



NAUTILUS MARINE

BOAT INSURANCE

Nautilus Marine

Boating Industry Business Insurance

Policy Wording



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Introduction

ABOUT NM INSURANCE AND ITS SERVICES

Nautilus Marine Insurance is a business name of NM Insurance Pty Ltd ABN 34 100 633 038 AFS Licence Number 227186 (NM Insurance). NM Insurance is an underwriting agency and has been given a binding authority by the insurer, ZAIL and which allows it to arrange and administer this Policy (within the terms of the binding authority). In doing so NM Insurance acts for ZAIL and not You. NM Insurance provides general advice on and issues and administers this Policy under its own AFS Licence. Any general advice is provided on behalf of NM Insurance and does not take into account Your objectives, financial situation or needs so consider whether it is appropriate for You having regard to these things. In this document, Nautilus Marine may also be expressed as 'we', 'us' or 'our'.

Our contact details are:

NM Insurance

Level 7, 99 Walker Street, North Sydney NSW 2060

Telephone: (02) 8287 3790

Email: customerservice@nminsurance.com.au

Facsimile: 02 8287 3799

ABOUT THE INSURER

The insurer of this product is Zurich Australian Insurance Limited (ZAIL), ABN 13 000 296 640, AFS Licence Number 232507. In this document, ZAIL may also be expressed as 'Zurich'.

ZAIL is part of the Zurich Insurance Group, a leading multi-line insurer that serves its customers in global and local markets. Zurich provides a wide range of general insurance and life insurance products and services in more than 210 countries and territories. Zurich's customers include individuals, small businesses, and mid-sized and large companies, including multinational corporations.

ABOUT THIS POLICY

Throughout this document words are sometimes capitalised or italicised to show that words are abbreviations or have a particular defined meaning. *You* should refer to the Definitions section of this document on page 10, and the relevant cover sections to obtain the full meaning of such terms.

'*you*', '*your*' or '*yours*' means the person(s) or parties shown as the Insured in the *schedule*, including all subsidiary companies, organisations and entities incorporated in *Australia* in which *you* have a controlling interest (exceeding 50%) engaged in the business described in the *schedule* and not for any other purpose or activity.

HOW TO APPLY FOR THIS INSURANCE

Throughout this document when referring to *your* insurance broker or adviser, we may simply refer to them as *your* intermediary.

If *you* are interested in buying this product or have any enquiries about it, *you* should contact *your* intermediary who should be able to provide *you* with all the information and assistance *you* require.

If *you* are not satisfied with the information provided by *your* intermediary *you* can contact us at the address or telephone number shown on the back cover of this document. However, we are only able to provide factual information or general advice about the product. We do not give advice on whether the product is appropriate for *your* personal objectives, needs or financial situation.

OUR CONTRACT WITH YOU

Your policy is a contract of insurance between *you* and us and contains all the details of the cover that we provide.

Your policy is made up of:

- the policy wording which tells *you* what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the *proposal*, which is the information *you* provide to us when applying for insurance cover;
- *your* most current policy *schedule* issued by us. The *schedule* is a separate document unique to *you*, which shows the insurance details relevant to *you*. It includes any changes, exclusions, terms and conditions made to suit *your* individual circumstances and may amend the policy; and
- any other written changes otherwise advised by us in writing (such as an endorsement). These written changes vary or modify the above documents.

Please note, only those *cover sections* shown as covered in *your schedule* are insured.

This document is also the document for any offer of renewal we may make, unless we tell *you* otherwise. Please keep *your* policy in a safe place.

We reserve the right to change the terms of this product where permitted to do so by law.

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.

COOLING-OFF PERIOD

After *you* apply for cover and *you* have received the policy document, *you* have 21 days to check that the policy meets *your* needs. Within this time *you* may cancel the policy and receive a full refund of any *premiums* paid, unless:

- *you* have made a claim or become entitled to make a claim under *your* policy; or
- *you* have exercised any right or power *you* have in respect of *your* policy or the policy has ended.

Your request will need to be in writing and forwarded to us via *your* intermediary or to the address shown on the back cover of this document.

You can cancel *your* policy at any time after the cooling-off period. Please refer to 3. 'Cancellation' under General Terms and Conditions on page 19.

HOW TO MAKE A CLAIM

If *you* need to make a claim against this policy, please refer to 4. 'Claims procedures' under General Terms and Conditions on page 19. If *you* have any queries, please contact *your* intermediary or us as soon as possible.

GOODS AND SERVICES TAX

The *sum insured* that *you* choose should exclude Goods and Services Tax (GST). In the event of a claim, if *you* are not registered for GST, we will reimburse *you* the GST component in addition to the amount we pay *you*. If *you* are registered for GST, *you* will need to claim the GST component from the Australian Taxation Office.

You must advise us of *your* correct input tax credit percentage where *you* are registered as a business and have an Australian Business Number. Any GST liability arising from *your* incorrect advice is payable by *you*.

How We Protect Your Privacy

ZAIL and NM Insurance are committed to protecting Your privacy in accordance with the Privacy Act 1988 (Cth) (the "Act") and the Australian Privacy Principles (APPs).

In this section dealing with Privacy, "We", "Our" and "Us" refers to both ZAIL and NM Insurance.

Further information about Our Privacy Policies is available at:

- for NM Insurance at: www.nminsurance.com.au or by contacting NM Insurance at customerservice@nminsurance.com.au or on 1300 376 959.

This Privacy Statement outlines why, how We collect, disclose and handle Your personal information (including sensitive information) as defined in the Act about:

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

Zurich is bound by the Privacy Act 1988. We collect, disclose and handle information, and in some cases personal or sensitive (eg health) information, about You ("Your details") to assess applications, administer policies, contact You, enhance Our products and services and manage claims ("Purposes"). If You do not provide Your information, We may not be able to do those things. By providing Us, Our representatives or Your intermediary with information, You consent to Us using, disclosing to third parties and collecting from third parties Your details for the Purposes.

We may disclose Your details, including Your sensitive information, to relevant third parties including Your intermediary, affiliates of Zurich Insurance Group Ltd, insurers, reinsurers, Our banking gateway providers and credit card transactions processors, Our service providers, Our business partners, health practitioners, Your employer, parties affected by claims, government bodies, regulators, law enforcement bodies and as required by law, within Australia and overseas.

We may obtain Your details from relevant third parties, including those listed above. Before giving Us information about another person, please give them a copy of this document. Laws authorising or requiring Us to collect information include the Insurance Contracts Act 1984, Anti-Money Laundering and Counter-Terrorism Financing Act 2006, Corporations Act 2001, Autonomous Sanctions Act 2011, A New Tax System (Goods and Services Tax) Act 1999 and other financial services, crime prevention, trade sanctions and tax laws.

Zurich's Privacy Policy, available at www.zurich.com.au or by telephoning Us on 132 687, provides further information and lists service providers, business partners and countries in which recipients of Your details are likely to be located. It also sets out how We handle complaints and how You can access or correct Your details or make a complaint.

GENERAL INSURANCE CODE OF PRACTICE

The insurer is a signatory to the General Insurance Code of Practice (the Code) and NM Insurance also proudly supports the Code.

The objectives of the Code are:

- to commit Us to high standards of service;
- to promote better, more informed relations between Us and You;
- to maintain and promote trust and confidence in the general insurance industry;
- to provide fair and effective mechanisms for the resolution of complaints and disputes You make about Us; and
- to promote continuous improvement of the general insurance industry through education and training.

Further information about the Code and Your rights under it is available at www.codeofpractice.com.au or by contacting Us.

UNDERINSURANCE

Certain *cover sections*, Fire and Business Interruption contain Underinsurance or Average clauses that may limit the amount that we pay when *you* have a claim. This will only happen if *you* understate a *sum insured* or *declared value*.

Example:

You insure *property* for a *declared value* or *sum insured* for \$70,000.

Property *damage* amounting to \$30,000 occurs from an event covered by the policy.

The insurable value of such *property* at the commencement of the *period of insurance* calculated in accordance with the Basis of Settlement provisions of the policy was \$100,000.

Underinsurance applies because the *declared value* or *sum insured* of the *property* is less than 80% of the insurable value calculated in accordance with the Basis of Settlement applicable.

$$\text{Claim payment} = \frac{\$70,000 \times \$30,000}{\$100,000 \times 80\%} = \$26,250$$

In this example, we would pay \$26,250 for the cost of reinstating *your property*, subject to the application of any *excess(es)*.

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 NM Insurance should first be referred to:

NM Insurance Pty Ltd, Level 7, 99 Walker Street North Sydney NSW 2060

Telephone: (02) 8287 3790

Email: customerservice@nminsurance.com.au

We will acknowledge receipt of Your complaint within 24 hours or as soon as practicable.

If this does not resolve the matter or You are not satisfied with the way a complaint has been dealt with, You may use Our internal dispute resolution process and please follow the procedure outlined below.

STAGE 1 – HANDLING YOUR COMPLAINT

We will respond to Your complaint within 15 business days provided We have all the necessary information and have completed any investigation required. If more information or investigation is required, We will agree reasonable alternative timeframes with You. We will keep You informed of the progress of Your complaint at least every 10 business days unless otherwise agreed.

STAGE 2 – INTERNAL DISPUTE RESOLUTION

If You are not satisfied with Our response or We cannot agree on reasonable alternative timeframes, Your complaint will be registered as a dispute and it will be reviewed through Our Internal Dispute Resolution process.

We will respond to Your dispute within 15 business days of Your request to review Our decision provided We have all necessary information and have completed any investigation required. If We cannot meet this timeframe because additional information or investigation is required, We will seek to agree an alternative timeframe with You. We will keep You informed of the progress of Your dispute at least every 10 business days unless otherwise agreed.

If You are still not satisfied with Our response or We cannot agree on reasonable alternative timeframes, You can refer the matter to the External Dispute Resolution.

STAGE 3 – EXTERNAL DISPUTE RESOLUTION

You may take Your complaint to the Australian Financial Complaints Authority (AFCA) at any time and if We are unable to resolve Your complaint within 45 calendar days from the date You first made Your complaint.

AFCA is an independent external dispute resolution scheme. We are a member of this scheme and We agree to be bound by its determinations about a dispute. AFCA provides fair and independent financial services complaint resolution that is free to You.

Their contact details are:

Website: www.afca.org.au

Email: info@afca.org.au.

Freecall: 1800 931 678 (free call)

In writing to: The Australian Financial Complaints Authority, GPO Box 3, Melbourne, Victoria 3001.

If Your complaint or dispute falls outside the AFCA Rules, You can seek independent legal advice or access any other external dispute resolution options that may be available to You.

FINANCIAL CLAIMS SCHEME

Zurich is an insurance company authorised under the Insurance Act 1973 (Cth) to carry on general insurance business in Australia. As such, Zurich is subject to prudential requirements and standards, regulated by the Australian Prudential Regulation Authority (APRA). This policy may be a protected policy under the Federal Government's Financial Claims Scheme (FCS), which is administered by APRA.

The FCS may apply in the event that a general insurance company becomes insolvent. If the FCS applies, a person who is entitled to make a claim under this insurance policy may be entitled to a payment under the FCS. Access to the FCS is subject to eligibility criteria. Further information about the FCS can be obtained at <http://www.fcs.gov.au>

HEADINGS

Headings have been included for ease of reference, but do not form part of the policy.

Definitions

The following definitions shall apply to the words used in *your* policy.

Act of terrorism

act of terrorism means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

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

Advertising (or identification) signs

advertising (or identification) signs means signs made from glass or electrical illuminated signs permanently fitted to the *building* or within the boundaries of the *premises*.

Australia

Australia means the Commonwealth of Australia and all of its States and Territories including all external Territories.

Breakage or Broken

breakage or broken means a fracture extending through the entire thickness of the *glass* or in the case of laminated *glass* or plastic or perspex, the entire thickness of the laminate, plastic or perspex.

Building

building means a permanently fixed structure that consists of a roof and external walls that completely enclose an area beneath the roof when doors and windows that form part of the structure are closed. Provided that when the word *building* is used in the *schedule* to describe a *category of property* insured, it is agreed that the following *property* is included in that *category*:

- (a) carports, pergolas and canopies;
- (b) barns, *outbuildings* and tanks;
- (c) storage sheds, shipping containers or transportable *buildings* permanently located at the *premises* used for additional accommodation for the storage of *stock* or *contents* or for any other general *business* use or amenity;
- (d) walls, fences, gates and letterboxes;
- (e) all permanent fittings and fixtures to any *building*;
- (f) external fixed items:
 - (i) swimming pools, saunas and spas;

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- (ii) gangways between *buildings*;
 - (iii) lights and signs; and
 - (iv) air conditioning units and associated piping and wiring;
- (g) flag poles;
 - (h) communications masts, aerials, antennae and dishes;
 - (i) fixed floor coverings;
 - (j) bitumen, concrete or *sealed surface*:
 - (i) driveways;
 - (ii) roadways; and
 - (iii) carparks;
 - (k) foundations of any *building*;
 - (l) structural improvements to any *building*;
 - (m) underground and above ground services, for which *you* are responsible, that are connected to any *building*; and
 - (n) bridges and tunnels.

Business

business means *your* business, occupation, trade or profession as described in the *schedule* (and, where applicable, as further described in any more specific underwriting information or *proposal* provided to us at the time when this insurance was negotiated).

Consequential loss

consequential loss means loss of use, loss of earning capacity and any other consequential financial loss of any kind including an increase in costs and expenses caused directly or indirectly or resulting from:

- (a) delay or interruption of business;
- (b) lack of power, light, heat, steam or refrigeration; or
- (c) any other indirect result or consequence of a *breakdown*.

Contents

contents means all contents at the *premises*, including property (other than *buildings* and stock) of others including shipping containers not owned by *you* but temporarily in *your* possession for the delivery, unloading, loading and/or dispatch of goods and merchandise to or from the *premises*, but only to the extent that *you* are not indemnified against loss, destruction or *damage* thereto under any other policy of insurance. *Contents* also include property belonging to *your* welfare, sports and social clubs. When the word *contents* is used in the *schedule* to describe a *category* of property insured, it is agreed that we accept the designations used in *your* books and records.

Where *you* are a tenant of rented *premises*, *contents* shall also mean:

- (a) property owner's fixtures and fittings, window blinds, floor coverings and *glass* for which *you* are liable under the terms of a lease or similar agreement; and
- (b) property comprising alterations and/or additions to the *premises* by the landlord for *your* use in the *business* where the cost of *reinstatement* is *your* responsibility in the event of loss or *damage*.

Cover section

cover section means the individual coverage that we give *you* that attaches to and forms part of *your* policy when this is shown in the *schedule*, for example Burglary Section or Glass Section.

Electronic data

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

Endorsement

endorsement means an individual endorsement document that we give *you* that attaches to and forms part of *your* policy. This document varies the terms and conditions of *your* policy.

Excess

excess means the first amount of each claim. The amount of the *excess* is shown in the *schedule*.

External glass

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

Flood

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

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

Glass

glass means *internal glass* or *external glass*.

Internal glass

internal glass means 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 and toilet pans and hand basins.

Money

money means cash, bank notes, currency notes, negotiable cheques, negotiable securities, travellers' cheques, debit and credit card vouchers, discount house vouchers, *money* orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the *contents* of franking machines.

Money does not include collectable items (for example coin or stamp collections) or anticipated revenue.

North America

North America means:

- (a) the United States of America and the Dominion of Canada;
- (b) any State or Territory incorporated in, or administered by, the United States of America or Dominion of Canada; and
- (c) any Country or Territory subject to the laws of the United States of America or the Dominion of Canada.

Obsolete stock

obsolete stock means *stock* which can no longer be sold for its full value, for example *stock* which is out-of-season fashion, superseded computers or perishable goods beyond their use by date.

Period of insurance

period of insurance means the Period of Insurance shown in the *schedule* or any subsequent period for which we have agreed to renew or extend the cover.

Pollutants

pollutants means any solid, liquid, gaseous or thermal irritant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals or waste. Waste includes but is not limited to material to be recycled, reconditioned or reclaimed.

Premises

premises means the Premises at the location shown in the *schedule*.

Premium

premium means the amount(s) shown in the *schedule* that *you* have to pay inclusive of all charges for the cover we provide.

Proposal

proposal means the *proposal* document *you* complete for this insurance.

Schedule

schedule means the Schedule document that we give *you* that attaches to and forms part of *your* policy.

Sealed surface

sealed surface means ground surface areas that are packed or plugged to prevent percolation or the passage of fluids.

Seasonal increase periods

seasonal increase periods means:

- (a) eight (8) weeks prior to and including Christmas Day;
- (b) 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 major boating or marine industry show or consolidated industry sales event of show, celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where *you* can reasonably demonstrate that the *stock* levels during that period have risen by more than 20% above standard levels and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that show, festive, religious or ethnic event; and
- (f) one (1) week after the same festive, religious or ethnic event or celebration.

Stock

stock means all *stock* at the *premises*, including work in progress and property of others held on consignment, and when the word *stock* is used in the *schedule* to describe a *category* of property insured, it is agreed that we accept the designations used in *your* books and records.

Sum insured

sum insured means the Sum Insured shown in the *schedule*.

You, your or yours

you, your or yours means the person(s) or parties shown as the Insured in the *schedule*, including all subsidiary companies, organisations and entities incorporated in *Australia* in which *you* have a controlling interest (exceeding 50%) engaged in the business described in the *schedule* and not for any other purpose or activity.

OUR AGREEMENT

Subject to all of the terms and conditions contained in *your* policy and payment of the *premium*, we will provide *you* with the cover shown in the *cover sections* of *your* policy up to the appropriate amount shown in the *schedule* or other limits shown in *your* policy.

