### a) External Glass

In the event of Breakage of External Glass, We will indemnify You for each of the following:

- i) replacing sign writing or ornamentation affixed to the broken Glass;
- ii) replacing burglar tape or wiring affixed to the broken Glass;
- iii) replacing shatter resistant or reflective film affixed to the broken Glass;
- iv) temporary shuttering, boarding up or other protection reasonably necessary for the safeguarding of the Premises or contents therein, pending replacement of the broken Glass;
- v) replacing damaged window frames and tiled shop fronts, but with due allowance for wear and tear.

Our liability under this additional benefit during any one period of insurance is limited to \$7,500.

#### b) Destruction of Stock or contents

We will pay for destruction of, or damage to Your Stock or contents, caused by broken Glass following the Breakage of Glass where such Breakage constitutes an admissible claim under this Policy Section.

Our liability under this additional benefit during any one period of insurance is limited to:

- i) the value at cost, of the Stock or contents destroyed or damaged, less any amount realised from the sale or salvage or;
- ii) the sum of \$7,500, whichever is the lesser.

#### c) 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 \$7,500 or any higher sub-limit stated in the current Policy Schedule for 'Signs'. Acceptance of claims for damage to Signs shall not be contingent upon other damage to Glass.

#### d) Overtime

We will pay the reasonable costs for after-hours service by repairers, express delivery and overtime charges to repair or replace broken Glass.

#### e) Malicious damage

Malicious damage to External Glass. This additional benefit is payable even where there is no Breakage of External Glass.

## POLICY SECTION 7: GENERAL PROPERTY

### Words with special meaning

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

**General Property** means the Unspecified and/or Specified items listed on the current Policy Schedule under the General Property Policy Section.

**Specified Item** means An item that is specifically described and shown in the Policy Schedule.

**Unspecified Item** means Items which are part of a group or category that is shown in the Policy Schedule. Unspecified items do not include:

- a) laptop computers, mobile phones, electronic diaries, GPS units, video cameras or digital cameras; and
- b) any item worth more than \$2,000.

### What You are covered for

We cover You for physical loss of or damage to the General Property items listed on the current Policy Schedule, up to the sum insured, which occurs during the Period of Cover subject to the exclusions in 'What you are not covered for under this Policy Section'.

### What You are not covered for under this Policy Section

1) We will not cover loss of or damage to General Property under the General Property Policy Section which is:

- a) covered under any other Policy Section of this Policy;
- b) being constructed, erected, altered, manufactured, cleaned or repaired.

2) We will not cover loss or damage caused by:

- a) 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);
- b) insects or vermin such as rats, mice, rabbits, possums and birds;
- c) faulty materials;
- d) faulty workmanship;
- e) mechanical, electrical or electronic breakdown.

Exclusion 2 applies 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.

### **How we will pay Your claim**

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 a new item that has the same features that are nearly the same as (but not less than) the item being replaced.

### **Optional benefit**

The following optional benefit does not apply unless stated in the current Policy Schedule.

### **Worldwide cover**

When 'Worldwide cover' is shown in the Policy Schedule we will cover items shown in the Policy Schedule anywhere in the world.

## POLICY SECTION 8: EQUIPMENT BREAKDOWN

### Words with special meaning

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

#### **Breakdown** means

A sudden and accidental breakdown of Insured Equipment resulting in property damage to the Insured Equipment or a part of the Insured Equipment that necessitates its repair or replacement.

Breakdown does not mean:

- a) depletion, deterioration, corrosion or erosion of material;
- b) wear and tear;
- c) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- d) vibration or misalignment;
- e) the Breakdown of any structure or foundation supporting the equipment or any part of the equipment;
- f) the functioning of any safety device or protective device;
- g) the cracking of any part of a gas turbine exposed to the products of combustion; or
- h) failure to function not connected to any identifiable and manifest physical cause.

#### **Actual Cash Value** means

The cost of replacing the damaged Insured Equipment with property of similar kind, capacity, size, quality and function, less depreciation. In determining depreciation, we will consider the age, condition, and normal life expectancy of the Insured Equipment.

#### **Insured Equipment** means

Any of the following equipment owned, leased, operated or controlled by You in Your Business:

1) any boiler, fired or unfired Pressure Vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels, and piping or any other piping and its accessory equipment, but not including:

- a) any boiler setting, any refractory or insulating material;
- b) any part of a boiler or fired vessel that does not contain steam or water;
- c) any hose, buried piping, sewer piping, drainage piping, sprinkler system or its accessory equipment; or
- d) any oven, stove, furnace or kiln but not excluding heat recovery piping or vessels used with such apparatus.

