

Professional Package

Business Pack Insurance Policy



POLICY

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



About this booklet

This booklet contains 2 separate parts:

General Information and the Policy Terms and Conditions

General Information

This part of the booklet contains information you need to know before you take out a Policy. Please read it carefully before taking out this insurance.

Policy Terms and Conditions

The Policy part of this booklet contains the Policy Terms and Conditions, which detail all the terms, conditions and exclusions relating to the Policy. It forms part of your legal contract with us.

If we issue you with an insurance policy, you will be given a Policy Schedule. The Policy Schedule sets out the specific terms applicable to your cover and should be read together with the Policy Terms and Conditions.

The Policy Terms and Conditions and the Policy Schedule we send to you form your legal contract with us so please keep them in a safe place for future reference.

If you require further information about this product, please contact your Financial Services Provider.

About QBE Australia

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

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

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GENERAL INFORMATION FOR PROFESSIONAL PACKAGE POLICY

The information contained in this part is general information only and does not form part of your contract with us. The Policy Terms and Conditions in the rest of this booklet contain details of your contract.

Duty of Disclosure – What you must tell us

Under the Insurance Contracts Act 1984 (the Act), you have a Duty of Disclosure. The Act requires that before a policy is entered into, you must give us certain information we need to decide whether to insure you and anyone else to be insured under the policy, and on what terms. Your Duty of Disclosure is different, depending on whether this is a new Policy or not.

New business

Where you are entering into this Policy for the first time (that is, it is new business and is not being renewed, varied, extended or reinstated) you must tell us everything you know and that a reasonable person in the circumstances could be expected to tell us, in answer to the specific questions we ask.

When answering our questions you must be honest.

- **Who needs to tell us**

It is important that you understand you are answering our questions in this way for yourself and anyone else whom you want to be covered by the Policy.

- **If you do not tell us**

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the Policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the Policy as never having worked.

Privacy

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

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

We may need to disclose personal information to our reinsurers, (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, our advisers and those involved in the claims handling process (including assessors and investigators), for the purposes of assisting us and them in providing relevant services and products, or for the purposes of litigation. We may disclose personal information to people listed as co-insured on your policy and to family members or agents authorised by you. We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request your consent to any other purpose.

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

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

The General Insurance Code of Practice

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

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

Dispute resolution

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

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

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

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

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

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

POLICY TERMS AND CONDITIONS FOR PROFESSIONAL PACKAGE POLICY

Insurer

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

Our agreement with you

This Policy is a legal contract between you and us. You pay us the premium, and we provide you with the cover you have chosen as set out in the Policy, occurring during the period of insurance shown on your Policy Schedule or any renewal period.

The excesses set out in the Section headed 'What you must pay if you make a claim – Excess' apply to all claims except where otherwise stated. The amount of any excess that applies to your Policy will be shown on your Policy Schedule.

The exclusions in the Section(s) headed 'When you are not covered' and conditions in the Section headed 'General conditions' apply to all types of cover.

Your Policy

Your Professional Package Policy consists of the Policy Terms and Conditions in this booklet and the Policy Schedule we give you.

Please read your Policy carefully, and satisfy yourself that it provides the cover you require.

If you want more information about any part of your Policy, please ask us, or your Financial Services Provider.

The address and telephone number of your QBE branch are on your Policy Schedule.

You should keep your Policy Booklet and Policy Schedule together in a safe and convenient place for future reference.

Providing proof

So that your claim can be assessed quickly you should keep the following:

- receipts of purchase.

We may ask you for these if you make a claim.

Other party's interests

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

How you can pay your premium

Your Financial Services Provider offers one or more of the following payment methods:

- one annual payment by cash, cheque, credit card or EFTPOS, or
- instalments by direct debit from your credit card or from your account with your financial institution. These instalments may be made:
 - monthly
 - quarterly
 - half yearly
 - annually

The frequency of payment you have chosen will be shown on your Policy Schedule.

Paying your annual premium

You must pay your annual premium by the due date. If we do not receive your premium by this date or your payment is dishonoured this Policy will not operate and there will be no cover.

Paying your instalment premium

If you are paying your premium for the first time by instalments we will deduct instalments each month on the day of the month that you nominate as your payment date.

If you are renewing your Policy and you paid your previous Policy by instalments, we will continue to deduct instalments for your renewed Policy on the day of the month you previously nominated as your payment date, unless you tell us otherwise.

If you have nominated the 29th, 30th or 31st of the month as your payment date, we will deduct your instalment payment on the next day if those dates don't occur in a month.

Details of your instalments are shown on your Policy Schedule.

If your first instalment of premium when you take out your Policy or renew it is dishonoured, this Policy will not operate and there will be no cover.

We will not pay a claim under this Policy if, at the time the claim occurred, any instalment of premium has remained unpaid for 14 days or more.

If any instalment of premium has remained unpaid for 1 month, we may cancel this Policy. We will send you a notice giving you details of the action we intend to take and when any cancellation will become effective.

We are entitled to deduct from any amount we pay you under a claim any unpaid premium or instalment of premium.

If you are paying your premium in instalments by direct debit from your credit card or financial institution account, you must tell us if those details change. You must do this no later than 7 days before your next instalment is due.

Preventing our right of recovery

If you have agreed not to seek compensation from another person who is liable to compensate you for any loss, damage or liability which is covered by this Policy, we will not cover you under this Policy for that loss, damage or liability.

How Goods and Services Tax affects any payments we make

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

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

When you are:

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

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

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

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

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

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

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

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

Words with special meanings

Some key words and terms used in this Policy have a special meaning.

If words and terms are only used in just one Section of the Policy, we will describe their special meaning in that Section.

Wherever the following words or terms are used in the Policy, they mean what is set out below:

Word or Term	Meaning
Aircraft	any vessel, craft or anything made or intended to fly or move in or through the atmosphere or space
Business	your trade or occupation which is described in the Schedule and is carried on at and from the location
Business hours	the office and working hours (including overtime) during which you or your employees are at the location for the purpose of your business
Excess	the amount you have to contribute towards the cost of any loss or damage
Family	your spouse (legal or de facto), your children or your spouse's children, parents or grandparents who normally live in your home
Flood	the inundation of normally dry land by water escaping from or released from the confines of any natural watercourse or lake, whether modified or not or from any reservoir, dam or canal
Location	the place(s) listed in the Policy Schedule
Money	cash, notes, negotiable instruments, cheques, postal notes, post office money orders, negotiable securities, stamps, credit card sales vouchers, instant lottery tickets, transport tickets, telephone credit cards and/or franking machine credits
Period of insurance	the period shown in the Policy Schedule
Policy	includes this Policy wording, the Policy Schedule and any future documents issued to you which amend the Policy wording or Schedule
Policy Schedule	the schedule of insurance, or any future renewal schedule, or endorsement schedule
Rainwater	rain falling naturally from the sky including rainwater run-off over the surface of the land. Rainwater does not mean flood
Storm	violent wind (including cyclones, tornadoes and thunderstorms) which may be accompanied by hail, snow or rain
Watercraft	any vessel, craft or anything made or intended to float on or in or travel through the water

Word or Term	Meaning
We, Our, Us	QBE Insurance (Australia) Limited, ABN 78 003 191 035
You, Your	the person(s), companies or firms named on the current Policy Schedule as the 'Insured'
Your vehicle	any type of machine on wheels or self laid track made or intended to be propelled by other than manual or animal power and any trailer or other attachment made or intended to be drawn by any such machine

Types of cover

This Policy offers you a choice of cover. You can choose any or all of the following:

- Section 1: Property
- Section 2: Business interruption
- Section 3: Money
- Section 4: Machinery breakdown
- Section 5: Electronic equipment
- Section 6: Broadform liability
- Section 7: Glass
- Section 8: General property
- Section 9: Tax audit

Section 1: Property

What you are insured against

This Section insures physical loss or damage to the property which you have elected to insure which occurs during the period of insurance at the location.

Not all physical loss or damage is insured. We set out below and in the general exclusions applying to all Sections of this Policy what loss and damage we do not insure.

Words with special meanings

Wherever the following words or terms are used in the Policy, they mean what is set out below:

Word or Term	Meaning
Buildings	the buildings and outbuildings at the location which are owned by you or for which you are legally responsible and includes: <ul style="list-style-type: none"> • fixtures, fittings and underground and overhead services, and • walls, gates, fences and all other structural improvements at the location
Capital additions	alterations and additions to buildings which are commenced during the period of insurance
Contents	the contents of the buildings which are used in the business and are owned by you or for which you are legally responsible. 'Contents' does not include: <ul style="list-style-type: none"> • mechanically or electrically propelled vehicles • caravans or trailers • watercraft or aircraft • money, jewellery, furs, watches or precious or semi precious stones • stock-in-trade or samples other than stock-in-trade or samples <ul style="list-style-type: none"> – of medical practitioners, dental or veterinary surgeons, or – kept for your own use
Indemnity basis	<ul style="list-style-type: none"> • the reasonable and necessary cost of rebuilding, replacing or repairing property with new materials less an allowance for depreciation, and • wear and tear based on the age and condition of the property at the time of the loss or damage
Records and documents	electronic media, written, printed, filmed or taped records (including computer records), deeds, plans or drawings or documents of any other type which are: <ul style="list-style-type: none"> • used in the business • in a building at the location, and • are owned by you or are in your custody in the ordinary course of the business

Word or Term	Meaning
Replacement basis	the reasonable and necessary cost of rebuilding, replacing or repairing property to a condition substantially the same as but not better nor more extensive than its condition when new
Stock in Trade	the items belonging to you or for which you are legally responsible or have assumed a responsibility to insure described below: <ul style="list-style-type: none"> • merchandise or materials of trade manufactured, un-manufactured or in the course of manufacture • materials used in making or packing • consignment stock • goods held in trust or on commission • samples other than as provided for under the definition of 'Contents'

What we will pay

Buildings – basic cover

When you insure buildings we will pay the amounts set out below:

(a) Loss or damage to the buildings

For loss or damage to the buildings, we will pay the replacement basis, provided that the work of repairing or rebuilding:

- is carried out upon the same site, and
- as far as you can influence it, is commenced within six months of the date on which the loss or damage occurred and completed within a reasonable period of time

otherwise we will pay for the loss or damage on the indemnity basis.