1. Approved claim preparation costs

In addition to the amount of cover provided by each *cover section* we will pay up to \$25,000 for reasonable professional fees and such other expenses incurred by *you* for the preparation of a claim under a *cover section*, for which we agree to indemnify *you* under this policy.

Provided that before *you* incur these claim preparation costs *you* must obtain our written approval to incur these costs, to which we agree not to unreasonably withhold consent.

This benefit does not apply to the cover for Taxation Audit Costs provided under Extension of Cover of the Fire – Gold *cover section*.

2. Emergency mitigation costs

In the case of an emergency where *you* are required to prevent further loss or *damage* to *your* property as a direct result of that emergency, and the property is covered by *your* policy, we give *you* the authority to arrange these emergency repairs on our behalf.

3. Payment of rewards

In addition to the amount of cover provided in each *cover section*, we will pay up to \$5,000 for the reimbursement of any public reward expense paid by *you* to recover property or to identify the offenders responsible following loss, destruction or *damage* to *your* property for which a claim has been paid under *cover sections*; Fire – Gold, Burglary, Money and Glass of *your* policy.

Provided that:

- (a) the terms of the reward are agreed by us and approved by the relevant Authority before being offered, and
- (b) our payment does not exceed the value of the property lost destroyed or *damaged*.

We agree not to unreasonably withhold consent to the terms or the amount of any reward payable under this policy provision nor does our offer to pay such reward in anyway limit the amount of any reward *you* may wish to offer for *your* own account.

4. Repairs to damage by you

When we agree that the repair of the *damage* can be undertaken by *you* or *your* employees, we agree to pay *your* labour costs and overhead expenses subject to the Limitations of Cover. However we will not pay more than the amount required by a competent contractor to do the same work.

LIMITATIONS OF COVER

The cover provided by *your* policy is limited by the Limitations of Cover shown in the *cover sections* and the General Exclusions applicable to all *cover sections* that follow.

GENERAL EXCLUSIONS

The following General Exclusions apply to *your* policy:

1. Acquisition of companies

Your policy does not cover:

- (a) any company or other legal entity acquired during the *period of insurance*; or
- (b) any property or liability associated with such company or any other legal entity or business undertaking or operation, except as stated below.

Provided that we have been notified in writing within 60 days of any acquisition, and the business is a similar occupation to that stated in the *schedule*, we will agree to provide cover subject to *your* acceptance of our terms and undertaking to pay the additional *premium* we may require.

Our liability shall not exceed the Limit of Liability, Sum Insured Limit or any *Sub-limit of liability* applicable under the relevant *cover sections* making up *your* policy for each *category of property*.

2. Aggravated, Punitive or Exemplary damages, Fines or Penalties

Your policy does not cover any fines, penalties, exemplary, punitive, liquidated, aggravated damages and/or additional damages resulting from the multiplication of compensatory damages.

3. Alteration of risk

If the risk of loss, *damage*, injury, illness or liability is significantly increased by any alteration in the circumstances that affect *you* or *your* business we will not cover any claims that are caused by or arise from such alteration unless *you*:

- (c) did not know of the alteration; or
- (d) have notified us of the alteration and we have agreed to accept the alteration to the risk.

4. Electronic data

This *electronic data* exclusion is applicable to the following *cover sections* of this policy:

Fire – Gold;

Business Interruption – Income;

Burglary;

Money;

Glass;

Business Special Risks.

- (a) These *cover sections* do not insure:
 - (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of *electronic data*;
 - (ii) error in creating, amending, entering, deleting or using *electronic data*; or
 - (iii) total or partial inability or failure to receive, send, access or use *electronic data* for any time or at all, from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

(b) However, in the event that a peril listed below (being a peril insured by the relevant *cover sections* but for this exclusion) is caused by any of the matters described in paragraph (a) above, then the relevant cover sections, subject to all their provisions, will insure:

- (i) physical loss of or *damage* or destruction to *property* insured directly caused by such listed peril, and/or
- (ii) *consequential loss* insured by this policy.

Exclusion 4. does not apply in the event that a peril listed below (being a peril insured by the relevant *cover sections* but for this exclusion) causes any of the matters described in paragraph (a) above.

Accidental Damage other than non-physical *damage*, fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact by aircraft or aerial object dropped therefrom, impact by road vehicle or animal, sonic boom, theft of *electronic data* solely where such theft is a consequence of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such *electronic data*, *breakage of glass*, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances, storm and/or tempest and/or rainwater and/or wind and/or hail, water and other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or pipes at the *premises*.

For the purposes of the Basis of Settlement provision in these cover sections, computer systems records includes *electronic data* as defined.

Further, Exclusion 7. (b) of this policy will prevail over this exclusion.

5. Obsolete or Redundant Plant and Equipment

Your policy does not cover obsolete or redundant plant and equipment (but not property categorised as *stock*) that is no longer used in the *business* provided that this exclusion shall not apply to items kept for spare parts.

6. Unoccupied buildings and Premises

Excepting for loss or *damage* to insured *property* by:

- (a) Lightning, Earthquake and Subterranean Fire; or
- (b) Impact by any road vehicle or their loads, animals, trees or branches, meteorite, *aircraft* or other aerial devices or articles dropped from them, sonic boom or space debris, falling communication masts, towers, antennae or dishes, falling *buildings* or structures or parts thereof which do not belong to *you*,

your policy does not provide any cover at a *building* or *premises* after the *building* or that *premises* has been unoccupied for more than 90 consecutive days. Unoccupied means left vacant by *you* or any other authorised person whether furniture or other *contents* remain or not.

Provided that:

- (i) cover will apply at an unoccupied *building* or *premises* if we have specifically agreed to this in writing;
- (ii) cover will resume when that *building* or that *premises* is again occupied by authorised persons; and
- (iii) *you* agree to pay us any additional *premium* that we may require.

7. War, Act of terrorism, Confiscation, Radioactivity

Your policy does not cover loss, damage, destruction, death, personal injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss resulting from:

- (a) 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;
- (b) any *act of terrorism*;
- (c) any order of any Government, Public or Local Authority involving the confiscation, nationalisation, requisition, damage or destruction of any property unless such destruction was undertaken to reduce the spread of fire; or
- (d) radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion. Provided that this shall not apply to liability arising from radio-isotopes, radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits.

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

GENERAL TERMS AND CONDITIONS

The following general terms and conditions apply to *your* policy:

1. Allocation of subrogation proceedings

Notwithstanding Section 67 of the Insurance Contracts Act (Cth), monies recovered in subrogation proceedings will be applied, net of the expense of such recovery:

- (a) first to *you* to the extent of *your* uninsured loss in respect of a claim paid under a *cover section* of this policy, (disregarding the amount of any *excess* applicable);
- (b) secondly to us in reimbursement of the amount paid to *you* in respect of that claim under that *cover section*; and
- (c) thirdly to *you* in satisfaction of any *excess* amount applicable.

Any other monies remaining after these allocations will be *your* property.

Nothing in this Condition 1. shall prevent *you* and us entering into a 'Subrogation Agreement' following a loss agreeing to a different basis of sharing costs and expenses and the allocation of monies recovered.

2. Bankruptcy or insolvency

In the event that *you* become bankrupt or insolvent, we shall not be relieved of the payment of any claims under any *cover section* 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 *sum insured* or *limit of liability*.

3. Cancellation

(a) How you may cancel this policy

You may cancel this policy or any *cover section* at any time by notifying us in writing. *You* can do so by giving such notice through *your* intermediary.

Where *you* involves more than one person or party, we will only cancel the policy when written agreement to cancel is received from all of the such named persons or parties.

(b) How we may cancel this policy

We may cancel this policy or any *cover section* 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.

(c) Premium

We will refund *you* the proportion of *premium* for the unexpired portion of the *period of insurance* less any tax or duty paid or owing for which we are unable to obtain a refund.

(d) 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 portion of the *period of insurance*.

4. Claims procedures

You must not negotiate, admit or deny any claim without our written permission.

When an event happens that is likely to result in a claim under *your* policy *you*, or any other person or party covered by *your* policy, must:

- (a) take all reasonable precautions to prevent further loss, damage, injury, illness or liability;
- (b) inform the police immediately if property is lost, stolen or maliciously damaged;
- (c) notify us immediately of the event;
- (d) provide us with full written details of the event within 30 days of learning that the event happened;
- (e) supply us with all information and assistance as we may reasonably require;
- (f) allow us to use any legal rights held by *you* or held by any other party covered by *your* policy;
- (g) allow us to negotiate, defend or settle the claim:
 - (i) in *your* name and on *your* behalf;
 - (ii) in the name of and on the behalf of any other party covered by *your* policy.
- (h) immediately send us any claim, writ, summons, or full details of other relevant legal or other proceedings such as an impending prosecution or inquest *you* receive or become aware of;
- (i) as far as possible preserve any products, appliances, plant or other items which might prove necessary or useful as evidence until we have had an opportunity of inspection; and
- (j) provide us with all information we require and all reasonable assistance in exercising *your* legal rights to recover loss, *damage*, costs and expenses incurred in the settlement of *your* claim from other parties including taking action and instituting legal proceedings in *your* name.

5. Fraudulent claims

If *you* or any party covered by *your* policy makes a claim or arranges for some other party to make a claim that is in any way false, dishonest or fraudulent, then payment of the claim may be refused.

6. Interests of other parties

When this policy covers the interest of more than one party, any act or omission of an individual party will not prejudice the rights of the remaining parties, provided that the remaining parties immediately on becoming aware of any act or omission relevant to our acceptance of the risk or which increases the risk of loss, damage or liability, give notice in writing of the circumstances to us and agrees to pay such reasonable additional *premium* we may require.

7. 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:

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

8. Notifications

All notices and communications must be made or confirmed in writing by *you* or *your* intermediary. Other forms of communication will not be acted upon by us until confirmed in writing by *you* or *your* intermediary.

9. Other insurance and Contribution

When *you* make a claim on *your* policy *you* must also supply us with written details of all policies that may pay or partially pay that claim.

10. Payments in respect to Goods and Services Tax

When we make a payment to *you* or on *your* behalf under this policy for the acquisition of goods, services or other supplies, we will reduce the amount of the payment by the amount of any input tax credit that *you* are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 (Cth), in relation to that acquisition, whether or not that acquisition is actually made.

When we make a payment to *you* or on *your* behalf under this policy as compensation instead of payment for the acquisition of goods, services or other supplies, we will reduce the amount of the payment by the amount of any input tax credit that *you* are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 (Cth) had the payment been applied to acquire such goods, services or supplies.

11. Payment of excess

When *you* have a claim under a *cover section* of *your* policy *you* must pay the *excess* amount in accordance with the terms and conditions applicable to that *cover section*. Limits and sub-limits of liability and *sums insured* shall apply in addition to, and shall not be reduced by, the amount of any applicable *excess*.

Should a single event result in *you* claiming under more than one *cover section* of *your* policy, then only the single highest *excess* will apply to all claims that arise out of the one event.

Only one excess will apply to all *damage* resulting from earthquake, subterranean fire, volcanic eruption, bushfire, *flood*, storm, hail or rainwater that is continuous, is due to the same general conditions, and occurs within a 72 hour period from the first happening of *damage*.

12. Precautions

You must take all reasonable care to prevent or minimise loss, *damage*, injury, illness or liability including *your* compliance with any law, by-law, ordinance or regulation that concerns the safety of persons or property.

13. Progress payments

If we have agreed that a claim is covered by *your* policy, we will make reasonable progress payments.

14. Proper Law and Jurisdiction

- (a) The construction, interpretation and meaning of the provisions of this policy shall be determined in accordance with Australian law.
- (b) In the event of any dispute arising under this policy, including but not limited to its construction and/or validity and/or performance and/or interpretation, *you* will submit to the exclusive jurisdiction of any competent Court in *Australia*.

15. Sanctions regulation

Notwithstanding any other terms or conditions under this policy, Zurich shall not be deemed to provide coverage and will not make any payments nor provide any service or benefit to *you* or any other party to the extent that such cover, payment, service, benefit and/or any *business* or activity *you* undertake, which would violate any applicable trade or economic sanctions, law or regulation.

16. Waiver of subrogation rights

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

However:

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

Fire – Gold

INTRODUCTION

This cover section only forms part of *your* policy when Fire Section – Gold is shown in the *schedule* and is limited to the *period of insurance* indicated.

DEFINITIONS

The following definitions shall apply to the words used in this cover section.

Breakdown

breakdown means the actual breaking, seizing, deformation or melting of any part of the *property* while it is in use that is caused by mechanical, electrical or electronic defect that results in sudden and total loss of operation that requires repair or replacement before the *property* can resume normal operation.

Category or Categories

category or *categories* means the *category* into which *property* can be designated, from the following:

1. Building(s);
2. Plant/Machinery and All Contents excluding Stock;
3. Stock;
4. Plant and Machinery;
5. All Contents;
6. Tenant's Leasehold Improvements; or
7. Specified Items,

where Specified Items are any items of *property* that are specified in the *schedule*.

Provided that when *property* is being designated to these *categories* we agree to accept the designation used by *you* in *your* records, prior to the loss or *damage*.

Communicable Disease

communicable disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- (a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not; and
- (b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and

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- (c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property,

and includes, but is not limited to, a disease that is or becomes listed on the National Notifiable Disease List and/or is or becomes a temporary addition to the National Notifiable Disease List and/or has or could give rise to a public health event of national significance and/or is or becomes a listed human disease (where National Notifiable Disease List means the list established and in force from time to time under section 11 of the *National Health Security Act 2007* (Cth) and listed human disease has the meaning given by section 42 of the *Biosecurity Act 2015* (Cth), or in each case any subsequent amendment, replacement or successor legislation of the Commonwealth of Australia).

Contamination

contamination means the discharge, dispersal, release, escape of any type of pollutant or contaminant into or upon property, land, atmosphere or any watercourse or body of water including, but not limited to, ground water.

Damage or Damaged

damage or *damaged* means accidental physical damage, destruction or loss.

Declared value

declared value means the individual Declared Value shown in the *schedule* calculated in accordance with the Basis of Settlement that applies to each specific *category of property* at specific *premises*.

Excluded property

excluded property means the following items unless they are shown in the *schedule* as being covered:

1. furs, jewellery, gold, silver, platinum, pearls, diamonds, sapphires, rubies and other precious stones unless these items are *stock* and *stock* is shown in the *schedule* as being insured;
2. *money*;
3. *glass*, unless such *glass* is directly *damaged* by:
 - (a) fire, lighting, explosion, impact, storm and tempest or earthquake;
 - (b) riot, civil commotion, persons taking part in industrial disputes; or
 - (c) persons acting maliciously, other than where such *glass* is cracked or broken through its entire thicknessProvided that when reinstating *damage* to *glass* under clause 3, we will, when necessary, also reinstate *damage* to frames, signwriting, coatings and alarm tapes.

Exclusion 3, shall not apply where *you* are a tenant of a *building* and are required by lease to insure *glass*.
4. property in transit outside of the *premises* other than *property* that is covered by Extensions of Cover C – ‘Restricted transit’;
5. aircraft, locomotives, rolling stock, watercraft whilst in water;
6. motor vehicles or trailers, caravans or motorcycles all while registered or licensed to travel on a public road, provided that this does 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*;
7. animals, other than animals contained within a *building* and owned as *stock* or *contents* if *damaged* by a peril or event covered by this *cover section*;

8. canals, dams, reservoirs other than tanks and their contents;
9. standing timber, growing crops, plants, potted plants, land including top soil and fill, landscaping, gardens and pastures.
Provided that:
 - (a) when reinstating *damage* to a *building*, landscaping, plants and gardens are not *excluded property*; or
 - (b) potted plants are not *excluded property* when insured as *contents*;
when they are used to restore landscaping, plants, potted plants and gardens to a condition similar to that immediately prior to the *damage*;
10. property being constructed, built, erected, altered or dismantled, including all associated materials or supplies, provided that this does not apply:
 - (a) if the total cost of this work is less than \$500,000 or 20% of the *limit of liability* for the *premises* concerned, whichever is the lesser; or
 - (b) to those parts of the *buildings* not actually being constructed, built, erected, or dismantled; or
 - (c) to other *property* excepting the part actually being worked on;
11. mining property and any equipment located beneath the surface of the ground, provided that this exclusion does not apply to underground services connected to a *building*;
12. any pressure vessel (including a boiler) not used solely for domestic purposes, that has a value of more than \$250,000, and where the *damage* is directly caused by the explosion or implosion of such pressure vessel; and
13. landlord's fixtures and fittings unless these are included as part of the *declared value* for *buildings*.

Indemnity

indemnity means to reinstate, replace or repair the insured *property* to a condition substantially the same as but not better or more extensive than its condition at the time of the *damage*, loss or destruction, taking into consideration age, condition, depreciation and remaining useful life.

Limit of liability

limit of liability means the amount shown in the *schedule* as the Limit of Liability for a specific *premises*. Provided that this is the maximum amount that we will pay for all *damage* that arises out of any one source or original cause at such *premises* unless it is specifically stated in this *cover section* that payments are made in addition to this amount.

Pre-damage value

pre-damage value means the value of the *property* that is *damaged* immediately before the *damage* has occurred. This value must take account of wear and tear, maintenance, construction, general condition and the anticipated future useful life of the *property*.

Property

property means any tangible property both real or personal of every kind and description belonging to *you* or that *you* are responsible for, or which *you* have assumed responsibility to insure prior to the occurrence of any damage. Provided that this does not include:

1. personal property of directors, partners and employees, that is not on the *premises*; and
2. items defined as *excluded property*.