2) any mechanical or electrical Machine or electrical apparatus used for the generation, transmission or utilisation of mechanical or electrical power, but not including:

- a) any elevator, escalator, crane or hoist; or
- b) any oven, stove, furnace or kiln

but not excluding:

- i) any pump, compressor, fan, blower, engine or turbine;
  - ii) any separate enclosed gear set connected to such machine or apparatus by a coupling, clutch or belt;
  - iii) any electrical equipment; or
  - iv) any electronic equipment used solely to start, stop, control or monitor such Machine or apparatus;
- c) any Vehicle, mechanically or electrically propelled equipment, towable equipment, power shovel, excavator, dragline or other mobile equipment, including equipment permanently mounted thereon;
- d) any conveyor belt.



3) any electronic equipment used:

- a) for the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio or telephone signals;
- b) for research, diagnostic, treatment, experimental or other medical or scientific purposes;
- c) for computing, data processing, duplicating, inventory control, monitoring, scanning or office services; or
- d) to start, stop, control or monitor one or more Insured Equipment, but not including any anode, x-ray or video amplifier tube.

**Limit Any One Loss** means

The amount shown in the Policy Schedule as the Limit Any One Loss.

**Machine** means

Any contrivance for the conversion and direction of motion or energy, or for the performance of a process, and includes any protective device in connection with that contrivance.

**Media** means

Material, on which data is recorded, such as magnetic tapes, hard disks, floppy disks, cartridges, CDs or DVDs.

**Pressure Vessel** means

A vessel which, in normal use, is subject to generated or applied fluid pressure.

**What You are covered for**

We will cover You for loss caused by or resulting from a Breakdown of Insured Equipment which occurs during the Period of Cover and which is in use, or connected and ready for use, at the Situation.

**Basis of settlement**

When we agree to pay a claim in respect of a covered insured event under this Policy Section, the basis upon which the amount payable is to be calculated shall be:

**1) Media and electronic data**

For Media and Electronic Data, we will pay You for the cost of blank material plus the cost of transcription from duplicates or from originals.

**2) Exposed film, records, manuscripts, drawings and other valuable papers and records**

For exposed film, records, manuscripts, drawings and other valuable papers and records, we will pay You for the cost of blank material plus the cost of transcription from duplicates or from originals.

**3) All other insured equipment and other property insured**

For all other Insured Equipment and other property insured, we will pay You the lesser of the cost at the time of the Breakdown to:

- a) repair the damaged property; or
- b) replace the damaged property with similar property of like kind, capacity, size, quality and function.

However, we will not pay:

- a) more than the amount You actually spend;
- b) the cost of repairing or replacing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment;
- c) any expense in excess of the cost at the time of the Breakdown to replace Insured Equipment on the same site or a site adjacent; or
- d) loss or damage to Insured Equipment or insured property which is useless or obsolete.

If the damaged property is not repaired or replaced within 12 months after the date of the Breakdown, then we will only pay you the Actual Cash Value of the damaged Insured Equipment or insured property.

The most we will pay under this Policy Section is the Limit Any One Event shown in the Policy Schedule.

### **Additional benefits**

We also pay for the following additional benefits when we agree to pay a claim in respect of a covered insured event under this Policy Section.

#### **1) Business interruption**

If You are insured under the Business Interruption Policy Section, then we will cover You under that Policy Section for loss or damage resulting solely from a Breakdown which is covered under this Policy Section – Equipment Breakdown, or would have been but for the application of an Excess.

For the purpose of this additional benefit, the definition of the Indemnity Period under the Business Interruption Policy Section is amended to mean the period beginning with the occurrence of the Breakdown and ending no later than the number of months shown in the Policy Schedule during which the results of Your Business are affected as a result of the Breakdown.

However, we will not pay more than \$250,000 for any one claim and we will not pay for loss or damage:

- a) which we do not cover under the Business Interruption Policy Section; or
- b) where You do not immediately notify us of the Breakdown.

#### **2) Service interruption**

If there is a Breakdown of equipment not owned, leased, operated or controlled by you, we will also pay under:

- a) additional benefit 1 – Business Interruption: for any reduction in business Turnover or additional increased cost of working caused by the Breakdown; or
- b) optional benefit – Spoilage of Stock: if shown in the Policy Schedule as applying, for spoilage of Stock, provided that the Breakdown is to equipment that is:
  - i) of a type described in the definition of Insured Equipment in the Policy Section;
  - ii) used to supply telephone, electricity, air conditioning, heating, gas, water or steam services to Your Business at the Situation;
  - iii) is owned by the owner of the building at the Situation or by a utility company, or by a company contracted by You to provide those services; and
  - iv) is located on or within 300 metres of the Situation.

#### **3) Hazardous substances**

If a Hazardous Substance is involved or released by a Breakdown we will pay for the increase in cost to repair, replace, clean up or dispose of affected insured property.

