QBE Insurance (Australia) Limited

Business pack insurance policy

Commercial/retail/industrial

This is an important document about insurance. It explains what is and what is not covered under the insurance policy and your and our obligations. To check the policy meets your needs, you need to understand it. If you cannot read and understand English please seek assistance from someone who can help you understand it in your preferred language.

此乃关於保险的重要文件，它解释了根据保单条款什麼是受保、什麼是不受保项目，以及你方和我方的责任条款。你必须要了解後才能决定这项保险是否能满足你的需要。如果你不能阅读和理解英文，请向能帮助你用你熟悉的语言理解内容的人求助。

هذه وثيقة هامة عن التأمين، تشرح ما تغطيه بوليصة التأمين وما لا تغطيه بالإضافة إلى التزاماتنا والتزاماتك. يجب عليك فهم محتوى البوليصة حتى تتأكد من أنها تفي باحتياجاتك. إذا لم تكن تجيد قراءة الإنجليزية وفهمها، أطلب المساعدة من شخص يستطيع أن يعينك على فهم هذه الوثيقة باللغة التي تفضلها.

此乃關於保險的重要文件，它解釋了根據保單條款什麼是受保、什麼是不受保項目，以及你方和我方的責任條款。你必須要了解後才能決定這項保險是否能滿足你的需要。如果你不能閱讀和理解英文，請向能幫助你用你熟悉的語言理解內容的人求助。

Đây là một tài liệu quan trọng về bảo hiểm. Nó giải thích những gì được và những gì không được bảo hiểm theo hợp đồng bảo hiểm cũng như những nghĩa vụ của quý vị và của chúng tôi. Để kiểm tra liệu hợp đồng bảo hiểm có đáp ứng được những nhu cầu của quý vị hay không, quý vị cần phải hiểu nó. Nếu quý vị không thể đọc và hiểu tiếng Anh, vui lòng nhờ ai đó có thể giúp giải thích hợp đồng cho quý vị bằng ngôn ngữ quý vị ưa dùng.

Questo è un documento importante sull'assicurazione. Spiega cosa è e cosa non è coperto in base alla polizza assicurativa ed i tuoi ed i nostri obblighi. Per verificare che la polizza soddisfi le tue esigenze, devi capirla. Se non puoi leggere e capire l'inglese, fatti assistere da qualcuno che possa aiutarti a capirla nella tua lingua preferita.

Αυτό είναι ένα σημαντικό έγγραφο σχετικά με την ασφάλιση. Εξηγεί τι είναι και τι δεν καλύπτεται από το ασφαλιστήριο συμβόλαιο και τις δικές σας και τις δικές μας υποχρεώσεις. Για να ελέγξετε αν αυτό ανταποκρίνεται στις ανάγκες σας, πρέπει να το κατανοήσετε. Εάν δεν διαβάζετε ή δεν κατανοείτε την αγγλική γλώσσα, παρακαλείστε να ζητήστε βοήθεια από κάποιον που μπορεί να σας βοηθήσει να το κατανοήσετε στη γλώσσα που προτιμάτε.

यह बीमा के बारे में एक महत्वपूर्ण दस्तावेज़ है। इसमें यह विवरण दिया गया है कि बीमा पॉलिसी में क्या कवर्ड (बीमे द्वारा सुरक्षित) है और क्या कवर्ड (बीमे द्वारा कवर्ड) नहीं है तथा इसमें आपके और हमारे दायित्वों के बारे में भी बताया गया है। यह जांच करने के लिए कि क्या पोलिसी आपकी आवश्यकताओं को पूरा करती है, आपको इसे समझने की आवश्यकता है। यदि आप अंग्रेज़ी पढ़ और समझ नहीं सकते/सकती हैं तो कृपया किसी ऐसे व्यक्ति से सहायता लें जो आपको इसे आपकी पसंदीदा भाषा में समझने में मदद कर सकता हो।

Este es un documento importante sobre seguros. En él se explica lo que cubre y no cubre su póliza de seguro y tanto sus obligaciones como las nuestras. Deberá entenderlo para determinar si la póliza se adapta a sus necesidades. Si no lee ni entiende inglés, solicite la ayuda de alguien que le pueda ayudar a entenderlo en su idioma.

ਇਹ ਬੀਮੇ ਬਾਰੇ ਇੱਕ ਮਹਤਵਪੂਰਨ ਦਸਤਾਵੇਜ਼ ਹੈ। ਇਸ ਵਿੱਚ ਇਹ ਵੇਰਵਾ ਦਿਤਾ ਗਿਆ ਹੈ ਕਿ ਬੀਮਾ ਪਾਲਿਸੀ ਤਹਿਤ ਕੀ ਕਵਰਡ (ਬੀਮੇ ਦੁਆਰਾ ਸੁਰਖਿਅਤ) ਹੈ ਅਤੇ ਕਿ ਕਵਰਡ (ਬੀਮੇ ਦੁਆਰਾ ਸੁਰਖਿਅਤ) ਨਹੀਂ ਹੈ ਅਤੇ ਇਸ ਵਿੱਚ ਤੁਹਾਡੀਆਂ ਅਤੇ ਸਾਡੀਆਂ ਜ਼ੁੱਮੇਵਾਰੀਆਂ ਬਾਰੇ ਵੀ ਦਸਿਆ ਗਿਆ ਹੈ। ਇਹ ਜਾਂਚ ਕਰਨ ਲਈ ਕਿ ਕੀ ਪਾਲਿਸੀ ਤੁਹਾਡੀਆਂ ਲੋੜਾਂ ਨੂੰ ਪੂਰਾ ਕਰਦੀ ਹੈ, ਤੁਹਾਨੂੰ ਇਸਨੂੰ ਸਮਝਣ ਦੀ ਲੌੜ ਹੈ। ਜੇ ਤੁਸੀਂ ਅੰਗਰੇਜ਼ੀ ਪੜ੍ਹ ਤੇ ਸਮਝ ਨਹੀਂ ਸਕਦੇ ਹੋ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਕਿਸੇ ਅਜਿਹੇ ਵਿਅਕਤੀ ਤੋਂ ਮਦਦ ਲਵੋ ਜੋ ਤੁਹਾਡੀ ਪਸੰਦੀਦਾ ਭਾਸ਼ਾ ਵਿੱਚ ਤੁਹਾਨੂੰ ਇਸਨੂੰ ਸਮਝਣ ਵਿੱਚ ਮਦਦ ਦੇ ਸਕੇ।

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Date of preparation: 21 January 2025
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QM485-0525

About this booklet

This booklet contains two separate parts:

- General Information; and
- 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 broker.

About QBE

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 (QBE) is a member of the QBE Insurance Group of companies. QBE Insurance Group Limited ABN 28 008 485 014 is the ultimate parent entity and is listed on the Australian Securities Exchange (ASX: QBE). We have been helping Australians protect the things that are important to them since 1886.

QBE in the community

Premiums4Good™

We are committed to giving back to the communities that we operate in. Through Premiums4Good, we invest a portion of customer premiums into impact investments that aim to make positive environmental or social change, alongside a financial return. It's just another way we help in enabling a more resilient future.

General information for business pack insurance 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.

Important information

This Policy and your current Policy Schedule are important. Please ensure you read them carefully and keep them in a safe place. The Policy, current Policy Schedule, definitions, defined events, conditions, exclusions, extensions and endorsements are to be read together as one contract. Any word or expression to which a specific meaning has been given under the heading 'Definitions' shall bear that meaning wherever it may appear unless such meaning is not applicable to the context in which that word or expression appears.

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

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

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

Duty of Disclosure

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

You have this duty until we agree to insure you.

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

You do not need to tell us anything that:

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

If you do not tell us something

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

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

General Insurance Code of Practice

QBE is a signatory to the General Insurance Code of Practice (Code) and is committed to providing high standards of service. The Code covers topics like buying insurance, how claims are handled, what happens if financial hardship occurs, and complaint handling. You can read the Code at insurancecouncil.com.au

The Code Governance Committee is an independent body that monitors and enforces insurers' compliance with the Code. For more information about the Code Governance Committee please visit insurancecode.org.au

We recognise that family and domestic violence is a complex issue and we take it seriously. For more information about support, our Family and Domestic Violence Customer Support Policy is available at qbe.com/au

Privacy

We take the security of your personal information seriously.

We will collect personal information directly from you when you deal with us, or sometimes through our agents, other companies in the QBE group or suppliers acting on our behalf. We will only ever collect the personal information we need in order to provide our services to you, such as issuing and administering our products and services and processing claims. We will obtain consent before collecting sensitive information, such as health information, unless we are required or permitted by law to collect it without consent. Sometimes we may store and disclose your personal information overseas. When we do this, we ensure your information is retained in accordance with the Australian *Privacy Act 1988* and local privacy laws.

Our Privacy Policy describes in more detail from whom we collect personal information, as well as where we store it and the ways we could use it. You can find it at qbe.com/au/about/governance/privacy-policy

If you would like to access or correct your personal information please contact us at customercare@qbe.com or on 1300 650 503.

Complaints

We're here to help. If you're unhappy with any of our products or services, or the service or conduct of any of our suppliers, please let us know and we'll do our best to put things right.

Step 1 – Talk to us

Your first step is to get in touch with the team looking after your Policy, direct debit or claim. You'll find their contact details on your policy documents, letters or emails from us.

Please provide our team with as much information as possible so they can try to fix the problem quickly and fairly.

For additional assistance in lodging a complaint, please refer to qbe.com/au

Step 2 – Customer Relations

If your complaint isn't resolved by the team looking after your Policy, direct debit or claim, you can ask them to refer your complaint on to our Customer Relations team. A Dispute Resolution Specialist will review your complaint independently and provide you with our final decision.

You can also contact the Customer Relations team directly:

Phone:	1300 650 503
Fax:	(02) 8227 8594
Email:	complaints@qbe.com
Post:	GPO Box 219, Parramatta NSW 2124

Step 3 – Still not resolved?

If we're unable to resolve your complaint to your satisfaction within a reasonable time, or you're not happy with our final decision, you can refer your complaint for external dispute resolution by contacting the Australian Financial Complaints Authority (AFCA). We are a member of AFCA and their decisions are binding on us.

Phone:	1800 931 678
Email:	info@afca.org.au
Post:	GPO Box 3, Melbourne VIC 3001

AFCA will inform you if your complaint falls within its jurisdiction. Time limits apply to most complaints to AFCA. For more information, visit afca.org.au

More information

You can find more information about how we deal with complaints on our website at qbe.com/au or you can call us on 133 723 to speak with us or request a copy of our complaints brochure at no charge by us.

Complaints just about privacy

If you're not happy with how we've handled your personal information, call us on 1300 650 503 or email us at customercare@qbe.com. If you're not satisfied with our response, you can contact the Office of the Australian Information Commissioner (OAIC):

Phone:	1300 363 992
Email:	enquiries@oaic.gov.au
Post:	GPO Box 5288, Sydney NSW 2001

Financial Claims Scheme

This Policy is protected under the Financial Claims Scheme (FCS), which protects certain insureds and claimants in the unlikely event QBE becomes insolvent. You may be entitled to access the FCS if you meet the eligibility criteria. For more information, contact the Australian Prudential Regulation Authority (APRA).

How to contact APRA	
Phone	1300 558 849
Online	www.apra.gov.au/financial-claims-scheme-general-insurers

Cooling-off period

If you change your mind about your Policy and haven't made a claim, you can cancel it within 21 days of the start or renewal date and we'll give you a full refund. If you cancel your Policy in these circumstances, you will have no cover under the Policy.

To cancel your Policy within the cooling-off period, contact your financial services provider.

You can also cancel your Policy outside the cooling-off period. see 'Cancelling your policy'.

Policy Terms and Conditions for Business Pack Insurance Policy

Insurer

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

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 Schedule, subject to the terms and conditions of the Policy. Cover is provided during the period of insurance shown on your Policy Schedule or any renewal period.

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

We will not pay the excesses shown in the Policy or Policy Schedule. If any loss or damage leads to a claim under more than one section of this Policy, you must pay the highest applicable excess, but you need to pay only one excess.

Your Policy

Your Business insurance 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 broker.

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

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

Paying your premium

You must pay your annual premium by the due date to your insurance broker to ensure you are covered. The due date is shown on your Policy Schedule.

If you don't pay the premium by the due date, your Policy may be cancelled and we'll write to let you know when this will happen.

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 do not occur in a month.

We will let you know how much premium you need to pay us, how to pay it and when. If you pay your premium annually, you need to pay your premium on time to ensure you are covered. If you don't pay the premium your Policy may be cancelled and we'll write to let you know when this will happen.

If any instalment of premium has remained unpaid for one 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 seven days before your next instalment is due.

Preventing our right of recovery

If you've agreed with or told someone who caused you loss, damage or liability covered by your Policy that you won't hold them responsible then, to the extent we've been prejudiced by this act, we won't cover you for that loss, damage or liability.

References to legislation

Legislation referenced in this Policy includes subsequent legislation. Any term used in this Policy and defined by reference to legislation will have the meaning given in any replacement definition or definition with materially the same object or purpose in subsequent legislation.

'Subsequent legislation' means:

- an act or regulation as amended, replaced or re-enacted;
- where an act or regulation has been repealed, the current equivalent act or regulation (Commonwealth, State or Territory) with materially the same object or purpose whether in whole or in part.

Under-insurance

The Business Property cover section and the Business interruption cover contain under-insurance provisions which require you to insure for full value. If you do not, we may pay you a lower amount after taking into account the proportion of under-insurance, or you may be required to pay a portion of the loss yourself.

Words with special meaning

The words and terms used throughout this Policy have special meanings set out below.

Where other words and terms are only used in one section of the Policy, we'll describe their special meaning in that section.

Word or term	Meaning
Aircraft	Any craft or object designed to travel through air or space, other than model Aircraft or unmanned inflatable balloons used for advertising or promotional purposes.
Animal(s)	Any living creature including, but not limited to, livestock, birds, fish, vermin or insects.
Automatic teller machine (ATM)	A burglar resistant unit designed for the safe storage and disbursement of bank notes and which resists fire and attack by hand-held or power operated tools.
Buildings	A permanently fixed structure. Buildings includes: (a) sheds fixed to foundations at the premises; (b) customised and modified shipping containers or transportable buildings permanently located at the premises used as workshops, lunchrooms or storage and which are permanently fixed to the ground with electrical or plumbing services, as necessary; (c) shipping containers in which the stock your business distributes is delivered to your premises or from which merchandise is either being loaded into, unloaded from or stored in before dispatch, provided the container doors are secured when unattended with padlocks with a security rating under Part 4: Padlocks, of Australian Standard AS4145 of 6 or above and the padlocked container is fully enclosed by a locked fenced area at the premises after hours; (d) shipping containers in which the stock or contents of your business is stored, provided the container doors are secured when unattended with padlocks with a security rating under Part 4: Padlocks, of Australian Standard AS4145 of 6 or above and the padlocked container is fully enclosed by a locked fenced area at the premises after hours; (e) walls, foundations, storage tanks and sheds, awnings, exterior lights, masts, antennae and aerials, fixed external signs, gates, fencing, pavements, roads and other structural improvements pertaining to the building(s); (f) property owner's fixtures and fittings, floor coverings, plant, plumbing or wiring services that are within the building; (g) carports, pergolas and canopies; (h) barns and outbuildings; (i) external fixed items including swimming pools, saunas and spas, gangways between buildings, lights and signs and air conditioning units; (j) wharves, piers and jetties. Building(s) does not include: (k) plant and machinery; (l) stock; (m) contents; (n) property undergoing erection, construction, alteration or addition (including partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one premises exceeds $500,000 or 20% of the total sum insured on buildings and contents, whichever is the lesser, provided that this limit shall only apply to the portion of the property insured which is subject to any such work and not to any other portion of the property insured; (o) land, unsealed driveways, unsealed paths, topsoil and fill, dams, reservoirs, canals, tunnels, and railway tracks (not at the premises). This definition of 'Buildings' is subject to the 'Designation of property' as noted in the 'General policy condition'.
Business	The business as described in the Policy Schedule (and, where applicable, as further described in any more specific underwriting information provided to us at the time when this insurance was negotiated).
Business hours	When you or any of your employees are at the premises for the purpose of conducting your business.

Word or term	Meaning
Computer virus	An executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained and which destroys or alters the host program or other computer code or data causing undesired program or computer system operation.
Consequential loss	Any loss not directly related to your claim, such as but not limited to: (a) delay; (b) interruption in your business; (c) loss of contract; (d) lack of performance; (e) loss of use of any property; (f) depreciation in value; (g) loss or earning capacity; or (h) an increase in costs and expenses, unless specifically covered.
Contents	All contents at the premises, including property of others (other than buildings and stock), and when the word contents is used in the Policy Schedule to describe a category of property insured, it is agreed that we accept the designations used in your books and records. Contents includes: (a) unused stationary and printed books; (b) where you are a tenant of a leased or rented premises: (i) property owner's fixtures and fittings, window blinds, floor coverings and glass for which you are liable under the terms of a lease or similar agreement; (ii) fixtures and fittings installed by you for use in the business; and (c) money up to $500; (d) plant and machinery, unregistered forklifts and hoists and communications systems; (e) computers, word processors, printers, scanners and other peripheral equipment and other electronic equipment or electronic data processing systems; (f) digital or analogue telecommunications transmission and receiving equipment, lighting facilities, televisions, audio visual amplification or surveillance equipment and office machines; (g) data, media, records, documents, manuscripts, plans, drawings, designs and business books, but only for the value of these materials in their unused or uninstalled state or as blank stationary; (h) current patterns, models, moulds, dies and lasts used in the business but limited, unless repaired or replaced, to the value stated in your financial records at the time of damage; (i) paintings, works of art, antiques or curios; (j) documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations; (k) property of your welfare, sports and social clubs; (l) signs and awnings (but only if you are a tenant); (m) stock. Contents does not include: (n) buildings; (o) directors' and employees' tools of trade and personal effects; (p) jewellery, furs, bullion, articles containing gold and silver which exceed $10,000 any one item unless such item is the stock in trade of the business; (q) vehicles registered for road use and any other machinery whilst registered for road-related areas, caravans, trailers, watercraft, aircraft, hovercraft, rolling stock and locomotives or their accessories; (r) live animals; (s) plants, shrubs, lawns, growing crops, pastures and standing timber other than pot-plants; or This definition of 'Contents' is subject to the 'Designation of property' as noted in the 'General policy condition'.
Customer's goods	Goods that belong to your customer's for which you are responsible or for which you have assumed responsibility to insure prior to any destruction or damage.