The work of repairing or rebuilding may be carried out in any manner suitable to your requirements, provided there is no increase in cost.

(b) Architects, surveyors, legal and consulting engineer's fees

The fees of architects, surveyors, lawyers and consulting engineers which are necessarily incurred in the reinstatement or replacement of damage to the buildings for which we have agreed to pay under this Section.

(c) Requirements of statutory authorities

For loss or damage to the buildings, we will also pay the cost of complying with the requirements of any statutory authority in force at the date of the loss or damage.

However if the cost of reinstatement of any damage is less than fifty percent (50%) of the cost of reinstating the whole of the property (if it had been completely destroyed), the amount we will pay for the cost of complying with the requirements of any statutory authority:

- will not exceed the cost of complying with the statutory requirements that relate to the part of the buildings that is damaged

- will not include any such costs attributable to any part of the buildings which is not damaged, and
- will not exceed, in any event, the amount which we would have been required to pay if the buildings had been wholly destroyed.

(d) Floor space ratio index (plot ratio)

If by reason of any legislation, regulation, or by-law of any parliament or statutory authority, reinstatement or damage to buildings is only permissible if there is a reduction of the floor space ratio index (plot ratio) of the site, we will pay the difference between

- the actual cost of reinstating of the buildings with the reduced floor space ratio index (plot ratio), and
- the amount it would have cost to reinstate the buildings if there had been no reduction in the floor space ratio index (plot ratio).

(e) Capital Additions

For loss or damage to any capital additions obtained or built during the period of insurance, we will pay up to 10% of the total sum insured or \$250,000, whichever is the lower amount, for the location where the capital additions are being carried out.

(f) Landscaping

Up to \$10,000 for loss or damage to landscaping which includes trees, shrubs, plants and lawns.

(g) Search and find

Up to \$25,000 for the reasonable costs of locating the source of loss or damage caused by bursting or leaking of any water mains, pipes, gutters, drains, tanks or fixed apparatus used to hold or carry water.

(h) Temporary protection

Following loss or damage covered by this Section, we will pay up to \$25,000 for the cost of temporary repairs to the buildings for the purpose of securing the buildings and safeguarding property from further loss.

Buildings – rental

In addition to the sum insured shown in the Policy Schedule for buildings, if:

- the buildings are uninhabitable as a result of the loss or damage, and
- you rent alternative accommodation

we will pay an amount equal to the rentable value of your buildings immediately prior to the loss or damage for the period which is reasonably necessary to repair or rebuild the buildings.

We will not pay more than the lesser of:

- the rentable value for twelve months, or
- ten percent of the sum insured for buildings.

For the purpose of this cover 'rentable value' shall include the value of outgoings normally paid by a tenant under a lease agreement.

Contents – in the buildings

When you insure contents, we will pay the amounts set out below for loss or damage which occurs when your contents are in the buildings at the location:

- (a) for loss or damage to contents (other than stock-in-trade or samples), we will pay on the replacement basis
- (b) for loss or damage to stock-in-trade and samples, we will pay on the indemnity basis
- (c) if any locks securing external doors, windows or other openings at the location are damaged, we will pay \$5,000 for the cost of replacing keys or recoding or replacing locks to which the keys are stolen with locks of similar type and quality.
- (d) If keys or details of a combination are stolen as a result of violent and forcible entry to the building, we will pay up to \$5,000 for the cost of replacing locks, keys, combinations and the costs of opening the safe or strongroom.

Limits on contents cover

However, for the following property or events, we will not pay any more than the amounts set out below:

- (a) Works or art, etc
\$5,000 for any curio, picture, work of art, gold or silver object up to a maximum of \$25,000 for all such articles, unless a different amount is shown in the Schedule.
- (b) Directors' and employees' personal effects
Personal property of directors and employees of your business if:
 - the personal property is used solely for business purposes, and
 - the person to whom the personal effects belong is not named as an insured.
 Cover is limited to \$5,000 any one person but if any person is entitled to indemnity under any other policy of insurance effected by him/her or by any person other than you, this cover will only apply in respect of any amount in excess of that provided by such other policy. There is no cover for you or any person named as the Insured on your Policy Schedule.
- (c) Fraud or dishonesty
\$20,000 for loss of contents due to fraud or dishonesty by any of your employees provided that:
 - the loss is discovered within 45 days after it occurs, and
 - the employee is not a director or partner of the business or a member of your family.
- (d) Theft
 - \$25,000 for theft from any yard, garden or other open space
 - \$100 for theft of money.

Contents – temporary removal

We will pay up to 30% of the sum insured for contents for loss or damage which occurs to contents (other than portable computers and mobile phones) while they are temporarily removed from the building(s), within Australia and are either:

- in any premises other than the buildings(s),
- on the person of you or your employees, directors or partners in the course of their employment, or
- in transit.

We will not pay any amount for loss or damage:

- caused by theft from any vehicle unless the theft follows a collision or overturning of the vehicle or violent and forcible entry into the vehicle, or
- which occurs while the contents are in storage, being transported for sale or storage or during permanent removal from the buildings(s).

Removal of debris and fire extinguishment

Up to \$25,000 each for the cost of:

- extinguishing any fire and recharging extinguishers used in extinguishing any fire
- removal of debris following damage to the buildings or contents and demolition of undamaged property required as a result of the damage to the buildings or contents
- shutting of the supply of water or other substance that is accidentally discharged from any fire extinguishing equipment
- wages of your employees, provided that our liability for the cost of these wages shall be limited to those necessarily and reasonably incurred in extinguishing fires at or adjoining the location insured by this Policy or threatening to involve it.

However if any other amount is shown in the Policy Schedule for removal of debris, we will pay only that amount.

Records and documents

We will pay for the reasonable and necessary legal, clerical and other costs of replacing or restoring records and documents which are lost or damaged up to the sum insured shown in the Policy Schedule.

Additional benefits

We also cover:

1. Branded stock

In the event of a claim, any salvage of branded goods will not be disposed of by sale without your consent.

If the salvage is not sold, then the value of it will be agreed upon between you and us, and the agreed amount deducted from the amount of the claim as finally determined.

2. Fire extinguishment costs

The Policy includes:

- wages of your employees
- the cost of recharging fire fighting appliances and destruction of or damage to materials (including employees' clothing and personal effects)

Provided that our liability for these wages and costs shall be limited to those necessarily and reasonably incurred in extinguishing fires at or adjoining the location insured by this Policy or threatening to involve it.

3. Leased building clause

Where you enter into a lease for occupancy of any building and the terms of the lease contain a disclaimer clause in favour of the lessor then this insurance shall not be prejudiced by you agreeing to such terms.

4. Outside premises storage clause

If you enter into a contract for the storage of goods and/or merchandise and the terms of that contract contain a disclaimer clause then this Policy shall not be prejudiced by your agreeing to that clause.

5. Progress payments

If required by you, progress payments on account of any loss recoverable under this Section of the Policy will be made at intervals to be mutually agreed upon subject to production of an interim report by the loss adjustor (if one is appointed);

Provided that these payments are deducted from the final claim settlements.

6. Protection of interest

Where this insurance covers the interests of more than one party, any act or neglect of any one party will not prejudice the rights of the other party or parties.

Provided that the remaining party or parties shall upon becoming aware of any act or neglect which increases the risk of loss, destruction, or damage, notify us in writing and on demand pay any reasonable additional premium which may be required.

7. Release

Where you have been required by contractual agreement to release railways, municipal governments, governments and semi-government authorities from liability arising from insured events under this Policy, that release is allowed without prejudice to this Policy.

8. Sale condition

Our liability for goods for which you are responsible which are sold but not delivered and for which the contract of sale is cancelled under its conditions by reason of loss, destruction, or damage to the goods by an insured event will be the contract price, or in the case of partial cancellation of the contract of sale that part of the total contract price which shall have been lost to you because of the partial cancellation.

Our liability as set out in this clause shall in any case be reduced by any amount which is paid or payable to you under the Business Interruption Section of this Policy.

9. Sound property

In the event of partial damage to the property described in the Policy Schedule by an insured event, we agree that the cost of demolition or destruction and reconstruction of sound property necessary for the purpose of reinstatement or replacement of the damaged property is covered under this clause.

10. Tenants clause

Should a tenant of yours or the owner of or another tenant in the building described in the Policy Schedule do or omit to do without your knowledge anything which would breach any provision of this Section of the Policy it will not be breached on that account provided that you notify us of the happening or the existence of the act or omission as soon as it comes to your knowledge and you pay any reasonable extra premium which may be required.

11. Undamaged foundations

If, where a building is destroyed but the foundations are not and due to the exercising of statutory powers and/or authority by any government department, local government or other statutory authority reinstatement of the building has to be carried out upon another site then the abandoned foundations will be considered as being destroyed.

Provided that if the presence of the abandoned foundations increases the resale value of the original building site then the increase in resale value shall be regarded as salvage and be payable to us.

12. Fusion

In the event of destruction or damage to any motor under 1.8 kilowatts (2 ½ horse power) forming part of the building and/or contents where the building and/or contents are insured under the Property Section of this Policy (excluding radio, television, amplifying or electronic equipment of any description) caused by the actual burning out of the part or parts by the electric current in them.

Limit of indemnity

The cost of replacing the damaged part/parts subject to a deduction for depreciation calculated as follows:

- where the age of the damaged part/parts is less than three years, no deduction shall be made for wear, tear and depreciation
- where the age of the damaged part/parts is three years or more, the deduction for wear, tear and depreciation shall be 10% of the replacement or repair cost, whichever is applicable, for each complete year of age provided that the amount of deduction shall not in any event exceed 90%.

Special exclusions applicable to fusion

There is no cover for:

- loss of use, wear and tear
- destruction or damage to
 - (a) lighting or heating elements, fuses or protective devices
 - (b) electrical contacts at which sparking or arcing occurs in ordinary working.

What we will not pay

Excesses

We will not pay the following amounts:

- (a) subject to the following, the excess(es) shown in the Policy Schedule for this Section
- (b) for loss or damage which occurs during any period of 48 consecutive hours as a result of earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of those events, the lesser of:
 - the first \$20,000 of the loss or damage, and
 - 1% of the total sum insured for all buildings and contents at the location where the loss or damage occurs.