Reinstatement

reinstatement means to restore that part of the *property*:

1. that is *damaged*; and
2. any *undamaged property* which has been dismantled to enable the restoration of the *damaged property*,

so that the function, output and construction are similar to that part of the property when it was new, by repairing it or at our option replacing that part of the *property* with similar new property.

Replacement

replacement means the cost to replace *property* with new property that has similar function, output and construction to that of the original *property* when it was new. This shall include all charges, fees and costs such as but not limited to local authority permit and approval charges, architects, engineers and other consultants fees necessarily incurred when replacing this *property*.

COVER

We will pay up to the *limit of liability* in accordance with the Basis of Settlement for *property* that is *damaged* at the *premises* during the *period of insurance*.

BASIS OF SETTLEMENT

When *property* shown in the *schedule* is *damaged* during the *period of insurance* the following Basis of Settlement will apply at each of the *premises*:

1. Categories of property

(a) Branded goods

Any salvage of branded goods and/or merchandise owned by *you* or for which *you* are legally liable and/or 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 *damage* will be assessed at the market value of the goods after brands, labels or names have been removed by *you* or on *your* behalf.

(b) Business records

- (i) For *damage* to business books, plans, computer records, patterns, and other business records, we will pay the cost of re-creating the documents that are *damaged*; and
- (ii) For *damage* to business records of *your* customers at the *premises* or *your business* records stored off-site, we will pay up to a maximum of \$25,000 any one loss unless a higher amount is specified in the *schedule*.

(c) Electronic equipment and software

For *damage* to electronic equipment and software, we will pay the costs incurred in the repair, restoration and reinstallation of data and software, to replicate the operational capability of the system to a level commensurate with that existing prior to the *damage*.

(d) Heritage buildings

For *damage* to any *building* that is subject to any heritage listing or protection and *you* choose to rebuild, replace or repair the *building* at the same location, we will pay the extra costs for the additional costs of repairing, replacing, or reinstating the *building*, that are related to obtaining special materials or employing specialised labour to match up or reproduce unique or distinctive ornamental or architectural features of the *building* to comply with standards imposed by any lawful heritage protection authority.

However, we will not pay more than the cost necessary to rebuild, replace or repair any such heritage listed *building* to a reasonably equivalent appearance and capacity using original design and suitable modern equivalent materials, if the original materials are not readily available.

(e) Old Plant and Equipment

Unless specifically insured otherwise:

- (i) for those items kept as spare parts, we will pay the cost of repairs or the second hand replacement value of a similar part of the same age and condition, whichever is less; and
- (ii) for any old *item* kept for use as backup in an emergency, we will pay the cost of repairs or the second hand replacement value of a similar *item* of the same age and condition, whichever is less.

(f) Output replacement

For any *property* which has a measurable function, capability or output and it is necessary to replace the *item* or items with new *property* to perform a similar function or functions, we will pay *your* claim as follows:

- (i) if *property* is to be replaced by an item which has the same or lesser total function, capability or output, the amount we will pay is the new installed cost of such replacement item or items;
- (ii) if *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 no greater than the cost of *reinstatement* of the *damaged property*, we will pay the new installed costs of the item or items replaced; or
- (iii) if *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 cost* of the *property damaged*, the amount we will pay is the lesser of the cost of *reinstatement* or that proportion of the new installed cost of the replacement *item* or items which the output of the *property damaged* bears to the output of the replacement *item* or items.

(g) Stock

For *damage* to *stock* we will at our option:

- (i) replace or repair the *damaged stock* with *property* or materials of equal quality, standard and specification unless the *stock* has become *obsolete*; or
- (ii) where the *stock* is *obsolete*, we will pay *you* its value as *obsolete stock* at the time of the damage but no more than its original cost to *you*; or
- (iii) if *you* request a cash settlement and *reinstatement* or repair is not carried out, and the *stock* is not *obsolete*, we will pay the original cost to *you* of the *stock* that is damaged beyond repair plus an amount commensurate with the cost of repairing *damaged stock*, but not exceeding its *pre-damaged value* at the time of the loss.

(h) Works of Art, Antiques and Curios

For all works of art, antiques and curios, none of which form part of the *stock* in trade or merchandise of the business, we will pay, up to a maximum of \$10,000 any one loss, unless a higher amount is specified in the *schedule*, as follows:

- (i) the cost of restoring and repairing to a condition substantially the same as before the *damage* plus any reduction in market value caused by the *damage*; or
- (ii) if restoration or repair is not possible, the amount of a valuation by the Auctioneers and Valuers Association of Australia or an independent expert for the individual *item damaged*, immediately before the *damage*.

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- (i) All other *property* that is *damaged*

For all other *property* that is *damaged* we will pay for replacement or *reinstatement*, unless *you* wish us to pay the indemnity cost for all or part of that *damaged property* as the Basis of Settlement.

Rebuilding at another location

Following *damage* to a *building* that is insured by this *cover section*, *you* have the option of rebuilding at the location where the *damage* happened or at any other location in *Australia*.

Provided that:

- (a) we will not pay more than the cost that would have been incurred if *reinstatement* of the *building* that is *damaged* had taken place at the location where the *damage* happened; and
- (b) if the actual cost of rebuilding is less than the cost of *reinstatement* at the location where the *damage* happened then our payment is limited to the actual cost of rebuilding.

3. Undamaged portions of buildings

When a *building* that is *damaged* has to be rebuilt at a location other than the *premises* because the requirements of any lawful authority prevent the *reinstatement* of the *building* at the *premises*, then the abandoned *undamaged* portion of the *building* including the foundations and services shall be deemed to be destroyed.

Provided that, if the presence of such *undamaged* portion of the *building* increases the value of the original site, the amount of the increase shall be regarded as salvage and shall be payable to *you* upon completion of the sale of the site or shall be deducted from the total amount otherwise payable by us under this *cover section*, whichever shall first occur.

Should the site not be sold, then the increased site value, when applicable, shall be agreed between *you* and us, or in default, we and *you* shall submit to mediation and be bound by the decision of the mediator.

LIMITATIONS OF COVER

1. Cash settlement

If *you* request a cash settlement or if *reinstatement* is not carried out, we will only pay the lesser of:

- (a) the cost of repairing the insured *property* less an equitable allowance for age, wear and tear, depreciation, or betterment; or
- (b) the *pre-damage value* of the *property* at the time of its loss or destruction; or
- (c) the *declared value* applicable to such *property* if separately specified.

In assessing the application of Limitation of Cover 9. – ‘Underinsurance’, the basis of the calculation will be the value of *property* and not its *replacement cost*.

2. Categories of property

We will only pay for *property* at specific *premises* that can be correctly designated to one of the *categories of property* shown in the *schedule* for that *premises*.

3. Delay in reinstatement or Re-creation of documents

If *reinstatement* is unreasonably delayed by *you*, we will only pay the lesser of:

- (a) the cost of *reinstatement* including the cost of re-creation of documents that would have been incurred had the *reinstatement* or re-creation of documents taken place immediately after the *damage*; or
- (b) the actual cost of *reinstatement* including the cost of re-creation of documents following such unreasonable delay.

4. Directors and Employees property

Cover for *damage* to the personal property of directors, partners and employees of *your business* that is on the *premises* is limited to a maximum of \$10,000 any one person.

5. Earthquake

We will not pay for the first \$10,000 or 1% of the *limit of liability* (whichever is the lower amount) of each claim for *damage* to *property* at the *premises* caused by earthquake, tsunami, volcanic eruption or subterranean fire.

6. Excess

You are liable for the excess for each and every claim for an event that results in *damage*.

7. Limit of liability

We will not pay more than the *limit of liability* that applies to the specific *premises* where the *damage* happens unless we have stated otherwise elsewhere in this *cover section*. The *limit of liability* for specific *premises* will be reduced by any payment made or due to be made by us following *damage* covered by this *cover section* at that *premises*.

8. Storm, Rainwater, Wind, Hail or Snow

Cover for *damage* to textile blinds and awnings, shade cloth, shade houses, fibreglass houses and glass houses, gates, fences, signs and retaining walls caused by or arising from storm, rainwater, wind, hail or snow is limited to a maximum of \$25,000 in total, any one event.

9. Underinsurance

If there is a claim for *damage* to *property* at *premises* covered by this policy that exceeds 10% of the *limit of liability* applicable at that *premises*, we will pay that proportion of any claim calculated in accordance with the Basis of Settlement, that the total *declared value* for all *categories* of *property* insured at the *premises* at the commencement of the *period of insurance* bears to 80% of the cost of reinstating *damage* to all such *property* calculated at the commencement date of the *period of insurance* in accordance with the Basis of Settlement.

Provided that any additional costs incurred when *you* comply with the requirements of any lawful authority (as described in Extensions of Cover – A, 4. 'Extra cost of reinstatement') will be omitted from the calculation of our proportion.

Exclusions

1. We will not pay for *property* while it is undergoing any process where *damage* results from it being processed.
2. We will not pay for any *damage* to any *building* that is vacant awaiting or undergoing demolition, and this Exclusion shall apply to all *contents*, fittings, plant and machinery associated with such *property* unless we have agreed otherwise.

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3. We will not pay for *damage* caused by or arising from:
- (a) theft, other than physical *damage* to *property* at the *premises* during *theft* or any attempted theft and/or theft of parts of the *building* when *buildings* are insured;
 - (b) any legal liability that *you* have other than the legal liability that is covered within the 'Demolition and Debris removal' clause 1 (c) (ii) that forms part of the extensions of cover that are shown under the heading Extensions of Cover – A;
 - (c) the incorrect siting of *buildings* as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any lawful authority;
 - (d) demolition ordered by any lawful authority as a result of failure by *you* to comply with any lawful requirement;
 - (e) any unexplained shortage or inventory shortage or disappearance of *property*;
 - (f) *contamination of property by pollutants*, except when caused directly by a peril or event covered by this cover section;
 - (g) *flood*, the action of the sea or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance; or
 - (h) erosion, landslide, mudslide, rockslide, subsidence, settling, seepage, shrinkage or expansion of earth, vibration or other earth movement, unless caused by or arising from a direct consequence within 72 hours of a storm, an earthquake, subterranean fire, volcanic eruption, *flood* or water escaping from a water main owned by a water supply authority.
4. We will not pay for *consequential loss* of any kind.
5. We will not pay for *damage* caused directly by or arising directly from:
- (a) *breakdown*.
Provided that this Exclusion 5 (a) does not apply to electrical motors under 0.75 kilowatts or hp *damaged* by the actual burning out of electrical windings by their own electrical current.
We will not pay more than the cost of replacing or repairing the motor less a deduction for wear, tear and depreciation. The deduction for wear, tear and depreciation will be:
 - (i) for motors less than 3 years old, no deduction.
 - (ii) for motors greater than 3 years old, the deduction will be 10% of the replacement or repair cost (whichever is applicable) for each year of age and subject to a maximum deduction of 90%;
 - (b) gradually operating causes such as, but not limited to, wear and tear, mildew, mould, corrosion, disease, oxidisation, fading, tree roots, evaporation, change in flavour, colour, temperature or texture;
 - (c) vermin, insects, termites;
 - (d) latent defects, inherent defects, faulty workmanship, faulty material, structural defects or faulty design;
 - (e) faults or defects known to *you* or any employee whose knowledge at law would be deemed to be *your* knowledge and not disclosed to us at the time this insurance was arranged, extended, varied or renewed;
 - (f) the cessation of work whether total or partial or cessation, interruption or retarding of any process or operation as a result of any industrial dispute;
 - (g) fraud or dishonesty by *you* or *your* directors, partners, employees, officers or any other persons who have an interest in the *property*;
 - (h) deliberate and unauthorised corruption, amendment or erasure of data by *you* or *your* directors, partners, employees, officers or any other person who has an interest in the *property* whether acting alone or in collusion with any other person;
 - (i) the gaining of unauthorised access to *your* computer via any communication system that is used by *your* computer system by any person other than *you* or *your* directors, partners, employees, officers or any other person who has an interest in the *property*;
-

- (j) the operation or presence of any computer program that alters or erases data or programs in a manner that is undesired by *you*;
- (k) computer virus, being 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;
- (l) explosion or implosion of any pressure vessels (including any boilers):
 - (i) where the load on the safety valve upon the particular pressure equipment was in excess of the manufacturer's specification at the time of any *damage*; or
 - (ii) where any safety valve limiting pressure was removed or rendered inoperative; or
- (m) scratching, denting, chipping or defacing, except when caused directly by fire, lightning, explosion, impact by any road vehicle or animal, *aircraft* or other aerial devices or articles dropped from them, falling communication masts, towers, antennae or dishes, falling *buildings* or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, *flood*, storm, the bursting, overflowing or discharging of tanks, apparatus or pipes containing water or liquid of any kind, or sprinkler leakage.

Provided that we will pay for any *damage to property* that is not otherwise excluded that results from *damage* caused directly by or arising directly from any of these causes.

- 6. We will not pay for *damage* occurring within 72 hours from the commencement of this policy caused by or arising from:
 - (a) bushfire;
 - (b) *flood*; or
 - (c) a cyclone named by the Bureau of Meteorology.
- 7. We will not pay for any loss, *damage*, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a *communicable disease* or the fear or threat (whether actual or perceived) of a *communicable disease*.

For the purposes of this Exclusion loss, *damage*, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:

 - (a) for a *communicable disease*; or
 - (b) any property insured hereunder that is affected by such *communicable disease*.

EXTENSIONS OF COVER – A

When *damage to property* at specific *premises* is covered by this *cover section*, then provided that we do not pay more in the aggregate than the *limit of liability* shown for that *premises*, in addition to any allowance for any increase provided under Extensions of Cover – B, 2. 'Catastrophe cover', we will pay for the following costs that are incurred as a result of that *damage*:

1. Demolition and Debris removal

The reasonable costs incurred by *you* for:

- (a) the demolition and removal of *property* that is *damaged*;
- (b) the demolition and removal of any *property* that is necessary to allow *reinstatement of property* that has been *damaged*;
- (c) the cleaning up, removing and disposing of any branch or tree that has fallen causing impact *damage to property* insured. We will also pay the cost of stump removal when required; and

-
- (d) the cleaning up, removing, storing and disposing of *damaged property* at, or from:
- (i) the *premises*; and
 - (ii) any other location that *you* are legally required to remove debris from or clean up, provided that *you* do not own *property* at this other location and *your* liability did not result from an agreement made after the start of the *period of insurance* unless this liability would have existed anyway.

2. Expediting Expenses

The costs and expenses incurred by *you* for express carriage rates and extra payments for overtime or out of hours work incurred in connection with the repair or *reinstatement* of the *property* that is *damaged*.

Provided that the total additional cost for any one loss does not exceed 50% of the cost of repairing the item or \$25,000 whichever is the lesser.

3. Exploratory costs

The reasonable cost incurred by *you* to detect the point of bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems, during the *period of insurance*, at the *premises* used to hold or carry liquid or gas provided that the bursting, leaking, discharging or overflowing has caused or may reasonably be expected to cause *damage to property*. We will not cover the repair or replacement of such apparatus, appliances, tanks, pipes or other systems, unless *damaged* by a peril or event insured under this *cover section*.

4. Extra cost of reinstatement

The additional costs incurred by *you* to reinstate *your* insured *property* including *undamaged* portions thereof in complying with the requirements of any lawful authority that are imposed after the *damage*.

Provided that we will not pay for any costs that would have been incurred when complying with the requirements of any lawful authority that applied to the *property* or *premises* prior to the *damage*.

5. Floating stock

Where this policy covers *stock* located at more than one *premises* and the transfer of *stock* between *premises* is a usual business practice, in the event of *damage* covered by this *cover section* at an insured *premises* where an inwards transfer of *stock* from another insured *premises* has occurred, the *category sum insured* and specified *limit of liability* at the *premises* where the *damage* occurred will be increased to take into account the temporary transfer of *stock* between the *premises*.

Provided that:

- (a) the increase in the *category sum insured* of *stock* at the *premises* receiving the inwards transfer will be:
 - (i) the value of *stock* transferred which remains immediately prior to the *damage* occurring; or
 - (ii) if the *category sum insured* of *stock* at the other *premises* at the commencement date of the *period of insurance* was less than 80% of the value thereof on that date calculated in accordance with the Basis of Settlement, the amount of increase in (i) above will be proportionately reduced to reflect the degree of underinsurance below 80% of the value;
- (b) the *limit of liability* at the *premises* subject to the inwards transfer will be increased by an amount representing 120% of the amount calculated under (a) above;
- (c) the period in which the *limit of liability* for the specified *premises* is being exceeded in consequence of the transfer does extend beyond 90 days, unless we have agreed in writing to an extended period, during the *period of insurance*.

We will not pay more than the total of the *stock sum insured* for all *premises*.

6. Floor space ratio or Index

When the cost of rebuilding a *building* that is *damaged*, costs more than 50% of the *replacement cost* of the entire *building*, and rebuilding is only permissible subject to a reduced floor space to land area ratio or index, then we will also pay:

- (a) the cost of rebuilding that would have been incurred had a reduced floor space ratio or index not been applicable; less
- (b) the actual incurred cost of rebuilding in accordance with the reduced floor space ratio or index.

The above amounts shall include the additional costs incurred to meet the requirements of any lawful authority as described in Extensions of Cover – A, 4. 'Extra cost of *reinstatement*'.

7. Government fees

If any of *your property* insured is destroyed or *damaged*, 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 *limit of liability* for *buildings, contents* or *stock*. If the *limit of liability* is exhausted, the most we will pay under this Extension of Cover is \$10,000 any one event.

