



# Nautilus Marine Marine and Associated Industries Business Insurance

Policy Wording



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# Table of Contents

Introduction .....	3
About Your Policy .....	3
General Policy Exclusions Applicable To All Sections .....	9
General Policy Conditions .....	12
Policy Section 1: Business Property .....	16
Policy Section 2: Business Interruption .....	27
Policy Section 3: Public And Products Liability .....	33
Policy Section 4: Theft .....	45
Policy Section 5: Money .....	49
Policy Section 6: Glass .....	53
Policy Section 7: General Property .....	55
Policy Section 8: Equipment Breakdown .....	56

# 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 still unhappy, there are certain circumstances in which **You** may request that the matter be reviewed by the AIG Australia Ltd ("AIG") Internal Dispute Resolution Committee ("Committee").



The Committee is comprised of either a Senior Management or three Senior Managers of AIG with the experience and authority to decide on matters brought before it.

The circumstances in which **You** may request the matter to be reviewed by the Committee are where the external dispute resolution body referenced below has jurisdiction to hear **Your** complaint under their terms of reference ("eligible complaint").

At the time of **You** making the initial complaint, AIG will advise **You** if **Your** complaint can or cannot be referred to the Committee.

If **You** wish to have **Your** complaint reviewed by the Committee and provided the complaint is an eligible complaint, 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. 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

For eligible complaints which can be heard by the Committee a written response setting out the final decision of the IDRC Committee and the reasons for this decision will be provided to **You** within 15 working days of the date **You** advise AIG **You** wish to take **Your** eligible complaint to IDRC.

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

## 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.
5. 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.

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,

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 **ALIG 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 **You**self 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:

3. 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;
4. 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;
5. **Our** total liability under this clause 'Extra cost of reinstatement' will be limited to:
6. 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
7. if no such sub-limit of liability is stated, our liability shall be limited to the sum insured not otherwise exhausted;
8. 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. a) Stock in trade of **Your Business**; or
  - b. 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

- e. 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;
- f. access through **Your** network to the world wide web or a public internet site by **You** or **Your Employees**,
- g. including for the purposes of this definition only, part-time and temporary staff, contractors and others within **Your** organisation;
- h. 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

- i. 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. a) owned by, leased or rented to **You**;
- b. 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. a) effect insurance over property, either real or personal.
- b. 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): 46
    - 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.
- 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

## Special Conditions Applicable to this Policy Section

### Claims

1. Notification of **Occurrence**, claim or suit

**You** shall give:

(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, re-completing

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. a) \$10,000; or
- b. 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.

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## 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.



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