Maximum amount

We will not pay more than the sum(s) insured shown in the Policy Schedule for this Section.

Co-Insurance condition

We will not pay any greater proportion of the loss or damage than the sum insured for all the property at the location bears to eighty percent (80%) of the value of that property at the commencement of the period of insurance. However:

- we will not pay any more than the sum insured for each item which is listed in the Policy Schedule, and
- this condition will not apply if the amount of the loss or damage is less than five percent (5%) of the total sum insured for all the property at the location.
- this condition will not apply to loss or damage arising out of theft.

Burglary protection condition

If this condition is shown in the Policy Schedule, we will not pay any amount under this Section unless the burglar alarm system installed in the buildings is:

- the subject of a continuing maintenance contract with a person who is qualified to install and service burglar alarms
- examined and tested by that person at least once each six (6) months
- at all times maintained in good condition and efficient working order
- made operative whenever the premises are left unoccupied.

What you are not insured against

We do not insure you for the following types of loss or damage:

- (a) accidental breakage of glass, mirrors, sanitary ware and sinks
- (b) scratching of painted or polished surfaces
- (c) loss or damage to plants other than provided for in 'What we will pay – Buildings basic cover item (f)', animals, fish or birds
- (d) unexplained or inventory shortage, clerical or accounting error or book debts

- (e) damage to any electrical or electronic appliance (including wiring) caused by electric current other than provided by Special Clause 12 'Fusion' but this exclusion does not apply to any damage which is caused by a fire which results from any such damage
- (f) loss, destruction or damage to information on computer systems' records:
 - (i) due to the presence of magnetic flux, or
 - (ii) while mounted in or on any machine for use or processing unless it is caused by:
 - fire, lightning, explosion or earthquake
 - theft
 - impact by animals or vehicles
 - aircraft or articles dropped from them
 - riot, civil commotion or strikes
 - malicious damage
 - storm, rainwater or water discharging, overflowing or leaking from any water tank, water apparatus or water pipe.
- (g) loss or damage due to defects in any computer systems' records
- (h) consequential loss of any kind.

We do not insure you for loss or damage caused by the following:

- (a) wear, tear, gradual deterioration, vermin or insect
- (b) any process of cleaning, dyeing, repairing or restoring
- (c) atmospheric moisture, rust, corrosion, oxidation, temperature, action of light, mildew, mould or rot
- (d) mechanical, electrical or electronic failure or breakdown other than provided by Special Clause 12 'Fusion'
- (e) faulty materials or workmanship or error in design or latent defect, but this exclusion applies only to the part of the machine or structure which is directly damaged by the faulty materials or workmanship or error in design or latent defect
- (f) flood, the sea, tidal wave, high water, seepage, erosion, or other earth movement or normal structural movement.
Provided that this exclusion shall not apply if loss, destruction or damage is caused by or arises out of an earthquake or seismological disturbance.
- (g) spontaneous fermentation, heating or any process involving the application of heat but this exclusion only applies to the property which is undergoing the spontaneous fermentation, heating or application of heat
- (h) theft by any member of your family, whether as a principal or accessory
- (i) theft from any yard, garden or other open space other than provided for in Limits on Contents Cover (d) theft.

Provided the exclusions (a) to (i) of 'We do not insure you for loss or damage caused by the following' will not apply to loss or damage to property that is not otherwise excluded that results from any of these causes.

We do not insure you for

- (a) loss or damage which is capable of being insured under any other Section of this Policy whether that Section is selected or not
- (b) any additional cost of complying with the requirements of any statutory authority with which you had been required to comply before the loss or damage occurred.

Section 2: Business interruption**What you are insured against**

We will cover you for:

- loss of income during the indemnity period
- which results directly from the effect on the business of loss or damage to any property which is insured and for which you would have been entitled to indemnity (if no excess had applied) under either:
 - Section 1 'Property' of this Policy (unless otherwise shown), or
 - any other policy which provides the same insurance cover as Section 1 of this Policy.
- for the amounts set out below.

You may choose to insure your loss of income in a number of ways:

Cover 1 is for loss of gross revenue

Cover 2 is for additional cost of working

Cover 3 is for outstanding accounts receivable.

The cover you have chosen will be shown in the Policy Schedule.

We also provide some additional benefits. Depending on what cover you choose, you are automatically entitled to these benefits.

Words with special meanings

Wherever the following words or terms are used in the Policy, they mean what is set out below:

Word or Term	Meaning
Accountant	an accountant appointed by agreement between you and us or, if we cannot agree, nominated by the President of the Institute of Chartered Accountants in Australia
Gross revenue	the money paid or payable to you for goods sold, services rendered or for rental received or payable plus outgoings as defined and specified in any lease in the course of your business
Indemnity period	begins when the loss or damage occurs and ends on the earlier of the following: <ul style="list-style-type: none"> • the expiry of the period listed in the Policy Schedule, or • when the business ceases to be affected as a result of the loss or damage

Word or Term	Meaning
Accounts receivable	the total amount owed to the business by customers as at the end of the month immediately prior to the date of the damage adjusted for: <ul style="list-style-type: none"> • bad debts, • amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of damage) to customers' accounts in the period between the date to which the customer's last statement relates and the date of the loss or damage, and • any abnormal trading conditions which had or could have materially affected the business, to reasonably represent the amount which would have been recovered at the time of the loss or damage if it had not occurred
Standard revenue	<ul style="list-style-type: none"> • the gross revenue during the period immediately before the date that the loss or damage occurred which corresponds with the indemnity period, • adjusted to reflect the trend in the business and any other relevant circumstances in order to calculate the gross revenue that your business would have earned had the loss or damage not occurred

What we will pay**Basic covers**

We will pay the amounts set out below only if you have chosen the relevant cover.

Cover 1 – Gross revenue

If you have chosen to insure gross revenue we will pay you:

- the difference between the standard revenue and the gross revenue earned by you during the indemnity period less any expenses saved as a result of the loss or damage; and
- any amount that you reasonably expend for the sole purpose of minimising any reduction of gross revenue as a result of the loss or damage. However we will not pay any more than the amount by which reduction in gross revenue is minimised less any expenses saved as a result of the loss or damage.

Cover 2 – Additional cost of working

If you have chosen to insure the additional cost of working we will pay the additional expenditure you reasonably incur to minimise the effect of the loss or damage to the business during the indemnity period.

We will not pay any more than the sum insured for additional cost of working shown in the Policy Schedule.

Cover 3 – Accounts receivable

If you have chosen to insure accounts receivable we will pay you the following amounts:

- any accounts receivable which you do not receive and are unable to trace as a result of loss or damage to your business records which were contained in the location, and
- any expenditure incurred with our consent in tracing and establishing those accounts receivable after the damage, provided that:
 - if the sum insured is less than the actual accounts receivable, we will reduce the amount we pay by the proportion that the sum insured bears to the accounts receivable.
 - we will not pay any more than the amount shown in the Policy Schedule for accounts receivable.
 - we will not pay any amount under this clause unless you:
 - (a) have sent duplicate records of all accounts receivable to a safe place away from the location as soon as possible after the end of each month, and
 - (b) keep those records for at least 12 months.

Additional benefits

We give the following additional benefits:

1. Claim preparation costs

If you have chosen to insure gross revenue under this Section, in addition to the sum insured for that cover, we will pay the greater of \$20,000 or the amount shown in the Policy Schedule for the professional fees and other expenses that you reasonably and necessarily incur with our consent in the preparation of your claim under Section 1 – ‘Property’ of this Policy, provided those expenses are not otherwise insured by this Policy.

If you have chosen to insure gross revenue under this Section, we will also pay the following, provided the sum insured for that cover is not exhausted:

2. Electronic equipment

For loss of income during the indemnity period as a result of loss or damage to electronic plant for which you are entitled to indemnity under Section 5 – ‘Electronic equipment’, up to 20% of the sum insured for gross revenue.

For the purpose of this clause the indemnity period will start on the date of the loss or damage to the electronic plant.

3. Prevention of access

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

- loss or damage of a type which is insured under Section 1 – ‘Property’ to property in the vicinity of the location, or to property forming part of or contained in a complex of which the location forms part or
- bomb threat,

which prevents or hinders the use of or access to your building.

4. Public utilities, customers and suppliers extension

Up to 20% of the sum insured for gross revenue for loss of income caused by damage of a type which is insured under Section 1 – ‘Property’ at the premises of any:

- supplier to you of electricity, gas, land based communications or water or sewerage services
- customer
- supplier to you or manufacturer of goods, components or materials, which are situated within Australia
- computer bureau or installation including ancillary equipment and data processing media utilised by you.

5. Infectious or contagious diseases; vermin, pests or defective sanitary arrangements; food or drink poisoning; murder, suicide and threat or fear of violent damage to premises/injury to persons extension

Up to the sum insured for gross revenue for loss of income caused by any of the events described in the paragraphs (i) to (vi) below which result in interruption of or interference with the business which will be considered as being loss or damage under Section 1 – ‘Property’ of the Policy

- (i) infectious or contagious disease manifested by any person while at the location, or the outbreak of a notifiable human infectious or contagious disease occurring within 40 kilometres of the location, however there is no cover for highly pathogenic Avian Influenza or any disease declared to be a quarantinable disease under the Quarantine Act 1908 (as amended) irrespective of whether discovered at the location of your premises, or out-breaking elsewhere
- (ii) closure or evacuation of the whole or part of the location by order of a competent public authority consequent upon vermin or pests or defects in the drains or other sanitary arrangements at the location
- (iii) injury, illness or disease directly caused by the consumption of food or drink provided at the location
- (iv) murder or suicide occurring in or at the location, or
- (v) threat or fear of violent damage to the location and/or injury to persons in it

notwithstanding that perils (i) to (v) inclusive of this extension may be excluded elsewhere in the Policy.

When we will pay

We will pay the benefits provided by this Section upon receipt of substantiated evidence of your loss.

What we will not pay

Excess

We will not pay the excess for each claim made under this Section which is shown in the Policy Schedule.

Maximum amount

Other than for claims under Additional Benefit 1 – ‘Claims preparation costs’, we will not pay more than the sum(s) insured shown in the Policy Schedule for each of the covers in this Section that you have chosen.