The increase in cost shall mean that cost or damage which would not have been incurred had no Hazardous Substance been present.

However, we will not pay more than \$25,000 for any one claim.

#### **4) Expediting costs**

If we are liable for the cost of reinstating any Insured Equipment, we will also pay for the cost, reasonably incurred, for express freight and overtime labour for the purpose of expediting that reinstatement.

However, we will not pay more than \$10,000 for any one claim.

#### **5) Temporary hire costs**

We will pay the cost, reasonably incurred, of hiring temporary replacement equipment of similar specification during the time taken to repair Insured Equipment as result of a Breakdown.

However, we will not pay more than \$25,000 for any one claim.

#### **6) Electronic data and media restoration**

If, as a result of a Breakdown to Insured Equipment, Electronic Data or Media is lost or damaged, we will pay for the additional costs of repairing or replacing such Electronic Data or Media, including the cost of gathering or assembling information.

However, we will not pay more than \$10,000 for any one claim and we will not pay for loss or damage:

- a) to Electronic Data or Media created more than 5 days prior to the Breakdown occurring; or
- b) caused by or resulting from programming errors.

#### **7) Demolition and increased cost of construction**

If prior to the time of the Breakdown there is in force any law, by-law, ordinance, regulation, rule or ruling regulating or restricting repair, replacement, construction or installation, we will pay for:

- a) the increased cost of repair or replacement of damaged and/or undamaged Insured Equipment (including any necessary demolition and site clearing costs) arising from such law, by-law, ordinance, regulation, rule or ruling; and
- b) if we pay you an amount under Additional benefit 1, the increase in loss of Gross Profit or additional increased cost of working caused as a result of the enforcement of the law, by-law, ordinance, regulation, rule or ruling.

#### **Optional benefit**

The following optional benefit does not apply unless stated in the current Policy Schedule.

#### **Spoilage of stock**

Where damage or expense is due to spoilage resulting solely from a Breakdown to Insured Equipment, we will pay:

- a) the cost to replace damaged food and beverage products;
- b) the cost to replace damaged food and beverage products that are in your care, custody or control and for which you are legally liable; and
- c) the reasonable cost incurred by you to reduce or avert such damage, but only to the extent that the total amount that otherwise would have been paid under this optional benefit or Additional benefit 2, is reduced.

For the purpose of this Optional benefit, the definition of Breakdown is amended to include the operation or failure to operate of any switch, thermostat, control, fuse, circuit breaker or overload device which is included in the definition of Insured Equipment, but not including the manual operation or setting of such switch, thermostat, control, fuse, circuit breaker or overload device.

If the damaged food and beverage products are not replaced, then we will only pay the Actual Cash Value of the damaged food and beverage products.

### **Seasonal increase of cover**

An increase of fifty percent (50%) in the limit of indemnity under this optional benefit shall apply during the following periods:

- a) eight (8) weeks prior to and including Christmas Day;
- b) three (3) weeks after and including 26 December;
- c) six (6) weeks prior to and including Easter Tuesday;
- d) one (1) week after but not including Easter Tuesday;
- e) six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter);
- f) one (1) week after the same festive, religious or ethnic event or celebration.

Any other period shown on the current Policy Schedule, in lieu of the covers in a) to f) above.

### **What You are not covered for under this Policy Section**

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

- a) fire, extinguishing a fire, demolition following a fire, smoke, soot, or chemical explosion;
- b) lightning, storm, rain, hail, snow, wind, Flood, action of the sea, tidal wave, storm surge or high water;
- c) earthquake, subterranean fire, volcanic eruption, tsunami, landslide, mudslide, subsidence or any other earth movement;
- d) leakage of water or liquids;
- e) malicious damage including damage by burglars, caused during industrial disputes, riots, civil commotions or labour disturbances;
- f) impact by Vehicles, Aircraft or anything dropped from them, satellites, space debris, sonic boom, Watercraft, communication masts, or towers, aerials, antennae, satellite dishes, buildings, parts of buildings or falling trees or branches;
- g) theft or any attempt at theft;
- h) the equipment being subjected to tests involving abnormal stresses or arising out of equipment being intentionally overloaded;
- i) the equipment undergoing maintenance, inspection, repair, alteration, modification or overhaul;
- j) any deliberate act or negligence by you; or
- k) Computer Virus, malfunctioning or derangement.

2) We will not pay for loss or damage to Insured Equipment which is useless or obsolete.

3) We will not pay for any costs:

- a) of carrying out normal maintenance such as the tightening of loose parts, recalibration or adjustments; or
- b) that you are entitled to recover under any maintenance agreement or warranty.



NAUTILUS MARINE

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