8. Loss of land value

Up to \$100,000 for the reduction in land value, which results from the requirements of any legal authority that does not allow *rebuilding* or only allows partial *rebuilding* at the *premises*.

Provided that:

- (a) this shall be calculated by subtracting the land value after *rebuilding* or after we have agreed that *rebuilding* is not possible from the land value before the *damage*; and
- (b) we will not pay more than 20% of the *limit of liability* for the *premises* where the *damage* happened.

9. Make safe and Temporary repairs expenses

The cost incurred to make the *property* or surrounding areas of the *premises* safe following *damage*, including temporary repairs, shoring up, propping and/or underpinning *property*.

Such costs shall include professional fees necessarily incurred and amounts payable to any lawful authority for submissions, permit fees and charges in connection with the work entailed.

10. Playing surfaces

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

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

11. Unpacking expenses

The cost and expenses incurred by *you* in taking inventory (including unpacking, repacking and restacking) to identify, quantify and value any *property damaged* during the *period of insurance* including examination of *property* not belonging to *you* but in *your* care, custody or control.

12. Water authority charges

The costs levied on you by a Water Company or Authority for water usage arising from the escape and loss of water at the premises following a theft or attempted theft of parts of the building when buildings are insured.

Provided that the total costs levied for any one loss does not exceed seven (7) days or \$15,000 whichever is the lesser. If you are also insured under the Burglary cover section, the benefits payable under Extension of Cover 16. 'Water authority charges' shall not be cumulative.

EXTENSIONS OF COVER – B

Following *damage* covered by this *cover section* to *property* at specific *premises*, we will pay in addition to the *limit of liability* for that *premises*, the following costs that result from the cause of that *damage*:

1. Capital additions

Reasonable costs incurred by you in the aggregate, up to \$500,000 or 20% of the *limit of liability*, whichever is the lesser, for that *premises* during the *period of insurance* for the *reinstatement* of:

- (a) alterations to *buildings*; and
- (a) other capital additions,

that have been made at specific *premises* during the *period of insurance*.

Provided that this Extension of Cover does not apply to:

- (i) *property* that cannot be correctly designated to a *category* that has a *declared value* shown in the *schedule* for that *premises*; or
- (ii) *property* that can be categorised as stock.

2. Catastrophe cover

If your *building* suffers *damage* from an event covered by this cover section and we classify the *damage* as a *major loss* and the event giving rise to the *damage* has led to the declaration by the relevant authority of a state of emergency affecting the area in which your *building* is situated, we will:

- (a) increase the *limit of liability* under this cover section by up to 20% of the *declared value* for the *building* if your *building* is rebuilt; and
- (b) increase the limits on the amounts we will pay under Extensions of Cover – B for, 1. 'Capital additions' and 6. 'Prevention of imminent damage' by 20%,

to cover *increased building costs* for labour and material supplies and other increased costs applying after the event.

We will not pay more than the *increased building costs* actually incurred by you.

We will not pay any amount under this Extension of Cover until you have incurred costs exceeding the *limit of liability* under this *cover section*.

In all other aspects the other stated terms and conditions of this policy shall apply.

For the purposes of this Extension of Cover only the following additional definitions apply:

Major Loss

major loss will be deemed to have occurred when the cost of reinstating *your building* in accordance with the Basis of Settlement provisions of this cover section exceeds 80% of the *replacement cost* of *your building* immediately prior to the event.

Increased Building Costs

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

3. Discharge of mortgage cost

We will pay the legal costs associated with the discharge of a mortgage or mortgages on *buildings* following settlement of a claim on a total loss basis.

Provided that this Extension of Cover is limited to \$50,000 any one event.

4. Environmental Upgrade – Better Green™ Coverage

(a) Better Green Building

In the event of physical loss or *damage* to *your building* and *contents* by any event insured, we will pay the reasonable and necessary additional costs *you* incur to repair, replace, or rebuild the *damaged building* in order to comply with the 'green standards' that are applicable at the time of the loss or *damage*.

(b) Better Green Enhancements

(i) Air Quality Management

We will pay for the reasonable and necessary costs *you* incur to flush out the air in the repaired, replaced, or rebuilt *property* with 100% outside air as required by The Green Building Council of Australia Green Star® or LEED® standards.

(ii) Debris Recycling

We will pay *your* expense to clean-up, sort, segregate, and transport recyclable debris of *property* from the *premises* to recycling facilities.

(iii) Professional Services

We will pay for the reasonable expenses *you* incur to retain architects, engineers, or design professionals who are accredited by The Green Building Council of Australia or LEED® to participate in the design, repair, replacement, or rebuilding of the *damaged* portion of *your building* and *contents*.

The most we will pay under this additional coverage provided under (a) and (b) above, is 15% of the normal cost of repair or *reinstatement* of the *damaged building* and *contents* for any one event or \$100,000 whichever is the lesser, and in the aggregate any one *period of insurance*.

5. Fire fighting and Authority costs

The cost of refilling fire fighting appliances used in putting out a fire at or adjoining the *premises* threatening insured *property* and any additional cost payable by *you* to a fire brigade, fire fighting authority or an authorised government authority for attendance at a fire or chemical emergency involving the insured *property*.

Provided that the wages of any full-time members of a works fire brigade are not covered by this Extension of Cover and this Extension of Cover is limited to \$100,000 in total, any one event.

6. Prevention of imminent damage

The necessary costs reasonably incurred by *you* to protect the *property* during the *period of insurance*:

- (a) to extinguish a fire on or in the vicinity of *your premises* which causes or threatens loss or *damage to your property*;
- (b) to prevent or diminish imminent *damage to your property*; and
- (c) for the temporary protection and safety of *your property* at the *premises*, including the employment of security services.

Provided that this Extension of Cover is limited to \$100,000 any one event and for all claims during any one *period of insurance*.

7. Professional fees

We will pay the reasonable cost of surveyors', architects' and other professional fees for estimates, plans, specifications, quantities, tenders and supervision, incurred in the repair or replacement of lost or *damaged buildings*. The cost of professional fees is included in the *limit of liability* of the lost or *damaged buildings*. If the *limit of liability* has been exhausted, we will pay up to \$10,000 any one event.

We will not pay any claim under this Extension of Cover if *your schedule* shows the *building* as being insured for 'Indemnity'.

8. Stock seasonal or Festive increase

The *sum insured* for *stock* is increased by 50% for losses occurring during the days specified in the *schedule* under the heading 'Seasonal or Festive Increase', up to a maximum of 126 days or, if no days are specified, this increased cover for *stock*, the *seasonal increase periods* will apply.

If *your sum insured* on *stock* is included in another item on *your current schedule*, we will only apply the increased cover to the portion of the *sum insured* that relates to *stock*.

Provided that this Extension of Cover will not extend the insurance beyond the *period of insurance* noted in the policy *schedule*.

9. Taking inventory

We will pay up to \$10,000 any one event for the reasonable costs and expenses incurred by *you* in taking inventory (including unpacking, repacking and restacking) to identify, quantify and value any property insured *damaged* during the *period of insurance* including examination of *property* insured not belonging to *you* but in *your care, custody or control*.

10. Temporary removal to other premises

We will extend the cover provided by this *cover section* to *property*, while it is temporarily removed from the *premises* shown in the *schedule*, to some other *premises* in *Australia* for any period up to 90 days.

Provided that:

- (a) this Extension of Cover is not provided to *property* in transit;
 - (b) this Extension of Cover is only available to *property* that can be correctly designated to a *category* that has a *declared value* shown for the *premises* at which this *property* is normally located;
 - (c) if *property* comprising parts of the *building* or the landlords *premises* is temporarily removed for service or repair, Exclusion 3 (a) of this cover section does not apply for that *item* or items whilst at the other *premises* for this purpose; and
 - (d) the most we will pay under this Extension of Cover is 20% of the *declared value* for the *category* of *property* that applies to this *property* at the *premises* at which the *property* is normally located.
-

EXTENSIONS OF COVER – C

1. Automatic reinstatement

At each *premises*, when the *limit of liability* is reduced following *damage* covered by this *cover section*, we will automatically increase this reduced limit to its value immediately before the *damage*, provided that *you* pay or agree to pay the additional *premium* that we require.

2. Costs related to glass in vacant buildings

We will extend the cover provided by this *cover section* if *you* own but do not occupy any *buildings* at the *premises*, for the following costs directly related to the *breakage* of *glass* in the *period of insurance* in a rentable area of the *building* that is vacant at the time of the *breakage* for which a tenant is not liable under a current lease agreement:

- (a) the cost of temporary shuttering pending replacement of the *broken glass*;
- (b) the costs incurred in replacing reflective materials and burglar alarm tapes and connections attached to the *glass*;
- (c) the cost incurred in repairing or replacing *damage* to window, door or showcase frames and their fittings, but not to bars, grilles or shutters; or
- (d) the costs incurred in repairing or replacing tiles on shop and office fronts and around the *glass*, but not otherwise.

This Extension of Cover for costs does not apply:

- (i) where *you* have selected the Glass *cover section* for insurance;
- (ii) where the *breakage* of glass is caused by a peril covered under this *cover section*;
- (iii) to *glass* in light fittings;
- (iv) to *glass* that is cracked or imperfect prior to *breakage*;
- (v) to *glass* that is in a fibreglass houses and glass houses;
- (vi) to *advertising* (or identification) signs; or
- (vii) glass in any *building* that has remained unoccupied or untenanted for a continuous period longer than 90 days and we have not agreed to an extended period in writing.

Provided that we will not pay more than \$5,000 during any one *period of insurance* for all claims under this Extension and an excess being the greater of the excess shown in the *schedule* or \$500 shall apply to each and every claim.

3. Disposal of salvage

We will not sell or dispose of any salvage without giving *you* the opportunity to retain it at its salvage value, but this Extension does not allow *you* to abandon *property* to us.

4. Minimisation of damage

We will pay for the reasonable cost of removing *property* from the *premises*, and any *damage* resulting from the removal, if the *premises* are threatened by fire or any other perils insured by this *cover section* and the purpose of the removal was to prevent or minimise *damage* insured under this *cover section*.

5. New Premises - Temporary cover

We will temporarily extend the cover provided under this *cover section* to *property* at any *premises* that is used by *your business* for the first time during the *period of insurance*.

Provided that:

- (a) this temporary cover is limited to a period of 90 consecutive days from the day that *you* first use the new premises;
- (b) this temporary cover is not available to property that cannot be correctly designated to one of the *categories of property* that has a *declared value* shown in the *schedule*;
- (c) this temporary cover is only available to property that is of a similar type to that insured by this *cover section*;
- (d) for each specific *category of property* shown in the *schedule* this temporary cover is limited to 50% of the *declared value* for that *category*, or if more than one *premises* is shown in the *schedule*, then this 50% limitation will apply to the lowest *declared value* that applies to a specific *category of property*;
- (e) the new premises have *building*, fire protection and security features that are similar to those at one of the *premises* shown in the *schedule*;
- (f) *you* provide us with full details of the new *premises* within 90 days of *you* first using the new premises; and
- (g) Limitations of Cover – 9. 'Underinsurance' does not apply to this Extension of Cover.

6. Other parties / Waiver of subrogation

We automatically extend cover to include all other parties that have an insurable interest in the *property* including lessors, financiers, trustees, mortgagees, owners and others who are specifically noted in *your* records.

We waive any rights and remedies or relief that we are entitled to by way of subrogation against any of these parties.

7. Restricted transit

We will cover each *category of property* shown in the *schedule* for *damage* during *transit* within *Australia* that is caused by fire, explosion, wind, earthquake, *flood* and malicious *damage*, but not *theft*.

We will also cover *damage* to each *category of property* shown in the *schedule* whilst in transit in or on any vehicle owned or operated by *you* caused by collision or overturning of the conveying vehicle.

Provided that the most we will pay under this Extension of Cover is the lesser of \$50,000 or 20% of the *declared value* for that *category of property*.

8. Taxation audit costs

We will cover the reasonable and necessary costs *you* incur following notification received during the *period of insurance* of an audit or investigation by a federal or state Commissioner of Taxation relating to *your* liability to pay income tax, fringe benefits tax, capital gains tax, wholesale and sales tax, payroll tax, goods and services tax or superannuation contributions tax in respect of *your* business up to \$10,000 for this additional benefit.

'Costs' means professional fees paid to accountants or registered tax agents who are not *your* employees, for work undertaken in connection with the audit or investigation.

Taxation audit costs – Exclusions

We shall not be liable under this additional benefit:

- (a) for the imposition of any tax, fines, penalties, court costs, penalty tax or interest;
- (b) for costs incurred after completion of the audit or investigation;
- (c) where any proceedings were initiated, threatened or started prior to the commencement of the period of insurance;
- (d) for costs arising from your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a state or federal Commissioner of Taxation for the production of documents or the supply of information. Refusal or failure to comply will not be deemed improper, unwarranted or unjustified if you refuse or fail to comply upon the advice of your accountant or tax agent;
- (e) for costs from audits or investigations under customs legislation;
- (f) for costs from audits or investigations of income received or earned, or where the source of income is outside Australia or where the services giving rise to the claim are performed by persons or entities who ordinarily reside outside Australia;
- (g) arising out of any fraud or fraudulent act or omission committed by you or on your behalf; or
- (h) arising from audits or investigations which result in you, or any person acting on your behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a state or federal Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay.

Taxation audit costs – Special conditions

You must lodge taxation and other returns within the time limits applicable to those returns as prescribed by statute or through extension of time granted by a Commissioner of Taxation.

You must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation.

In the event of a claim arising:

- (a) you must at all times keep us fully and continually informed of all material developments in relation to the claim and in relation to any audit;
- (b) you must take all necessary and reasonable steps to minimise any delays and the amount of any costs incurred or likely to be incurred in connection with any audit; and
- (c) we or our duly appointed agent may make our own investigation into any matter which is or may be the subject of a claim.

You must ensure that *your* accountants, registered tax agent and/or solicitor must cooperate with us and where necessary, assist us in relation to any claim and assist us with any matter we wish to pursue with the Commissioner of Taxation which is or may be the subject of a claim.

OPTIONAL EXTENSION OF COVER

If shown in the *schedule* the following Optional Extension of Cover shall apply:

1. Transit - Fire and Specified Perils, Theft, Collision and Overturning

When 'Transit' is shown in the *schedule* we will provide cover for *damage to property* specified in the *schedule* under this *cover section*, whilst in transit within *Australia* that is caused by:

- (a) fire, lightning, explosion, *flood* and malicious damage, but not theft;
- (b) theft from a locked vehicle or building following visible, forcible and violent entry to the vehicle or building;
- (c) theft of property which we agree was appropriately secured to a vehicle by chains, padlocks or other devices that have been broken or damaged to enable the theft; or
- (d) collision or overturning of the carrying vehicle or conveyance.

Provided that this Extension of Cover is limited to the amount shown in the *schedule* for Transit.

2. Flood - Flood, Actions of the sea and High water

When 'Flood' is shown in the *schedule* Exclusion 3. (g) is deleted and we will provide cover for *damage to property* specified in the *schedule* under this *cover section*, that is caused by *flood*, the action of the sea or high water.

Provided that this Extension of Cover is limited to the amount shown in the *schedule* for *buildings, contents and stock*, unless otherwise limited.

3. Storm Damage to Stock in Open Air

When 'Storm Damage to Stock in Open Air' is shown in the *schedule* we will provide cover for *damage to property* specified in the *schedule* under this *cover section*, that is caused by storm, hail and water as defined.

Provided that this Extension of Cover is limited to the amount shown in the *schedule* for *stock*, unless otherwise limited.

Business Interruption – Income

INTRODUCTION

This *cover section* only forms part of *your* policy when Business Interruption Section – Income is shown in the *schedule* and is limited to the *period of insurance* indicated.

DEFINITIONS

The following definitions shall apply to the words used in this *cover section*.

Additional uninsured working expenses

additional uninsured working expenses means those expenses that are shown as Additional Uninsured Working Expenses in the *schedule* for this Business Interruption *cover section*.

Damage or Damaged

damage or *damaged* means accidental physical damage, destruction or loss. *Damaged* has a corresponding meaning to *damage*.

Income

income means:

1. income received from the renting or leasing of any part of the premises including monies paid by the lessee as outgoings under the terms of the rental or leasing agreement; and
2. income from *your business* at the premises for goods sold, work done, electrical power generated and sold, services rendered or any Government approved incentives, subsidies or market development allowances *you* are entitled to in relation to *your business*, less:
 - (a) working expenses for freight, packing, bad debts, and the purchase of goods, materials, components, or *stock*;
 - (b) any other *additional uninsured working expenses* shown in the *schedule*; and
 - (c) *payroll* if this is shown in the *schedule*.

Indemnity period

indemnity period means the period that starts on the date of the *damage* and ends not later than the number of weeks or months stated in the *schedule* after the date of the *damage* during which results of *your business* are affected as a consequence of the *damage*.

Insured damage

insured damage means:

1. In relation to *your property*, *insured damage* means *damage to your property* when both the *property* that is *damaged* and the cause of the *damage* is covered by:
 - (a) *your policy* under one or more of the following *cover sections*:
 - (i) Fire;
 - (ii) Burglary;
 - (iii) Money; or
 - (iv) Glass;
 - (b) another insurance policy that insures *your property* and names *you* as the Insured.
Provided that:
 - (i) we receive written confirmation of the extent of cover from the insurer who issued this other policy; and
 - (ii) cover for both the *property* that is *damaged* and the cause of the *damage* would have been covered under one of the *cover sections* shown in 1(a) above had that *cover section* formed part of *your policy*.