Conditions which apply to this Section**Departmental provision**

Subject to the following, if your business is conducted in departments with individually ascertainable trading results, we will treat each department as if it is separately insured under this Section:

- we will not pay any more than the sum(s) insured under this Section for all claims from any department, and
- if the sum insured is less than the total of the gross income for all departments (whether affected by the loss or damage or not), we will reduce the amount we pay by the proportion that the sum insured bears to the total of the gross income.

Assistance

As soon as practicable after loss or damage occurs which results in a claim under this Section you must:

- provide us with details of the amount of and method of calculation of your claim in writing and certified by an accountant, and
- make available to us all books and records (including computer records) that are reasonably necessary for us to verify your claim.

Section 3: Money**What you are insured against**

This Section insures accidental loss or damage to money:

- which is owned by you for the purpose of the business
- which occurs during the period of insurance
- which is discovered within 7 days after the loss or damage has occurred
- for the amounts set out below.

You may choose to insure your money in a number of circumstances:

Cover 1 is for money in transit anywhere in Australia or in the night safe of a bank

Cover 2 is for money in the building(s) during business hours

Cover 3 is for money in the building(s) outside business hours

Cover 4 is for money in the building(s) while contained in a locked safe or strongroom

Cover 5 is for money at the private residence of you or any of your employees

Cover 6 is for damage to your safe or strongroom

The covers you have chosen are shown in the Policy Schedule.

Words with special meanings

Wherever the following words or terms are used in the Policy, they mean what is set out below:

Word or Term	Meaning
Safe or strongroom	a structure which: <ul style="list-style-type: none"> • has been specifically designed for the safe storage of money or valuables, • is designed to protect its contents against fire, and • is designed to resist unauthorised opening

What we will pay**Covers 1, 2, 3, 4 and 5**

We will pay the amount of the lost or damaged money up to the sum insured for each of covers 1, 2, 3, 4 and 5 which you have chosen to insure up to the amount shown in the Policy Schedule for that cover.

Cover 6 – Damage to safes, strongrooms

If you have chosen to insure damage to your safes and strongrooms we will also pay up to the amount shown in the Policy Schedule for damage caused in the course of any theft of money.

Peak period increases

The sum insured for covers 1, 2, 3, 4 and 5 is automatically increased by thirty percent (30%) during the following periods (unless the Policy Schedule shows otherwise):

- from sixty (60) days before Christmas Day to bank closing time on the tenth banking day thereafter
- from thirty (30) days before Easter Sunday to bank closing time on the tenth banking day thereafter
- on gazetted public or bank holidays and any weekend adjoining the holiday until bank closing time on the tenth banking day after the holiday.

Fraud or dishonesty

We will pay no more than \$20,000 for money lost due to the fraud or dishonesty of any of your employees if:

- the loss is discovered within 45 days after it occurred, and
- the employee is not one of your directors or partners or a member of your family.

What we will not pay**Excess**

We will not pay the excess shown in the Policy Schedule for each claim made under this Section.

Maximum amount

We will not pay more than the sum(s) Insured shown in the Policy Schedule for all claims under each of the covers in this Section that you have chosen.

Burglary protection condition

If this condition is shown in the Policy Schedule, we will not pay any amount under this Section unless the burglar alarm system installed in the buildings is:

- the subject of a continuing maintenance contract with a person who is qualified to install and service burglar alarms
- examined and tested by that person at least once each six (6) months
- at all times maintained in good condition and efficient working order
- made operative whenever the premises are left unoccupied.

When you are not covered

We will not pay for loss of or damage to money which:

- is due to shortage resulting from clerical or accounting errors or errors in receiving or paying out
- is not discovered within seven (7) working days after the loss or damage occurred
- is due to the fraud or dishonesty of you, any member of your family or your directors or partners
- is stolen from any unattended vehicle
- is stolen from any safe or strongroom which has been opened by:
 - a key, or
 - the use of a combination, the details of which have been left at the location outside business hours.

Section 4: Machinery breakdown

What you are insured against

We will cover you for:

- physical loss or damage
- caused by the breakdown of machinery
- which occurs during the period of insurance
- at the location

for the amounts set out below.

This Section does not insure any loss or damage to any property for which cover is provided under Section 1 'Property', regardless of whether you have selected Section 1.

Words with special meanings

Wherever the following words or terms are used in the Policy, they mean what is set out below:

Word or Term	Meaning
Machinery	<ul style="list-style-type: none"> • all electrical, electronic and mechanical machinery and plant as shown in the Policy Schedule • any boilers and pressure vessels which are used by you for the purpose of the business

What we will pay

Basic cover

We will pay the cost of replacement or repair of any machinery which sustains loss or damage.

We will also pay the cost of replacing:

- insulating oil in transformers or capacitors, or
- oil and refrigerant gas from air conditioning or refrigeration units which is necessary as a result of the loss or damage.

Replacement option

If the machinery is totally destroyed, or would cost more to repair than its replacement value immediately before the loss or damage occurred, we may at our option:

- replace the machinery with an item of the same type, model and capacity in a condition that is no worse than the machinery was immediately before the loss or damage, or
- if the same type, model and capacity is not available, supply a replacement which:
 - costs no more than you paid for the machinery, and
 - has no less capacity than the machinery
 and if this occurs we will also pay the cost of ordinary freight and installation of the replacement item.

Physical damage to other property

If we pay any amount for loss or damage to machinery under this Section, we will also pay for the cost of repair, reinstatement or replacement of physical damage to other property owned by you or for which you are responsible, which is caused by flying fragments of any machinery.

Hire of temporary plant and cost of temporary repairs

If we pay any amount for loss or damage to machinery under this Section, we will also pay up to \$5,000 for the cost of:

- hiring of temporary plant,
- carrying out temporary repairs,
- expediting permanent repairs, or
- express or air freight,

which is reasonably required as a result of the loss or damage.

New items

If during the period of insurance you commission any machinery, boiler or pressure vessel which falls within the description of machinery and which is situated at the location, we will insure that item after it is commissioned as if it were machinery, if:

- as far you are aware, the item has no material defects and is in sound working condition when it is commissioned,
- the item is not operated until you have fulfilled any relevant statutory provisions for inspection and certification,
- You pay to us any additional premium and statutory charges which we may require.

Deterioration of refrigerated goods

In addition to the sum insured for this Section shown in the Policy Schedule, we will pay up to \$1,000 for loss or damage to refrigerated goods owned by you or for which you are legally responsible while contained within any storage which is cooled by machinery where the loss or damage is caused by either:

- (a) a change in temperature due solely to:
 - sudden and accidental physical loss or damage to machinery (unless it is covered under Section 1 – Property)
 - the operation or failure of thermostats, pressure controls or limiting devices (unless the failure is caused by manual operation or setting of any switch),
 - the accidental cessation of the public electricity supply,
 - the sudden leakage of refrigerant from the machinery or a pressure pipe system forming part of it, or
- (b) contamination resulting solely from the leakage of refrigerant from any Insured Item.

We may at our option replace the refrigerated goods or pay for the cost of the same.

Under this clause we will not pay for:

- (i) any consequential loss, damage or liability
- (ii) loss or damage caused by the cessation of any public electricity supply as a result of a decision by the supply authority to cease supply, unless the decision is necessary in order to safeguard life or protect any part of the public supply system
- (iii) loss of or damage to goods due to any scheme of rationing unless the rationing is necessary solely as a result of accidental damage to the generating or supply equipment of the supply authority, or
- (iv) loss of or damage to goods due to or resulting from disease, improper storage, damaged packaging material or to inadequate air circulation or uneven temperature within the cold storage.

What we will not pay

1. Excess

We will not pay the excess for each claim made under this Section which is shown in the Policy Schedule.

2. Maximum amount

We will not pay more than the sum(s) insured shown in the Policy Schedule for all claims under this Section except for claims for deterioration of refrigerated goods.

What you are not insured against

- 1. We will not pay for damage to any machinery caused by:
 - (a) wear and tear
 - (b) chipping, scratching or discolouration of painted or polished surfaces

- (c) deterioration of any pre-existing crack, fracture, blister, lamination, flaw or grooving which had not previously penetrated completely through the entire thickness of the material of the item, notwithstanding that repair or renewal of the part affected may be necessary either immediately or at some future time, unless:
 - the pre-existing damage was caused by sudden and accidental physical loss or damage, and
 - You did not know or should not reasonably have known of the pre-existing damage
 - (d) wearing away or wasting of material caused by or naturally resulting from atmospheric conditions, rust, erosion, corrosion, oxidation or ordinary use
 - (e) tightening of loose parts, recalibration or adjustments.
- 2. We will not pay for damage to:
 - (a) glass or ceramic components
 - (b) defective tube joints or other defective joints or seams
 - (c) any valve fitting, shaft seal, gland packing joint or connection except where caused directly by sudden and accidental physical loss or damage
 - (d) foundations, brickwork and refractory materials forming part of an insured item
 - (e) expendable items, including electrical and electronic glass bulbs, tubes, lamps, x-ray tubes, electrical contacts, fuses, heating elements, commutators, slip rings, conducting brushes, thermal expansion (TX) valves, thermostats, protective and controlling devices, overloads, track rails, wear plates, blades, cutting edges, tools, dies, engraved cylinders, moulds, templates, patterns, shear pins, saws, knives, chains, belts, ropes, tyres, tracks, conveyer belts, pressure switches, bearings, valves, valve plates, filters and dryers
 - (f) computers, telecommunication transmitting and receiving equipment, electronic data processing equipment, research, diagnostic and electro medical equipment, lifts, escalators, electrical office machines, coin operated machines, gaming machines, storage tanks and vats, stationary and mobile pressure vessels containing explosive gases, mobile machinery, ducting, reticulating electrical wiring, water and gas piping
 - (g) any plant and equipment which is not owned by you or is not installed or used at the location unless otherwise shown in the Policy Schedule.
 - 3. We will not pay for damage caused directly or indirectly by:
 - (a) sudden and violent rending of the permanent structure of a boiler or pressure vessel by force of internal steam, fluid, air, gas or flue gas pressure causing bodily displacement of any part of the structure together with forcible ejection of its contents, whether caused by a chemical action or reaction or otherwise
 - (b) the application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul.