Word or term	Meaning
Electronic data	Facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.
Employee	Any person while employed by you in the business who you compensate by salary, wages or commission and have the right at all times to govern, control and direct in the performance of their work. Employee includes: (a) volunteers; and (b) students on work experience. Employee does not include any: (c) broker, factor, consignee or contractor; (d) member of your family unless that person is employed by you under a contract of service; (e) partner, director or trustee unless that person is also your employee.
Endorsement	Documentary evidence of an alteration to the Policy which forms part of the Policy.
Event or events	One incident or all incidents of a series consequent on, or attributable to, one source or original cause.
Excess	The amount specified in the Policy Schedule which is payable by you on each and every claim we accept arising out of one event under the applicable Policy section. If more than one excess is payable under this Policy for any claim or series of claims arising from the one event, such excesses will not be aggregated and the highest single level of excess only will apply.
Family	Your spouse (legal or de facto), your or your spouse's children, parents or grandparents who normally live in your home.

Word or term	Meaning
Flood	The covering of normally dry land by water that has escaped or been released from the normal confines of any of the following: (a) a lake (whether or not it has been altered or modified); (b) a river (whether or not it has been altered or modified); (c) a creek (whether or not it has been altered or modified); (d) another natural watercourse (whether or not it has been altered or modified); (e) a reservoir; (f) a canal; (g) a dam.
Glass	(a) Fixed glass forming part of or fixed to the exterior of the building including glass in fixed signs; or (b) fixed internal glass including fixed glass in furniture, counters, shelving and showcases, fixed and hanging mirrors, fixed washbasins, sinks, toilet pans and cisterns, contained within the building. Glass includes external glass, internal glass and specified glass as defined in the Glass cover section.
Hovercraft	Any vessel, craft or device made or intended to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.
Media	Material on which data is recorded or stored, such as magnetic tapes, hard drives, cartridges, dongles, CDs, DVDs, flash drives, memory cards or floppy disks.

Word or term	Meaning
Money	Current coin, bank notes, currency notes, cheques, credit card sales vouchers, securities, postal orders, money orders, negotiable and non-negotiable securities and other like documents of value, phone cards and/or stored value cards, unused postage and revenue stamps, public transport tickets, private transport tickets (excluding airline tickets), bridge or highway tokens, car wash tokens, lottery tickets, authorised gift vouchers from external parties, discount vouchers, contents of franking machines and includes cash boxes, alarm bags, or any other portable container used to convey money all belonging to you or for which you are legally responsible or have assumed a responsibility to insure but does not mean any of these in the possession of or carried by professional money carriers, professional carriers or common carriers.
Obsolete stock	Stock which can no longer be sold for its full value, for example, stock which is out-of-season fashion, superseded computers or perishable goods beyond their use by date.
Period of insurance	The time cover commenced to the time cover expires. The dates are shown on the current Policy Schedule. Unless stated otherwise, cover shall expire at 4.00pm local time at the place where you arranged the cover.
Policy	Includes this document, the Policy Schedule and any attachment or memoranda affixed and any future documents issued to you which amends the Policy Wording or Policy Schedule.
Policy Schedule	The record of the particulars of your insurance which forms part of this Policy. The Policy Schedule is issued when we have accepted your insurance. At each renewal of your Policy, the renewal schedule becomes your current Policy Schedule. Updated Policy Schedules or endorsements may also be sent to you showing alterations to your Policy.
Policy section	Any part of this Policy described as a Policy section or a cover section.
Pollutants/pollution	Any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste materials. 'Waste material' includes materials that are intended to be recycled, reconditioned or reclaimed.

Word or term	Meaning
Premises	The places listed in the Policy schedule as the 'Situation' at which and from which you operate your business. The premises includes buildings and land within the legal boundaries.
Property insured	The property as described on the Policy Schedule in respect of each cover section.
Rewriting of records	The cost of restoration of computer records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description.
Safe	A burglar resistant container weighing more than 20 kilograms that is fixed by expanding masonry anchor bolts to the wall or floor of the premises which has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of money and valuables. Includes automatic teller machines. A safe is not: (a) a cash tin; (b) a locked drawer in a filing cabinet or desk; or (c) a burglar resistant container weighing less than 20 kilograms that is not fixed by expanding masonry anchor bolts to the wall or floor of the premises.
Seasonal increase period/s	Any period of time during the period of insurance that has turnover, sales or levels of stock at least 20% higher than the average turnover, sales or level of stock at other times during the period of insurance. The total number of days we will allow as seasonal increase periods is 120 days in total during any one period of insurance. You do not have to tell us what the dates of the periods are, but if you claim under a Policy section which has the seasonal increase cover, then your financial records over at least the two previous years must substantiate the period as a seasonal increase period. If the business is less than two years old, we will use the financial records of your business from the date of commencement until the date of the loss or damage to substantiate your claim. You can nominate different stock increase period(s) of higher percentage increases of stock. If you do, they will be shown on your Policy Schedule and to ensure you are covered, you must pay any additional premium that applies.
Senior Counsel	Entitled to use the letters 'KC', 'QC' or 'SC' in any one or more superior court in Australia or New Zealand.

Word or term	Meaning
Stock	(a) Products and material you intend to sell; (b) raw or consumable materials used by you to make or alter your products; (c) your products while being made, repaired or altered; (d) any consumable products or materials used in your business; (e) customer's goods. Under the Theft cover section, stock does not include tobacco, products containing tobacco, cigars, cigarettes or alcohol unless they are specified on the current Policy Schedule.
Strong room	A burglar resistant structure constructed of masonry and steel which has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of money and valuables.
Subsidiary company	Any company in which you have a controlling interest. For the purpose of this definition the term ‘controlling interest’ shall mean the beneficial ownership of shares carrying more than 50% of votes capable of being cast at a general meeting of all shareholders of the company.
Sum insured	The maximum amount that will be paid under each section of cover selected. The sum insured will vary depending upon your requirements in relation to each cover section.
Territorial limits	Anywhere in the Commonwealth of Australia and its protectorates and Territories.
Vehicle	Any type of machine on wheels or on self-laid tracks made or intended to be propelled by other than manual or animal power, and any trailer or other attachment to be utilised in conjunction with or drawn by any such machine.
Watercraft	Any vessel, craft or thing made or intended to float on or in or travel through water, other than model boats.
We/our/us	QBE Insurance (Australia) Limited.
You or your	The person(s), companies or firms named on the current Policy Schedule as the ‘Insured’.

General Policy exclusions applicable to all sections

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

Consequential loss

We will not pay for any consequential loss. This exclusion does not apply to the 'Business interruption' cover section and 'General and products liability' cover section.

Cyber risk

This exclusion prevails over any other provision in the Policy except any terrorism exclusion.

(a) We will not provide cover for any loss, damage, liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any cyber incident.

(b) If the 'Business Property' cover section is selected, we will provide cover for physical loss or damage to property insured, including business interruption therefrom, directly occasioned by a cyber incident which is caused by an event which is covered under that cover section.

Nevertheless, any total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of electronic data, error in creating, amending, entering, deleting or using electronic data, total or partial inability or failure to receive, send, access or use electronic data for any time or at all, occasioned by a cyber incident shall not be recoverable, nor be considered as physical loss or damage for the purposes of this exclusion.

Notwithstanding the foregoing, we will provide cover for loss to electronic data and rewriting of records as provided by extra cover ‘Rewriting of records’ of the Business Property cover section in the event that hardware or electronic data storage device of an insured computer system sustains physical damage caused by an event which is covered under the ‘Business property’ cover section, provided that it is directly occasioned by a cyber incident, which results in damage to or loss of electronic data stored on that hardware or electronic data storage device. The basis of valuation for the recovery of the damaged or lost electronic data shall only be the cost of reproducing electronic data. Such costs shall include all reasonable and necessary expenses incurred in recreating, gathering or assembling such electronic data, but does not include the value of the electronic data to you or any other party even if such electronic data cannot be recreated, gathered or assembled.

(c) For the purposes of the ‘How we will pay your claim’ provision in this Policy, computer systems records includes data.

(d) For the purposes of this exclusion:

(i) cyber incident shall include:

> unauthorised or malicious acts regardless of time and place, or the threat or hoax thereof;

> malware or similar mechanism;

> programming or operator error whether by you or any other person or persons;

> any unintentional or unplanned – wholly or partially – outage of your computer system not directly caused by physical loss or damage,

affecting access to, processing of, use of or operation of any computer system or any electronic data by any person or group(s) of persons.

(ii) computer system means any computer, hardware, information technology and communications system or electronic device, including any similar system or any configuration of the aforementioned and including any associated input, output or electronic data storage device, networking equipment or back up facility.

(iii) malware or similar mechanism means any programme code, programming instruction or other set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programmes, data files or operations (whether involving self-replication or not), including but not limited to ‘virus’, ‘trojan horses’, ‘worms’, ‘logic bombs’ or ‘denial of service attack’.

Geographical limitations

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

Intentional acts

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

Known defects

We will not pay for any loss or damage caused by any faults or defects known to you or any of your employees whose knowledge in law would be deemed to be yours and not disclosed to us at the time this insurance was arranged.

Laws impacting cover

We will not be liable to provide any cover, pay any claim or provide any benefit under this Policy, to the extent that it is unlawful for us to do so.

Sanctions limitation and exclusion

We will not be liable to provide any cover, pay any claim or provide any benefit under this Policy, to the extent that to do so may expose us to any sanction, prohibition or restriction under United Nations resolutions or any applicable trade or economic sanctions, laws or regulations of any country.

Unoccupied premises

Unless we otherwise agree in writing, we will not pay for any loss or damage to your property insured if the occurrence happens after your premises has been Unoccupied for more than 90 consecutive days. This exclusion does not apply to damage caused by:

(a) lightning, earthquake, volcanic eruption, tsunami and subterranean fire;

(b) impact by road vehicle or their loads, animals, meteorite, aircraft or other aerial devices or articles dropped from them, sonic boom or space debris;

(c) falling communication masts, towers, antennae or dishes, falling building or structures or parts thereof which do not belong to you;

(d) riots, civil commotions and strikes.

This exclusion will not apply if the premises are partly occupied.

For the purpose of this exclusion, unoccupied means a premises left vacant by you or any other person authorised by you to occupy the building or premises whether furniture or other contents remain or not.

War, terrorism, radioactivity

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

(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 looting, sacking or pillage following any of these, or the expropriation of property.

(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 of the day 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) of the day 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.

Provided that this 'Exclusion (c)' shall not apply to liability arising from radio-isotopes, radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits.

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

General Policy conditions

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

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

If you, or someone covered under your Policy, don't meet these general conditions or make a fraudulent claim we may:

(a) refuse to pay your claim; or

(b) reduce what we pay for your claim; or

(c) cancel your Policy.

Accountancy records

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

Acquisition of companies

Provided that you notify us in writing within 30 days of the acquisition of any:

(a) company or other legal entity acquired during the period of insurance; or

(b) property or liability associated with such company or any other legal entity or business undertaking or operation,

and the business is of a similar occupation to that stated in the Policy Schedule, you have the right to accept such terms and additional premium as we may reasonably require to provide cover. Our liability shall not exceed the limit of liability, sum insured or any sub-limit of liability applicable under the relevant cover sections making up your Policy for each category of property.

Provided that:

(a) No indemnity shall be granted in respect of claims which first happened prior to the date of such acquisition, formation or assumption of management responsibility.

(b) Where existing insurance applies to the acquired properties, companies, firms, corporations, entities or other bodies over which you exercise management responsibility, this Policy will indemnify you for any difference in conditions and limits, until expiry or cessation of such existing insurance.

Bankruptcy or insolvency

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

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

Cancelling your Policy

How you may cancel this Policy

You may cancel this Policy at any time by telling us in writing that you want to cancel it. You can do this by giving the notice to your broker.

Where 'You' involves more than one person, we only need a request to cancel it from one of you.

How we may cancel this Policy

We may cancel this Policy in any of the circumstances permitted by law (e.g. failure to pay the premium by the due date) by informing you in writing. We'll give you notice in person or send it to your address (including an electronic address) last known to us. Such cancellation shall take effect at the earlier of the following times:

- the time when another policy of insurance between you and us or some other insurer, being a policy that is intended by you to replace this Policy, is entered into; or
- at 4.00 pm on the third business day after the day on which notification was given to you.

The premium

We will refund to you the proportion of the premium for the remaining period of insurance, less any non-refundable government charges.

Premium funders

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

Designation of property

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

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

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

Excess

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

How Goods and Services Tax (GST) 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 (ITC) to which you are or would be entitled if you made a relevant acquisition. In these circumstances, the ITC may be claimable through your Business Activity Statement (BAS).

You must advise us of your correct Australian Business Number (ABN) and 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 ITC) 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* (Cth) and related legislation as amended from time to time.

Taxable percentage is your entitlement to an ITC on your premium as a percentage of the total GST on that premium.

Inspections

We (or agents appointed by us) have the right to inspect and examine, by mutual appointment, any property insured. This will be at a reasonable time and with reasonable notice.

Jurisdiction

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

Non-imputation

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

(a) each insured shall be covered as if it made its own proposal for this insurance;

(b) any declaration, statement or representation made in any proposal prior to entering into the Policy shall be construed as a separate declaration, statement or representation by each insured;

(c) any knowledge possessed by any insured shall not be imputed to the other insured(s).

Other persons or organisations

The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties having a legal interest or charge over the property insured and who are specifically noted in your records, shall be automatically included as third party beneficiaries without notification or specification. The nature and extent of such interest is to be disclosed to us in the event of any claim covered by this Policy. Any other people not in this category or not named on the Policy Schedule are not covered and cannot make a claim. All third party beneficiaries must comply with the terms and conditions of the Policy if they wish to claim under the Policy.

Where the separate interests of more than one party in the property insured are insured under this Policy, any act or neglect of one party will not prejudice the rights of the remaining party or parties provided that the remaining party/ies shall, within a reasonable time after becoming aware of any act or neglect whereby the risk of loss, damage or destruction has increased, give notice in writing to us and shall on demand pay such reasonable additional premium as we may require to reflect the increased risk.

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

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

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

Our maximum liability

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

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

Progress payments

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

Reasonable care

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

(a) if you discover your products may be defective and the defect may cause a claim under the Public and products liability cover section, at your expense you must take reasonable steps to restrict, trace, recall, modify, replace or repair the products;

(b) maintain and look after other person's or organisation's property and buildings used or occupied by you, in accordance with your agreement with them;

(c) if your occupation includes digging below ground at sites away from your premises the location of underground services must be obtained from the owners of the services by you or your principal before the work is commenced;

(d) comply with all laws and safety requirements imposed by all relevant authorities or by State or national legislation and which are relevant to your Business.

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

Reinstatement of sum insured

In the event of damage insured under one or more of the; Property damage', 'Business interruption', 'Theft', 'Money', 'Machinery breakdown', 'Electronic equipment breakdown', 'Glass' and/or 'General property' cover sections of this Policy, the amount by which the sum insured or limit of indemnity is reduced as a consequence of the loss or damage will be automatically reinstated as from the date of loss or damage provided that:

(a) there is no written request from you to the contrary;

(b) the section is an operative section of the Policy; and

(c) you pay the appropriate premium which we require for the reinstatement.

We will not reinstate the sum insured on the 'Property damage' cover or 'Business interruption' cover sections if we have paid a total loss under either of these sections.

Rewards

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

However:

(a) the terms of the reward must be agreed by us before it is offered (but we will not unreasonably withhold our consent); and

(b) no such payment shall be made by you unless the value of the property recovered exceeds the reward.

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

Sale of salvage

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

Sending you documents

Documents relating to your insurance policy will be sent by post or email. Where you have been given the choice, they will be sent by your chosen delivery method and you can change your preference at any time.

It is your responsibility to make sure your contact details are current (including telephone number, email and mailing address where relevant) and you must update these as soon as they change.

Single occurrence

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

Waiver of subrogation rights

We may not be liable to pay any benefits under this Policy for loss, damage or liability if you agree or have agreed to limit or exclude any right of recovery against any third party who would be liable to compensate you with respect to that loss, damage or liability, to the extent we have been prejudiced by your act, however:

(a) we shall waive any rights and remedies or relief to which we are or may become entitled by subrogation against:

  (i) any co-insured (including directors, officers and employees);

  (ii) any corporation or entity (including directors, officers and employees) owned or controlled by any insured or against any co-owner of the property insured.

(b) you may without prejudicing your position under this Policy:

  (i) release any statutory governmental, semi-governmental or municipal authority from any liability if required at law, including by contractual agreement, to do so;

  (ii) agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause.

When there is more than one insured

When there is more than one insured on your Policy, we may treat what any one of them says or does in relation to your Policy or any claim under it, as said or done by each of the insureds. We may rely on a request from one insured to change your Policy or tell us where a claim payment should be paid. Where a payment is made to one insured under this Policy, we have no further obligations to any other insured regarding that payment.

Claims conditions

What you must do after loss, damage or accident

- Protect yourself from any danger present.
- Assist other people within your capabilities if required.
- Take reasonable steps to prevent further loss, damage or liability.
- Notify the police as soon as possible if any of your property is lost, stolen, or maliciously damaged and provide the police with all assistance to apprehend the offending party, and provide details of the report to us. We may need the police report number to process your claim or our recovery action if there is a third party who is liable for your loss.
- Advise us of the claim as soon as practicable and then supply us with full written details by completing our claim form. You or someone acting on your behalf must complete a claim form within a reasonable time of an occurrence. If you do not, we may reduce the amount we pay if the delay causes increased costs or prevents us investigating the claim.
- Any invoices, bills, demands letters or notices you receive from other people involved in the loss, damage or accident must be sent to us as soon as possible.

What you must not do after a loss or accident

- You must not admit fault or agree to pay for damage without our consent (which consent shall not be unreasonably withheld). Do not make an offer, settle, or attempt to settle any claim against you. If you do we may not pay all or part of the claim, to the extent we've been prejudiced by this act.
- You must not incur any costs or expenses or authorise repairs (other than necessary temporary repairs) without our agreement, but we will not unreasonably withhold our agreement.

Contribution and other insurance

When making a claim, you must notify us of any other insurance that you're aware will or may, whether in whole or in part, cover any loss insured under your Policy.

If at the time of any loss, damage or liability there's any other insurance (whether issued to you or any other person) which covers the same loss, damage or liability you must provide us with any reasonable assistance we require to make a claim for contribution from any other insurer(s).