Where the *damage* is below the excess applicable under any insurance mentioned in 1 (a) and 1 (b), such *damage* shall be deemed to be *insured damage* and covered for the purposes of this definition.

2. (a) In relation to *property* referred to in this *cover section* under the heading 'Extensions of Cover', *insured damage* means *damage to such property* located in *Australia*; and
- (b) In relation to *property* referred to in this *cover section* under the 'Optional Extensions of Cover', *insured damage* means *damage to property* located in *Australia* at the *premises* of the specified customers and specified suppliers who are shown in the *schedule* of this *cover section*.

Provided that this *damage* would have been covered under one of the *cover sections* shown in 1 (a) above had such *property* been *insured* under that *cover section* as part of *your policy* when the *damage* happened.

Interruption

interruption means interruption or interference.

Loss of income

loss of income means loss or reduction of *your income* that occurs during the *indemnity period*.

Payroll

payroll means all gross remunerations including, but not limited to, salaries, wages, directors fees, payroll tax, fringe benefits tax, bonuses, holiday pay, sick pay, workers compensation insurance premiums, accident compensation levies, superannuation and pension fund contributions of *your* directors, partners, employees and officers.

Rate of payroll

rate of payroll means the *rate of payroll to income* during the financial year immediately before the date of the *damage*.

Severance Pay

severance pay means the expenditure as you are obligated or have agreed to pay under industrial awards, determinations or agreements for severance pay and/or pay in lieu of notice to employees whose services are terminated during the *indemnity period* in consequence of the *damage*.

COVER

We will pay in accordance with the Basis of Settlement, for *loss of income* that results from an *interruption of your business* caused by any *insured damage* that happens at the *premises*.

Provided that this *insured damage* happens during the *period of insurance* shown for this Business Interruption cover section.

BASIS OF SETTLEMENT

1. Accumulated stock clause

In calculating any claim, we will take into account and make an equitable allowance if any shortage in *income* due to the *damage* is postponed by reason of the *income* being temporarily maintained from accumulated *stock* of finished goods.

2. Additional expenditure

We will also pay for additional expenditure necessarily incurred for the sole purpose of reducing *loss of income* that is covered by this cover section and/or resuming and/or maintaining *your normal business* operations or services.

Provided that this expenditure is limited to the amount of *income* that would otherwise be lost had the additional expenditure not been incurred.

3. Auditors and Accountants

We will accept as proof of the *loss of income* a certified statement from *your accountants* or auditors that shows the financial details requested by us.

4. Departmental clause

If *your business* is conducted in departments or business units, and the independent trading results can be determined, the provisions of the Basis of Settlement will apply separately to each department or business unit affected by the *damage*.

For the purposes of this clause any *income* received from the renting or leasing of any part of the *premises* will be regarded as the proceeds of a department.

5. Loss of income

Loss of income will be calculated by subtracting the *income* earned during the *indemnity period* from the *income* you would have earned during the *indemnity period* had the *damage* not occurred.

Provided that the *income* you would have earned during the *indemnity period* had the *damage* not occurred:

- (a) will be calculated by reference to the *income* for:
 - (i) a period of the same duration as the *indemnity period* that starts a year prior to the date of the *damage*; or
 - (ii) a period of *your* normal *business* operations that corresponds most closely to the *indemnity period* if *your business* has operated for less than a year at the start of the *indemnity period*; and
- (b) will be adjusted to take into account any:
 - (i) trends of the *business* and other influences that would vary the *income*;
 - (ii) variation of normal trading by which *income* is maintained during the *indemnity period* from increased sales of low margin goods;
 - (iii) changes to how *stock*, materials, finished goods or partially finished goods are used, purchased or sold including salvage sales of *stock* following *insured damage*; and
 - (iv) savings made during the *indemnity period* that reduce the cost of running *your business*.

6. Payroll

When *payroll* is specifically covered and a *sum insured* is shown in the *schedule*, we will pay the sum produced by applying the *rate of payroll* to the shortage of *income* during the *indemnity period* less any savings occurring during the *indemnity period* in consequence of the *damage* in the amount of *payroll* paid.

We will also pay any amount paid by you as *severance pay*.

However, we will not pay more than the *sum insured* shown in the *schedule* representing the percentage of *payroll* costs insured by you to apply during the *indemnity period*.

LIMITATIONS OF COVER

1. Closure of your business

If during the *indemnity period* you permanently close *your business* for any reason (including involuntary closure), then the *indemnity period* will end on the day you permanently close *your business* unless we agree in writing to continue this period.

Nothing in this clause shall affect *your* right to an equitable adjustment where the decision to close the *business* is taken with our approval and arises directly as a result of the *interruption* of *your business* from a circumstance covered by this *cover section*.

2. Excess

You are liable for the excess for each and every claim for an event that results in a *loss of income*.

3. Sum insured

During the *period of insurance* for this *cover section*, we will not pay more than the *sum insured* shown in the *schedule*.

Any limits stated under the Extensions of Cover are within the *sum insured for income*, they are not additional to the *sum insured for income*.

The total *sum insured* will be reduced by any payment under or due to be made by us following *insured damage*.

4. Underinsurance

(a) Income

If the annual *sum insured for income* is less than 80% of the *income* for the year immediately prior to the date of the *damage*, then we will pay a proportion of the *loss of income*.

The proportion that we will pay will be the same as the proportion that the annual *sum insured for income* bears to 80% of the *income* for the year immediately prior to the date of the *damage*. If the *sum insured* shown in the *schedule* has been calculated using a Business Interruption Calculator approved by us and your 'GST exclusive sales income' figures from your Business Activity Statement are as stated in the calculation from the approved calculator, then the Limitations of Cover in this clause 4. (a) will not apply.

(b) Payroll

If the annual *sum insured for payroll* is less than 80% of the *payroll* paid during the year immediately prior to the date of the *damage*, then we will only pay a proportion of the *payroll* costs incurred during the *indemnity period*.

The proportion that we will pay will be the same as the proportion that the annual *sum insured for payroll* bears to 80% of the *payroll* paid during the year immediately prior to the date of the *damage*.

Provided that 4. (a) and (b) will not apply, if your:

- (i) projected *income* which the *business* would have earned in the *indemnity period* stated in the *schedule* if the *damage* had not occurred, is less than the *sum insured*; or
- (ii) claim is less than 10% of the *sum insured*.

EXTENSIONS OF COVER

Provided that the total *sum insured* shown in the *schedule* for this *cover section* is not exceeded:

1. Automatic reinstatement

When the total *sum insured* is reduced following *insured damage*, we will automatically reinstate the total *sum insured* to its value immediately before the *insured damage*.

Provided that you pay or agree to pay the additional *premium* required by us.

2. Catastrophe cover

When Extension of Cover – B '2. Catastrophe cover' under the Fire *cover section* only applies, and the *indemnity period* stated in the *schedule* is 12 months or more, we will increase the *indemnity period* by a further 3 months, providing that you undertake the *reinstatement of your business* at the existing or an alternative *premises*.

This increase in your *indemnity period* is in recognition of the delays and difficulties experienced in the aftermath of such events and which extend the normal period in which the results of any business are affected because of the *damage*. This Extension does not increase the *sum insured for income* shown in the *schedule*.

3. Explosion of Boilers and Pressure vessels

We will pay for *loss of income* that results from an *interruption of your business* caused by an explosion or implosion of a boiler or pressure vessel.

4. Fines, Damages and Penalties

When we have agreed to indemnify *you* under this *cover section* for *loss of income* that results from an *interruption of your business*, we will also pay up to 20% of the *sum insured* for:

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

Provided that we will not cover any liability *you* may incur for exemplary, punitive or aggravated damages.

5. Landlord's property and Other non-owned property used by you at the premises

We will pay for *loss of income* that results from an *interruption of your business* that is caused by *insured damage* to your landlord's and/or other non-owned property used by *you* at the *premises*.

The definition *insured damage* does not apply to this Extension of Cover.

6. Other premises and Property

We will pay up to 20% of the *sum insured* for *income*, for each *loss of income* that results from an *interruption of your business* that is caused by *insured damage* that occurs in *Australia* to the following *property*:

- (a) Unspecified suppliers
Property at the *premises* of any of:
 - (i) *your* suppliers of goods, produce, materials or services, including their direct supplier, other than those services supplied by Public Utilities; or
 - (ii) manufacturers of products utilised or sold by the *business*; or
 - (iii) repairers or processors of materials, components, or goods.
- (b) Unspecified customers
Property at the *premises* of any of *your* customers and clients or at work sites when *your business* entails work away from *your premises*.
- (c) Documents
Documents and *electronic data* files belonging to or held in trust by *you* while in transit or while at *premises* not occupied by *you*.
- (d) Storage sites
Your property stored at any *premises* not occupied by *you*, including freight forwarders.
- (e) Transit
Your property while in transit outside of the *premises* occupied by *you*.
- (f) Roads, Bridges and Railway lines
Roads, bridges and railway lines over which *stock*, components and materials are conveyed to and from the *premises*.
- (g) Computer data
Computer installations including ancillary equipment and data processing media utilised by *you*.

7. Prevention of access, Murder and Suicide

We will pay for *loss of income* that results from an *interruption of your business* that is caused by:

- (a) the closure or evacuation of the whole or part of *your premises* by order of a competent public authority consequent upon defects in the drains and/or sanitary arrangements at the *premises*;
- (b) any bomb threat at or to the *premises*;
- (c) any murder or suicide or attempted suicide or violent crime or armed robbery occurring at the *premises*;
- (d) *insured damage* to any property within a retail complex when *your business* is located within a multi-tenanted retail complex;
- (e) the action of a civil authority during a conflagration or other catastrophe for the purpose of retarding same;
- (f) any legal authority preventing or restricting access to *your premises* or ordering the evacuation of the public as a result of *insured damage* to or threat of *insured damage* to property within a twenty (20) kilometre radius of *your premises*,

occurring during the *period of insurance*.

8. Public utilities

We will pay for *loss of income* that results from an *interruption of your business* that is caused by *insured damage* to land based property located in *Australia* that belongs to or is under the control of any company or authority producing, supplying or delivering the electricity, gas, water, sewerage or communication services, used by the *business*.

Provided that where the property of the supplier is not at or immediately adjacent to *your premises*, the interruption of the supply extends for greater than 48 hours.

9. Registered motor vehicles

We will pay for *loss of income* that results from an *interruption of your business* that is caused by *damage* to registered motor vehicles including, but not limited to motorcycles, caravans and trailers that are owned and/or operated by *you* but only while at *your premises*.

10. Prevention of access as a result of Legionellosis

Notwithstanding Exclusion 7. within the Fire – Gold cover section, we will pay for *loss of income* that results from an *interruption of your business* that is caused by legal authority closing or evacuating all or part of the *premises* as a result of the discovery of legionellosis at the *premises*.

Provided that this Extension of Cover is limited to up to \$50,000 or 20% of the *limit of liability*, whichever is the lesser, for all claims during any one *period of insurance*.

11. Food or Drink Contamination

Notwithstanding Exclusion 7. within the Fire – Gold cover section, we will pay for *loss of income* that results from an *interruption of your business* that is caused by poisoning, injury or illness arising from salmonella, campylobacter, staphylococcus, clostridium, escherichia coli and listeria only, via the consumption of food or drink supplied at or from the *premises*.

Provided that this Extension of Cover is limited to up to \$50,000 or 20% of the *limit of liability*, whichever is the lesser, for all claims during any one *period of insurance*.

OPTIONAL EXTENSIONS OF COVER

1. Accounts receivable (book debts)

If 'Accounts Receivable' is shown in the *schedule* then following *insured damage* to *your* accounts receivable records we will pay up to the *sum insured* shown in the *schedule* for:

- (a) all amounts due to *you* that cannot be collected as a direct result of *damage* to *your* accounts receivable records; and
- (b) debt collection costs that would not have been incurred had *your* accounts receivable records not been damaged and that these debt collection costs are necessarily incurred to collect amounts that otherwise would not have been collected.

Provided that we will not pay for:

- (i) losses due to book-keeping or accounting errors or omissions;
- (ii) loss due to *your* dishonesty or dishonesty of *your* directors, partners, employees and officers or any other person who has an interest in the accounts receivable records;
- (iii) bad debts that would normally not be collected by *you*; and
- (iv) collection costs that would normally have been incurred.

2. Additional claims preparation costs

If 'Additional Claims Preparation Costs' is shown in the *schedule* then we will pay for costs incurred that are not otherwise recoverable for processing and certifying details of claims under *cover sections* Fire – Gold and Business Interruption up to an amount equal to the *sum insured* for Additional Claims Preparation Costs.

3. Additional increase in cost of working

We will pay up to the *sum insured* shown in the *schedule* for 'Additional Increase in Cost of Working' for all costs not otherwise recoverable that are necessarily incurred by *you* in an attempt to reduce a *loss of income* that is covered by this *cover section* and/or resuming and/or maintaining *your* normal *business* operations or services.

This amount is additional to the Additional Expenditure costs payable under Basis of Settlement.

4. Cost of goodwill

If 'Cost of Goodwill' is shown in the *schedule*, following *damage* to any *buildings* at *your premises* we will pay up to the *sum insured* shown in the *schedule* against this item for the actual cost of goodwill incurred by *you* when purchasing a business in order to maintain *your business* activities.

Provided that we will only pay these costs of goodwill when:

- (a) the *building* that is *damaged* cannot or will not be repaired or rebuilt, including:
 - (i) any refusal by any owner or lessor other than *you* to repair or rebuild; and
 - (ii) any restrictions imposed by any legal authority; and
- (b) the purchase of the business is incurred because *you* were unable to continue *your business* at the *premises* as a result of the *damage* to the *buildings* not being repaired; and
- (c) the cause of the *damage* to the *buildings* would have been covered by the Fire Section of *your* policy had that *building* been insured under that *cover section*; and
- (d) the business that is purchased is similar to *your business*.

5. Other premises

If 'Extension to Other Premises' is shown in the *schedule* then we will pay for *loss of income* that results from an *interruption* of *your business* that is caused by *insured damage* that occurs in *Australia* to:

- (a) Specified suppliers
property at the premises of your specified suppliers, shown in the *schedule* including their direct suppliers up to an amount calculated by applying the percentage shown in the *schedule* to the *sum insured for income*.
- (b) Specified customers
property at the premises of *your* specified customers that are shown in the *schedule* or property at the *premises* of their direct suppliers or customers up to an amount calculated by applying the percentage shown in the *schedule* to the *sum insured for income*.

6. Floating Assets

If 'Floating Assets Business Interruption Extension' is shown in the *schedule*, we will also pay for *loss of income* under 5. 'Loss of income' 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 *premises* or directly adjoining the *premises*, 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 insurance* of this *policy*.

Damage means for the purposes of this Extension of Cover physical loss, destruction or damage (occurring during the *period of insurance*) from the operation of a peril or event insured against, and where indemnity is granted for a claim under the Floating Asset Policy.

Floating Asset Policy means the Nautilus Marine Marinas, Wharves, Piles, Jetties & Pontoons Insurance Policy Wording which is the subject matter of the binder and claim settlement agreements between Nautilus and Zurich.

Liability

INTRODUCTION

This *cover section* only forms part of *your* policy when Liability Section is shown in the *schedule* and is limited to the *period of insurance* indicated.

DEFINITIONS

The following definitions shall apply to the words used in this *cover section*.

Advertising liability

advertising liability means:

- (a) any breach of the misleading or deceptive conduct provisions of the Competition and Consumer Act 2010 (Cth) or Schedule 2 to the Competition and Consumer Act 2010 (the Australian Consumer Law) or any Fair Trading or similar legislation of any Country, State or Territory;
- (b) infringement of copyright of or passing off of a title or slogan;
- (c) unfair competition, piracy or idea misappropriation contrary to an implied contract; or
- (d) invasion of privacy,

committed or alleged to have been committed during the *period of insurance* in any advertisement, publicity article, broadcast or telecast arising out of any advertising activities conducted by or on behalf of *you*, in the course of *advertising your products*.

Aircraft

aircraft means any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.

Business

business means for the purpose of this *cover section* only, *your business* shown in the *schedule* and all other activities incidental to the conduct of *your* occupation including:

- (a) ownership or occupation of *premises* by *you*;
- (b) the provision and management of canteens, social, sports, charities, galas and welfare organisations primarily for the benefit of *your* employees, first aid, fire and ambulance services;
- (c) construction, erection, demolition, alteration or addition, not exceeding in cost the sum of \$500,000, of or to *buildings* owned by *you*;
- (d) participation in exhibitions;
- (e) hire or loan of plant, equipment or goods to other parties; and
- (f) private work undertaken by any employee of *yours*, for any of *your* directors or senior executives.

Computer virus

computer virus means an executable program or computer code segment that is self-replicating, requires a host program or executable 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.

Cyber event

cyber event means any *occurrence* in any way connected with:

- (a) an *IT Network*; or
- (b) *computer virus*.

Excess

excess for the purpose of this *cover section* only, means the amount *you* first bear in relation to each *occurrence*. The *excess* applies to all amounts payable under this *cover section* including the indemnity provided under additional payments.

Hovercraft

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

Incidental contracts

incidental contracts means:

- (a) any written rental agreement for lease of real or personal *property* that does not impose on *you*:
 - (i) an obligation to insure such *property*; or
 - (ii) liability to indemnify the lessor for *personal injury* or *property damage* for which the lessor is legally liable;
- (b) any written contract with any public authority or company for the supply of water, gas or electricity, or use of a railway siding, but only to the extent of indemnifying any such authority in respect of liability arising out of *your business* other than contracts for the performance of work or provision of services by *you*.