4. We will not pay for damage to machinery occurring during:
- installation or erection other than the dismantling, movement and re-erection for the purpose of cleaning, inspection, repair or installation in another position within the location
 - the carrying out of tests involving abnormal stresses, including the intentional overloading of any machinery
 - any raising or lowering operation in which a single load is shared between more than one item of lifting equipment.
5. We will not pay for damage for which any manufacturer, supplier, engineer or other person is liable to you under the provisions of any maintenance or warranty agreement.
6. We will not pay for:
- loss of oil, liquid or gas resulting from leakage from glands, seals, gaskets, joints or from corroded, pitted or deteriorated parts
 - the cost of converting refrigeration/air conditioning units from the use of C.F.C. (chlorofluorocarbon) refrigerant gas to any other type of refrigerant gas
 - damage which occurs because the manufacturer's specifications for use of any machinery are not complied with
 - consequential loss of any kind other than damage to other property. (See the business interruption Section of this Policy).

This Section does not insure any loss or damage to any property for which cover is provided under Section 1, regardless of whether you have selected Section 1.

Words with special meanings

Wherever the following words or terms are used in the Policy, they mean what is set out below:

Word or Term	Meaning
Electronic equipment	the equipment shown in the Policy Schedule and includes all necessary accessories
Data media	material carrying or capable of carrying data such as disk packs, disks, diskettes, tapes and cards
Indemnity period	the period between the time at which the loss or damage occurs and the earlier of the following: <ul style="list-style-type: none"> the end of the period (after that time) which is listed in the Policy Schedule, and the time when you resume normal use of the electronic equipment
Market value	means the retail value of items of a similar type, age and condition to the electronic equipment: <ul style="list-style-type: none"> adjusted for any special features, and having regard to used prices guides and any other relevant information

Section 5: Electronic equipment

What you are insured against

This Section insures loss or damage to electronic equipment. It provides three types of insurance cover:

Cover 1 is for physical loss or damage caused by breakdown of electronic equipment which is listed in the Policy Schedule while it is in your possession, provided that the electronic equipment could not have been insured under Section 1 of this Policy,

Cover 2 is for loss or damage to information stored on data media as a consequence of loss or damage to that electronic equipment, and

Cover 3 is for Increased cost of working resulting from the loss or damage.

The cover only applies if the loss or damage occurs during the period of insurance at the location or is at other premises for the sole purpose of repair, maintenance or service (except for portable computers).

You may choose one or more of the types of cover offered under this Section. The covers you have chosen are shown in the Policy Schedule.

What we will pay

Cover 1 – Damage to electronic equipment and ancillary equipment

If you select this cover, we will pay in accordance with the basis of settlement:

- the cost of repair of physical loss or damage to electronic equipment which occurs in the ordinary course of working
- the reasonable cost of removing electronic equipment which has been destroyed
- loss or damage to data media (but not its contents) while it is temporarily away from the location for the sole purpose of processing or safekeeping or is in transit for those purposes
- reasonable extra charges necessarily incurred for work carried out at overtime rates or on public holidays
- express freight within Australia (confined to transportation as freight by a recognised airline on a scheduled service, but not by aircraft specifically chartered for the purpose), provided that these charges do not exceed 50% of the cost of carrying out the replacement at ordinary rates.

Basis of Settlement

The amount that we will pay will be calculated in the following way:

- (a) for the cost of repair of damage electronic equipment, we will pay:
 - (i) the cost of materials and labour required to restore the electronic equipment to the state of serviceability that it provided prior to the loss or damage
 - (ii) the cost of dismantling the electronic equipment to carry out the repairs and re-erection
 - (iii) ordinary freight to and from the place of repair
 - (iv) any customs duties

However if:

- the repairs are carried out by you at your own workshop, we will pay the cost of materials and labour and a reasonable percentage to cover overhead charges
- any components are no longer available due to obsolescence, we will pay the cost of alternative components which are equal to but not better or more extensive than the original component being substituted.

(b) we may at our option:

- (i) replace the damaged electronic equipment with an equivalent item, or
- (ii) if the damaged electronic equipment was more than six (6) years old at the time of the loss or damage, pay the market value of that item immediately before the loss or damage occurred.

(c) for damaged data media, we will only pay the replacement cost of the blank data media, not the value of the material contained on it.

(d) for loss or damage to cathode ray tubes which are part of electronic equipment we will pay:

- (i) for cathode ray tubes which are less than twelve months old, the new replacement value, and
- (ii) for cathode ray tubes which are more than 12 months old, the new replacement value less 3% of that amount for each month that the cathode ray tube has been in use, up to a maximum reduction of 20%.

(e) if the amount for which each item of electronic equipment is insured is less than:

- in the case of electronic equipment which is less than six years old, the cost of replacement by a new item or the same kind and capacity, including packing, freight, customs duties, and installation charges, and
- in the case of electronic equipment which is more than six (6) years old, the market value,

We will reduce the amount we pay by the proportion that the amount for which that item is insured bears to 80% of the new replacement cost, or market value as the case may be.

Cover 2 – Restoration of information stored on data media

If you have selected this cover and information stored on data media is lost or damaged in the following circumstances:

- (a) as a result of loss or damage to electronic equipment which is covered under Cover 1
- (b) while the data media is:
 - at the data media storage premises
 - temporarily at any alternative premises for processing purposes, or
 - in transit between any of these places
- (c) where the information is:
 - owned by you
 - being used on an electronic data processing system which you do not own or which you are not responsible to insure, and
 - is lost or damaged due to loss or damage to that system which would be covered under Section 1 of this Policy if Section 1 applied to that system

we will pay in accordance with the basis of settlement.

Basis of settlement

The amount that we will pay will be calculated in the following way:

- (a) the reasonable cost of reproduction or restoration of the data media so that it is substantially the same as but no better or more extensive than before the loss or damage and which are incurred within 12 months after the loss or damage occurred
- (b) the information may be reproduced in an updated form if it costs no more than it would have cost to reproduce it in reinstating it in its original form.

We will not pay for:

- (a) loss of information:
 - due to theft or attempted theft while any electronic equipment is left unattended unless it is inside a securely locked building or a securely locked motor vehicle, or
 - while the electronic equipment is installed or carried in or on any aircraft, aerial device, waterborne vessel or craft other than as the personal cabin baggage of you or your employees, directors or partners.
- (b) any amount for loss of information unless:
 - your data media is backed up weekly and
 - duplicate copy of backed up data media is stored away from the location at all times.

Cover 3 – Increase in cost of working

If you have selected this cover we will pay in accordance with the basis of settlement if:

- loss or damage occurs to electronic equipment which is insured under this Section
- we agree to cover you for that loss or damage, and
- the loss or damage interferes with the normal operation of the electronic equipment.

Basis of settlement

The amount that we will pay will be calculated in the following way:

We will pay:

- the reasonable and necessary cost of substitute equipment required to enable you to maintain normal business operations during the interruption or for three months, whichever is shorter, less
- any reduction in the cost of running the business as a result of the loss or damage.

We will not pay any more than the sum insured for this cover which is shown in the Policy Schedule.

What we will not pay**1. Excess**

We will not pay:

- (a) the excess which is shown in the Policy Schedule for each claim made under Cover 1 and Cover 2 of this Section, or
- (b) any amount under Cover 3 for the longer of two days or the time shown in the Policy Schedule after the loss or damage occurs

2. Maximum amount

We will not pay any more than the sum insured which is shown in the Policy Schedule for each cover.

What we do not insure**1. We will not pay for:**

- (a) loss or damage:
 - to any part of electronic equipment which requires periodic or frequent replacement, including fuels, batteries, belts, chains, tapes or ribbons
 - due to faults or defects of which you were or should reasonably have been aware prior to commencement of the period of insurance and did not disclose to us
 - caused by rust, corrosion or oxidation
 - caused by wasting, wearing away or wearing out of any part of electronic equipment as a result of ordinary use
 - caused by or due to scratching of painted or polished surfaces

- (b) consequential loss of any kind, other than that provided under the business interruption Section of this Policy if that Section is in force

- (c) loss or distortion of information which does not arise from physical loss or damage to the data media

- (d) loss or damage which occurs to electronic equipment when it is not in your possession unless it is at other premises for the sole purpose of maintenance, repair or service.

2. We will not pay any amount under Cover 3 during any interference with the normal operation of the electronic equipment which is:

- (a) solely due to the fact that the electronic equipment or any part of it is no longer manufactured

- (b) caused by any alterations, improvements, cleaning, adjustment, inspection or maintenance of any electronic equipment or

- (c) caused directly or indirectly by action taken by a government, or statutory authority.

Conditions which apply to this Section**1. Maintenance and use**

You must comply with the manufacturers' recommendations and instructions for the maintenance and use of all electronic equipment.

2. Salvage

If we pay a claim for loss or damage to electronic equipment, we may retain the electronic equipment and/or any proceeds of sale of the electronic equipment. If you keep any electronic equipment, we may reduce the amount we are required to pay you under this Section by the market value of the electronic equipment that you keep.

3. Newly Installed Items

At the end of each period of insurance you shall furnish us with details of any items newly installed or which have been deleted during the period of insurance. Additional or return premiums shall be calculated corresponding to the type and value of the items and the period of insurance from the time of completion of the successful commissioning of the items. Provided that our liability for all additional items will not exceed fifty percent of the total sum insured or limit of liability as stated in the Policy Schedule.

Section 6: Broadform liability

What you are insured against

This Section insures your legal liability to pay compensation to others for the amounts set out below.

Words with special meanings

Any word or expression which this Policy defines as having a particular meaning will have the meaning everywhere it appears.