Discharge of liabilities

We may at any time pay to you in respect of all claims against you arising from an occurrence, the balance of the limit of liability or any smaller sum for which the claim or claims can be settled, and upon that payment, we will relinquish conduct or control of and be under no further liability under this Policy section in connection with those claims except for costs, charges and expenses:

(a) recoverable from you for all or part of the period prior to the date of such payment;

(b) incurred by us;

(c) incurred by you with our written consent (such consent not to be unreasonably withheld) prior to the date of such payment.

The sum for which the claim or claims can be settled is either:

(a) the amount for which the claimants offer to settle a claim or claims; or

(b) the amount assessed by a Senior Counsel, taking into account:

(i) the economics of the matter;

(ii) the damages and costs which the claimants are likely recover by;

(iii) the likely defence costs; and

(iv) your prospects of successfully defending the claim.

If you and we cannot agree on the Senior Counsel, we will ask the President of the Bar Association in the relevant State or Territory to nominate one.

We will include the cost of the Senior Counsel's opinion in your defence costs.

Claim preparation expenses

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

This benefit is in addition to any sum insured.

This benefit does not apply to the 'Tax audit' cover section, 'Employee dishonesty' cover section, 'Employment practices' cover section or 'Statutory liability' cover section.

Business Property cover section

About this Policy section

This section of the Policy covers physical loss of or damage to your property insured which occurs during the period of insurance. We do not cover the theft or breakdown of your property insured under this cover section.

Words with special meaning

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

Word or term	Meaning
Catastrophe	A large scale destructive event, in the area where the premises is located, which either: (a) the Insurance Council of Australia has declared to be a 'catastrophe'; or (b) as a consequence of an event, the relevant government authority has declared a state of emergency.
Landscaping	Growing plants, trees, shrubs, garden plots and lawns (including rock work, retaining walls, ornamentation and edging pertaining thereto).
Market value	The estimated amount for which the property insured should exchange immediately before the damage, between a willing buyer and a willing seller in an arms-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.
Specified items	Each item of property that is specifically described on the Policy Schedule for this cover section.

Your insurance under this cover section

Provided the 'Business property' cover section is shown in the Policy Schedule as taken, we will cover you up to the sum insured for loss or damage to your property insured at the premises which occurs during the period of insurance.

What we pay

The maximum we will pay for any one claim, other than a claim for a specified item, under this cover section is the amount shown on the Policy Schedule or adjusted in accordance with this cover section, whichever is the higher.

The maximum we will pay for each specified item is the sum insured shown in the Policy Schedule for that item.

For contents that are works of art, antiques or curios we will only pay the value of the item up to a maximum of $10,000 for each item unless they are a specified item.

For any item of contents or for any specified item that is part of a pair or set, the limit applies to the pair or set.

There are two main methods of paying your claims. They are 'Reinstatement or replacement value' and 'Indemnity value'.

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

1. Buildings, specified items, contents

Reinstatement or replacement

You are insured on a 'Reinstatement or replacement' basis unless the Policy Schedule indicates otherwise. When buildings, specified items, contents or stock are lost or damaged, we will either:

(a) pay the cost of rebuilding, replacing or repairing the buildings, specified items, stock or contents;

(b) replace contents, stock or specified items with similar property;

(c) rebuild the buildings at the premises shown on your Policy Schedule or at another site;

(d) pay you the amount shown on the proof of purchase for specified items unless the specified items are works of art, antiques or curios;

(e) pay you the amount of a valuation by the Auctioneers and Valuers Association of Australia if the specified items are works of art, antiques or curios.

Reinstatement or replacement is subject to the following conditions:

(f) when rebuilding at another site, we will not pay more than we would pay to rebuild at the premises;

(g) the work of rebuilding, replacing or repairing must be commenced within a reasonable time of the loss or damage, after our consent (which consent shall not be unreasonably withheld) has been obtained. If you do not, we will pay no more than the cost that would have been incurred if the work of rebuilding, replacement or reinstatement has been commenced and carried out with reasonable dispatch;

(h) when any property insured is damaged, but not destroyed, we will not pay more than the amount that we could have been called upon to pay if that property had been destroyed;

(i) we will only pay to return the property insured to a condition substantially the same as, but not better or more extensive than, its condition when new, using building materials readily available and in common use in the Commonwealth of Australia.

2. Indemnity

(Optional reduction in cover)

If your Policy Schedule shows you are insured for 'Indemnity' then, for any loss or damage to building or contents, we will either:

(a) repair, reinstate or replace the building or contents;

(b) pay you the market value of the building or contents at the time of its loss or damage; or

(c) pay the cost of repair or replacement.

In all cases, where appropriate, we will reduce the amount we pay you to take into account age, wear, tear and depreciation.

The under-insurance condition in this section is amended to read:

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

3. Branded goods

In the event of a claim, any salvage of branded goods or merchandise owned by you or held by you in trust or on commission and any goods sold but not delivered shall not be disposed of by sale without your consent. If you do not agree to us selling the branded stock as salvage, we will pay the market value of the goods after brands, labels or names have been removed by you or on your behalf.

4. Extra cost of reinstatement

If you are insured under this cover section on a reinstatement or replacement basis, we will pay the extra cost of reinstatement (including demolition or dismantling) of damaged property insured which are necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made under an Act or By-law or the Regulation of any Municipal or Statutory Authority other than those relating to the heritage status of a building.

5. Extra costs of reinstatement: Heritage building

If you are insured under this cover section on a reinstatement or replacement basis for loss or damage to any building that is subject to any heritage listing or protection and you choose to rebuild, replace or repair the building at the same location, we will pay the extra costs of repairing, replacing, or reinstating the building, that are related to obtaining special materials or employing specialised labour to match up or reproduce unique or distinctive ornamental or architectural features of the building to comply with standards imposed by any lawful heritage protection authority.

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

6. Conditions which apply to extra costs of reinstatement

The following conditions apply:

(a) the work of reinstatement must be commenced and carried out within a reasonable period, failing which we will not pay more than the amount which would have been payable under the Policy if the work of reinstatement had been commenced and carried out with reasonable dispatch;

(b) the work of reinstatement may be carried out wholly or partially upon any other site, if the requirements of the Act, Regulation or By-law necessitate it, subject to our liability not being increased;

(c) the amount recoverable shall not include the additional costs incurred with complying with any such Act, Regulation or By-law or requirement with which you have been required to comply prior to the happening of the damage.

Our total liability under this clause ‘Extra cost of reinstatement’ will be limited to:

(d) the sub limit of liability shown in the current Policy Schedule for ‘Extra cost of reinstatement’ which shall be in addition to the sum insured; or

(e) 10% of the limit of the total sum insured for this cover section; or

(f) the balance of the sum insured for this cover section,

whichever is the greater.

The under-insurance condition of the 'Business property' cover section of the Policy will not be applied to the amount payable under this clause.

7. Loss of floor space

If a building insured under this cover section on a reinstatement or replacement basis can only be built with a reduced floor space as a result of:

(a) any Act of Parliament or regulation there under; or

(b) any By-law or regulation of any municipal or other statutory authority.

We will, in addition to reinstating or replacing the building on the basis set out above, pay you the difference between:

(c) the actual costs incurred in reinstatement subject to the reduced floor space ratio index (plot ratio); and

(d) the estimated cost of reinstatement at the time of damage had the reduced floor space ratio index (plot ratio) not applied.

8. Output replacement

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

Where any property insured is to be replaced with:	…then the basis of settlement is:
(a) any item or items which have the same or a lesser total function, capability or output	the new installed cost of such replacement item or items as would give the same total function, capability or output as the property insured.
(b) any item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of that property insured	the new installed cost of the item or items so replaced.
(c) any item or items which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the replacement value of the property insured	the lesser of: • the reinstatement value; or • that proportion of the new installed cost of the replacement item or items which the output of the damaged property insured bears to the output of the replacement item or items, provided always that: • the amount payable shall not be of lesser value than the estimated cost which would have been payable if such damaged property could have been replaced by an item or items that would have given the same total function, capability or output as the damaged property insured; • if the reinstatement value of the damaged property insured is not ascertainable then the basis of settlement is the new installed cost of the replacement item or items.

9. Stock

If stock is lost or damaged, we will either:

(a) pay the market value of the stock at the time of the loss or damage; or

(b) pay the cost of repair or replacement of the lost or damaged stock; or

(c) replace or repair the stock with property or materials equal to or of a similar standard and specification as the stock at the time it was lost or damaged;

(d) pay you the market value of obsolete stock or its purchase price (net of GST), whichever is the lesser, but no more than the original cost to you.

Extra covers

When damage to property insured is covered by this cover section, we will pay for the following costs that are incurred as a result of that damage.

Unless stated otherwise below, any amounts payable under these extra covers apply in addition to the sum insured.

1. Capital additions

If buildings or contents are insured and:

(a) buildings, or part of them, are in the process of being constructed, erected, altered or added to; or

(b) contents, excluding stock, are in the process of being installed or modified,

we will pay up to an additional:

(c) $500,000; or

(d) 20% of the total insured amount on buildings and contents,

whichever is the lesser amount.

2. Catastrophe inflation protection

If we pay a claim for damage to your building that is a direct result of a catastrophe we will:

(a) pay up to an extra 20% of the sum insured for buildings; and

(b) increase the amounts payable under the ‘Capital additions’ (relating to buildings only) extra cover and ‘Prevention of loss or damage’ additional benefit of this cover section by 20%,

to cover any Increase in building costs for labour and materials and any other additional costs that can be directly attributed to increases in the price of services and materials as a direct result of the catastrophe.

Provided that we will not pay:

(c) more than the increased building costs which are actually incurred by you;

(d) any amount under this additional benefit until you have incurred costs exceeding the sum insured applicable to such building under this cover section;

(e) any claim under this extra cover if your Policy Schedule shows the building as being insured for ‘Indemnity’;

(f) any claim under this extra cover if you choose not to rebuild the buildings (or any part of them) at the premises shown on your Policy Schedule. We will not increase the insured amount to pay for damage to any property insured other than buildings.

Increase in building costs means the difference between the cost of reinstatement actually incurred in accordance with the basis of settlement provisions of this cover section and the cost of reinstatement that would have applied had the event not occurred. We will not pay any claim under this extra cover if your Policy Schedule shows the building as being insured for ‘Indemnity’.

3. Discharge of mortgages

We will pay the reasonable legal costs of discharge of a mortgage or mortgages on buildings, contents or stock following settlement of a claim under this Policy on a total loss basis. We will pay up to the $25,000 any one event.

4. Government fees

If any or your property insured is destroyed or damaged, we will pay any fee, contribution or other impost payable to any other government, local government or other statutory authority where payment of the fee, contribution or impost is necessary to the obtaining of consent to reinstate any property insured provided that we will not be liable for payment of any fines and/or penalties imposed upon you by any such authorities.

The cost of government fees is included in the sum insured for property insured. If the sum insured is exhausted, the most we will pay under this 'Extra cover' for any one event is $10,000.

5. Landscaping

We will pay for loss of or damage to landscaping at the premises. We will also pay resultant expenses necessarily incurred in cleaning, clearing and/or repairing drains, gutters, sewers and the like, all contained in or on or forming part of or implicitly pertaining to the buildings. We will not pay more than $50,000 or 20% of the building sum insured at the premises specified in the Policy Schedule (whichever is the lesser) in respect of any one event. This additional benefit is included in the sum insured of the buildings covered by this section.

We will not pay for loss or damage to landscaping which occurs as a result of storm, wind and rain (including snow, sleet or hail).

6. Loss of land value

If we pay a claim for loss of or damage to a building at the premises, we will pay for any reduction in land value that results from the decision by any legal authority not to all rebuilding or only to allow partial rebuilding of that building at the premises.

The reduction in land value will be the value certified by the Valuer General or other competent person or authority we select or agree to. We won't unreasonably withhold our agreement another suitable competent person or authority.

Provided that:

(a) this shall be calculated by subtracting:

  (i) the land value after rebuilding; or

  (ii) after you and we have agreed that rebuilding is not possible, the land value before the damage.

(b) we will not pay more than:

  (i) 20% of the sum insured for buildings at the premises where the damage happened;

  (ii) $100,000,

whichever is the lesser.

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

7. Playing surfaces

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

(a) vandals or malicious persons, other than you or your guests, director's partners, officers, employees or members, or their guests;

(b) fire occurring to property insured at the premises for which we have admitted liability under this section; or

(c) the action of the fire fighting services, Police or other emergency services in attending to their duties at the premises.

This additional benefit is in addition to the sum insured.

8. Professional fees

We will pay the reasonable cost of surveyors', architects' and other professional fees for estimates, plans, specifications, quantities, tenders and supervision, incurred in the repair or replacement of lost or damaged buildings. The cost of professional fees are included in the sum insured of the lost or damaged buildings. If the sum insured has been exhausted, we will pay up to $5,000.

We will not pay any claim under this extra cover if your Policy Schedule shows the building as being insured for 'Indemnity'.

9. Removal and disposal of trees and branches

If damage to property insured is caused by impact from trees or branches of trees, we will pay the reasonable costs associated with the removal and disposal of the tree or branches, which caused the damage.

10. Removal of debris including necessary temporary repairs

If property insured has been damaged or destroyed and is covered by the property insured cover section, we will pay the reasonable costs incurred for the demolition, dismantling, necessary temporary repairs (including, but not limited to, the cost of dismantling, shoring up, propping and underpinning property), cleaning up and/or removal, storage and disposal of debris from the premises. We will also pay for your legal liability for the cost of removal of debris from adjoining premises, property, services, roadways and waterways as well as on the site.

We will pay you up to $100,000 or 20% of the total sum insured on buildings and contents shown on the Policy Schedule for the damaged premises whichever is the greater or the amount shown in the current Policy Schedule for 'Removal of debris'. If this is insufficient and you have not exhausted your sum insured on the damaged items requiring demolition and/or removal of debris, we will pay up to the remaining balance of the sum insured.

11. Rewriting of records

We will pay the reasonable costs of restoring the data stored on media or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the records at each premises for:

(a) business books, plans, computer records, patterns and other business records that are damaged;

(b) business records of your customers at the premises or your business records stored off-site.

We will pay you, in addition to your sum insured, up to $25,000 or any higher amount shown in the current Policy Schedule.

12. Seasonal increase in stock

We will automatically increase the sum insured in respect of stock by 50% during the seasonal increase period. If your sum insured for stock is included in another item on the current Policy Schedule we will only apply the increase to the portion of the sum insured which relates to stock.

13. Taking inventory

We will pay up to $5,000 for the reasonable costs and expenses incurred by you in taking inventory (including unpacking, repacking and re-stacking) to identify, quantify and value any property insured damaged during the period of insurance including examination of property insured not belonging to you but in your care, custody or control.

14. Undamaged foundations

If foundations are not destroyed following an occurrence and any government or statutory authority requires reinstatement of the property insured to be carried out on another site, the abandoned foundations were destroyed. If the resale value of the original building site is increased due to the presence of the abandoned foundations, the increase in resale value will be paid to us at the time of sale after deduction of the sale costs attributable to the increase in the resale value. We will not ask you to pay us any more than we have indemnified you for the claim.

Additional benefits

We also provide the following additional benefits. Unless stated otherwise below, any amounts payable under these additional benefits apply in addition to the sum insured.

1. Directors and employees tools of trade and personal effects

We will pay for loss of or damage to directors and employees tools of trade and personal effects as if they were contents.

We will not pay more than $5,000 for any one person for any one event. Any amount we pay for this additional cover will be included in the contents sum insured.

2. Fire brigade attendance fees

We will pay up to $100,000 for any one event for any statutory charges payable by you to a fire brigade or fire fighting authority for attendance at a fire or chemical emergency involving property insured and for the cost of refilling your fire fighting appliances used in putting out a fire at or adjoining the premises and threatening the property insured during the period of insurance.

3. Limited transit

We will cover you for loss of or damage to stock or contents during the period of insurance which are in transit in any vehicle owned or operated by you anywhere in The Commonwealth of Australia and away from the premises, caused by a collision or overturning of the conveying vehicle or any of the following events:

(a) fire or explosion;

(b) wind;

(c) acts of malicious persons;

(d) lightning or thunderbolt;

(e) implosion;

(f) earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these during any period of 72 consecutive hours following the event.

We will not cover you for more than:

(g) $50,000; or

(h) 20% of the highest sum insured for contents or stock at any one premises,

for each event, whichever is the lesser.

We will not cover you for any claims under the additional benefit if you have selected the 'Transit' cover section.

4. Prevention of imminent damage

We will cover you for the necessary costs that you incur in the period of insurance:

(a) to extinguish a fire on or in the vicinity of your premises which causes or threatens loss or damage to your property insured;

(b) to prevent or diminish imminent damage to your property insured;

(c) for the temporary protection and safety of your property insured at the premises, including the employment of security services; or

(d) to remove property insured from the premises if the purpose of the removal was to prevent or minimise damage insured under this cover section. We will also cover any damage resulting from the removal.

We will not pay more than $100,000 for all claims under this additional benefit during any one period of insurance.

We will not pay for any:

(e) fines, penalties or liability incurred by you; or

(f) loss or damage to your property.

5. Temporary cover for new premises

We will cover you for loss or damage occurring during the period of insurance to buildings, contents and stock at any new premises first occupied by you during the period of insurance provided that:

(a) this temporary cover period is limited to the lesser of;

  (i) 60 days from the date you acquire or commence using the premises; or

  (ii) the expiry date of the current period of insurance; or

  (iii) the date on which the property ceases to belong to you.

(b) the property is used for the business described in the Policy Schedule;

(c) the property is of similar type to that already insured under this cover section;

(d) the new premises comprise buildings of similar construction, fire and burglary protection as featured in any premises currently described in the Policy Schedule.

If you want cover to continue beyond 60 days, you must provide to us full details of the new premises within those 60 days. If the new location meets our underwriting rules, we will continue the cover, but we may charge you additional premium. You do not have to pay the additional premium, but if you don’t the cover will not continue.

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

6. Temporary removal of stock and contents

We will pay up to 20% of the sum insured for loss or damage to stock or contents during the period of insurance if the stock or contents have been temporarily removed from the premises or are in a temporary storage facility, self storage unit or bulk storage facility as if it were at the premises but still within the Commonwealth of Australia.

We will not pay for loss or damage to:

(a) motor vehicles or trailers, watercraft, caravans or motorcycles unless they are:

  (i) stock of your business; or

  (ii) forklift trucks or similar appliances that are normally used for hauling or lifting goods at your premises.