Insured person

insured person means *you* and the parties described under the heading 'Cover for others'.

Internet operations

internet operations means:

- (a) transfer of computer data or programmes by use of electronic mail systems by *you* or *your* employees, including for the purpose of this definition only, part-time and temporary staff, contractors and others within *your* organisation whether or not such data or programmes contain any malicious or damaging code, including but not limited to *computer virus*, worm, logic bomb, or trojan horse;
- (b) access through *your* network to the world wide web or a public internet site by *you* or *your* employees, including for the purposes of this definition only, part-time and temporary staff, contractors and others within *your* organisation;
- (c) access to *your* intranet (meaning internal company information and computing resources) which is made available through the world wide web for *your* customers or others outside *your* organisation; and
- (d) the operation and maintenance of *your* web site.

IT network

IT network means any computer hardware (or components thereof), software (or components thereof), communication system networks, *internet operations*, websites whosoever hosted, online or offline media libraries, data, or any other peripheral devices

Medical persons

medical persons means legally qualified medical practitioners, legally qualified registered nurses, dentists and first aid attendants.

Occurrence

occurrence means an event or series of events including continuous or repeated exposure to substantially the same general conditions which results, unexpectedly and unintentionally from *your* standpoint, in *personal injury* or *property damage* or *advertising liability* during the *period of insurance*. All *personal injury* or *property damage* happening during the *period of insurance* attributable to one source or to a common cause or to the same general conditions, shall be deemed to be one *occurrence*.

With respect to *advertising liability*, all damages involving the same injurious material or act, regardless of the frequency or repetition thereof, the number and kind of media used and the number of claimants, shall be deemed to arise out of one *occurrence*.

Personal injury

personal injury means:

- (a) bodily injury, death, sickness, disease, shock, fright, mental anguish, mental injury or loss of consortium;
- (b) false arrest, false detention, wrongful imprisonment, malicious prosecution or malicious humiliation;
- (c) wrongful entry or wrongful eviction or other invasion of privacy;
- (d) defamation, libel and slander; and
- (e) assault and/or battery.

Products

products means anything (after it has ceased to be in *your* possession or under *your* control) which is or is deemed to have been manufactured, grown, extracted, produced, processed, imported, exported, constructed, assembled, erected, installed, repaired, serviced, renovated, treated, sold, supplied or distributed by *you* or on *your* behalf (including *your* predecessors in *your business*) including labels, packaging or any container thereof the design, specification or formula of the products and directions, instructions or advice 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*' does not include food and beverages:

- (a) supplied by *you* or on *your* behalf primarily to *your* employees as a staff benefit;
- (b) served in any dining room or at any function to employees or guests for consumption at *your premises*; or
- (c) supplied from any vending machine or any other property rented to or located for use of others but not sold by *you*,
- (d) and any claims for compensation against *you* arising out of any *occurrence* shall be deemed to be a *general liability* claim to which the *limit of liability* specified in the *schedule* shall apply.

Property damage

property damage means:

- (a) physical injury to or loss of or destruction of tangible property including loss of use of that property at any time resulting therefrom; and
- (b) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by physical damage to or destruction of other tangible property.

Territorial limits

territorial limits means anywhere in the world (subject to the limitations set out in Exclusion 1., 12. and 18. for this cover section).

Tool of trade

tool of trade means the use or operation of a *vehicle* and/or equipment, tool or apparatus which forms part of the *vehicle*, but only whilst engaged in and undertaking its designed purpose of digging, scraping, shovelling, grading, boring, drilling, compacting, harvesting, ploughing, shredding, lifting, clearing, levelling, hosing, pumping, spraying, vacuuming or suction activities.

Vehicle

vehicle means any machine and attachments thereto including a trailer designed to travel on wheels or on self-laid tracks and to be propelled by other than manual or animal power.

Watercraft

watercraft means:

- (a) a vessel, craft or thing made or intended to float on or in or travel through water, other than model boats; and
- (b) motors, sails and rigging, trailers, equipment & accessories and *contents* attaching to and/or forming part thereof.

You or Your

you or *your* means for the purpose of this *cover section* only, the definition of *you* or *your* is extended to include any of *your* subsidiary companies now or hereinafter formed or constituted.

Provided that:

- (a) any such incorporation is notified to us within 90 days of the incorporation date;
- (b) the newly incorporated company conducts the same type of business as *your business*; and
- (c) the newly incorporated company is incorporated in *Australia*.

COVER

Subject to the Limits of Liability stated in the *schedule* and the terms and conditions of this *cover section*, we will pay all sums that the *insured person* shall become legally liable to pay for compensation in respect of:

- (a) *personal injury*;
- (b) *property damage*;
- (c) *advertising liability*,

happening during the *period of insurance* within the *territorial limits* as a result of an *occurrence* in connection with *your business or products*.

EXTENSIONS OF COVER

1. Additional payments

In addition to the Limits of Liability stated in the *schedule* we will pay as additional payments all:

- (a) reasonable legal costs and expenses (including the costs of representation at any coronial hearing or other official investigation into the circumstances) incurred by the *insured person* with our written consent in the defence of any claim;
- (b) expenses incurred by the *insured person* for first aid to others (other than medical expenses prohibited by Section 126 of the Health Insurance Act 1973);
- (c) reasonable expenses incurred by the *insured person* for the temporary repair or shoring up or preservation of property which has been damaged; and
- (d) interest accruing after entry of judgment against the *insured person* until we have paid, tendered or deposited in court such part of the judgment as does not exceed the Limit of Liability,

resulting from an *occurrence* which is covered by this *cover section*, provided that:

- (i) if a payment exceeding the Limit of Liability has to be made to dispose of a claim, our liability to pay any additional payments shall be limited to that proportion of those amounts as the Limit of Liability bears to the amount paid to dispose of the claim;
- (ii) In the event of a claim covered by this *cover section* being made against an *insured person* in any Court or before any other legally instituted body in *North America*, the Limit of Liability shall apply to such claim inclusive of all additional payments; and
- (iii) we shall not be obligated to pay any compensation or additional payments, or judgment or to defend any suit after our Limit of Liability has been exhausted by payment of claims, judgments and/or settlements.

2. Cover for others

This *cover section* is extended to the following:

- (a) any of *your* directors, executive officers, employees or voluntary unpaid workers, but only whilst acting within the scope of their duties in such capacity;
- (b) any office bearer or member of the canteen, social, or sports organisations for *your* employees and internal first aid given by *your medical persons*, fire or ambulance services formed with *your* consent, but only whilst acting within the scope of their activities in such capacity;

- (c) any of *your* directors or senior executives in respect of private work undertaken by *your* employees for such director or senior executive, but only after they have obtained *your* prior consent to this private work to be undertaken;
- (d) 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 2. (a) to (c) above; and
- (e) any principal, but only for their liability for *personal injury* or *property damage* that is directly caused by *your* performance of the work for that principal and only to the extent that we would cover *you* under this *cover section* for *your* liability to that principal had the principal made a claim against *you* in respect of the circumstances giving rise to the principal's liability.
Provided that:
 - (i) the work was carried out by *you* in an attempt to comply with a contract to perform work that was made between *you* and the principal; and
 - (ii) our liability shall not exceed the lesser of the minimum amount of liability insurance cover required by the contract to perform the work or the Limit of Liability shown in the *schedule*; and
 - (iii) for avoidance of doubt, it is further provided that where a principal makes a claim under this clause, Exclusion 8. 'Employer's Liability' shall apply so that we will not pay for that principal's liability for *personal injury* to any person in the service of either *you* or that principal.

LIMIT OF LIABILITY

Our liability to pay compensation as a result of an *occurrence* shall not exceed the Limit of Liability stated in the *schedule*.

Our total aggregate liability to pay compensation in respect of or in any way related to *your products* during any one *period of insurance* shall not exceed the Limit of Liability stated in the *schedule*.

EXCLUSIONS

We will not pay anything in respect of:

1. Advertising liability

advertising liability for:

- (a) statements made at the direction of an *insured person* with the knowledge of the illegality or falsity thereof;
- (b) breach of contract, other than misappropriation of *advertising* ideas contrary to an implied contract;
- (c) infringement or passing off of a trade mark, service mark or trade name on any *products*, goods or services sold, offered for sale or advertised. This does not apply to infringement of titles or slogans;
- (d) matters arising from the export of the products to, or *business* visits by directors, executives and employees to *North America*, notwithstanding the terms of sub paragraphs (i) and (ii) of Exclusion 18;
- (e) any *insured person* whose *business* is *advertising*, broadcasting, publishing or telecasting;
- (f) incorrect description of the price of *products*, goods or services;
- (g) failure of *products*, goods or services to conform with advertised performance, quality, fitness or durability; or
- (h) acts, errors or omissions committed prior to the inception date of this *cover section*.

2. Asbestos

any liability of whatsoever nature in connection with, directly or indirectly caused by, or contributed to by, or arising from, asbestos or asbestos products or asbestos contained in any product.

Exclusion 2. shall not apply to actual or alleged loss, cost, expenses or liability where such loss, cost, expense or liability is not related to asbestos content of goods, materials or products or completed operations.

3. Assault and Battery

personal injury or *property damage* arising directly or indirectly out of assault and battery committed by an *insured person*.

Exclusion 3. shall not apply when such assault and battery is committed for the purpose of preventing or eliminating danger to persons or property.

4. Contractual liability

any liability or obligation assumed by an *insured person* under any agreement or contract except to the extent that:

- (a) the liability or obligation would otherwise have been implied by law;
- (b) the liability or obligation arises from *incidental contracts*;
- (c) the liability or obligation is assumed by an *insured person* under any warranty under the requirement of Federal or State legislation in respect to product safety;
- (d) the liability or obligations is assumed under those agreements specified in the *schedule*.

5. Contractual liability

any liability whatsoever in connection with or contributed to, by a *cyber event*.

6. Damage to products

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

This Exclusion 6. is restricted to the defective or harmful or unsuitable part of a damaged product and does not apply to any resultant damage caused to the remainder of the *product*.

7. Defamation, Libel, Slander

the publication or utterance of a defamation, libel or slander:

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

8. Employer's liability

- (a) *personal injury* to any person arising out of, or sustained in the course of the employment of such person in the service of any *insured person* or through the breach of any duty owed to that person, where any *insured person*:
 - (i) is indemnified or entitled to be indemnified (either in whole or in part) in respect of claims for damages under a policy of insurance (which expression includes arrangements made by any *insured person* to provide accident insurance for any *insured person's* workers under a licence to self-insure) arranged (whether by law or not) in accordance with any workers compensation legislation or accident compensation legislation; or
 - (ii) would have been indemnified or entitled to be indemnified (either in whole or in part) had any *insured person* arranged a policy of insurance as required by such legislation.

- (b) *personal injury* to any person arising out of, or sustained in the course of the employment of such person in any *insured person's* service in Western Australia, other than a person of whom any *insured person* is deemed to be an employer by reason only of Section 175 of the Workers' Compensation and Injury Management Act 1981 (WA).
- (c) mental anguish, shock or fright suffered by any person arising out of, or in the course of, that person's employment by, or service to, any *insured person*.
- (d) *personal injury* arising out of the wrongful or unfair dismissal, denial of natural justice, harassment, libel, slander, defamation, misleading representation, misleading *advertising* or humiliation of, or discrimination against, any person while in any *insured person's* service, prospective employment or while employed by any *insured person*.
- (e) which indemnity previously would have been provided in whole or in part under a policy of insurance arranged in accordance with any workers compensation legislation or accident compensation legislation, but in respect of which indemnity has been withdrawn or reduced as a consequence of a change to the scope, terms, provisions, or requirements of such legislation made after the commencement of the current *period of insurance* of this cover section.
- (f) the imposition of any liability by the provisions of any workers compensation legislation or accident compensation legislation or any industrial award, agreement or determination.

9. Faulty workmanship

the cost of performing, correcting or improving any work undertaken by an *insured person*.

10. Intentional conduct

any alleged or actual fraudulent, dishonest, malicious, intentional or criminal act or omission of an *insured person*.

11. Loss of use

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

- (a) a delay in or lack of performance by or on behalf of an *insured person* in relation to any contract or agreement; or
- (b) the failure of the *products* to meet the level of performance, quality, fitness or durability expressly or implied, warranted or represented by an *insured person*.

Provided that 11. (b) does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the *products* after such *products* have been put to use by any person or organisation other than you.

12. Pollution

any liability for:

- (a) loss, damage, costs or expense, injury, illness or liability directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of *pollutants* into or upon any *property*, land, the atmosphere or any watercourse or body of water (including ground water);
- (b) loss, damage, costs or expense, injury, illness or liability directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of *pollutants* caused by any product that has been discarded, dumped, abandoned or thrown away by others;
- (c) the cost of removing, nullifying or cleaning up *pollutants*; or
- (d) the cost of preventing the escape of *pollutants*.

Exclusion 12. (a) and (c) shall not apply where the claim arises from a sudden identifiable, unintended and unexpected event which takes place in its entirety at a specific time and place and occurs outside of *North America*, however, the total aggregate Limit of Liability during any one *period of insurance* shall not exceed the Limit of Liability stated in the *schedule*.

13. Products guarantee

any *products* warranty or guarantee given by *you* or on *your* behalf.

Exclusion 13. shall not apply to the requirements of any Federal or State legislation as to product safety.

14. Professional liability

the rendering of or failure to render professional advice or service provided by or on behalf of an *insured person* or any error or omission connected therewith.

Exclusion 14. shall not apply in respect to:

- (a) *personal injury* or *property damage* arising therefrom providing such professional advice or service is not given for a fee; or
- (b) the rendering of or the failure to render professional medical advice by *medical persons* employed by *you* to provide first aid or medical services on *your premises*.

15. Property in physical or Legal control

property damage to property owned by or in the physical or legal control of an *insured person* other than *premises* leased or rented to *you*.

Exclusion 15. does not apply to *property damage* to:

- (a) personal effects of *your* directors, employees and visitors;
- (b) premises (and their contents) where the premises are temporarily occupied by an *insured person* to carry out work;
- (c) any *vehicle* in a carpark unless:
 - (i) the *vehicle* is used by or on behalf of an *insured person*; or
 - (ii) the carpark is occupied or operated by an *insured person* for reward;
- (d) *property*, other than an *aircraft* or *hovercraft*, not owned by *you*, but in *your* physical or legal control subject to a maximum of \$500,000 for any one *occurrence* and in the aggregate during any one *period of insurance*.
- (e) *watercraft* provided that:
 - (i) such *watercraft* is in *your* physical or legal control for reward in the ordinary course of *your business* whilst on land at *your business premises*; and
 - (ii) that *you* have accepted or assumed legal liability for such *watercraft*.

16. Recall of products

any claims arising out of or resulting from any loss, cost or expense incurred by *you* for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of *your products* or of any property of which they form a part, if such *products* or property are withdrawn from the market or from use because of any known or suspected defect, deficiency, inadequacy or dangerous condition in them.

17. Silica

any liability of whatsoever nature in connection with, directly or indirectly caused by, or contributed to by, or arising from silica or silica products or silica contained in any *products*.

18. Territorial limits

any liability:

- (a) occurring in *North America*; or
- (b) caused by or arising out of *products* exported by an *insured person* or *your agents* to *North America*.

Exclusion 18. shall not apply to:

- (i) *products* exported to *North America* without the knowledge of an *insured person* or *your agents*; or
- (ii) business visits by directors, executives and employees normally resident in Australia that do not involve the performance of manual work or supervision of work by any such person.

19. Vehicles

personal injury or *property damage* caused by or arising out of the ownership, use, possession, or control by any *insured person* of any *vehicle*:

- (a) which is registered;
- (b) in respect of which registration is required by virtue of any legislation relating to *vehicles*; or
- (c) in respect of which compulsory liability insurance or statutory indemnity is required by virtue of any legislation (whether or not insurance is effected).

Exclusion 19. does not apply to claims:

- (i) for *personal injury* arising out of an *occurrence* that is partially (to the extent of that part) or totally outside the indemnity afforded under such compulsory liability insurance or other legislation relating to *vehicles* and where the reason the *occurrence* is outside the indemnity afforded by compulsory liability insurance or statutory indemnity does not involve a breach by an *insured person* of legislation relating to *vehicles*;
- (ii) arising out of and during the loading or unloading of goods to or from any *vehicle*;
- (iii) caused by or arising from the operation or use of any *vehicle* which is designed primarily for lifting, lowering, loading, or unloading whilst being operated or used by an *insured person* or on *your* behalf within the confines of *your premises*;
- (iv) arising from the use of any *tool of trade* other than whilst in transit or whilst being used for transport or haulage; or
- (v) for *property damage* caused by or arising out of the movement of any *vehicle* (which is required to be Conditionally Registered in accordance with the law of any State or Territory in *Australia*) in the event of *your* inadvertent and unintentional failure to effect Conditional Registration.

20. Watercraft, Aircraft, Hovercraft

personal injury or property damage caused by or arising directly or indirectly out of or in connection with:

- (a) (i) the operation, ownership, possession or use by *you* or on *your* behalf of any *watercraft* exceeding 10 metres in length except where such *watercraft* is owned and operated by others and is being used by an *insured person* for *business* entertainment; or
 - (ii) any *hovercraft*;
- (b) the ownership, maintenance, operation, possession, or use by *you* of any aircraft, including any property used for the purpose of an airport or any *aircraft* landing strip.