Word or Term	Meaning
Business	the business described in the Policy Schedule including the provision and management of canteens, social, sports and welfare organisations for the benefit of your employees, first aid, fire and ambulance services and the maintenance of your premises
Excess	the amount you first bear in relation to each occurrence. The excess applies to all amounts payable under this Policy including the indemnity provided under 'What you are insured against'
Employee	any person engaged under a contract of or for service or apprenticeship with the Insured designated under clause (a) and (b) of the definition of 'You, Your' but does not include any person employed under such contract who is excluded from the definition of 'worker' under any workers' compensation legislation
Employment practices	any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination directly or indirectly related to employment or prospective employment of any person or persons by you
Hovercraft	any vessel, craft or thing made or intended to float on or in or travel on or through the atmosphere or water
Internet operations	<p>(i) transfer of computer data or programs by use of electronic mail systems by you or your employees, including part-time and temporary staff, contractors and others within your organisation whether or not such data or programs contain any malicious or damaging code, including but not limited to computer virus, worm, logic bomb, or trojan horse</p> <p>(ii) access through your network to the world wide web or a public internet site by your employees, including part-time and temporary staff, contractors and others within your organisation</p>

Word or Term	Meaning
Internet operations (continued)	<p>(iii) 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</p> <p>(iv) the operation and maintenance of your web site</p>
Limit of liability	the applicable limit of liability specified in the Policy Schedule
Medical persons	qualified medical practitioners, nurses, dentists and first aid attendants.
Occurrence	an event which results in personal injury or property damage, neither expected nor intended from any person's standpoint. All personal injury or property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be construed as arising out of one occurrence
Personal injury	<p>(a) bodily injury (and this expression includes death and illness), disability, shock, fright, mental anguish, mental injury</p> <p>(b) the effects of false arrest, wrongful detention, false imprisonment or malicious prosecution</p> <p>(c) the effects of wrongful entry or eviction</p> <p>(d) the effects of a publication or utterance of a libel or slander or other defamatory or disparaging material</p> <p>(e) the effects of assault and battery not committed by you or at your direction unless reasonably committed for the purpose of preventing or eliminating danger to persons or property</p>
Pollutants	any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed
Property damage	<p>(a) physical damage to or loss or destruction of tangible property including any resulting loss of use of that property, or</p> <p>(b) loss of use of tangible property which has not been physically damaged, lost or destroyed provided such loss of use is caused by an occurrence</p>
Territorial limits	anywhere in the world subject to Exclusions 12 and 13
You, your	<p>(a) the insured named in the Policy Schedule including as if they were you</p> <p>(b) all the subsidiary companies (now or subsequently constituted) of the named Insured specified in the Schedule provided their places of incorporation are within Australia or any Territory of Australia</p>

Word or Term	Meaning
You, your (continued)	<p>(c) every director, executive officer, employee, partner or shareholder of one of the Insured designated in paragraphs (a) or (b) above but only whilst acting within the scope of their duties in such capacity</p> <p>(d) every principal, in respect of that principal's vicarious liability for the acts or omissions of one of the Insured's designated in clause (a) or (b) above in the performance by them of work for that principal, but subject always to the extent of coverage and the limit of liability provided by this Policy</p> <p>(e) every office bearer or member of social and sporting clubs, canteen and welfare organisations and first aid, fire and ambulance services formed with your consent (other than an Insured designated in paragraph (d) or (f)) in respect of claims arising from their duties connected with the activities of any such club, organisation or service. This Insurance shall not apply to personal injury to or property damage of any participants of any game, match, race, practice or trial</p> <p>(f) each partner, joint venturer, co-venturer or joint lessee of the Insured named in the Policy Schedule but only:</p> <p>(i) if the Insured named in the Schedule assumes active control of, or is required to arrange insurance for, the partnership, joint venture, co-venture or joint lease, and</p> <p>(ii) with respect to liability incurred as the partnership, joint venture, co-venture or joint lease, and</p> <p>(iii) we agree to insure them and the Insured named in the Schedule agrees to pay the premium we require</p> <p>(g) any director or senior executive of the Insured designated in clause (a) and (b) above in respect of private work undertaken by your employees for such director or senior executive</p> <p>'You, your' does not include the interest of any other person other than as described in (a) to (g) above</p>
Your products	any goods, products and property (after they have ceased to be in your possession or under your control), which are or is deemed to have been manufactured, grown, extracted, produced, processed, constructed, assembled erected, installed, repaired, serviced, treated, sold, supplied or distributed by you (including any container thereof other than a vehicle)

What you are insured against

If you are entitled to indemnity under this Section of the Policy, in consideration of the payment to us of the amounts payable for this insurance, including any amount on account of GST, we will indemnify you in accordance with this Policy, provided that we will only be liable after the exhaustion of the excess.

Liability

We will pay:

- (a) all sums which you become legally liable to pay by way of compensation
- (b) all costs awarded against you

in respect of personal injury or property damage happening during the period of insurance and caused by an occurrence within the territorial limits in connection with your business.

Defence of claims

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

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

Provided that:

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

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

What we will pay

Limit of liability

- (a) Our maximum liability in respect of any claim or any series of claims for personal injury or property damage caused by or arising out of one occurrence shall not exceed the limit of liability.

- (b) Our total aggregate liability during any one period of insurance for all claims arising out of your products shall not exceed the limit of liability.

What you are not insured against

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

1. Employment liability

Liability imposed:

- (a) by any workers' compensation law
- (b) by the provision of any industrial award, agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award, agreement or determination or contract of employment or workplace agreement, or
- (c) for and in respect of employment practices provided that if you are:
- (d) required by law to insure or otherwise fund, whether through self insurance, statutory fund or other statutory scheme, all or part of any common law liability (whether limited or not) for such personal injury, or
- (e) not required to so insure or otherwise fund such liability by reason only that the personal injury is to a person who is not a worker or employee for the purposes of the relevant worker's compensation law or the personal injury is not an injury which is subject to such law

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

2. Property in custody or control

Property damage to:

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

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

- (c) premises (including landlord's fixtures and fittings) which are leased or rented to you
- (d) premises (or their contents) not owned, leased or rented by you but temporarily occupied by you for work therein
- (e) vehicles (not belonging to or used by you) in your physical or legal control where the property damage occurs while the vehicles are in a car park owned or operated by you, unless you own or operate the car park for reward
- (f) the property of an employee of the insured

- (g) other property (excluding any vehicle which is registered or which is required under any legislation to be registered) temporarily in your physical or legal control provided no indemnity is granted for liability in respect of physical damage to or destruction of that part of any property upon which you are or have been working on and our limit under this clause (g) does not exceed \$250,000 for any one occurrence and in the aggregate for any one period of insurance.

Provided that no indemnity is granted under this Policy in respect of liability assumed by you under any contract or agreement which requires you to effect material damage insurance on premises, property or goods not owned by you.

3. Product defect

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

4. Loss of use

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

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

5. Product recall

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.

6. Aircraft, aircraft products and watercraft

Claims arising out of

- (a) the ownership, maintenance, operation or use by you or on your behalf of:
- (i) any aircraft, or
- (ii) any watercraft exceeding 10 metres in length, except where such watercraft are owned or operated by others and used by you for business entertainment or
- (iii) hovercraft.
- (b) Your products that are aircraft component parts used for maintaining an aircraft in flight or moving upon the ground or used in the construction of an aircraft hull or machinery which to your knowledge are incorporated in an aircraft.

7. Vehicles

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

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

Exclusions 7(a) to 7(b) do not apply to:

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

8. Contractual liability

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

- (a) the liability would have been implied by law
- (b) the liability arises from a provision in a contract for lease of real or personal property other than a provision which obliges you to effect insurance or provide indemnity in respect of the subject matter of that contract
- (c) the liability is assumed by you under a warranty of fitness or quality as regards to your products

9. Professional liability

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

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

10. Libel and slander

The publication or utterance of a libel or slander or other defamatory or disparaging material:

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

11. Pollution

- (a) Personal injury or property damage caused by or arising out of the discharge, dispersal, release, seepage, migration or escape of pollutants into or upon land, the atmosphere, or any water course or body of water, but this exclusion does not apply if the discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place.
- (b) Any costs and expenses incurred in the prevention, removing, nullifying or clean-up of such contamination or pollution but this exclusion does not apply to clean-up, removal or nullifying expenses only, which are consequent upon a sudden, identifiable, unexpected, unintended happening taking place in its entirety at a specific time and place which results in personal injury and/or property damage.
- (c) The actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of Pollutants caused by any product that has been discarded, dumped, abandoned or thrown away by others.
- (d) The actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of pollutants in the United States of America (USA) or Canada or in any country to which the laws of the USA or Canada apply.

Our Liability under clauses 11(a) and 11(b) in respect of any one discharge, dispersal, release, seepage, migration or escape and for all discharges, dispersals, releases, and escape of pollutants during any one period of insurance shall not exceed the limit of liability.

12. Territorial limits

- (a) Claims made or actions instituted within any country state or territory (outside Australia) that require insurance to be insured or secured with an insurer or organisation licensed in that country state or territory to grant such insurance.
- (b) Claims made and actions instituted within the USA or Canada or any other territory coming within the jurisdiction of the courts of the USA or Canada.
- (c) Claims and actions to which the laws of the USA or Canada apply.

Provided that:

- (d) Exclusions 12(b) and 12(c) do not apply to claims and actions arising from the presence outside Australia of any of your employees and/or directors, partners or proprietors who are normally resident in Australia and who are not undertaking manual work or supervision of work of any kind whilst in the USA or Canada

the limit of liability in respect of coverage provided under paragraph 12(d) is inclusive of all costs, expenses and interest as set out in the 'Defence of claims' Section of this Policy.

13. Exports to the USA or Canada

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

14. Asbestos

Personal injury or property damage (including loss of use of property) directly or indirectly caused by or arising from the existence, mining, handling, processing, manufacture, sale, distribution, storage or use of asbestos, asbestos products and/or products containing asbestos.

15. Faulty workmanship

Property damage to that part of any property upon which you are or have been working where the property damage arises from your work or the cost of performing, correcting or improving any work undertaken by you.

16. Fines, penalties

Fines, penalties or liquidated damages.

17. Punitive damages

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

18. Assault and battery

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

19. Tobacco

Personal injury arising directly or indirectly out of or due to the inhalation or ingestion of, or exposure to:

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

20. Treatment or dispensing

- (a) the treatment of humans or animals for any physical or mental deficiency, injury, illness or disease, or
- (b) the dispensing of drugs, medicines, pharmaceutical supplies, or artificial aids, personal injury or property damage arising from the treatment of those humans or animals or caused through the dispensing of drugs, medicines, pharmaceutical supplies, or artificial aids.