(b) stock that is on consignment to other parties unless it is owned by you or is property for which you are responsible;

(c) stock or contents that have been removed for a period greater than 90 days without our prior written consent (which consent shall not be unreasonably withheld);

(d) portable tools of trade, mobile phones and laptops.

7. Trace and access

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

8. Theft of external property

If you own but do not occupy a building shown as insured under this cover section at a premises, we will cover you for the theft in the period of insurance of plant, plumbing or wiring services that are not part of that building but which are securely attached (by means other than the connection to a power point) to the building structure.

We will not cover you for more than $5,000 in the aggregate during the period of insurance for all claims under this additional benefit.

We will not pay for any loss or damage caused by your family or your tenants.

We will not pay any claims under this additional benefit if you have selected the 'Theft' cover section of the Policy.

Optional extensions to the Business property cover section

1. Flood

When 'Flood' is shown in the current Policy Schedule, we will cover loss of or damage to property insured caused by flood.

2. Strata title mortgagee(s) interest

This cover applies only if you have arranged this Policy to insure only the interest of a mortgagee in a strata title unit.

This cover only applies when you own part of a building that has been subdivided into strata, community or similar title units and you have a mortgage on that part of the building.

We will pay the mortgagee the lowest of:

(a) the sum insured shown on the Policy Schedule;

(b) the amount to repair the damage to a condition similar to but no better than when new;

(c) if the body corporate (or similar) partially covers the loss, then the difference between what the body corporate's insurance pays and the cost of the damage; or

(d) the amount sufficient to discharge the mortgage held by you over the unit at the date of the damage.

We pay only that part of the claim that applies to the interest of the mortgagee.

We only pay a claim if:

(e) a claim would be payable under the 'Business property' cover section (and not subject to any exclusions or other limitation in the Policy);

(f) the Policy of the body corporate or similar does not apply or only partially covers the loss; and

(g) the mortgagee requires you to discharge your mortgage.

If you have arranged this Policy to insure only the interest of a mortgagee in a strata title unit no additional benefits are payable under this Policy.

Exclusions

1. We will not cover you for loss or damage insurable under any other cover section or cover sections of this Policy. This exclusion does not apply to any loss or damage which would only be insurable under any other cover section or cover sections because it fell within an extra cover or additional benefit in that cover section.

2. We will not cover you for loss or damage caused by:

   (a) wear and tear, gradual deterioration, scratching, marring, developing flaws, normal upkeep or any gradual cause;

   (b) mechanical, hydraulic, electrical breakdown or electronic failure or malfunction;

   (c) corrosion, rust, oxidation, any form of fungus, wet or dry rot, dampness of atmosphere, variation in temperature, evaporation, disease, shrinkage;

   (d) change in colour, flavour, texture or finish;

   (e) inherent vice or latent defect;

   (f) loss of weight or exposure to light;

   (g) creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in buildings, pavements, roads, car parks and the like;

(h) faulty work:

(i) error or omission in design, plan or specification or failure during testing;

(ii) faulty materials or workmanship,

provided that this 'Exclusion 2(h)' shall not apply to subsequent loss or damage to your property insured (not otherwise excluded) resulting from an event referred to in this exclusion;

(i) loading or unloading;

(j) infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by you or any employee;

(k) erosion, subsidence, landslip or mudslide or any other earth movement but we will cover loss or damage caused by a landslide or subsidence that occurs within 72 hours of, and directly because of, a storm, earthquake subterranean fire, volcanic eruption or water escaping from a water main owned by a water supply authority; or

(l) demolition ordered by any lawful authority as a result of failure by you to comply with any lawful requirement;

(m) the action of the sea or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance;

(n) flood, unless you have selected the 'Flood' optional extension;

(o) faults or defects known to you or any employee whose knowledge in law would be deemed to be your knowledge and not disclosed to us at the time this insurance was arranged, extended, varied or renewed;

(p) the cessation of work (whether total or partial), interruption or retarding of any process or operation as a result of any industrial dispute;

(q) data processing or media failure or breakdown or malfunction of a processing system including operator entry or omission;

(r) deliberate and unauthorised corruption, amendment or erasure of data by you or your directors, partners, employees, officers or any other person who has an interest in the property insured whether acting alone or in collusion with any other person;

(s) computer virus;

(t) the gaining of unauthorised access to your computer via any communication system by any person other than you or your directors, partners, employees, officers or any other person who has an interest in the property;

(u) an electrical device (including wiring) caused by a surge in electrical current;

(v) the operation or presence of any computer program that alters or erases data or programs in a manner that is undesired by you;

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

(x) explosion or implosion of any pressure vessels (including any boilers):

(i) where the load on the safety valve upon the particular pressure equipment was in excess of the manufacturer's specification at the time of any damage;

(ii) where any safety valve limiting pressure was removed or rendered inoperative;

(iii) due to the failure of the supply of water, gas, electricity or fuel.

(y) by the actions of birds, moths, termites or other insects, vermin or rodents or damage caused by their urine or excrement;

(z) by animals pecking, biting, clawing, scratching, tearing or chewing Your property insured at the premises.

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

3. We will not cover loss of or damage to:

(a) property insured while it is undergoing any process where damage results from it being processed;

(b) any building, contents and stock if the building is vacant awaiting or undergoing demolition, unless we have agreed otherwise;

(c) animals that are livestock, plants, or growing crops (other than plants that are part of landscaping);

(d) glass or signs except where you are a tenant of a building and are required by the lease to insure glass.

4. We will not cover loss or damage caused by or arising from:

(a) theft other than physical damage to property insured at the premises during theft or any attempted theft and/or theft of parts of the building when buildings are insured;

(b) any legal liability you have other than the legal liability that is covered by the extra cover 'Removal of debris';

(c) the incorrect siting of buildings as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any lawful authority;

(d) demolition ordered by any lawful authority as a result of failure by you to comply with any lawful requirement;

(e) any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;

(f) contamination, pollution, smoke or smut except where caused directly by fire, lightning, explosion, impact by any road vehicle or animal, aircraft or other aerial devices or articles dropped by them, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing or discharge of tanks, apparatus or pipes containing in water or liquid of any kind, or sprinkler leakage.

5. We will not cover loss or damage caused by:

(a) a named cyclone named by the Bureau of Meteorology where the damage occurs within 72 hours from the commencement of this Policy; or

(b) a bushfire occurring within 72 hours from the commencement of this Policy.

Limitations on cover

1. Earthquake

If any loss covered by this cover section is caused by earthquake, volcanic eruption, subterranean fire or tsunami, we will not pay for the first $20,000 or 1% of the sum insured at the damaged premises (whichever is the lower amount) of each claim caused by earthquake, tsunami, volcanic eruption or subterranean fire.

2. Storm, rainwater, wind, hail or snow

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

Specific conditions applicable to this section

1. Leased building clause

Without prejudicing your position under this cover section, you may agree to enter into a lease for occupancy of any building or a lease for hiring of property where the terms of the lease include a disclaimer clause in favour of the lessee to the owner.

2. Release

Without prejudicing your position under this cover section, you may release any railways, other transportation companies, statutory governmental, semi-governmental or municipal authority from any liability if required by any contract to do so.

3. Storage premises

Without prejudicing your position under this cover section, you may enter into a contract which includes a disclaimer clause in relation to the storage of goods or merchandise.

4. Tenants actions

If a tenant of yours or a tenant of your landlord (but not you) without your consent, causes or contributes to any loss or damage covered by this section which is in breach of any terms or conditions, we will cover you for your loss or damage as per this section, provided you:

(a) have taken all reasonable actions, as soon as you become aware of conditions causing the breach, to have the tenant comply with the terms;

(b) notify us within a reasonable amount of time of becoming aware of the breach;

(c) agree to pay a reasonable increase in premium for the additional risk.

5. Under-insurance

For each occurrence under the 'Business property' cover section, we will not be liable for more than that proportion of damage which; in respect of buildings, contents, stock and specified items the sum insured on the total amount for buildings, contents, stock and specified items at the premises, at the time of the commencement of each period of insurance bears to 80% of the full insurable value of such buildings, contents, stock and specified items.

Conditions:

(a) our liability is limited to the sum insured at the premises as shown in the Policy Schedule;

(b) this clause will not apply if the amount of any damage does not exceed 10% of the sum insured at the premises.

Example:

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

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

We would pay $90,000.

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

Business interruption cover section

About this Policy section

There are three covers available in this section:

- Insurable gross profit basis.
- Annual revenue basis.
- Weekly revenue basis.

Your Policy Schedule indicates which cover has been selected by you.

Words with special meaning

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

Word or term	Meaning
Annual rent receivable	The rent receivable during the 12 months immediately before the date of the damage to which such adjustments will be made as may be necessary to provide for the trend of your business and for variations in or other circumstances affecting your business either before or after the damage or which would have affected your business had the damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relative period after the damage.
Annual revenue	The revenue earned during the 12 months immediately before the date of the damage to which such adjustments will be made as may be necessary to provide for the trend of your business and for variations in or other circumstances affecting your business either before or after the damage or which would have affected your business had the damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relative period after the damage.
Annual turnover	The turnover during the 12 months immediately before the date of the damage to which such adjustments will be made as may be necessary to provide for the trend of your business and for variations in or other circumstances affecting your business either before or after the damage or which would have affected your business had the damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relative period after the damage.
Damage	Physical loss, destruction or damage occurring during the period of insurance caused by an event insured under the 'Property damage' cover section, the 'Theft' cover section, the 'Money' cover section, the 'Glass' cover section or the 'General property' cover section or 'Goods in transit' cover section.
Financial benefit	Financial benefit means any financial benefit including, without limitation: (a) any amount received, including without limitation any government grant, subsidy, incentive or allowance or any other payment received from any person; and (b) any sum saved, including the reduction or avoidance of any cost or expense.
Gross income	The money paid or payable to you for goods sold, services rendered or rental received, less the purchase price of stock.
Gross profit	The amount by which the sum of the turnover and the amount of the closing stock and work in progress exceeds the sum of the opening stock and work in progress and the amount of the uninsured working expenses. Note: The amount of the opening and closing stocks will be arrived at in accordance with your normal accounting methods, due provision being made for depreciation.
Indemnity period	The period beginning with the occurrence of the damage during which the results of your business are affected by the damage and ending at the expiration of the maximum period specified in the current Policy Schedule or, in the case of weekly revenue, ending at the earliest of either the expiration of the maximum period specified in the Policy Schedule or when weekly revenue during that period equals or exceeds 95% of standard weekly revenue.
Rate of gross profit	The rate of gross profit, expressed as a percentage, earned on the turnover during the financial year immediately before the date of the damage to which such adjustments will be made as may be necessary to provide for the trend of your business and for variations in or other circumstances affecting your business either before or after the damage or which would have affected your business had the damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relative period after the damage.
Rent receivable	The amount of the rent received or receivable (including base rental, turnover rental and contributions to outgoings) from the letting of property at the premises.

Word or term	Meaning
Revenue	The money paid or payable to you as a: • wholesaler or retailer of goods – for goods sold and delivered in the course of your business less the cost of any related purchases (after any discounts); • motel operator – in respect of facilities, accommodation, food and drink made available and services rendered in connection with your business, less the cost of any related purchases (after any discounts) and laundering and cleaning expenses; • professional practitioner or consumer services provider – for services rendered and work performed in connection with your business; • property owner – by tenants (being rent receivable). Includes any Government approved incentives, subsidies or market development allowances you are entitled to in relation to your business.
Shortage in turnover	The amount by which the turnover during a period will, in consequence of the damage, fall short of the part of the standard turnover which related to that period.
Standard rent receivable	The rent receivable during that period in the 12 months immediately before the date of the damage which corresponds with the indemnity period to which such adjustments will be made as may be necessary to provide for the trend of your business and for variations in or other circumstances affecting your business either before or after the damage or which would have affected your business had the damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relative period after the damage.
Standard revenue	The revenue earned within that period during the 12 months immediately before the date of the damage which corresponds with the indemnity period to which such adjustments will be made as may be necessary to provide for the trend of your business and for variations in or other circumstances affecting your business either before or after the damage or which would have affected your business had the damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relative period after the damage.

Word or term	Meaning
Standard turnover	The turnover during that period in the 12 months immediately before the date of the damage which corresponds with the indemnity period to which such adjustments will be made as may be necessary to provide for the trend of your business and for variations in or other circumstances affecting your business either before or after the damage or which would have affected your business had the damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relative period after the damage.
Standard weekly revenue	The average of the weekly revenues in that period during the 52 weeks immediately before the date of the damage which corresponds with the indemnity period, adjusted as may be necessary for trends, variations in or other circumstances affecting your business, so that the adjusted figure will represent as far as possible the weekly results which, but for the damage, would have been obtained during the relative period after the damage.
Turnover	The amount (less discounts allowed) paid or payable to you for goods sold and delivered and for services rendered and for rent receivable in the course of your business at the premises. Includes any government approved incentives, subsidies or market development allowances you are entitled to in relation to your business.
Uninsured working expenses	The working expenses of your business shown in the Policy Schedule which you have elected not to insure under this cover section, and which are not included in the sum insured for insurable gross profit basis.
Weekly benefit	The amount shown in the Policy Schedule.
Weekly revenue	The gross income received by you for goods sold, services rendered or rental received less the purchase price of stock.

Insurable gross profit basis

What you are covered for

In the event of interruption of or interference with your business in consequence of damage during the period of insurance to any property insured or any part thereof used by you at the premises for the purpose of your business, or to property forming part of or contained in a complex of which the location forms part, we will pay you in respect of each item selected by you and shown in the current Policy Schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

(a) the payment is in accordance with the 'What we pay' provision for the item;

(b) we have paid for or admitted liability in respect of such damage to your property insured under the relevant Policy section;

(c) we would have paid for or admitted liability in respect of such damage under the relevant section of this policy, to your property and it would otherwise be covered under the relevant policy section but for the application of an excess; and

(d) our liability in no case will exceed in respect of each item the sum insured shown in the current Policy Schedule for that item.

This section of the Policy provides protection for loss under the following items, if selected:

Item 1. Gross profit
Item 2. Additional increase in cost of working
Item 3. Accounts receivable
Item 4. Claim preparation expenses
Item 5. Rent receivable

What we pay

Item 1. Gross profit

This item is limited to the loss of gross profit due to a reduction in turnover and the increase in your cost of working.

The amount payable as indemnity under this item will be:

(a) in respect of reduction in turnover:

the sum produced by applying the rate of gross profit to the shortage in turnover during the indemnity period; and

(b) in respect of the increase in cost of working:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, but for the additional expenditure, would have taken place during the indemnity period in consequence of the damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of reduction thereby avoided,

less any financial benefit arising out of or in connection with the damage or the circumstances giving rise to the damage.

Provided that if the sum insured for this item at the commencement of each period of insurance is less than the sum produced by applying the rate of gross profit to 80% of the annual turnover (or its proportionately increased multiple where the indemnity period exceeds 12 months), the amount payable for loss of gross profit only will be reduced so that we will be liable for no greater proportion of the loss under this item than that which the sum insured bears to the sum insured produced by applying the rate of gross profit to 80% of the annual turnover (or its proportionately increased multiple, if appropriate).

This provision will not apply if your claim is for less than 10% of the sum insured for this item.

Item 2. Additional increase in cost of working – see 'Common clauses'

Item 3. Accounts receivable – see 'Common clauses'

Item 4. Claim preparation expenses – see 'Common clauses'

Item 5. Rent receivable

(a) in respect of loss of rent receivable:

the amount by which the rent receivable during the indemnity period falls short of the standard rent receivable, in consequence of the damage; and

(b) in respect of additional expenditure:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of rent receivable which, but for that expenditure, would have taken place during the indemnity period in consequence of the damage, but not exceeding the amount of the reduction in rent receivable thereby avoided,

less any financial benefit arising out of or in connection with the damage or the circumstances giving rise to the damage.

Provided that if the sum insured for this item is less than 80% of the annual rent receivable (or its proportionately increased multiple where the indemnity period exceeds 12 months), the amount payable will be reduced so that we will be liable for no greater proportion of the loss under this item than that which the sum insured bears to 80% of the annual rent receivable (or its proportionately increased multiple, if appropriate).

This provision will not apply if your claim is for less than 10% of the sum insured for this item.

Annual revenue basis

What you are covered for

In the event of interruption of or interference with your business in consequence of damage during the period of insurance, to any property insured or any part thereof used by you at the premises for the purpose of your business or to property forming part of or contained in a complex of which the location forms part, we will pay you in respect of each item selected by you and shown in the current Policy Schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

(a) the payment is in accordance with the 'What we pay' provision for the item;

(b) we have paid for or admitted liability in respect of such damage under the relevant section of this Policy;

(c) we would have paid for or admitted liability in respect of such damage under the relevant section of this Policy, but for the application of an excess; and

(d) our liability in no case will exceed in respect of each item the sum insured shown in the current Policy Schedule for that item.

This section of the Policy provides protection for loss under the following items, if selected:

Item 1. Revenue
Item 2. Additional increase in cost of working
Item 3. Accounts receivable
Item 4. Claim preparation expenses

What we pay

Item 1. Revenue

This item is limited to the loss of revenue and increase in the cost of working.

The amount payable as indemnity under item 1 will be:

(a) in respect of the loss of revenue:

the amount by which the revenue earned during the indemnity period falls short of the standard revenue, in consequence of the damage; and

(b) in respect of the increase in cost of working:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of revenue which, but for the additional expenditure, would have taken place during the indemnity period in consequence of the damage, but not exceeding the amount of reduction in revenue thereby avoided,

less any financial benefit arising out of or in connection with the damage or the circumstances giving rise to the damage.

Provided that if this item was insured for a sum that is less than 80% of the annual revenue, the amount payable will be reduced so that we will be liable for no greater proportion of the loss under this item than that which the sum insured bears to 80% of the annual revenue.

This provision will not apply if your claim is for less than 10% of the sum insured for this item.

Item 2. Additional increase in cost of working – see 'Common clauses'
Item 3. Accounts receivable – see 'Common clauses'
Item 4. Claim preparation expenses – see 'Common clauses'

Weekly revenue basis

What you are covered for

In the event of interruption of or interference with your business in consequence of damage during the period of insurance to any property insured or any part thereof used by you at the premises for the purpose of your business or to property forming part of or contained in a complex of which the location forms part, we will pay you in respect of each item selected by you and shown in the current Policy Schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

(a) the payment is in accordance with the 'What we pay' provision for the item;

(b) we have paid for or admitted liability in respect of such damage under the relevant section of your Policy;

(c) we would have paid for or admitted liability in respect of such damage under the relevant section of this policy, but for the application of an excess; and

(d) our liability in no case will exceed in respect of each item the sum insured shown in the current Policy Schedule for that item.