Provided that 20. (b) shall not apply to claims arising out of any model aircraft or tethered inflatable balloons used for advertising or promotional purposes; or
- (c) *your products* that an *insured person* knew or had reasonable cause to believe would be, or are, installed as a critical part or become a component part of the hull, machinery or instruments used for navigation or maintaining an *aircraft* or *hovercraft* or any other aerial device in flight or in movement upon the ground.

SPECIAL CONDITIONS

1. Additions and/or Alterations to buildings and plant

Where additions and/or alterations to *buildings* or plant are being performed at the *premises* by any contractor employed by *you*, notwithstanding the Definition of business clause (c), this policy extends to indemnify *you* against any claim for *your* legal liability to pay compensation for *personal injury or property damage* arising from an *occurrence* happening in connection with the conduct of the *business* or ownership of the *premises* during the period of the contract works, that is independent of the contractor's performance.

Provided also that nothing in this clause will result in an increase in our Limits of Liability in respect of any *occurrence* or *period of insurance*.

2. Cross liability

When an *insured person* consists of more than one party, the *insured person* shall be considered as a separate *insured person* as though a separate policy had been issued to each of the said parties.

Provided that our Limits of Liability and Additional Payments will apply as though there were not separate policies issued to each party.

3. Liability not to be admitted

The *insured persons* shall not admit liability for or offer to or agree to settle any claim without our written consent. We shall be entitled to take over and defend any claim with full discretion in the conduct of that claim.

4. Reasonable care and Precautions

Notwithstanding, Condition 12 – 'Precautions', noted in the General Terms and Conditions, the following is applicable for this *cover section*.

- (a) *You* must exercise reasonable care that only competent employees are employed and take reasonable measures to maintain all *premises*, fittings and plant in sound condition.
- (b) The *insured persons* shall:
 - (i) take all reasonable care and precautions to prevent *personal injury, property damage or advertising liability* losses;
 - (ii) take all reasonable care and precautions to prevent the manufacture, sale or supply of defective *products*; and
 - (iii) comply with all statutory obligations, by-laws or regulations imposed by any public authority for the safety of persons or property.
- (c) *You* shall at *your* own expense withdraw, inspect, repair, replace, trace, recall or modify any of the *products* containing any defect or deficiency of which *you* have knowledge or have reason to suspect.

5. Subrogation

Any *insured person* shall at any time, at the request and expense of us, permit all reasonable steps required to enforce any rights to which we would be entitled.

Burglary

INTRODUCTION

This *cover section* only forms part of *your* policy when Burglary Section is shown in the *schedule* and is limited to the *period of insurance* indicated.

DEFINITIONS

The following definitions shall apply to the words used in this *cover section*.

Category and Categories

category and *categories* means the *category* into which *property* can be designated from the following:

1. All contents;
2. All contents excluding Stock;
3. Stock including goods for which *you* are responsible but excluding Cigarettes and Tobacco Goods;
4. Cigarettes and Tobacco Goods; or
5. Specified Items listed in the *schedule*.

Provided that when *property* is being designated to these *categories* we agree to accept the designation used by *you* in *your* records. *Categories* shall have a corresponding meaning to *category*.

Property

property means the Property shown in the *schedule* as Insured Property.

Safe

safe means a burglar-resistant container that has been designed to resist fire and attack by hand-held or power-operated tools which has been specifically designed for the storage of *money* and valuables.

Strongroom

strongroom means a burglar resistant structure constructed of masonry and steel that 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.

Theft

theft means theft or attempted theft.

COVER

We will pay for the cost of replacing or repairing *property* that is lost or *damaged* by *theft* at the *premises* following:

1. visible forcible and violent entry into or exit from *buildings* at the *premises*;
2. a person hiding on the *premises* during normal operating hours until the *premises* are closed and locked up;
3. an actual, attempted or threatened armed hold up;
4. an actual, attempted or threatened assault or violent act; or
5. an actual visible, forcible violent entry into any locked cabinet, counter or showcase,

provided that the *theft* happens during the *period of insurance*.

We will also pay the cost of opening any *safes and strongrooms* *damaged* as a result of *theft* under Cover 1. to 5. above.

BASIS OF SETTLEMENT

At our option, we will:

- (a) with respect to *stock*:
 - (i) pay *you* the market value of the *stock* at the time of the loss or *damage*;
 - (ii) pay *you* the value of *obsolete stock* or its purchase price, whichever is the lesser, but no more than the original cost to *you*;
 - (iii) replace or repair the *stock* with *property* or materials equal to or of a similar standard and specification as the *stock* before it was *damaged*; or
 - (iv) pay the cost of repair or replacement of the *stock*.
- (b) with respect to *contents* and other *property* insured:
 - (i) repair or replace the *contents* or other *property*; or
 - (ii) pay *you* the cost of repair or replacement of the *contents* or other *property*.
- (c) pay the *sum insured* for a Specified Item.

LIMITATIONS OF COVER

1. Categories of property

We will only pay for *property* that can be correctly designated to one of the *categories* that are shown as insured in the *schedule*.

2. Excess

You are liable for the excess for each and every claim for an event that results in loss or damage.

3. Sum insured and reinstatement of sum insured

- (a) For each specific *category of property* we will only pay up to the *sum insured* that applies to that specific *category of property*.
- (b) Following damage covered by this *cover section* we will reduce the *sum insured* for those *categories* that are affected by the damage by an amount equal to any payments made or due to be made by us.
- (c) When a *sum insured* is reduced following a *theft* we will automatically increase this reduced *sum insured* to its value immediately before the *theft*.

Provided that:

- (i) the maximum amount we will pay in any one *period of insurance* is limited to twice the *sum insured*; and
- (ii) you pay or agree to pay the additional *premium* we require.

EXCLUSIONS

We will not pay for:

1. *theft* from any open-sided structure such as, but not limited to, verandas, yards or other open spaces whether they are partially or fully enclosed by a building or not;
2. *theft* when entry has been made using keys or security codes;
3. *theft of money* or negotiable instruments such as but not limited to cheques, stamps, *money orders*, vouchers and tickets exceeding \$500 in total;
4. *theft* of motorised vehicles (other than forklifts or similar mobile lifting plant, not otherwise insured) and/or watercraft, unless motorised vehicles and/or *watercraft* are specifically shown as insured in the *schedule* for this *cover section*;
5. unexplained disappearances or unexplained shortages whether resulting from clerical or accounting errors or shortages in the supply of materials to or by you;
6. *consequential loss* of any kind; or
7. the dishonest manipulation of any database or computer system.

EXTENSIONS OF COVER

1. Business records

Following a *theft* which is covered by this *cover section* we will pay in addition to the *sum insured* the costs necessarily incurred by *you* to re-create business books, plans, computer system records, patterns and other business records.

Provided the maximum amount that we will pay during the *period of insurance* is limited to \$25,000 or as noted in the *schedule*.

2. Clothing and Personal effects

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

Provided that the total amount payable under this Extension is limited to \$10,000 in total, any one event. If *you* are also insured under the Money *cover section*, the benefits payable under Extension of Cover 1. (b) 'Clothing and Personal effects' shall not be cumulative.

3. Damage to premises

We will pay in addition to the *sum insured* the cost of repairing *buildings* that are physically damaged during a *theft* at that *premises*. Provided that the maximum amount we will pay is limited to \$20,000 in total any one event.

4. Death following assault

If any person is injured while protecting or attempting to protect the *property* from *theft* and death results from this injury within 12 months, we will pay \$10,000 in addition to the *sum insured*, to the estate of that person. If *you* are also insured under the Money *cover section*, the benefits payable under Extension of Cover 1. (e) 'Death following assault' shall not be cumulative.

5. Disposal of damaged property

We will also pay in addition to the *sum insured*, the costs necessarily incurred by *you* to dispose of *damaged property* which has no salvage value.

Provided the maximum we will pay is limited to \$5,000 in total any one event.

6. Employee dishonesty

We will pay *you* for loss of *property* by *theft* or dishonesty by any of *your* employees occurring during the *period of insurance*, which is discovered within 45 days of its *occurrence*. Exclusion 7, the dishonest manipulation of any database or computer system and Extension 15 – 'Theft without forcible entry', proviso (b), *theft* by *you* or any of *your* employees, does not apply to this Extension.

Provided our liability under this Extension is limited to \$5,000 for any one event. If *you* are also insured under the Money *cover section*, the benefits payable for employee dishonesty shall not be cumulative.

7. Illegal use of corporate financial transaction card

If this policy covers *your contents* and any corporate credit card used by the *business* is lost or stolen during the *period of insurance*, we will pay any financial loss sustained by *you* arising from the illegal use of the card by an unauthorised person.

Provided that we will not pay:

- (a) any financial loss arising from the misuse or illegal use of corporate credit cards by *your* employees or any other person acting in collusion with an employee of *yours*; or
- (b) more than \$5,000 in total for any one loss or event.

8. Locks and Keys

If during the *period of insurance* keys used at the *premises* are accidentally lost or stolen, we will pay in addition to the *sum insured*:

- (a) the cost incurred to replace these keys; and
- (b) other costs that are necessarily incurred to restore the security of the *premises* to the same level of security that existed prior to the loss of these keys.

Provided that the maximum amount that we will pay is limited to \$10,000 in total, any one event. If *you* are also insured under the Money cover section, the benefits payable under Extension of Cover 1 (c) 'Keys, locks and combinations' shall not be cumulative.

9. New premises - Temporary cover

We will temporarily extend the cover provided by this *cover section* to *property* at any *premises* that are used by *your business* for the first time during the *period of insurance*.

Provided that:

- (a) this temporary cover is limited to a period of 90 consecutive days from the day that *you* first use the new premises;
- (b) this temporary cover is not available to *property* that cannot be correctly designated to one of the *categories* that are shown as insured in the *schedule*;
- (c) this temporary cover is only available to *property* that is of a similar type to that insured by this *cover section*;
- (d) for each specific *category* of *property* shown in the *schedule* this temporary cover is limited to 50% of the *sum insured* for that *category*; or
- (e) if more than one *premises* is shown in the *schedule* then this 50% limitation will apply to the lowest *sum insured* that applies to a specific *category* of *property*;
- (f) the new premises have *building* and security features that are similar to those at one of the premises shown in the *schedule*, having the same occupation;
- (g) *you* provide us with full details of the new *premises* within 90 days of *you* first using the new premises; and
- (h) *you* pay the *premium* that we require for this new premises.

10. Property and Contents temporarily removed

We will also cover *your property* and *contents* while temporarily removed to any other *premises* within *Australia*.

Provided that we will not cover:

- (a) tobacco, tobacco products, cigars, cigarettes or alcoholic beverages;
- (b) *property* that is on consignment to other parties unless it is owned by *you* or is *property* for which *you* are responsible;
- (c) *theft* from any vehicle which is not as a result of visible, forcible and violent entry into the locked vehicle;
- (d) *theft of property or contents* which are in the open air; or
- (e) *theft of property or contents* while in storage or while being transported for storage or during permanent removal from the *premises*.

Provided the maximum amount we will pay for this additional benefit will be 20% of the *sum insured* and this additional benefit will not apply to any *property* or *contents*, which has been removed for a period greater than 90 days without our prior written consent.

11. Seasonal or Festive increase

The *sum insured* for *stock* excluding any Cigarettes or Tobacco Goods, is increased by 50% for losses occurring during the days specified in the *schedule* under the heading 'Seasonal or Festive Increase', up to a maximum number of 126 days. If no days are specified, the 50% increase for *stock* excluding any Cigarettes or Tobacco Goods, the *seasonal increase periods* will apply.

Provided that this Extension of Cover will not extend the insurance beyond the *period of insurance* noted in the policy *schedule*.

12. Security

We will pay in addition to the *sum insured* the costs necessarily incurred by *you* to replace and develop security film and restore the security system to its former functionality following a *theft* or attempted *theft* that is covered by this *cover section*.

Provided that the maximum amount we will pay is limited to \$10,000 in total any one event. If *you* are also insured under the Money *cover section*, the benefits payable under Extension of Cover 1 (g) 'Security' shall not be cumulative.

13. Temporary protection and Watchmen

Following a *theft* that is covered by this *cover section* we will pay in addition to the *sum insured*, the costs necessarily incurred by *you* to safeguard the *premises* such as temporary repairs and the employment of watchmen or guards.

Provided that the maximum amount that we will pay is limited to \$10,000 in total, any one event. If *you* are also insured under the Money *cover section*, the benefits payable under Extension of Cover 1 (f) 'Temporary protection and Watchmen' shall not be cumulative.

14. Tenanted premises

We will also pay in addition to the *sum insured* for insured *property*, the cost of repairing or replacing *damage* to *your* landlords *premises* or property (other than glass) for which *you* are liable under the terms of *your* lease or rental agreement arising from *theft* or attempted *theft* at the *premises*.

Provided that the maximum amount we will pay is limited to \$20,000 in total, any one event.

15. Theft without forcible entry

We will cover loss or *damage* to *property* caused by *theft* from the *premises* even if there is no visible forcible and violent entry.

Provided that we will not pay for:

- (a) *theft* involving shoplifting;
- (b) *theft* by *you* or any of *your* employees; or
- (c) *consequential loss* of any kind.

Exclusion 1, *theft* from any open-site structure, does not apply to this Extension.

The maximum amounts that we will pay in total for any one event are limited to:

- (i) \$20,000 for *theft* of electronic equipment, other than stock, from within any *building*; or
- (ii) \$10,000 for all other property,

unless noted otherwise in the *schedule*.

16. Water authority charges

The costs levied on *you* by a Water Company or Authority for water usage arising from the *theft* of *property* or water at the *premises*.

Provided that the maximum amount we will pay is limited to \$10,000 in total any one event. If *you* are also insured under the Fire – Gold cover section, the benefits payable under Extension of Cover A – 12. 'Water authority charges' shall not be cumulative.

OPTIONAL EXTENSIONS OF COVER

1. Additional Damage to premises cover

If 'Additional Damage to Premises' is shown in the *schedule* then in addition to the cover provided under Extension of Cover 3 – 'Damage to *premises*', we will pay up to the amount shown in the *schedule* for the cost of repairing *buildings* at the *premises* that are physically *damaged* during a *theft*.

2. Additional Theft without forcible entry cover

If 'Theft without forcible entry' is shown in the *schedule* then in addition to the cover provided under Extension of Cover 15 – 'Theft without forcible entry', and subject to the same policy conditions, we will pay an increased amount up to the amount shown in the *schedule* for *damage* to *property* caused by *theft* from the *premises* where there is no visible forcible and violent entry.

3. Open Air Theft

If 'Open Air Theft' is shown in the Schedule then exclusion 1, *theft* from any open-site structure, does not apply to this Extension. coverage will be limited to the *sum insured* and appropriate *excess* shown in the *schedule*. Cover provided in this optional extension is subject to evidence of violent and forcible entry to, and removal of the *stock* from the *premises*.

Money

INTRODUCTION

This *cover section* only forms part of *your* policy when Money Section is shown in the *schedule* and is limited to the *period of insurance* indicated.

DEFINITIONS

The following definitions shall apply to the words used in this cover section.

Business hours

business hours means *your business* and office hours including overtime hours when *you* or *your* employees are on the *premises* for business purposes.

Financial service provider

financial service provider means a bank, building society or credit union or an agency for any of these, that provides business banking services to the public.

Locked

locked means to engage locking mechanisms and activate all security features of a device so that the maximum level of security obtainable by the device is achieved.

Loss and Lost

loss and *lost* means accidental loss, damage or destruction.

Money

money, for the purpose of this *cover section*, is extended to include funds held in electronic form in a bank account, *money* held in trust or for which *you* are responsible and which is not otherwise insured and shall also include any cash carrying bag used with the *transit*.

Safe

safe means a burglar-resistant container that has been designed to resist fire and attack by hand-held or power-operated tools which has been specifically designed for the storage of *money* and valuables.

Strongroom

strongroom means a burglar resistant structure constructed of masonry and steel that 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.

Transit

transit means *money* in *your* personal custody or in the custody of persons authorised by *you* whilst in transit within *Australia*. The *transit* shall be deemed to have commenced immediately the *safe* or *strongroom* is unlocked for the purpose of removing and immediately transporting the *money* from the *premises*. *Money* in *transit* includes *money* while 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 service provider* has recorded the *money* into *your* account or ceases trading on the next business day following the deposit therein.

Wages and salaries collected from the bank but not paid to employees is in '*transit*' until it is physically in the control of employees.

You or Your

you or *your*, for the purpose of this *cover section* only, is extended to include *your* directors, officers, partners, employees and if *you* are a registered club, *your* club members while acting for the club.

COVER

1. Blanket cover

When Blanket Cover is shown in the *schedule*, cover is provided in all of the circumstances described below, as if all of the Specified Covers were shown in the *schedule*.

2. Specified cover

When Specified Cover is shown in the *schedule*, we will pay up to the *sum insured* shown in the *schedule* for *loss of money* during the *period of insurance* for the following categories of money:

- (a) Money in transit;
- (b) Money on the premises;
- (c) Money in a locked safe or locked strongroom; or
- (d) Money in your custody.

Basis of Settlement

The maximum amount we will pay is the *sum insured* shown on the *schedule* as per the cover selection taken. If *you* have selected a different *sum insured* for each of the Specified Covers listed above, the maximum amount we will pay, in respect of:

- (a) *money in transit* at the time of the *loss* is the *money in transit sum insured*;
- (b) *money on the premises* during *business hours* at the time of the *loss* is the *money on the premises during business hours sum insured*. The maximum we will pay for *money* at the *premises* outside *business hours* is \$2,000, unless the *money* is contained in (c) below;
- (c) *money on the premises* in a securely locked *safe* or *strongroom* at the time of the *loss* is the *money at the premises in securely locked safe or strongroom sum insured*; or
- (d) *money in your personal custody* or the personal custody of an authorised person while in a private residence at the time of the *loss* is the *money in your custody sum insured*.