21. Information technology hazards, computer data, program and storage media exclusion

- (a) Personal injury or property damage arising, directly or indirectly, out of, or in any way involving your Internet operations, or
- (b) property damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:
 - (i) the use of any computer hardware or software
 - (ii) the provision of computer or telecommunication services by you or on your behalf

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

But this exclusion does not apply to:

- (c) personal injury or property damage arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site, or
- (d) liability which arises irrespective of the involvement of your internet operations, and

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

Conditions which apply to this Section

Jurisdiction

All disputes arising out of or under this Policy will be subject to determination by any Court of competent jurisdiction within Australia.

Payment of premium

You will pay promptly to us the premium, any adjustments of premium and other amounts charged for this Policy and any renewal, extension or endorsement to the Policy.

Joint insureds

Where more than one party comprises the insured each of the parties will be considered as a separate and distinct entity and the word Insured shall be considered as applying to each party in the same manner as if a separate policy had been issued to each of them provided that nothing in this clause will result in an increase of our limit of liability in respect of any occurrence or period of insurance.

Notices

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

- (a) every occurrence, claim, writ, summons, proceeding, impending prosecution, and inquest together with all relevant information which may result in a claim under this Policy, whether or not you believe any claim amount might fall below the applicable deductible
- (b) every change (including anything done or not done by you) that comes to your knowledge which materially varies any of the facts or circumstances existing at the commencement of this Policy.

Any notice given in writing by us to the first named insured specified in the Policy Schedule will be treated as notice to each of the parties comprising the Insured.

Service of notices by us will be effective immediately on receipt by the first named insured of a letter or electronic communication sent by us or in the case of notices by post, three business days after having been posted by us.

Other insurance

As soon as is reasonably practical but in any case within 15 days after entering into any other contract of insurance, you must notify us of, and give us full details of, any other insurance which provides indemnity, in full or in part, for any of the liabilities insured under this Policy.

Reasonable care

You must:

- (a) exercise reasonable care that only competent employees are employed and take reasonable measures to maintain all premises, fittings and plant in sound condition
- (b) take all reasonable precautions to prevent personal injury and property damage, and prevent the manufacture, sale or supply of defective products, and comply with and ensure that your employees, servants and agents comply with all statutory obligations, by-laws or regulations imposed by all relevant public authorities for the:
 - (i) safety of persons or property
 - (ii) disposal of waste products
 - (iii) handling, storage or use of flammable liquids or substances, gases or toxic chemicals.
- (c) at your own expense take reasonable action to trace, recall or modify any of your products containing any defect or deficiency of which you have knowledge or have reason to suspect, including (but not limited to) any of your products subject to governmental or statutory ban.

Section 7: Glass**What you are insured against**

This Section insures the replacement cost of breakage of internal glass and external glass where:

- the glass is owned by you, or you are legally responsible for it,
- the breakage occurs at the location, and
- the breakage occurs during the period of insurance.

Definitions which apply to this Section

Word or Term	Meaning
Breakage	a fracture extending through the entire thickness of the glass, basin, perspex or plastic. In the case of laminated glass the fracture must extend through the entire thickness of each laminate
External glass	fixed glass, perspex and plastic material in external windows, doors, showcases, skylights
Internal glass	glass, perspex and plastic in internal partitions, windows and doors, refrigerating cabinets, glass in counters, shelving, interior showcases, fixed mirrors and other fixed internal glass including ceramic vitreous china urinals and toilet pans and hand basins

What we will pay

We will pay for the cost of repair or replacement of internal glass and external glass.

In addition, we will pay up to the greater of \$ 3,000 (or \$5,000 in the case of electrically illuminated signs) or the amount shown in the Policy Schedule for this Section for the reasonable cost of each of the following if they are caused by or reasonably necessary following breakage of internal glass and external glass:

- (a) temporary shuttering, boarding up or other security protection
- (b) loss or damage to sign writing, ornamentation, reflective materials or burglary alarm tapes and connections
- (c) loss or damage caused by external violence to window/door frames and tiled shop fronts
- (d) loss or damage to property, and
- (e) loss or damage to electrically illuminated signs.

What we will not pay**Excess**

We will not pay the excess for each claim made under this Section which is shown in the Policy Schedule.

What we do not insure

We will not pay for:

- (a) Breakage of glass, sanitary ware or sinks during installation, removal or any maintenance alteration or repair being carried out to those items or their framework or fittings
- (b) Damage to:
 - (i) tubing or light fittings
 - (ii) signs, (other than provided for in item 2 of 'How much we will pay')
 - (iii) glass which was cracked or imperfect at the beginning of the period of insurance
 - (iv) glass caused by artificial heat
 - (v) glass which has been used for a purpose for which it was not intended.

Section 8: General property

What you are insured against

We will cover you for loss or damage to general property:

- which is owned by you or for which you are legally responsible
- which occurs anywhere in Australia
- during the period of insurance
- for the amounts set out below.

Definitions which apply to this Section

Word or Term	Meaning
General property	the items of property which are listed in the Policy Schedule for this Section and includes any carrying case and usual accessories for that property
Replacement Value	the reasonable and necessary cost of replacing or repairing property to a condition substantially the same as but not better nor more extensive than its condition when new

What we will not pay

Excess

You must pay any excess which is shown in the Policy Schedule for this Section for each claim made under this Section.

Maximum amount

We will not pay any more than the sum insured for each item of specified property which is shown in the Policy Schedule for this Section.

What we will pay

At our option, we may pay the lesser of:

- the cost of repair, or
- replacement of the lost or damaged general property up to the sum insured shown in the Policy Schedule for that item.

If only part of the general property is damaged, we will only pay for that part plus the cost of any necessary dismantling and reassembling.

What you are not insured against

We will not pay for loss or damage directly or indirectly caused by:

- mechanical, electronic or electrical breakdown or derangement unless it occurs as a consequence of any loss or damage to general property
- cracking, scratching or breakage of glass or fragile items or surfaces unless it occurs as a consequence of any loss or damage to general property

- rust, or oxidation, mildew, mould, moths, vermin, insects, change of colour, or any process of heating, drying, cleaning, dyeing or alteration to general property
- the action of light or atmospheric conditions or gradually developing conditions, vibration, wear, tear and/or depreciation
- dishonesty by you or others to whom general property is delivered, entrusted, loaned or rented
- action of the sea, tidal wave, high water or flood

We will not pay for:

- any alterations, improvements or overhauls of general property even if they occur during repair or replacement following loss or damage to the general property
- loss or damage to any sporting equipment whilst in use
- any consequential loss or damage
- theft in the open air
- theft from a vehicle unless the vehicle was securely locked.

Section 9: Statutory tax audit/fees only

Definitions which apply to this Section

Word or Term	Meaning
Accountant	a person/s whose profession is inspecting and auditing business accounts including registered tax agents
Accountant's fees	fees, charges, expenses and disbursements rendered by any accountant, assessor, consultant, investigator or by any mediator appointed by any alternative dispute resolution centre which are reasonably and properly incurred in relation to any statutory tax audit
Business	the business of the insured as described in the Policy Schedule, including personal taxation returns of the insured and spouse
Culpability component	a determination by a relevant statutory authority signifying circumstances consequent to which the Insured incurs a culpability component signifying, or which has been imposed on the basis of, reckless or deliberate tax evasion or similar offence by the insured
Inception date	the date on which continuous cover under this Policy commenced being the date specified in the Policy Schedule
Limit of Indemnity	the amount of the indemnity for accountants fee's afforded by this policy during any one period of insurance as specified in the Policy Schedule
Occurrence	any occurrence which may give rise to a statutory tax audit

Word or Term	Meaning
Statutory tax audit	<p>an official examination and verification of accounts and records from a relevant statutory body, pursuant to the:</p> <ol style="list-style-type: none"> 1. Income Tax Assessment Act (Australia) 1936 2. The Fringe Benefits Tax Assessment Act (Australia) 1986 and Fringe Benefits Tax Acts 1986 3. Section 10 of the Crimes Act (Australia) 1914 4. Payroll Tax Act (Relevant State Act) 5. Sales Tax Assessment Act 1992 (Relevant State Act) 6. Taxation Administration Act 1953; or 7. Superannuation Guarantee Charge Act 1992 8. A New Tax System (Goods and Services Tax) Act 1999 <p>or any other legislation intended to replace such legislation, related to statutory tax audits which incur accounting costs arising in the course of and in the normal conduct of its business</p>

What you are insured against

Subject to the terms, conditions, limitations and exclusions of this Policy, we agree to indemnify you up to the limit of indemnity in respect of your liability to pay the fees of an accountant engaged by you in connection with an audit of your business conducted pursuant to:

- (i) Income Tax Assessment Act (Australia) 1936
- (ii) The Fringe Benefits Tax Assessment Act (Australia) 1986 and Fringe Benefits Tax Act 1986
- (iii) Section 10 of the Commonwealth Crimes Act (Australia) 1914
- (iv) Payroll Tax Act (Relevant State Act)
- (v) Sales Tax Assessment Act 1992 (Relevant State Act)
- (vi) Taxation Administration Act 1953 or
- (vii) Superannuation Guarantee Charge Act 1992
- (viii) A New Tax System (Goods and Services Tax) Act 1999

or any other legislation intended to replace such legislation, in circumstances where:

- (a) the audit arose out of the normal conduct of the your business
- (b) notification of the audit occurred during the period of insurance, and
- (c) notification of the audit is given to us during the period of insurance.

Exclusion applicable to statutory tax audit/ accountants fees

We will not pay accountants' fees:

- (a) unless we are satisfied that the applicable culpability component has not been or is not likely to be imposed in excess of 50% assessable related to the culpability scale imposed pursuant to the Pay Roll Tax Act (NSW) or the relevant culpability scale applicable to those Acts set out in (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii) above of the appropriate State
- (b) incurred in the defence of any statutory tax audit arising out of any directorship or the holding of any other position or office with any corporation
- (c) arising out of an audit commenced outside the Period of Insurance
- (d) in respect of work undertaken by you or income derived by you outside Australia
- (e) arising out of any delay in the submission of an income tax return
- (f) in circumstances where you, in respect of a final assessment of taxable income and/or income tax payable, incurs a culpability component signifying, or which has been imposed on the basis of, recklessness or deliberate tax evasion or similar offence by you
- (g) arising out of the failure of a third party to submit an income tax return
- (h) in respect of an audit where the returns for the period in question were not prepared by or approved by an Independent Accountant or Registered Tax Agent prior to lodgement with the Australian Taxation Office.