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

This section of the Policy provides protection for loss under the following items, if selected:

Item 1. Weekly revenue
Item 2. Additional increase in cost of working
Item 3. Accounts receivable
Item 4. Claim preparation expenses

What we pay

Item 1. Weekly revenue

This item is limited to the loss of weekly revenue and the amount payable as compensation under this item will be the amount by which the weekly revenue during the indemnity period falls short of the standard weekly revenue in consequence of the damage, less any financial benefit arising out of or in connection with the damage or the circumstances giving rise to the damage.

Item 2. Additional increase in cost of working – see 'Common clauses'
Item 3. Accounts receivable – see 'Common clauses'
Item 4. Claim preparation expenses – see 'Common clauses'

Common clauses to insurable gross profit basis, annual revenue basis and weekly revenue basis

The following clauses are applicable:

Accumulated stocks

In adjusting any loss, account will be taken and equitable allowance made if any reduction in turnover or loss of revenue or weekly revenue in consequence of the damage is postponed by reason of the turnover or revenue or weekly revenue (as the case may be) being temporarily maintained from accumulated stocks of finished goods.

Alternative trading

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

Departmental

We will apply the cover provided by this cover section to each department of your business separately, if your business is conducted in departments, and each department has independent trading results which are ascertainable. For the purposes of this clause, the rent receivable from letting of property at the premises will be regarded as the proceeds of one such department.

Item 2. Additional increase in cost of working

This section of the Policy is limited to the increase in the cost of working (not otherwise recoverable under this Policy) necessarily and reasonably incurred during the indemnity period in consequence of the damage for the purpose of avoiding or diminishing reduction in turnover, revenue or weekly revenue and/or resuming and/or maintaining normal business operations and/or services.

We will not pay more than the sum insured for 'Additional increase in cost of working' shown in the Policy Schedule for any one claim.

Item 3. Accounts receivable

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

(a) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the damage occurs;

(b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the damage occurs, as compared with such average for the same months of the preceding year;

(c) the amount determined under (a) above, increased or decreased by the percentage calculated under (b) above, will be the assessed total amount of accounts receivable as of the last day of the fiscal month in which said damage occurs;

(d) the amount determined under (c) above will be increased or decreased in conformity with the normal fluctuation in the amount of accounts receivable during the fiscal month involved, consideration being given to the experience of your business since the last day of the last fiscal month for which statements have been rendered, less:

- (i) the amounts of such accounts evidenced by records not suffering damage or otherwise established or collected by you;
- (ii) an amount to allow for probable bad debts that would normally be not capable of being collected by you;
- (iii) all unearned interest and service charges; and
- (iv) settlement or term discounts normally allowed.

We will not pay more than the sum insured for 'Outstanding accounts receivable' shown in the Policy Schedule for any one claim.

Item 4. Claim preparation and proving expenses

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

Sum insured

Our liability to you will in no case exceed in respect of each item the sum insured expressed against that item in the current Policy Schedule. 'Additional benefits' are within the total sum insured of this section and not additional to the total sum insured. If you have chosen weekly revenue, we will not pay more each week for loss of weekly revenue than the weekly benefit.

New business

In the event of damage occurring at the premises before the completion of the first year's trading of your business, the defined terms 'Annual turnover', 'Rate of gross profit', 'Standard turnover' 'Annual revenue', 'Standard revenue', and 'Standard weekly revenue', shall instead have the following meanings wherever they appear in this section:

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

'Rate of gross profit' means the proportion that the gross profit bears to the turnover during the period between the date of commencement of your business and the date of the damage.

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

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

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

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

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

Salvage sale

If, following damage giving rise to a claim under this Policy, the insured shall hold a salvage sale during the indemnity period:

(a) Clause (a) of Item 1 'Gross profit' of this section shall, for the purpose of such claim, read as follows:

In respect of reduction in turnover the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period (less the turnover for the period of the salvage sale) shall, in consequence of the damage, fall short of the standard turnover, from which shall be deducted the gross profit actually earned during the period of the salvage sale.

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

Turnover - output

In the event of damage giving rise to a claim under this section, at your option, the word ‘Output’ may be substituted for the term ‘Turnover’ provided that only one such meaning shall be operative in connection with any one event involving damage. For the purpose of this Policy, ‘Output’ shall mean the sale and/or invoice value of goods manufactured and/or processed by you in the course of your business at the premises.

If you select the cover available under this clause, the clause headed ‘Alternative trading’ shall be altered to read as follows:

If during the indemnity period, goods are sold, work is performed or services are rendered elsewhere than at the premises for the benefit of your business either by you or by others acting on your behalf, the money paid or payable in respect of such sales, work or services will be brought into account in arriving at the output during the indemnity period.

Extra covers

This cover section is extended to include the following extra covers. The extra covers 1 to 5 inclusive are payable provided that the sum insured expressed against the relevant item(s) in the Policy Schedule is not otherwise exhausted.

1. Contractual fines and penalties

Following a claim under insurable gross profit, Item 1 ‘Gross profit’, we will also pay:

(a) for fines or damages, other than aggravated, punitive or exemplary damages, for breach of contract resulting from non-completion or late completion of orders; or

(b) in discharge of contract purchases, cancellation charges, fines or damages for breach of contracts for the purchase of goods or services which cannot be utilised by you during the indemnity period, less any value to you for such goods or the amount received from sale.

The amount payable shall not exceed 20% of the total sum insured for gross profit.

2. Explosion of pressure vessels

We will treat the self-explosion or collapse of pressure vessels, including boilers, compressors or economisers at the premises as damage for the purpose of this cover section.

3. Infectious disease, etc.

We will cover you for interruption to or interference with your business due to closure or evacuation of the whole or part of the premises during the period of insurance by order of a competent government, public or statutory authority as a result of:

(a) bomb threat, vermin or pests or defects in the drains or other sanitary arrangements, occurring at the premises;

(b) the manifestation of infectious or contagious human diseases which prevents access to your premises;

(c) injury, illness or disease caused by the consumption of food or drink supplied at or from your premises during the period of insurance;

(d) murder or suicide occurring at the premises; or

(e) shark or crocodile attack occurring within a 20 kilometre radius of the premises during the period of insurance.

4. Motor vehicles owned or operated by you

We will cover you for interruption to your business that is caused by or results from damage during the period of insurance to any registered vehicles or trailers owned or operated by you, while such vehicles are at the premises or at other premises in Australia but not on a public thoroughfare.

5. Prevention of access

We will cover you for interruption to your business that is caused by or results from damage to property in the vicinity of the premises which shall prevent or hinder the use of or access to the premises provided that:

(a) the damage would have been covered under the 'Business property' cover section if the property in the vicinity of the premises had been insured under that cover section;

(b) the damage prevents or hinders the use of or access to the premises; and

(c) the damage results in interruption of or interference with your business.

We will cover you for interruption to your business that is caused by the order of a competent government, public or statutory authority which prevents access to the business premises provided that the order results from the threat of damage to property within a 50 kilometre radius of the premises.

Additional benefits

This cover section is extended to include the following additional benefits. Additional benefits 1 to 8 inclusive are payable provided that the sum insured expressed against the relevant item(s) in the Policy Schedule is not otherwise exhausted.

1. Computer installation

We will treat damage to computer installations, including ancillary equipment and data processing media, utilised by you in your business in the Commonwealth of Australia other than at the premises as damage for the purpose of this cover section provided that the damage:

(a) would have been covered under the 'Business property' cover section if the computer facilities had been insured under that section;

(b) results in you being unable to utilise a computer installation or any ancillary equipment in your business; and

(c) results in interruption of or interference with your business.

2. Customers and suppliers – unspecified

We will treat damage to unspecified property at the premises:

(a) of your suppliers, manufacturers or processors of component goods, materials or services which supply the business directly (other than those services provided by any utilities); or

(b) of customers of goods or materials or services; or

(c) at storage premises neither owned nor operated by you where you store goods or materials,

all within the Commonwealth of Australia as damage for the purpose of this cover section, provided that our liability will not exceed 20% or the percentage shown in the Policy Schedule, whichever is the greater.

3. Documents temporarily removed

We will treat damage to documents and electronic data files belonging to you, or held in trust by you as part of your business that are:

(a) temporarily removed to other premises anywhere in Australia; or

(b) while in transit to any place in Australia,

if the following apply:

(c) the damage would have been covered under the 'Business property' cover section if the documents and electronic data files had been insured under that section;

(d) the damage results in interruption of or interference with your business,

as damage for the purpose of this cover section.

We will not cover you for more than 20% of the sum insured or the amount shown in the Policy Schedule, whichever is the greater.

4. Loss of attraction

If your business is located within a multi-tenanted retail shopping complex, we will treat damage to property of a major tenant as being damage for the purposes of this cover section provided that:

(a) the damage to the property of the major tenant would have been covered under the 'Business property' cover section if such damage had been to property insured under that cover section;

(b) the damage results in a reduced pedestrian count in the shopping complex; and

(c) the damage results in interruption of or interference with your business.

We will not cover you for more than 20% of the sum insured, or the amount shown in the Policy Schedule, whichever is the greater.

5. Roads, bridges and railway lines

We will treat damage to roads, bridges and/or railway lines within the Commonwealth of Australia over which raw materials, components and stock are conveyed to or from the premises as being damage for the purpose of this cover section if the following apply:

(a) the damage would have been covered under the 'Business property' cover section if such damage had been to property insured under that cover section;

(b) the damage results in not being able to convey stock, components or materials used in your business to and from your premises; and

(c) the damage results in interruption of or interference with your business.

6. Storage sites/temporary removal

We will cover you for interruption to your business that is caused by or results from damage to your property stored or being processed at any premises in the Commonwealth of Australia not occupied by you. Our total liability under this additional benefit will not exceed 20% of the sum insured.

7. Transit

We will cover for interruption to your business that is caused by or results from damage to your property insured while in transit by road, rail, sea or air within the Commonwealth of Australia and outside of the premises occupied by you, up to an amount not exceeding 20% of the sum insured in respect of any one occurrence.

8. Utilities

We will treat damage to the following utilities:

(a) any electricity power station or substation; or

(b) gas works; or

(c) water supply or sewerage works; or

(d) any telecommunications system that is land-based within Australia and supplies your business,

as damage for the purposes of this Policy section, if the following apply:

(e) the damage would have been covered under the 'Business property' cover section if such damage had been to property insured under that Policy section;

(f) the damage results in hindering or stopping the supply of electricity, gas, water or sewage or telecommunications to the premises; or

(g) the damage results in interruption of or interference with your business.

We will not pay for the first 48 hours where the utility which was damaged is not at or immediately adjacent to the premises.

Optional benefits

The following 'Optional benefits' do not apply automatically. They will apply when you have requested their inclusion in this section, and the current Policy Schedule has been endorsed by us noting the inclusion.

1. Goodwill

Following damage to any building at your premises we will pay, up to the sub-limit of liability shown in the current Policy Schedule for 'Goodwill', for the actual cost of goodwill incurred by you when purchasing a business in order to maintain your business activities.

Provided that:

(a) we will only pay these goodwill costs when the building that is damaged cannot or will not be repaired or rebuilt due to any refusal by any owner or lessor other than you to repair or rebuild; and any restrictions imposed by any legal authority; and

(b) the purchase of the business is incurred because you were unable to continue your business at the premises as a result of the damage to the buildings not being repaired; and

(c) the cause of the damage to the buildings would have been covered by the property insured cover section of your Policy had that building been insured under that section; and

(d) the business that is purchased is similar to your business.

2. Specified customers and suppliers

We will pay for loss of gross profit, annual revenue or weekly revenue that results from an interruption to your business that is caused by damage that occurs in Australia to:

(a) specified suppliers - property at the premises of your suppliers shown in the Policy Schedule up to an amount calculated by applying the percentage shown in the Policy Schedule to the sum insured for gross profit, annual revenue or weekly revenue;

(b) specified customers - property at the premises of your customers shown in the Policy Schedule up to an amount calculated by applying the percentage shown in the Policy Schedule to the sum insured for gross profit, annual revenue or weekly revenue.

Special conditions applicable to this section

Books of account

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

Exclusion

1. Communicable disease

There is no cover for any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with:

(a) Rabies;

(b) Cholera;

(c) Highly Pathogenic Avian Influenza in humans;

(d) any disease determined by the World Health Organisation to be a Public Health Emergency of International Concern (PHEIC);

(e) a ‘listed human disease’, or any disease the subject of a ‘biosecurity emergency’ or ‘human biosecurity emergency’, under the *Biosecurity Act 2015* (Cth),

irrespective of whether discovered at the premises, or out-breaking elsewhere.

A reference to the *Biosecurity Act 2015* (Cth) includes any amendment, replacement, re-enactment or successor legislation. A reference to listed human disease, biosecurity emergency or human biosecurity emergency shall have the meaning found in any replacement definition, in any amendment, replacement, re-enactment or successor legislation, or where there is no replacement definition the term shall have the meaning of a term which is substantially similar in meaning as defined in or declared in any amendment, replacement, re-enactment or successor legislation.

Theft cover section

About this Policy section

This section covers the loss of your contents and stock from theft, attempted theft, armed hold up or an actual or threatened assault. You are not covered for theft of contents and stock kept in the open air unless you have taken the optional cover 'Theft of property insured in the open air'.

Words with special meaning

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

Word or term	Meaning
Category or categories	The category into which property can be designated from the following: (a) all contents including stock; (b) all contents excluding stock; (c) stock excluding cigarettes, cigars and tobacco; (d) cigarettes, cigars and tobacco; (e) alcohol; (f) specified items listed in the Policy Schedule.
Cigarettes, cigars and tobacco	Cigarettes, cigars and tobacco used by you in the business.
Electronic equipment	Any electronic equipment including but not limited to mobile phones, laptops, palm pilots, computers, scanners, printers, word processors. Electronic processing systems, photocopiers, facsimile machines, electronic cash registers, electronic scales and electronic testing or analysing equipment used by you in the business. Electronic equipment does not include electronic equipment that is stock.

Your insurance under this cover section

Provided the Theft cover section is shown in the Policy Schedule as taken, we will cover you for loss of or damage to your contents and stock occurring during the period of insurance at your premises and caused by one or more of the following:

(a) any person who forcibly and violently enters or attempts to enter the premises;

(b) any person unlawfully concealed at the premises;

(c) any person who threatens or commits physical violence to you, your employees or other persons;

(d) armed hold-up at the premises;

(e) any person who breaks into any locked cabinet and/or counter and/or showcase which is located at the premises.

What we pay

We will either:

(a) with respect to stock:

(i) pay you the market value of the stock at the time of the loss or damage; or

(ii) pay the cost of repair or replacement of the stock; or

(iii) replace or repair the stock with property or materials equal to or of a similar standard and specification as the stock before it was damaged; or

(iv) pay you the value of obsolete stock or its purchase price, whichever is the lesser, but no more than the original cost to you.

(b) with respect to contents or electronic equipment:

(i) repair or replace the contents or electronic equipment; or

(ii) pay you the cost of repair or replacement of the contents or electronic equipment.

(c) pay the sum insured for a specified item.

For each specific category or categories, we will not pay more than the sum insured shown on the current Policy Schedule for this cover section, except to the extent stated under the headings 'Extra covers' and 'Additional benefits'.

Extra covers

If we pay a claim under this cover section for loss or damage caused by theft, we will also pay or provide the extra covers set out below.

Unless stated to the contrary, any amounts payable under these extra covers are in addition to the sum insured specified in the Policy Schedule.

1. Damage to premises

We will cover you for the cost to repair your property insured caused by theft or attempted theft. The maximum amount we will pay for this additional benefit is $10,000.

2. Damage to rented premises

We will cover you for damage to the premises that you occupy as a tenant if you were legally liable to pay in accordance with the terms of your lease, provided such damage occurs as a result of theft or attempted theft of property insured occurring during the period of insurance. The limit of our liability under this additional benefit is $10,000 or the amount shown in the Policy Schedule.

3. Seasonal increase of cover

We will automatically increase the sum insured in respect of stock by 50% during the seasonal increase period.

4. Rewriting of records

We will pay for the cost of additional clerical and professional costs, incurred by you to rewrite your necessary business records if they are lost, destroyed or damaged, whilst located at your premises or off site anywhere in the Commonwealth of Australia, by an occurrence which you are covered for in the 'Theft' cover section. We will not pay more than $25,000 during any one period of insurance.

5. Temporary protection and security guards

We will pay for the reasonable and necessary cost of temporary protection and repairs and the employment of guards/watchmen to protect property insured pending repair or damage to the building caused by theft or attempted theft. The maximum amount we will pay for each occurrence is $10,000. If an occurrence results in a claim being paid under this cover section and another cover section of the Policy, the highest single limit under the relevant cover section applies. The benefit of temporary protection and security guards shall not be cumulative under this Policy.

Additional benefits

We will also provide the following additional benefits in this cover section.

Unless stated to the contrary, any amounts payable under these additional benefits are included in the sum insured specified in the Policy Schedule.

1. Directors and employees' tools of trade and personal effects

We will pay for loss or damage to directors and employees tools of trade and personal effects caused by theft or attempted theft as if they were contents.

Cover is limited to $5,000 any one person and $10,000 overall in respect of any one loss. This applies in addition to the sum insured.

2. Employee dishonesty

We will cover you for loss of stock, contents or electronic equipment as a result of theft or dishonesty by any of your employees occurring during the period of insurance, which is discovered within 45 days of its occurrence.

This additional benefit does not cover:

(a) any loss arising from the conduct of an employee after you have knowledge of or information about any prior act of fraud or dishonesty by the employee;

(b) any loss arising from the conduct of an employee outside the Commonwealth of Australia;

(c) any loss where you are unable to identify which employee is responsible;

(d) any loss or part of a loss arising from the conduct of an employee, where the proof of the loss, either as to its occurrence or as to its amount, is dependent upon an inventory stock take or a profit and loss calculation;

(e) fraud or dishonesty committed by your family; or

(f) fraud or dishonesty committed by any of your employees committed with your connivance.

Our liability under this additional benefit is limited to $5,000 for any one occurrence. This is in addition to the sum insured. If you are also insured under the 'Money' cover section, the benefits payable for employee dishonesty shall not be cumulative and shall be limited to $5,000 in the aggregate per occurrence.