If we agree to pay a claim for *loss of money* (other than certificates of stock, bonds, coupons and all other types of securities or travellers cheques) we will pay the amount of *money lost*.

In the case of any certificates of stock, bonds, coupons and all other types of securities the amount of the securities will be calculated as follows:

1. if the securities can with our approval be replaced, the cost of replacement paid or payable by *you*; or
2. otherwise, 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
 - (iii) 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*.

In the case of a *loss* of subscription, conversion or redemption privileges through the *loss* of any security, the value of such privileges will be the value immediately preceding the expiration of the subscription, conversion or redemption, in the currency in which the *loss* was sustained.

Losses sustained in currencies other than Australian dollars will be calculated 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, then the value shall be agreed between *you* and us, or in default, we and *you* shall submit to mediation and be bound by the decision of the mediator.

In the case of travellers cheques, discount house vouchers or lottery tickets, the amount will be calculated at the original purchase price incurred by *you*.

When Extension of Cover 1 (a) 'Damage to safes or strongrooms' applies, we will, at our option:

- (a) repair the *safe* or *strongroom*;
- (b) replace the *safe* or *strongroom* with an item of a specification equal to but not better or more extensive than it was when new;
- (c) if the *loss* is confined to part of the *safe* or *strongroom*, repair or pay *you* the cost of repair of that part plus the cost of any necessary dismantling and reassembling; or
- (d) pay *you* the cost of repairing or replacing the *safe* or *strongroom*.

We will not pay costs of alterations, improvements or overhauls carried out when the *safe* or *strongroom* is being repaired or replaced.

LIMITATION OF COVER

1. Excess

You are liable for the excess for each and every claim for an event that results in a *loss*.

EXCLUSIONS

We will not pay for:

1. *theft* from an unattended vehicle that is not *locked*;
2. *theft* from a *safe* or *strongroom* when the locking device is opened by:
 - (a) a key, a magnetic key or card, or similar device;
 - (b) a sequence of numbers or letters, or numbers and letters; or
 - (c) any combination of the security devices shown in 2 (a) and 2 (b) above, when these security devices are left unsecured on the *premises*;
3. *theft* from a *safe* or *strongroom* that is not locked during non *business hours*;
4. shortage due to error or omission;
5. loss discovered more than 20 working days after such loss.
provided that this does not apply to Extension of Cover 4 – ‘Employee dishonesty’;
6. *loss* due to fraudulent or dishonest acts by *you*.
Provided that this does not apply to *theft* by *your* employees following visible, forcible and violent entry;
7. *loss* due to the dishonest manipulation of any database or computer system;
8. *loss of money* while professional money carriers, professional carriers or common carriers are carrying it; or
9. *consequential loss* of any kind.

EXTENSIONS OF COVER

1. Additional covers

In addition to the *sum insured*:

- (a) Damage to safes or strongrooms

If Blanket Cover or Money in Safes or Strongrooms is shown in the *schedule*, then we will pay up to \$10,000 for *damage* to safes and *strongrooms* following *theft* or an *attempted theft of money*.

- (b) Clothing and Personal Effects

If during a *theft* or attempted *theft of money*, clothing and personal effects are lost, then we will pay to repair or replace these items.

Provided that the total amount payable under this Extension is limited \$10,000 in total, any one event. If *you* are also insured under the Burglary *cover section*, the benefits payable under Extension of Cover 2. ‘Clothing and Personal Effects’ shall not be cumulative.

(c) Keys, locks and combinations

If Blanket Cover or *money in locked safes or locked strongrooms* is shown in the *schedule* and Exclusion 2 (c) does not apply, then:

- (i) we will pay to replace locks, keys, magnetic keys or cards or similar devices, or to change the sequence of numbers or letters, or numbers and letters to any *safe* or *strongroom* if:
- as a result of *theft* covered under this *cover section*, keys or combinations are stolen or there are reasonable grounds to believe that keys have been duplicated;
 - keys, magnetic keys or cards or similar devices are accidentally *lost*;
 - the sequence of numbers or letters, or numbers and letters becomes known by any unauthorised person or are accidentally *lost*;
 - circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices; and
- (ii) we will also pay the cost of opening *safes* and *strongrooms* following *loss* of keys, magnetic keys or cards or similar devices.

Provided that the total amount payable under this Extension is limited to \$10,000 in total, any one event. If *you* are also insured under the Burglary *cover section*, the benefits payable under Extension of Cover 8. 'Locks and Keys' shall not be cumulative.

(d) Travellers money

We will pay for *loss of money* in *your* custody while *you* are travelling for *your business* anywhere in the world.

Provided that the total amount payable under this Extension is limited to \$10,000 in total, any one event.

(e) Death following assault

If any person is injured while protecting or attempting to protect *money* from *theft* or attempted *theft* and death results from this injury within 12 months we will pay \$10,000 to the estate of that person. If *you* are also insured under the Burglary *cover section*, the benefits payable under Extension of Cover 4. 'Death following assault' shall not be cumulative.

(f) Temporary protection and Watchmen

We will pay for costs necessarily incurred by *you* to safeguard the *premises* following *theft* or attempted *theft* that is covered by this *cover section*, including but not limited to temporary repairs or the employment of watchmen or guards.

Provided that the total amount payable under *your* policy is limited to \$10,000 in total, any one event. If *you* are also insured under the Burglary *cover section*, the benefits payable under Extension of Cover 13. 'Temporary protection and Watchmen' shall not be cumulative.

(g) Security

We will pay in addition to the *sum insured* the costs necessarily incurred by *you* to replace and develop security film and restore the security system to its former functionality following a *theft* or attempted *theft* that is covered by this *cover section*.

Provided that the maximum amount we will pay is limited to \$10,000 in total any one event. If *you* are also insured under the Burglary *cover section*, the benefits payable under Extension of Cover 12. 'Security' shall not be cumulative.

2. Bank or Public holiday increase

The *sum insured* and the limits of *loss* for items shown in the *schedule* are increased by 100% on days that are bank or public holidays. This increase shall continue to apply up until 4 pm on the first bank trading day after such holiday.

Provided that this Extension of Cover does not apply to:

- (a) *damage to safes and strongrooms*;
- (b) *money on premises outside business hours*; and
- (c) is not cumulative with Extension of Cover 7 – ‘Seasonal or Festive increase’.

3. Counterfeit currency

We will pay for *loss of money* due to *your* acceptance of counterfeit Australian currency for goods or services supplied by *you* in connection with *your business*.

Provided that the total amount payable under this extension is limited to \$500 in total, any one *period of insurance*.

4. Employee dishonesty

We will pay *you* for *loss of money* by *theft* or dishonesty by any of *your* employees occurring during the *period of insurance*, which is discovered within 45 days of its *occurrence*. Exclusions 6 and 7, so far as they relate to *loss* due to fraudulent or dishonest acts by *you* and *loss* due to the dishonest manipulation of any database or computer system, does not apply to this Extension.

Provided our liability under this Extension is limited to \$5,000 for any one event. If *you* are also insured under the Burglary cover section, the benefits payable for employee dishonesty shall not be cumulative.

5. New Premises - Temporary cover

We will cover *you* for *loss of money* as insured by this cover section for a period of 90 days from the date *you* first occupy new premises; provided that;

- (a) the *money* is the *property* of the *business* shown in the *schedule*; and
- (b) cover applies only to the categories of *money* specified in the *schedule* insured by this cover section and our liability is limited to 50% of the *sum insured* for each category; and
- (c) the *loss of money* occurs within the *period of insurance*; and
- (d) the new premises have building and security features that are similar to those at one of the *premises* shown in the *schedule*.

You must provide us with full details of the new premises.

If we agree to cover the *money* at the new premises beyond the 90 consecutive day period, *you* must pay any additional *premium* we ask for.

6. Reinstatement of sum insured

When a *sum insured* is reduced following a *loss* we will automatically increase this reduced *sum insured* to its value immediately before the *loss*.

Provided that:

- (a) the maximum amount we will pay during the *period of insurance* is limited to twice the *sum insured*; and
- (b) you pay or agree to pay any additional *premium* we require.

7. Seasonal or Festive increase

The *sum insured* for *money* is increased by 50% for losses occurring during the days specified in the *schedule* under the heading 'Seasonal or Festive Increase', up to a maximum of 126 days or, if no days are specified, this increased cover for *money*, the *seasonal increase periods* will apply.

Provided that this Extension:

- (i) will not extend the insurance beyond the *period of insurance* noted in the policy *schedule*;
- (ii) does not apply to *money* on *premises* outside *business hours*; and
- (iii) will not apply to the individual days mentioned under Extension of Cover 2 – 'Bank or Public holiday increase'.

OPTIONAL EXTENSION OF COVER

1. Additional damage to safes and strongrooms

When 'Additional *damage* to safes and strongrooms' is shown in the *schedule* then the \$10,000 limit for Extension of Cover 1 (a) – 'Damage to safes and strongrooms' is increased to the limit shown in the *schedule*.

Glass

INTRODUCTION

This *cover section* only forms part of *your* policy when Glass Section is shown in the *schedule* and is limited to the *period of insurance* indicated.

COVER

If *glass breakage* occurs during the *period of insurance* we will pay for the actual cost of replacing and fixing the *glass* in its frame or in its normal location with *glass* of a similar type and quality to the *glass* that is *broken*.

We will pay any additional costs incurred by *you*:

- (a) in arranging after-hours services, express delivery and labour at overtime rates in relation to the repair and replacement of *broken glass*; and
- (b) to comply with current *building* regulations that relate to the *glass* that is *broken*, when applicable.

LIMITATIONS OF COVER

1. Excess

You are liable for the excess for each and every claim for an event that results in a *breakage*.

2. Types of glass

We will only pay for *internal* or *external glass* if they are shown in the *schedule*.

EXCLUSIONS

We will not pay for *damage* to:

- 1. property during installation or removal of *glass*;
- 2. *glass* that is *stock* in trade, forming a part or component of *stock* in trade or merchandise; or
- 3. *glass* that is only scratched, chipped or discoloured.

EXTENSIONS OF COVER

1. Additional benefits

If 'Glass' is shown in the *schedule* and *glass is broken* during the *period of insurance* then we will pay the costs that are necessarily incurred by *you* to:

- (a) effect temporary repairs, install shuttering and employ watchmen or guards;
- (b) repair or replace:
 - (i) frames, sign-writing, alarm tapes, coatings; or
 - (ii) fittings and tiled shop fronts, but with due allowance for wear and tear; that are damaged as a result of glass *breakage*; and
- (c) remove and refit fixtures and tiles to allow the repair or replacement of *broken glass*.

Provided that the total of all payments under this Extension of Cover is limited to \$10,000 during the *period of insurance*.

2. Advertising (or identification) signs

We will pay for *breakage of advertising (or identification) signs* occurring during the *period of insurance*.

Provided that the total of all payments under this Extension of Cover is limited to \$10,000 during the *period of insurance*.

3. Damaged stock

If 'Glass' is shown in the *schedule* and glass is broken we will pay to repair or replace *stock* that is *damaged* by such broken glass.

Provided this Extension of Cover is limited to \$10,000 during the *period of insurance*.

4. Malicious damage

If 'Glass' is shown in the *schedule* and where *you* are a tenant of leased *premises*, and *you* are required by the terms of *your* lease to insure external glass, we will also cover *you* for the cost of replacing external glass which *you* are required to replace where the *damage* has arisen from the acts of malicious persons and not resulted in the external glass being broken through the entire thickness.

Provided that this Extension of Cover is limited to \$10,000 during the *period of insurance*.

5. Reinstatement of Additional benefits

Following a claim under Extensions of Cover 1 – 'Additional benefits', if *you* pay or agree to pay an additional *premium*, we will return the limit to the full \$10,000.

OPTIONAL EXTENSIONS OF COVER

1. Increased Additional benefits

If 'Increased Additional benefits' is shown in the *schedule* then the total for all payments provided under Extensions of Cover 1 – 'Additional benefits' is increased to the limit shown in the *schedule*.

2. Increased cover on Advertising (or identification) signs

If 'Increased cover on Advertising (or identification) signs' is shown in the *schedule* then the total for all payments provided under Extensions of Cover 2 – 'Advertising (or identification) signs' is increased to the limit shown in the *schedule*.

3. Increased cover on Damaged stock

If 'Increased cover on Damaged stock' is shown in the *schedule* then the total for all payments provided under Extensions of Cover 3 – 'Damaged stock' is increased to the limit shown in the *schedule*.

Business Special Risks

INTRODUCTION

This *cover section* only forms part of *your* policy when Business Special Risks Section is shown in the *schedule* and is limited to the *period of insurance* indicated.

DEFINITIONS

The following definitions shall apply to the words used in this *cover section*.

Damage or Damaged

damage or *damaged* means accidental physical *damage*, destruction or loss.

Item or Items

item or *items* means an Item or Items that are shown in the *schedule*.

Stock

stock, for the purpose of this *cover section* only, is extended to include any materials owned by *you* and stored on *your premises*, at contract sites, or during transit.

Cover

We will pay up to the *sum insured* for the cost of repairing or replacing items that are *damaged* during the *period of insurance*.

LIMITATIONS OF COVER

1. Excess

You are liable for the excess for each and every claim for an event that results in *damage*.

2. Geographical limits

Cover only applies to *damage* that occurs anywhere in the world, unless cover is limited by *endorsement* to the situation shown in *your schedule*.

3. Obsolete items or improvements

If an *item* cannot be purchased as a new *item* or if an *item* cannot be repaired or replaced without improving the output, capacity or efficiency of that *item* then we will only pay the cost of replacing or repairing that *item*, less an amount equal to the value of any such improvement(s).

4. Reduced sum insured

The *sum insured* for the *period of insurance* will be reduced by any payment made or due to be made under this *cover section*.

5. Stock

We will not pay for *damage* once *stock* has been used or incorporated into any contract.

6. Unspecified items

When cover is shown in the *schedule* for Unspecified Items, cover is limited to a maximum amount of \$2,500 for any one *item*.

Provided that we will not pay for Excluded Items.

EXCLUSIONS

1. Excluded causes

We will not pay for *damage* caused by or arising from:

- (a) the actual breaking, seizing, deformation or melting of any part of any *item* while that *item* is in use that is caused by mechanical, electrical or electronic defect within the *item* that causes sudden malfunction that requires repair or replacement before the *item* can resume normal operation;
- (b) corruption or loss of data;
- (c) vermin or insects;
- (d) scratching, denting, chipping or other aesthetic defects that do not affect the operation or function of the *item*;
- (e) gradually operating causes such as, but not limited to, wear and tear, atmospheric conditions, mildew, corrosion, disease, fading, rusting or other forms of oxidisation; or
- (f) faulty materials, faulty workmanship or latent defects.

Exclusions 1 (a), (c), (e) and (f) shall apply only to the part of the *item* immediately affected and we will pay for any *damage* to any *item* that is not otherwise excluded that results from *damage* caused by or arising directly from any of these causes.

2. Excluded items

We will not pay for the following *items* unless they are specified in the *schedule*:

- (a) mobile plant, motorised vehicles, watercraft, video equipment;
- (b) *stock*;
- (c) mobile telephones and radios, sporting equipment, aerial devices;
- (d) computers, electronic diaries, organisers or their accessories;
- (e) firearms; and
- (f) money.

3. Consequential loss

We will not pay for *consequential loss* of any kind.

EXTENSIONS OF COVER

1. Automatic reinstatement

If we pay an amount for a claim under this *cover section* we will automatically reinstate the *sum insured* to the amount shown on the *schedule*, provided that *you* pay or agree to pay the additional *premium* that we require.

2. Theft of property of others

We will cover *you* for *theft* of any *item* not belonging to *you* but in *your* physical or legal control for the purposes of *your business* occurring during the *period of insurance*, anywhere in the world.

We will not cover *you* under this additional extension unless the *item* or *items* were:

- (a) in a securely locked vehicle and the theft was consequent upon forcible and violent entry to the vehicle;
- (b) securely and permanently affixed to a *building* or vehicle and *theft* is consequent upon forcible and violent removal of the *item* or *items*;
- (c) in a vehicle and was securely chained to that vehicle by a steel chain and a security rated padlock;
- (d) in *your* private residence or the private residence of *your* employee who has been authorised by *you* to have the custody and control of the item. However we will not cover any theft by a tenant;
- (e) securely locked in a *building* or any part of the *building* and the theft is consequent upon forcible and violent entry to the *building* or that part of the *building*.

We will not cover any theft:

- (i) committed by *you* or any of *your* employees;
- (ii) committed by any person while lawfully at *your premises* or within the *building*;
- (iii) of any *item* which is unattended in areas of the *building*; or
- (iv) stolen as a consequence of armed hold-up or the threat of physical violence.

We will not cover *you* for more than \$2,500 in any one *period of insurance* under this Extension of Cover.

OPTIONAL LIMITATIONS

1. Fire excluded

If the peril of 'Fire' is shown as being excluded in the *schedule* then *damage* due to fire is not covered by this *cover section*.

2. Restricted cover

If 'Restricted Cover' is shown in the *schedule* then cover is limited to loss or *damage* caused by:

- (a) fire, storm, water, explosion, lightning, *flood*;
- (b) earthquake, subterranean fire;
- (c) impact by vehicle or aircraft;
- (d) collision or overturning of a vehicle;
- (e) *theft* following visible, forcible and violent entry to locked vehicles or locked *premises*; and
- (f) malicious *damage*, but not theft.



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