Substantiation of claim

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

Exclusions applicable to all Sections

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

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

Our consent

We shall be under no liability to make any payment in relation to accountants fee's incurred unless our prior written consent has been obtained in accordance with the terms and conditions of this policy.

We shall be entitled at any time to withdraw the indemnity granted under this policy if it appears to us that you no longer have reasonable grounds for defending the tax audit whereupon we will not be liable in respect of any accountants fees incurred thereafter.

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

Limit of liability

For the purposes of this policy, the limit of indemnity shall apply to all statutory tax audit (including appeals) arising out of the one occurrence as if they were all the one set of statutory tax audit.

Notwithstanding the provisions of the previous clause and in addition to the requirements of it, you shall pay the amount of the excess specified in the Policy Schedule in respect of each and every claim under this Policy. The limit of indemnity is exclusive of such excess.

Territorial limitations

This Policy provides cover only in relation to tax audit brought within and in accordance with the laws of Australia, excluding tax audit brought or commenced for the registration and/or enforcement within Australia of any judgement first made or entered against your outside Australia.

Conditions which apply to this Section

The following conditions apply to this Section of the Policy. There are also General conditions which apply to all Sections of this Policy.

Your obligations

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

Notification of occurrences and claims

- (a) If, during the period of insurance, you become aware of any occurrence which may give rise to a claim under this policy you must give us immediate notice in writing. Any subsequent tax audit arising out of such occurrence shall be deemed to have been commenced during the period of insurance.
- (b) You must, upon receipt of any notice, whether written or oral, of any intention to make a claim or demand or issue a writ or summons against you or upon becoming aware of any allegation which may give rise to any such claim, demand, writ or summons or upon the discovery of any occurrence, immediately notify us in writing as soon as practicable during the period of insurance and shall provide full information in respect thereof.

Notwithstanding anything to the contrary in this Policy, the accountant shall be appointed by and on your behalf and you shall be primarily liable for the payment of accountants' fees incurred by that accountant.

- (c) You must authorise and instruct the accountant:
 - (i) to disclose to us all such information and documentation as we may require from time to time
 - (ii) to keep us fully and continually informed of all material developments in the tax audit and of the completion of the statutory tax audit
 - (iii) to advise us immediately of any offers or compromise proposals or recommendations to make offers or compromise proposals and
 - (iv) to advise us if, in the accountant's opinion, there is no longer any reasonable prospect of success or if the prospects for success materially alter.
- (d) You must not unreasonably refuse to follow the advice of the accountant as to the conduct of the statutory tax audit including advice relating to the making or accepting of any offer to settle or the discontinuance of the statutory tax audit.
- (e) You must afford the accountant full co-operation in the pursuit or defence of the statutory tax audit.

Dispute resolution

- (a) If, in relation to a dispute under a contract, that contract contains or prescribes a procedure for the resolution of disputes arising under or pursuant to that contract, you must utilise that procedure unless agreed to the contrary by us.
- (b) You must, wherever possible and if directed by us, use alternative dispute resolution procedures to resolve any anticipated or actual statutory tax audit.
- (c) Where an action is capable of being heard by any small claims tribunal or small claims court under any state or federal small claims Act, such dispute must be referred to a small claims court or tribunal by you unless otherwise agreed to by us in writing.

Taxation of costs

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

Recovery of costs

- (a) You must pay to us any and all costs, up to the amount of the accountants' fees incurred by us, which are recovered by you in connection with the statutory tax audit and you will take at our expense every measure to recover such accountants' fees from any third party.
- (b) We shall not exercise any rights of subrogation that may accrue as a consequence of any payment made under this Policy against any director, partner or subcontractor of yours, unless such payment has been brought about or contributed to by the dishonest, fraudulent or criminal act of such director, partner or subcontractor.

- (c) We may limit or exclude our liability in relation to any accountants' fees if you, without our prior written consent which consent may be withheld in our absolute discretion, enter into any agreement or other arrangement of understanding which has the effect of limiting or denying our rights of subrogation in relation to such accountants' fees.

Failure to comply with conditions

If you fail to comply with any of the terms or conditions of this Policy, we may reduce our liability in relation to any accountants' fees by an amount that fairly represents the extent to which our interests have been prejudiced as a result of that failure or omission. If the act or omission giving rise to such failure could reasonably be regarded as being capable of or causing or contributing to a loss in respect of which cover is provided under this Policy, we may refuse to indemnify you in respect of the claim.

Change of business

You must immediately provide to us full particulars in writing of any alteration to the general business of any related corporation and will pay such reasonable additional premium as may be required by us.

Multiple insureds

Where the Policy Schedule shows that you are comprised of more than one party then any information provided to us or any omission or non-disclosure by any one party will be deemed to have been furnished or omitted or withheld by and on behalf of all such parties.

Recovery

In the event that any statutory tax audit results in you receiving an award of damages, you will pay a pro rata proportion of those damages to us calculated on the basis of our contribution to accountants' fees, up to but not exceeding the amount expended by us on such accountants' fees.

What you are not insured against

General exclusions applying to all sections of this Policy

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

1. War, terrorism, radioactivity

- (a) War, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or
- (b) Any act(s) of terrorism

For the purpose of this exclusion, an act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or

similar purposes to intimidate the public or a Section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

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

- (c) Radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

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

2. Electronic data

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

However, we will provide cover for losses to electronic data and rewriting of records arising out of the following perils:

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

If the Property Section of the Policy is current we will also provide cover for losses to electronic data arising out of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or device containing such electronic data.

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

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

Additional exclusions applying to all sections of this Policy

We will not pay for:

- (a) any cost unless it is specifically listed in the Policy
- (b) replacement of undamaged property
- (c) any claim which arises from any deliberate act committed by you or by any person acting with your express or implied consent.

We will not pay any amount in respect of claims:

- (a) for loss, damage or liability during any period of more than sixty (60) consecutive days during which the business premises are left unoccupied, unless with our written consent. To have been occupied, the business premises must have been used for the purpose of your business for at least two (2) consecutive days
- (b) for loss or damage to property which occurs as a result of the property undergoing any process which necessarily involves the application of heat. Provided that this exclusion shall be limited to the item or items immediately affected and shall not extend to other property damaged as a result of such application of heat.
- (c) for loss, destruction, damage or liability caused by error or omission in design, plan or specification or failure of design (except for the cover provided in Section 6 – 'Broadform liability').

Provided that exclusion (c) shall not apply to subsequent loss, destruction or damage to property occasioned by fire, lightning, explosion, implosion, earthquake, impact by vehicles or animals, aircraft and other aerial devices and/or articles dropped therefrom, riots or civil commotions, malicious damage, storm wind or rainwater, flooding or liquid discharged or leaking from any pipe or water system, which is not elsewhere excluded and arises from any event, occurrence or peril referred to in this exclusion.

General conditions

These General conditions apply to all sections of the Policy.

Changing your Policy

If you want to make a change to this Policy, the change becomes effective when:

- we agree to it, and
- we give you a new Policy Schedule detailing the change.

Other interests

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

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

Cancelling your Policy

How you may cancel this Policy

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

How we may cancel this Policy

- We may cancel this Policy in any of the circumstances permitted by law by informing you in writing.
- We will give you this notice in person or send it to your address last known to us.

The premium

We will refund to you the proportion of the premium for the remaining period of insurance.

Notices

Any notice we give you will be in writing, and it will be effective:

- if it is delivered to you personally, or
- if it is delivered or posted to your address last known to us.

It is important for you to tell us of any change of address as soon as possible.

Changes to information previously advised

You must tell us as soon as possible if circumstances occur, or if changes or alterations are intended or made which increase the risk of loss, damage or injury.

You must tell us immediately if there is any change:

- in the trade or manufacture carried on, or whereby the nature of the occupation or other circumstances affecting the location is changed in such a way as to increase the risk of damage or the likelihood of liability losses
- whereby your interest ceases by will or operation of law
- whereby the business is wound up or carried on by an insolvency practitioner or permanently discontinued.

Contribution

When a loss paid under this Policy is also recoverable under another policy and we have paid more than our rateable share, we reserve the right to seek contribution from the other insurer or insurers.

Limits on cover

We will not pay more than the sum insured in respect of any claim. The only exception to this is if we agree in writing to pay legal costs or expenses in relation to a claim.

Excess

- (a) You must pay the amount of any excess shown in the Schedule for each claim you make. Payment of your excess may be requested when you lodge your claim form, or may be deducted from our payment to you.
- (b) If any loss or damage leads to a claim under more than one Section of this Policy:
 - (i) you must pay the highest applicable excess, but
 - (ii) you need pay only one excess

Automatic reinstatement

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

Misrepresentation and non-disclosure

If before this Policy was entered into:

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

Alteration of risk

We may elect to either:

- (a) cancel this Policy within the terms of the cancellation clause, not be liable for loss or damage to property insured or liability to third parties, or
- (b) both

if the loss, damage or liability is caused or contributed to by an alteration to the risk after the commencement of this Policy.

Claims

What you must do

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

When loss or damage occurs you must:

- (a) take all reasonable steps to reduce the loss or damage and to prevent further damage
- (b) immediately make a full report to the police if:
 - (i) You know or suspect that property has been stolen
 - (ii) someone has broken into your premises, or
 - (iii) someone has caused malicious damage to your property
- (c) not make any admission of liability, offer, promise or payment in connection with any event
- (d) promptly inform us by telephone or in person
- (e) preserve any damaged property and make it available for inspection by our representative or agent (including a loss adjuster).

If you want to make a claim you must

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

What we do

We may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If we do this we will do it in your name. We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving us any statements, documents or assistance we require. This may include giving evidence in any legal proceedings.

What can affect a claim

We will reduce the amount of a claim by the excess shown in the Policy Terms and Conditions or on the Policy Schedule. We may refuse to pay a claim if you are in breach of your Duty of Disclosure or any of the conditions of this Policy, including any endorsements noted on or attached to the Policy Schedule. We pay only once for loss or damage from the same event covered by this Policy even if it is covered under more than one Section of the Policy. We may be entitled to refuse to pay or to reduce the amount of a claim if

- it is in any way fraudulent, or
- any fraudulent means or devices are used by you or anyone acting on your behalf to obtain any benefits under this Policy.