Exclusion 1, of 'Exclusions', so far as it relates to loss or damage due to theft or attempted theft committed by an employee, does not apply to this additional benefit.

3. Funeral expenses

If any person is injured while protecting or attempting to protect the property from theft and death results from that injury within 12 months, we will pay $10,000 to the estate of that person. If you are also insured under the 'Money' cover section, the benefits payable for death following assault shall not be cumulative and shall be limited to $10,000 in the aggregate.

4. Illegal use of corporate financial transaction card

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

We will not pay:

(a) any financial loss arising from the misuse or illegal use of corporate credit cards by your employees or any other person acting in collusion with your employee or by any member of your family;

(b) more than $5,000 in total for any one loss or event.

5. Illegal electronic funds transfer

If the Policy covers contents and, following entry into the premises arising from one of the events listed under the heading 'Your insurance under this cover section', we will pay any financial loss sustained by you arising from the electronic transfer of funds from your bank account to a bank account not controlled by you.

We will not pay:

(a) any financial loss arising from the misuse or illegal use of corporate credit cards or financial transaction cards by your employees or any other person acting in collusion with your employee or by any member of your family;

(b) more than $5,000 in total for any one loss or event.

6. Replacement of locks, keys and combinations

We will pay the reasonable cost of replacing locks, keys, magnetic keys or cards or similar devices or to change the sequence of numbers or letters used in a safe or strongroom if:

(a) as a result of theft covered under this Policy section, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated;

(b) keys, magnetic keys or cards or similar devices are accidentally lost;

(c) the sequence of numbers or letters become known by any unauthorised person or are accidentally lost;

(d) circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices.

We will also pay the reasonable cost of:

(e) opening safes and strongrooms because of the theft of keys or combinations during a theft covered under this Policy section;

(f) developing images stored on media from security camera following a theft or attempted theft covered under this Policy section.

We will not pay more than $10,000 for any one event.

Provided that any cover given under this additional benefit 6 'Replacement of locks and keys', shall not accumulate with any similar cover that may be given under the 'Money' cover section.

7. Temporary cover for new premises

We will cover you for loss of stock or contents at any new premises which you first occupy during the period of insurance provided that:

(a) cover is limited to a period of 60 consecutive days from the day that you first use the new premises;

(b) cover is not available to property that cannot be correctly designated to one of the categories that are shown as insured in the Policy Schedule;

(c) cover is only available to contents or stock that is of a similar type to that insured by this cover section;

(d) for each specific category of property shown in the Policy Schedule cover is limited to 50% of the sum insured for that category;

(e) if more than one premises is shown in the Policy Schedule then this 50% limitation will apply to the lowest sum insured that applies to the specific category of property; or

(f) the new premises have building and security features that are similar to those at one of the premises shown in the Policy Schedule having the same occupation.

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

If you want cover to continue beyond 60 days, you must provide to us full details of the new premises within those 60 days. If the new location meets our underwriting rules, we will continue the cover, but we may charge you additional premium. You do not have to pay the additional premium, but if you don't the cover will not continue.

8. Temporary removal

We also cover your property insured while temporarily removed to any other premises within the Commonwealth of Australia.

Provided that:

(a) we will not cover tobacco, tobacco products, cigars, cigarettes or alcoholic beverages;

(b) we will not cover stock that is on consignment to other parties unless it is owned by you or is property for which you are responsible;

(c) the maximum amount we will pay for this additional benefit will be 20% of the sum insured;

(d) this additional benefit will not apply to any property insured, which has been removed for a period greater than 90 days without our prior written consent (which consent shall not be unreasonably withheld).

9. Theft of external property

We will cover you for loss or damage as a result of theft or attempted theft, whether following forcible and violent entry or otherwise, of contents that are securely and permanently fixed (other than by means of a flexible or tensile cord to a power point) to the outside of the building, we will not cover you for more than:

(a) $10,000; or

(b) the balance of the contents sum insured,

whichever is the lesser during the period of insurance.

10. Theft without forcible and violent entry (not property in the open air)

We will cover you for loss or damage occurring during the period of insurance to contents in the building as a result of theft where there are no signs of forcible and violent entry to or exit from the building. The amount we will pay is limited to:

(a) $10,000 (or the amount shown in the current Policy Schedule whichever is the higher) for any one occurrence, by theft or attempted theft of contents other than:

 (i) electronic equipment;

 (ii) stock; or

 (iii) customers' goods.

(b) $20,000 (or the amount shown in the current Policy Schedule, whichever is the higher) for any one occurrence, by theft or attempted theft of your electronic equipment which is not stock.

We will not cover you if the theft or attempted theft is from any open-sided structure such as, but not limited to verandas or yards or other open spaces even if they are partially or fully enclosed.

This additional benefit does not cover loss as a result of unexplained disappearance, unexplained or inventory shortage, clerical or accounting errors or shortage in supply or delivery to or from the premises.

Optional benefit applicable to the 'Theft' cover section

The current Policy Schedule will show if the following optional benefit, is covered.

Theft of property insured in the open air

We will cover you for theft without forcible and violent entry of property insured in the open air but within the boundaries of the premises or contained in an unlocked building, up to the amount shown in the current Policy Schedule.

We will not cover you for the theft of property in the open air unless the premises are fully enclosed by a locked fence with padlocks with a security rating under Part 4: Padlocks, of Australian Standard AS4145 (or any subsequent amendment) of 6 or above.

Exclusions

We will not pay for:

1. Theft by persons

Loss or, or damage to, property committed by:

(a) you, your directors, partners, employees or any member of your family other than following forcible and violent entry by your employees or a member of your family; or

(b) any person or persons while lawfully at the building.

2. Property

Loss or damage to:

(a) money in excess of $500;

(b) jewellery, precious metals or stones, property made of gold or silver, bullion or furs exceeding $10,000 any one loss and $2,000 any one item unless those items form part of your stock;

(c) motor vehicles unless they are:

(i) stock; or

(ii) fork lift trucks and similar appliances that are used for hauling or conveying goods at the premises;

(d) live animals; or

(e) plants, landscaping materials or growing crops, pastures or standing timber.

3. Glass

The breakage of glass (including washbasins, sinks, toilet pans or cisterns, or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to broken glass) unless it is stock.

4. Open air

Loss or damage to property insured from any open space, whether fenced or unfenced, outside the walls of the building, except as expressly provided in additional cover ‘Theft of external property’ and optional benefit applicable to the Theft cover section ‘Theft of property in the open air’.

5. Access

Loss or damage to property insured if entry is gained to the building:

(a) the use of a key or security code; or

(b) through an unlocked door or window,

except as provided for under:

(c) Additional benefit 10, 'Theft without forcible and violent entry';

(d) Additional benefit 2, 'Employee dishonesty'.

Theft cover section conditions

These conditions apply to this cover section.

1. Monitored burglar alarms

If you own or have responsibility for operating and maintaining a burglar alarm for the purposes of the business, the alarm system must be tested and used in accordance with the manufacturers’ specifications. The burglar alarm must be activated whilst the building is unoccupied.

Testing and use includes resistance checking the battery, alarm detection coverage and transmission to the monitoring station.

2. Valuables

You must ensure that all stock that is precious stones, gold and silver articles, jewellery, watches trinkets, stamps, coins and personal ornaments, which are individually of the value of $500 or more are contained in a securely locked safe or strongroom during your outside business hours.

Money cover section

About this Policy section

This section covers for the loss of or damage to money from your business under a wide variety of clauses in this Policy, such as theft, armed hold up, or fire. The money may be in transit or at your premises.

Words with special meaning

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

Word or term	Meaning
Financial service provider	A financial organisation such as a bank, building society or credit union or an agency for any of these, that is in the business of providing banking services to the public.
In residences	Money in your custody and control at your private residence or in the custody and control of persons authorised by you at their private residence until the time your financial services provider ceases trading on its next full trading day.
In transit	Money in your personal custody or in the custody of persons authorised by you whilst in transit within Australia. Money in transit includes money whilst contained in the night safe, night depository chute, or automatic teller machine of any financial services provider however our liability ceases at the time your financial services provider ceases trading on the next business day following deposit therein.
Money	For the purposes of this cover section only, money has the meaning in the general definitions and also includes funds held in electronic form in a bank account.

Your insurance under this cover section

Provided the 'Money' cover section is shown in the Policy Schedule as taken, we will cover you for loss of or damage to money which occurs during the period of insurance as a result of the defined events described below and shown on the current Policy Schedule:

(a) money in transit;

(b) money in your building during business hours;

(c) money in your building outside business hours;

(d) money in your building any time while contained in a locked safe or strong room;

(e) money in residences.

What we pay

The maximum amount we will pay in respect of each of the defined events listed above is the sum insured shown in the Policy Schedule.

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

(a) if the securities can with our approval be replaced, the cost of replacement paid or payable by you; or

(b) if the securities cannot or are not to be replaced by you, the greater of:

(i) the price for which you purchased them; or

(ii) the closing market value on the last business day prior to the date of discovery by you of the loss or destruction of the securities; or

(iii) if the time of discovery by you is after the close of the market, their closing market value on the day of discovery by you of the loss or destruction of the securities.

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

Losses sustained in currencies other than Australian dollars shall be settled by converting the amount of loss to Australian dollars at the market rate at the time of settlement of the loss or such other rates as may have been expressly agreed with us. If there is no market price or value on the relevant day stated herein, then the value shall be agreed between you and us, or in default thereof, we shall submit to arbitration and be bound by the decision of the umpire.

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

If the safe or strong room is lost or damaged, we will either:

(a) repair the safe or strong room;

(b) replace the safe or strong room with an item of a specification equal to but not better or more extensive than it was when new;

(c) if the loss or damage is confined to the part of the safe or strong room, repair or pay you the cost of repair of that part plus the cost of any necessary dismantling and reassembling; or

(d) pay you the cost of replacing or repairing the safe or strong room.

We will not pay costs of alterations, improvements or overhauls carried out when the lost or damaged safe or strong room is repaired or replaced.

Excess

The excess applicable is shown on the Policy Schedule.

Extra covers

If we pay a claim under this cover section for loss or damage to money, we will also provide the 'Extra covers' set out below.

Unless stated otherwise below, any amounts payable under these extra covers apply in addition to the sum insured.

1. Seasonal increase of cover

We will automatically increase the sum insured in respect of money by 50% during the seasonal increase period.

2. Temporary protection and security guards

We will pay you the reasonable and necessary costs incurred by you in effecting temporary protection and/or the employment of guards or watchmen to safeguard the money at the premises as a result of theft or attempted theft of money occurring during the period of insurance and that is covered under this cover section.

The maximum amount we will pay for any one event is $10,000.

If an occurrence results in a claim being paid under this cover section and another section of the Policy, the highest single limit under the relevant cover section applies. The benefit of 'Temporary protection' and 'Security guards' shall not be cumulative under this Policy.

Additional benefits

We will also provide the following 'Additional benefits' in this cover section.

Unless stated otherwise below, any amounts payable under these additional benefits apply in addition to the sum insured.

1. Bank and public holidays extension

The sums insured for money cover are automatically increased by 100% or $75,000 whichever is the lesser on days that are gazetted bank or public holidays. This increase shall apply up until bank closing time on the next business day after such holiday. This additional benefit does not apply to damage to safes and strong rooms and to seasonal increases.

2. Counterfeit currency

We will pay for losses sustained by you due to the acceptance in good faith in exchange for merchandise, money or services, of counterfeit Australian currency notes up to an amount not exceeding $500 in any one period of insurance.

3. Directors and employees' tools of trade and personal effects

We will cover you for the loss of or damage to the personal effects of your directors, officers and employees during a theft or attempted theft covered under this cover section.

Cover is limited to $5,000 any one person and $10,000 overall in respect of any one loss. This additional benefit provides cover to you. It does not provide any insurance cover to any director or employee. If you are insured under the Theft cover section, the benefits payable under this additional benefit shall not be cumulative.

4. Employee dishonesty

We will cover you for loss of money as a direct result of theft or dishonesty by any of your employees occurring during the period of insurance, which is discovered within 45 days of the dishonesty first occurring. Exclusion 1(c), of ‘What you are not covered for under this section’, so far as it relates to loss or damage due to theft or attempted theft committed by an employee, does not apply to this additional benefit. Our liability under this additional benefit is limited to $5,000 for any one occurrence. If you are also insured under the 'Theft' cover section, the benefits payable for employee dishonesty shall not be cumulative and shall be limited to $5,000 in the aggregate per occurrence.

This additional benefit does not cover:

(a) any loss arising from the conduct of an employee after you have knowledge of or information about any prior act of fraud or dishonesty by the employee;

(b) any loss arising from the conduct of an employee outside The Commonwealth of Australia;

(c) any loss where you are unable to identify which employee is responsible;

(d) any loss or part of a loss arising from the conduct of an employee, where the proof of the loss, either as to its occurrence or as to its amount, is dependent upon an inventory stock take or a profit and loss calculation;

(e) fraud or dishonesty committed by your family; or

(f) fraud or dishonesty committed by any of your employees committed with your connivance.

5. Funeral expenses

If any person is injured while protecting or attempting to protect money from theft or attempted theft and death results from that injury within 12 months, we will pay the estate of that person $10,000. This amount is in addition to any amount we pay for loss of money. If you are also insured under the 'Theft' cover section, the benefits payable for death following assault shall not be cumulative and shall be limited to $10,000 in the aggregate.

6. Loss of or damage to safes, strong rooms and cash carrying bags

If money is stolen or there is an attempt at stealing your money from your safe or strong room or cash carrying bag, we will pay you:

(a) the cost of opening the safe or strong room and of repairing or replacing any loss or damage to the safe or strong room that was caused by the theft or attempt;

(b) we will pay for loss of or damage to your cash carrying bag that was caused by the theft or attempt.

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

7. Replacement of locks, keys and combinations

We will pay the reasonable cost of replacing locks, keys, magnetic keys or cards or similar devices or to change the sequence of numbers or letters used in a safe or strongroom if during the period of insurance as a result of:

(a) theft of money covered under this cover section, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated;

(b) keys, magnetic keys or cards or similar devices being accidentally lost;

(c) the sequence of number or letter become known by any unauthorised person or are accidentally lost;

(d) circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices.

We will also pay the reasonable cost of:

(e) opening safes and strong rooms because of the theft of keys or combinations during a theft of money covered under this cover section;

(f) developing images stored on media from security camera following a theft or attempted theft of money covered under this section.

We will not pay more than $10,000 any one event.

If you are also insured under the Theft cover section, the benefit payable for locks, keys and combinations shall not be cumulative and shall be limited to $10,000 in the aggregate.

8. Temporary cover for new premises

Cover is extended to include money at, or in transit to or from any new premises occupied by you after the commencement of the period of insurance, within Australia, for 30 days from first being used by you (unless the period of insurance or your occupancy of such premises ends sooner, whichever shall first occur), but the cover is limited to:

(a) the business described in the Policy Schedule; and

(b) the money insured described in the Policy Schedule.

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

If you want cover to continue beyond 30 days, you must provide to us full details of the new premises within those 30 days. If the new location meets our underwriting rules, we will continue the cover, but we may charge you additional premium. You do not have to pay the additional premium, but if you don’t the cover will not continue.

9. Traveller’s money

We will pay you for loss of money in your personal custody, or in the custody of your employee while you or your employee are travelling on your business anywhere in the world, provided that the total amount payable under this extension is limited to $10,000.

Exclusions

This section does not cover:

1. Missing money

Loss or damage of money:

(a) due to shortages resulting from clerical or accounting errors, or loss due to errors in receiving or paying out;

(b) by any intentional or wilful act or omission by you or your employees with your connivance other than as covered by 'Additional benefit 4. - Employee dishonesty'; or

(c) by any fraudulent or dishonest acts committed by you, your family members or any of your employees acting alone or in collusion with others other than as covered by the 'Additional benefit 4. - Employee dishonesty'.

2. Key or combination in building

Loss or damage of money from any safe or strong room opened by a key or by use of details of a combination that are left in the building outside business hours.

3. Unattended

Loss or damage to money in or from an unattended vehicle that is not locked.

4. Professional carrier

Loss or damage to money while professional money carriers, professional carriers or common carriers are carrying it.

5. Loss outside the Commonwealth of Australia

Loss or damage to money occurring outside the Commonwealth of Australia except as provided under 'Additional benefit 9. - Traveller’s money'.

6. Consequential loss

Loss of use, loss of earning capacity and any other consequential loss.

7. ATMs

Loss or damage to money that does not belong to you in or from an ATM.

Glass cover section

About this Policy section

This section provides cover for breakage of glass at the premises.

Words with special meaning

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

Word or term	Meaning
Breakage	A fracture extending through the entire thickness of: (a) plate or sheet glass; (b) porcelain; (c) a lamination of laminated glass, but not any other damage or dis-figuration.
External glass	Glass, or plastic material used as glass fixed in external windows, doors, showcases or skylights forming part of the premises.
Glass	'Internal glass', 'External glass' and 'Specified glass'.
Internal glass	(a) Glass, or plastic material used as glass in internal partitions, windows and doors, glass in counters, glass forming shelves and/or stock restraints, interior showcases, fixed mirrors and other fixed internal glass including ceramic vitreous china urinals, toilet pans and hand basins; and (b) frames of showcases, display cabinets and counters containing the broken glass.
Sign	Glass or plastic that forms part of a sign.
Specified glass	Glass specifically designated in the Policy Schedule under specified glass.

Your insurance under this cover section

Provided the 'Glass' cover section is shown in the Policy Schedule as taken, we will cover you for breakage of glass which you own or for which you are legally responsible which occurs during the period of insurance at the premises shown on the current Policy Schedule.

What we pay

We will pay for the costs of replacement of broken glass with glass of similar manufacture and quality including the reasonable costs of after-hours service by repairers, express delivery and overtime charges to repair or replace broken glass. We will also pay the extra cost necessarily incurred to comply with the minimum requirements of any statutory authority when replacing the glass.

Excess

The excess that applies is shown on the Policy Schedule.

Extra covers

If we pay a claim under this cover section for loss or damage to glass, we will also pay or provide the extra covers set out below.

Any amounts payable under these extra covers apply in addition to the sum insured.

1. Costs

We will pay for the following costs provided they are reasonably incurred by you and are directly related to the breakage of glass covered under this Policy section:

(a) the cost of temporary shuttering necessary to secure otherwise exposed stock or contents pending replacement of the broken glass;

(b) the costs incurred in replacing sign-writing, ornamentation, reflective materials and burglar alarm tapes and connections attached to the broken glass;

(c) the cost incurred in repairing or replacing damage to window, door or showcase frames and their fittings;

(d) the cost incurred in repairing or replacing tiles on shop and office fronts and around the broken glass.

We will not cover you for the cost of repairing or replacing bars, grilles or shutters.

Our liability under this additional benefit during any one period of insurance is limited to $8,000.

2. Destruction of stock or contents

We will pay for destruction of, or damage to your stock or contents, caused by broken glass following the breakage of glass where such breakage constitutes an admissible claim under this section.

Our liability under this extra cover during any one period of insurance is limited to:

(a) the cost value (excluding profit of any kind) of your stock or contents destroyed or damaged, less any amount realised from the sale or salvage; or

(b) the sum of $8,000,

whichever is the lesser.

3. Overtime

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

Additional benefits

We will also provide the following additional benefit in this cover section.

Any amount payable under this additional benefit applies in addition to the sum insured and is not contingent upon damage to glass.

1. Malicious damage

We will pay for the cost of replacement of external glass which has suffered malicious damage.

2. Signs

We will cover you for loss or damage to signs at the premises if they break during the period of insurance. This additional benefit is subject to a sub-limit of liability of $8,000 or any higher sub-limit stated in the current Policy Schedule for 'Signs'.

Exclusions

This section does not cover damage to glass:

(a) when in transit or whilst being fitted into position or removed from its fitting;

(b) forming part of stock;

(c) in light fittings;

(d) that is cracked or imperfect prior to breakage;

(e) that is not fit for the purpose intended; or

(f) that is in a glasshouse, conservatory or the like, television, computer screen or any domestic item such as a vase, china ware or glass in a photo frame.

Public and products liability cover section

About this Policy section

This section only forms part of your Policy when 'Public and products liability' cover section is shown in the Policy Schedule.

Words with special meaning

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

Word or term	Meaning
Advertising injury	Injury arising out of: (a) defamation; or (b) any breach of the misleading or deceptive conduct provisions of the *Competition and Consumer Act 2010* (Cth) or any Fair Trading or equivalent legislation of any Country, State or Territory; or (c) any infringement of copyright or passing off of title or slogan; or (d) unfair competition, piracy, misappropriation of advertising ideas or style of doing business; or (e) invasion of privacy, committed or alleged to have been committed during the period of insurance in any advertisement, publicity article, broadcast or telecast and caused by or arising out of your advertising activities.
Compensation	Monies paid or agreed to be paid by judgment, award or settlement in respect of personal injury and/or property damage and/or advertising injury. Provided that such compensation is only payable in respect of an occurrence to which this insurance applies.
Employment practices	Any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination in respect of your employees.
Excess	The first amount of each claim or series of claims, arising out of any one occurrence, for which you are responsible. The excess applicable to this insurance appears in the Policy Schedule. The excess applies to all amounts for which we will be liable, including the indemnity provided for defence costs and supplementary payments.
General liability	Your legal liability for personal injury, property damage or advertising injury caused by or arising out of an occurrence happening in connection with your business other than products liability.
Geographical limit	(a) Anywhere in the world except North America; (b) North America but only with respect to: (i) overseas business visits by any of your directors, partners, officers, executives or employees, who are non-resident in North America but not where they perform manual work in North America; (ii) products exported to North America without your knowledge.
Incidental contracts	(a) Any written rental agreement and/or lease of real and/or personal property other than with respect to any term or condition contained in such rental, lease and/or hiring agreement that requires you to insure such property; (b) any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work done for such authorities or entities; (c) any written contract with any railway authority for the loading, unloading and/or transport of products, including contracts relating to the operation of railway sidings; (d) those contracts designated in the Policy Schedule.
Internet operations	(a) Transfer of computer data or programs by use of electronic mail systems by you or your employees, including for the purpose of this definition only, part-time and temporary staff, contractors and others within your organisation whether or not such data or programs contain any malicious or damaging code, including but not limited to computer virus, worm, logic bomb, or Trojan horse; (b) access through your network to the world wide web or a public Internet site by you or your employees, including for the purposes of this definition only, part-time and temporary staff, contractors and others within your organisation; (c) access to your Intranet (meaning internal company information and computing resources) which is made available through the world wide web for your customers or others outside your organisation; and (d) the operation and maintenance of your web site.

Word or term	Meaning
Medical persons	Includes but is not limited to medical practitioners, medical nurses, dentists and first aid attendants.
Named insured	(a) The person(s), corporations and/or other organisations specified in the Policy Schedule; (b) all existing subsidiary and/or controlled corporations (including subsidiaries thereof) of the named insured incorporated in the Commonwealth of Australia and/or any other organisations under the control of the named insured; (c) all subsidiary and/or controlled corporations (including subsidiaries thereof) of the named insured and/or any other organisations under the control of the named insured incorporated in the Commonwealth of Australia and which are constituted or acquired by the insured after the commencement of the period of insurance; (d) every subsidiary and/or controlled corporation and/or other organisation of the named insured which is divested during the period of insurance, but only in respect of claims made against such divested subsidiary, related or controlled corporation or organisation caused by or arising out of occurrences insured against by this Policy, which occurred prior to the divestment.
North America	(a) The United States of America and Canada; (b) any State, Territory or protectorate incorporated in, or administered by, the United States of America or Canada; and (c) any Country or Territory subject to the laws of the United States of America or Canada.
Occurrence	An event, including continuous or repeated exposure to substantially the same general conditions, which results in personal injury and/or property damage and/or advertising injury that is neither expected nor intended (except for the matters set out in item (e) of the definition of 'Personal injury') from your standpoint. With respect to personal injury or property damage, all events of a series consequent upon or attributable to one source or original cause shall be deemed to be one occurrence. All advertising injury arising out of the same injurious material or act (regardless of the frequency or repetition thereof, the number and kind of media used, or the number of claimants) shall be deemed to be one occurrence.
Personal injury	(a) Bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom; (b) false arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation; (c) wrongful entry or wrongful eviction; (d) defamation or invasion of privacy, unless arising out of advertising injury; (e) assault and battery not committed by you or at your direction, unless committed for the purpose of preventing or eliminating danger to persons or property; (f) discrimination as a result of race, religion, sex, marital status, age, intellectual impairment, disability or otherwise (unless insurance thereof is prohibited by law) not committed by you or at your direction, but only with respect to liability other than fines and penalties imposed by law.
Products	Anything manufactured, constructed, erected, assembled, installed, grown, extracted, produced or processed, treated, altered, modified, repaired, serviced, bottled, labelled, handled, sold, supplied, re-supplied or distributed, imported or exported, by you or on your behalf (including your predecessors in your business), including any packaging or containers thereof, including the design, formula or specification, directions, markings, instructions, advice or warnings given or omitted to be given in connection with such products and anything which, by law or otherwise, you are deemed to have manufactured in the course of your business including discontinued products. Provided always that for the purpose of this insurance the term 'products' shall not be deemed to include: (a) food and beverages supplied by you or on your behalf primarily to your employees as a staff benefit; (b) any vending machine or any other property rented to or located for use of others but not sold by you, and any claims made against you in respect of personal injury and/or property damage arising out of any occurrence in connection therewith shall be regarded as general liability claims hereunder.

Word or term	Meaning
Products liability	Your legal liability for personal injury and/or property damage caused by or arising out of any products or the reliance upon a representation or warranty made at any time with respect to such products, but only where such personal injury and/or property damage occurs away from premises owned or leased by or rented to you and after physical possession of such products has been relinquished to others.
Property damage	(a) Physical loss, destruction of or damage to tangible property, including the loss of use thereof at any time resulting therefrom; and/or (b) loss of use of tangible property which has not been physically lost, destroyed or damaged, provided that such loss of use is caused by or arises out of an occurrence.
Tool of trade	A vehicle that has tools, implements, machinery or plant attached to or towed by the vehicle and is being used by you at your premises or on any work site. Tool of trade does not include any vehicle whilst travelling to or from a work site or vehicles that are used to carry goods to or from any premises.
Work site	Any premises or site where any work is performed for and/or in connection with your business together with all areas surrounding such premises or site and/or all areas in between such premises or site that you shall use in connection with such work.
You, your, insured (where used in this section)	Each of the following is an insured to the extent specified below: (a) the named insured; (b) every past, present or future director, stockholder or shareholder, partner, proprietor, officer, executive or employee of the named insured (including the spouse or any family member of any such person while accompanying such person on any commercial trip or function in connection with the business), while such persons are acting for or on behalf of the named insured and/or within the scope of their duties in such capacities; (c) any employee superannuation fund or pension scheme managed by or on behalf of the named insured, and the trustees and the directors of the trustee of any such employee superannuation fund or pension scheme which is not administered by corporate fund managers;

Word or term	Meaning
	(d) every principal in respect of the principal's liability arising out of: (i) the performance by or on behalf of the named insured of any contract or agreement for the performance of work for such principal, but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this Policy; (ii) any products sold or supplied by the named insured, but only in respect of the named insured's own acts or omissions in connection with such products and in any event only for such coverage and limits of liability as are provided by this Policy. (e) every person, corporation, organisation, trustee or estate to whom or to which the named insured is obligated by reason of law, (whether written or implied) to provide insurance such as is afforded by this Policy, but only to the extent required by such law, and in any event only for such coverage and limits of liability as are provided by this Policy; (f) every officer, member, employee or voluntary helper of the named insured's canteen, social and/or sporting clubs, first aid, medical, ambulance or fire fighting services, charities, welfare and/or child care facilities, while acting in their respective capacities as such; (g) any director, partner, proprietor, officer or executive of the named insured in respect of private work undertaken by the named insured's employees for such person and any employee whilst actually undertaking such work; (h) the estates, legal representatives, heirs or assigns of: (i) any deceased or insolvent persons; or (ii) persons who are unable to manage their own affairs by reason of mental disorder or incapacity, who would otherwise be indemnified by this Policy, but only in respect of liability incurred by such persons as described in clauses h(i) and h(ii) above; (i) every party including joint venture companies and partnerships to whom the named insured is obligated by virtue of any contract or agreement to provide insurance such as is afforded by this Policy; but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this Policy.

Word or term	Meaning
Your business	The business as described in the Policy Schedule (or as further described in any more specific underwriting information provided to us at the time when this insurance was proposed to us or at the time of any renewal of this Policy) and shall also include: (a) the ownership of premises and/or the tenancy thereof by you; (b) participation in any exhibition by you or on your behalf; (c) the hire or loan of plant and/or equipment to other parties; (d) conducted tours of your premises; (e) the provision of any sponsorships, charities, galas, first aid, medical, ambulance or fire fighting service by you or on your behalf; (f) private work undertaken by your employees for any of your directors, partners, proprietors, officers or executives; (g) the provision of any canteen, social and/or sporting clubs or welfare and/or child care facilities by you or on your behalf, which are primarily for the benefit of your employees.

What you are covered for

We agree (subject to the terms, claims conditions, general Policy conditions, exclusions, definitions and limits of liability incorporated herein) to pay to you or on your behalf all amounts which you become legally liable to pay as compensation in respect of:

1. personal injury; and/or
2. property damage; and/or
3. advertising injury,

happening during the period of insurance within the geographical limits in connection with your business or your products and/or work performed by you or on your behalf and caused by or arising out of an occurrence.

Defence costs and supplementary payments

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

(a) defend, in your name and on your behalf, any claim or suit against you alleging such personal injury, property damage or advertising injury and seeking damages on account thereof even if any of the allegations of such claim or suit is groundless, false or fraudulent;

(b) pay all charges, expenses and legal costs incurred by us and/or by you with our written consent (which consent shall not be unreasonably withheld):

(i) in the investigation, defence or settlement of such claim or suit, including loss of salaries or wages because of your attendance at hearings or trials at our request; or

(ii) in bringing or defending appeals in connection with such claim or suit.

(c) pay:

(i) all charges, expenses and legal costs recoverable from or awarded against you in any such claim or suit;

(ii) prejudgment interest awarded against you on that part of the judgment payable by us; and

(iii) all interest accruing on our portion of any judgment until we have paid, tendered or deposited in court that part of such judgment which does not exceed the limit of our liability thereon.

(d) pay premiums on:

(i) bonds to release attachments for amounts not exceeding the applicable limit of liability of this Policy but we shall have no obligation to apply for or furnish any such bond;

(ii) appeal bonds and/or security for costs required in any suit but we shall have no obligation to apply for or furnish any such bonds and/or security for costs.

(e) pay expenses incurred by you for:

(i) rendering first aid and/or surgical and/or medical and/or therapeutic relief to others at the time of any personal injury (other than any medical expenses, which we are prevented from paying by any law);

(ii) temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up and/or unpinning thereof;

(iii) purchasing and/or hiring and/or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including such protection which you must provide in compliance with the requirements of any government, local government or other statutory authority.

(f) pay all legal costs incurred by you with our consent (which consent shall not be unreasonably withheld) for representation of you at:

(i) any Coronial inquest or inquiry;

(ii) any proceedings in any court or tribunal in connection with liability insured against by this Policy;

(iii) any royal commission or government enquiry arising out of any alleged breach of statutory authority, or other similar judicial enquiry into circumstances relating to any occurrence, claim or potential claim which would be the subject of indemnity under this insurance;

(iv) any enquiry, prosecution or hearing of a disciplinary nature held before a legally constituted enquiry board, committee, licensing authority or the like.

Provided that our liability under clauses (f)(iii) and (f)(iv) shall not exceed $250,000 in respect of any one claim or series of claims arising out of any one occurrence.

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

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

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

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

Limits of liability and excess

Subject to:

(a) the 'Claim preparation expenses' provision under 'General Policy conditions';

(b) the 'Defence costs and supplementary payments' clause above;

(c) item 5 of additional benefit 'Property in your physical and legal control' below,

for:

1. general liability the limit of liability specified in the Policy Schedule represents the maximum amount which we shall be liable to pay in respect of any one claim or series of claims arising out of any one occurrence;
2. products liability the limit of liability specified in the Policy Schedule represents the maximum amount which we shall be liable to pay in respect of any one claim or series of claims, and in the aggregate during any one period of insurance.

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

What you are not covered for under this section

We do not cover any liability:

1. Property owned by you

For property damage to property owned by you.

2. Vehicles

For personal injury or property damage arising out of the ownership, possession or use by you of any vehicle:

(a) which is registered or which is required under any legislation to be registered; or

(b) in respect of which compulsory liability insurance or statutory indemnity is required by virtue of legislation (whether or not that insurance is effected),

but exclusions 2.(a) and 2.(b) shall not apply to:

(c) personal injury where:

(i) that compulsory liability insurance or statutory indemnity does not provide indemnity; and

(ii) the reason or reasons why that compulsory liability or statutory indemnity does not provide indemnity do not involve a breach by you of legislation relating to vehicles,

(d) any vehicle (including any tool or plant forming part of or attached to or used in connection with such vehicle) whilst being operated or used by you or on your behalf as a tool of trade at your premises or on any work site;

(e) the delivery or collection of goods to or from any vehicle;

(f) the loading or unloading of any vehicle;

(g) any vehicle temporarily in your custody or control for the purpose of parking.

3. Aircraft or hovercraft

For personal injury and/or property damage arising from:

(a) the ownership, maintenance, operation, or use by you of any aircraft or hovercraft;

(b) the ownership, operation or use by you of any hovercraft exceeding 10 metres in length, whilst such hovercraft is on, in or under water.

4. Aircraft Products

Arising out of your products that are aircraft or 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.

5. Damage to products

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

6. Faulty workmanship

For the cost of performing, completing, correcting or improving any work undertaken by you.

7. Loss of use

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

(a) a delay in or lack of performance by you or on your behalf of any contract or agreement; or

(b) failure of any products or work performed by you or on your behalf to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by you, but this exclusion 7(b) shall not apply to your liability for loss of use of other tangible property resulting from sudden and accidental physical loss, destruction of or damage to any products or work performed by you or on your behalf after such products or work have been put to use by any person or organisation other than you.

8. Product guarantee

For any products warranty or guarantee given by you or on your behalf, but this exclusion shall not apply to the requirements of any Federal or State legislation as to product safety and information.

9. Product recall

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

10. Pollutants

(a) For personal injury and/or property damage directly or indirectly arising out of the discharge, dispersal, release or escape of pollutants into or upon land, the atmosphere or any watercourse or body of water;

(b) for the cost of testing and monitoring for, removing, nullifying, or cleaning up of pollutants.

Provided that, with respect to any such liability which may be incurred anywhere other than North America, exclusions 10(a) and 10(b) shall not apply where such discharge, dispersal, release or escape is caused by a sudden, identifiable, unintended and unexpected event from your standpoint which takes place in its entirety at a specific time and place.

11. Advertising injury

For advertising injury:

(a) resulting from statements made at your direction with knowledge that such statements are false;

(b) resulting from failure of performance of contract but this exclusion shall not apply to claims for unauthorised appropriation of advertising ideas contrary to an implied contract;

(c) resulting from any incorrect description of products or services;

(d) resulting from any mistake in advertised price of products or services;

(e) resulting from failure of your products or services to conform with advertised performance, quality, fitness or durability;

(f) incurred by any insured whose principal occupation or business is advertising, broadcasting, publishing or telecasting.

12. Breach of professional duty

Arising out of any breach of duty owed in a professional capacity by you and/or any person(s) for whose breaches you may be held legally liable, but this exclusion shall not apply to claims for personal injury and/or property damage arising out of:

(a) the rendering of or failure to render professional medical advice by medical persons employed by you to provide first aid and other medical services on your premises provided your principal occupation or business is not a medical or health service;

(b) advice which is given by you for no fee;

(c) advice given in respect of the use or storage of your products.

13. Property in your care, custody or control

For property damage to property in your physical or legal care, custody or control.

14. Contractual liability

Which has been assumed by you under any contract or agreement that requires you to:

(a) effect insurance over property, either real or personal;

(b) assume liability for personal injury and/or property damage and/or advertising injury regardless of fault,

provided that this exclusion shall not apply with regard to:

(i) liabilities which would have been implied by law in the absence of such contract or agreement; or

(ii) liabilities assumed under incidental contracts; or

(iii) terms regarding merchantability, quality, fitness or care of your product which are implied by law or statute; or

(iv) liabilities assumed under the contracts specifically designated in the Policy Schedule or in any endorsement(s) to this Policy.

15. Watercraft

For personal injury and/or property damage arising from the ownership, operation or use by you of any watercraft exceeding 10 metres in length, whilst such watercraft is on, in or under water.

16. Employers liability

(a) For bodily injury to any worker in respect of which you are or would be entitled to indemnity under any policy of insurance, fund, scheme or self-insurance pursuant to or required by any legislation relating to workers compensation or accident compensation whether or not such policy, fund, scheme or self insurance has been effected.

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

(b) Imposed by:

(i) the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination or contract of employment or workplace agreement;

(ii) any law relating to employment practices.

For the purpose of exclusions 16(a) and 16(b):

(c) the term ‘Worker’ means any person deemed to be employed by you pursuant to any Workers' Compensation Law. Voluntary workers, secondees and work experience students (if any) shall not be deemed to be your employees;

(d) the term ‘Bodily injury’ means bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom.

17. Fines, penalties, punitive, exemplary or aggravated damages

For any fines, penalties, punitive, exemplary, aggravated damages and any additional damages resulting from the multiplication of compensatory damages.

18. Electronic data

Arising out of:

(a) the communication, display, distribution or publication of electronic data, provided that this exclusion does not apply to personal injury and/or advertising injury arising therefrom;

(b) the total or partial destruction, distortion, erasure, corruption, alteration, misrepresentation or misappropriation of electronic data;

(c) error in creating, amending, entering, deleting or using electronic data;

(d) the total or partial inability to receive, send, access or use electronic data for any time or at all,

from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

19. Defamation

For defamation:

(a) resulting from statements made prior to the commencement of the period of insurance;

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

(c) incurred by you if your business is advertising, broadcasting, publishing or telecasting.

20. Liquidated damages

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

21. Asbestos

For personal injury, property damage (including loss of use of property) or advertising injury directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

22. Silica

For personal injury arising directly or indirectly from Silica, Silica products, and materials or products containing Silica that gives rise to silicosis or any lung disease or ailment arising out of, caused by, or aggravated by inhalation, consumption or absorption of Silica.

When used in this endorsement, the term Silica means any solid, liquid or gaseous material consisting of silica, silica fibres, particles or dust.

Additional benefit applicable to this section

Property in your physical and legal control

Exclusion 13 will not apply to the following property:

1. the personal property, tools and effects of any of your directors, partners, proprietors, officers, executives or employees, or the clothing and personal effects of any of your visitors;
2. premises or part(s) of premises (including their contents) leased or rented to, or temporarily occupied by, you for the purpose of your business, but no cover is provided by this Policy if you have assumed the responsibility to insure such premises;
3. either:
   (a) premises (and/or their contents) temporarily occupied by you for the purpose of carrying out work in connection with your business; or
   (b) any other property temporarily in your possession for the purpose of being worked upon,

   but no indemnity is granted for damage to that part of any property upon which you are or have been working if the damage arises solely out of such work.
4. any vehicle (including its contents, spare parts and accessories while they are in or on such vehicle) not belonging to or used by you, whilst any such vehicle is in a car park owned or operated by you provided that you do not operate the car park for reward, as a principal part of your business;
5. notwithstanding exclusion 14. 'Contractual liability', any property (except property that you own) not mentioned in clauses 1 to 4 of this additional benefit whilst in your physical or legal care, custody or control where you have accepted or assumed legal liability for such property. Provided that our liability under this additional benefit shall not exceed $250,000 or the amount stated in the Policy Schedule, whichever is the greater, in respect of any one claim or series of claims arising out of any one occurrence.

Optional extensions – where indicated on the Policy Schedule as applying

A. Motor trade, excluding testing and delivery

Additional benefit 'Property in your physical or legal control', part 3(b) of the 'Public and products liability' cover section of this Policy includes vehicles for repairs, servicing, maintenance or storage whilst within the confines of your premises or whilst left stationary in the immediate vicinity of your premises in any public or private road or thoroughfare subject to a maximum indemnity of $100,000 any one occurrence.

Exclusion 2. Vehicles of the 'Public and products liability' cover section of this Policy does not apply to property damage arising from any vehicle (not owned by or leased to you) whilst within the confines of your premises.

B. Motor trade, including testing and delivery

Additional benefit 'Property in your physical or legal control', part 3(b) of the 'Public and products liability' cover section of this Policy includes:

(a) vehicles for repairs, servicing, maintenance or storage whilst within the confines of your premises or whilst left stationary in the immediate vicinity of your premises in any public or private road or thoroughfare subject to a maximum indemnity of $100,000 any one occurrence;

(b) property damage to any registered vehicle not owned or leased by you but in your physical or legal control for the purpose of repairs, servicing or garaging whilst such vehicle is on any public roadway or thoroughfare whilst being tested and/or collected and/or delivered subject to a maximum indemnity of $100,000 any one occurrence.

Exclusion 2. Vehicles of the Public and products liability cover section of this Policy does not apply to:

(c) property damage arising from any vehicle (not owned by or leased to you) whilst within the confines of your premises;

(d) property damage to any other property not being your own or used by you or on your behalf caused by the vehicle as described and used in item (b) of this clause. The maximum amount we will pay for property damage under this clause is $100,000 any one occurrence.

The indemnity provided by 'Optional extensions' A and B above shall not apply to any property damage arising from the use of:

(e) any unsafe or unroadworthy vehicle unless such condition could not reasonably be detected by you. This exclusion shall not apply if such property damage was not caused or contributed to by such unsafe or unroadworthy condition;

(f) a vehicle by:

   (i) any person with your consent who is not licensed under any relevant law to drive such a vehicle; or

   (ii) anyone whose faculties are impaired by any drug or intoxicating liquor or by any person who is convicted of driving at the time of the property damage being under the influence of intoxicating liquor; or

   (iii) anyone whose blood alcohol reading exceeds the legal limit (subject to any laws to the contrary); or

   (iv) anyone who refuses to provide or allow the taking of a sample of breath, blood or urine for testing or analysis as required by the law of any State or Territory where the property damage occurred.

However we will cover you if you have allowed a person to drive a vehicle in your physical or legal control and you can prove that you were not aware that the vehicle was being driven by or in charge of that person when they were so affected or unlicensed.

C. Motor trade – inspection reports and certificates (personal injury or property damage)

Exclusion 12. Breach of professional duty of the 'Public and products liability' cover section of this Policy does not apply to:

(a) your certification of road worthiness or design compliance in respect of any motor vehicle, which is carried out by you or on your behalf under statutory authority or license and in such manner or form as required under the provisions of any Act or Regulation relating to vehicle;

(b) motor vehicle condition reports provided by you after inspection, whether such are commissioned for the purposes of sale or purchase or in connection with any servicing or maintenance carried out by you.

The maximum we will pay under this optional extension is:

(i) $65,000 for any one claim; and

(ii) $100,000 for all claims in any one period of insurance.

D. Motor trade – inspection reports and certificates (financial losses only)

For the purposes of this 'Optional extension' only, definition 'Occurrence' and any reference to that defined term is deleted and replaced as follows:

'Wrongful act' – any actual or alleged breach of duty, neglect, error, omission, misstatement, misleading statement or other act committed or allegedly committed by you. 'Wrongful act' does not include any event which results in personal injury or property damage.

Exclusions:

- 7. Loss of use;
- 12. Breach of professional duty; and
- 14. Contractual liability,

do not apply to:

(a) your certification of road worthiness or design compliance in respect of any motor vehicle, which is carried out by you or on your behalf under statutory authority or license and in such manner or form as required under the provisions of any Act or Regulation relating to vehicle;

(b) motor vehicle condition reports provided by you after inspection, whether such are commissioned for the purposes of sale or purchase or in connection with any servicing or maintenance carried out by you.

The maximum we will pay under this optional extension is $100,000 in the aggregate for all claims in any one period of insurance.

E. Motor trade – faulty workmanship

Exclusion 6. Faulty workmanship does not apply to the cost of performing, completing, correcting or improving any work that is undertaken by you provided that the work:

(a) was undertaken on a motor vehicle; and

(b) was carried out during the period of this insurance, or any earlier period during which this Policy, or any Policy that this Policy replaced had been held with us; and

(c) has caused property damage to the motor vehicle.

The maximum we will pay under this optional extension is:

1. $15,000 for any one occurrence, net of any mark-up for parts, transport, labour and profit; and
2. $25,000 for all claims in any one period of insurance.

Additional definition applicable to optional extensions C, D and E

'Motor vehicle' means any mechanically or electrically powered machine (including but not limited to automobiles, trucks and motorcycles) that does not run on rails and is legally allowed to transport persons or goods on public roads and highways. 'Motor vehicle' includes any trailer or caravan intended to be towed by such a machine, but not any:

(i) aircraft; or

(ii) watercraft.

F. Consumer protection cover for Queensland electricians

This optional extension is only to apply in respect of electrical work performed in Queensland.

Definitions applying to this optional extension only

Word or term	Meaning
Broadform products liability	The Policy of insurance covering an occurrence which caused personal injury to a third party, or any loss or damage to the property of a third party other than the work itself, directly or indirectly arising from the activities as an electrical contractor directly or indirectly arising from the products of activities.
The certificate of test	The certificate required under Section/s 26 and 227 of the *Electrical Safety Regulation 2013 (Qld)*.
Completed electrical work	(a) Electrical work for which the electrical contractor has issued a certificate of test; or (b) work the electrical contractor has connected to supply.
Consumer protection	Any consequential financial loss reasonably incurred by the building owner as a result of any defects or non-completion of the electrical work (as described in this optional extension) including but not limited to: (a) any loss of any deposit or progress payments or any part of progress payments; (b) the cost of alternative accommodation, removal and storage costs that are reasonably and necessarily incurred; and (c) non-completion of electrical work due to: (i) the death or legal incapacity of the electrical contractor; (ii) the disappearance of the electrical contractor; (iii) the electrical contractor becoming insolvent under administration; (iv) the cancellation or suspension of the electrical contractor's licence under Section 50 of the *Electrical Safety Regulation 2013* (Qld); (v) the early termination of the contract by the building owner as a result of the electrical contractor's wrongful failure or refusal to complete the electrical work.
Contract	A written agreement to carry out electrical work and includes a domestic building contract or other building contract that includes electrical work.

Word or term	Meaning
Defects in domestic electrical work	(a) A failure to carry out electrical work consistent with current electricity legislation, industry practices and standards and in accordance with any plans and specifications set out in the contract; (b) a failure to use materials in the electrical work that are good and suitable for the purpose for which they are used; (c) the use of materials in the electrical work that are not new unless the contract expressly permits the use of materials that are not new; (d) a failure to carry out the electrical work in accordance with and in compliance with all laws and legal requirements or any applicable Australian or other relevant standard or code of practice including without limiting the generality of this paragraph, the *Electrical Safety Act 2002* (Qld) and any amendments made to and any regulations made under that Act; (e) a failure to carry out electrical work with due care or skill and in the case of domestic electrical work a failure to complete the electrical work: (i) by the date or within the period specified by the contract; (ii) within a reasonable time if no date or period is specified. (f) if the contract states the particular purpose for which the electrical work is required or the result which the building owner wishes the work to achieve so as to show that the building owner relies on the electrical contractor's skill and judgement, a failure to ensure that the electrical work and any materials used in carrying out the electrical work: (i) are fit for the purpose; (ii) are of such a nature and quality that they will achieve that result; or (g) a failure to maintain a standard or quality of electrical work specified in the contract; (h) a reference to any material in sub-clause (c) (d) or (g) does not include any material that is supplied by the building owner or the owner's agent.
Disappearance	Cannot be found after due search and enquiry.

Word or term	Meaning
Domestic dwelling	Any residential premises but other than: (a) any residence that is not intended for permanent habitation; or (b) a rooming house; (c) a motel, residential club, residential hotel, or residential part of licensed premises; (d) a nursing home, hospital, or accommodation associated with a hospital; or (e) the common areas under the control of the Body Corporate in residential villas, townhouses, duplex, triplex, quadruplex or home units which make up the body corporate; (f) any watercraft.
Domestic electrical work	Work for a domestic dwelling proprietor or for individual proprietors of single domestic dwellings forming part of residential villas, townhouses, duplex, triplex, quadruplex or home units.
Electrical work	Defined in Section 18 of the *Electrical Safety Act 2002* (Qld.).
Insolvent under administration	A person who is bankrupt in respect of a bankruptcy from which the person has not been discharged and includes: (a) a person who has executed a deed of arrangement under Part X of the *Bankruptcy Act* (Cth), (or the corresponding provisions of the law of another jurisdiction) where the terms of the deed have not been fully complied with; and (b) a person whose creditors have accepted a composition under Part X of the *Bankruptcy Act* (Cth), (or the corresponding provisions of the law of another jurisdiction) where a final payment has not been made under that composition.
Limit of liability	The limit of liability that is shown in the Policy schedule.
Trade practices liability	Any liability that arises as a result of conduct by the electrical contractor that contravenes the *Competition and Consumer Act 2010* (Cth) and the *Fair Trading Act 1989* (Qld) other than any fine or penalty imposed by such contravention.

Cover

In our 'Public and products liability' cover section you will find cover for public liability and products liability. In this optional extension you will find cover for:

1. defects in electrical works;
2. any trade practices liability;
3. liability arising from the testing of your own work and the work of others;
4. resultant and injury, damage or loss arising from incorrect advice or design;
5. non-completion of electrical work;
6. consumer protection.

Limit of liability

Our liability under this optional extension is limited to:

1. in respect of trade practices liability the maximum amount we will pay is the cost of rectifying the relevant electrical work.
2. for all other liability referred to in covers 1, 3, 4, 5 and 6 the maximum amount we will pay is:
   (a) $50,000 per any one claim or service of claim in relation to a certificate of test or if the certificate of test relates to more than one home;
   (b) $50,000 in respect of each domestic installation.
3. for the reasonable legal costs and expenses associated with successful enforcement of a claim against you or us.

What you are not covered for under this optional extension

1. We do not cover you for any loss damage or liability:
   (a) resulting from a product defect provided that:
      (i) we bear the onus of establishing that the claim (or part of a claim) is based on a product defect; and
      (ii) we agree that nothing in this exclusion removes the cover given to you by this optional extension in relation to you supplying or using any appliance, material, substance or other thing that you were aware was defective, or that you should reasonably be aware was defective.
   (b) resulting from:
      (i) fair wear and tear or depreciation of electrical work or;
      (ii) a failure by the building owner to reasonably maintain the electrical work.
2. For consequential financial loss resulting from non-domestic electrical work.
3. Directly or indirectly caused by, contributed to, or arising from exposure to asbestos.
4. We do not cover you in respect of all legal costs of any person making a claim against you that are not directly or indirectly related to:
   (a) the enforcement of this Policy; or
   (b) a liability in respect of which you are covered under this Policy.
5. We do not cover you for claims for liquidated damage for delay or damages for delay that may arise under contract provided that this exclusion does not apply to increases in rectification costs caused by a delay.

Conditions applicable to this optional extension

1. Period that insurance must cover

   (a) For the liabilities referred to in covers 1, 2 and 4 of this optional extension, you are only covered in respect of electrical work of which a certificate of test is required from the time you agree to carry out that work until:

   (i) seven years after you last issued the compliance certificate in relation to that work; or

   (ii) if you did not issue a compliance certificate in relation to the work, seven years after you stopped carrying out that work.

   (b) You are covered in respect of electrical work for which a compliance certificate is required for completed work liability that arises from personal injury to a third party or loss or damage to the property of a third party (other than property that is part of the electrical work itself) that occurs during the period of insurance caused by an occurrence that happens in connection with the carrying out of the electrical work (regardless of when the electrical work was carried out).

   (c) The cover provided in covers 1, 2 and 4 of this optional extension continues to apply throughout the relevant period specified in condition 1(a) of this optional extension even if you cease to be a licensed or registered electrician before the end of that period and even if you cease to maintain this Policy.

2. Insurer to comply with court orders, etc.

   We agree to comply with any order made against you by a court, the disputes or any other competent judicial body, in respect of any liability for which you are indemnified under this Policy (including any excess that you may be obliged to pay to us).

3. Limitation for common property

   (a) This clause applies if a claim is paid by us in relation to the common property of a building or complex or multiple homes and the property in which the building or complex stands, and on which electrical work is carried out, is subject to a subdivision.

   (b) We will reduce the amount we pay under this Policy in respect of any one home in the building or complex by an amount calculated by dividing the amount of the claim paid by us by the number of homes in the building or complex.

4. Limitation concerning non-completion of work

   If you fail to complete electrical work for any reason then this Policy does not cover you for claims for the whole or a specified part of any payment made under a contract that exceeds the value of the work completed at the time of payment.

5. Deemed acceptance of claims

   (a) This clause only applies in relation to domestic electrical work.

   (b) This clause does not apply in relation to completed works liability.

   (c) We agree to accept liability for a claim in we do not notify the person making the claim within 90 days from when we receive the claim in writing that we accept or dispute the claim, unless we obtain an extension of time from the person in writing or from the disputes tribunal.

6. Ministerial Order to prevail in the case of conflict with this Policy

   We agree that if any term of this Policy conflicts, or is inconsistent with the Electrical Contractors Insurance Requirements which outlines the requirements for electrical contractors' insurance required under Section 51 of the *Electrical Safety Regulation 2013* (Qld) then this Policy is to be read and to be enforceable as if it complied with that document.

7. Claims not to be refused on the grounds that Policy obtained by fraud, etc.

   (a) This clause only applies in relation to domestic electrical work.

   (b) We agree that we will not refuse to pay a claim (other than a claim in respect of completed work liability) under this Policy on the ground that this Policy was obtained by misrepresentation, fraud or nondisclosure by you or anyone acting on your behalf.

   (c) You agree that if we make a payment under this Policy to, or for the benefit of, a building owner under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.

8. Insurer must give effect to certificates

   (a) This clause only applies in relation to domestic electrical work.

   (b) If we give you a certificate stating that you are covered by insurance, we agree that we will not refuse to pay a claim on that insurance (other than a claim in respect of completed work liability) under this Policy on the ground that you have not paid the premium for the insurance.

   (c) You agree that if we make a payment under this Policy to, or for the benefit of, a building owner under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.

9. Deemed notice of defects

   We agree that if a person gives notice of defects in writing to you or us, that person is to be taken for the purposes of this Policy to have given notice of all defects of which the defect notified are directly or indirectly related, whether or not the claim in respect of the defects that were actually notified has been settled.

10. Claimant may enforce this Policy directly in certain cases

   We and you both agree:

   (a) that a person who is entitled to claim against you in respect of any liability for which you are indemnified under this Policy may enforce this Policy directly against us for the person's own benefit if:

   (i) any event listed in cover 4 of this optional extension occurs; or

   (ii) you refuse to make a claim against us; or

   (iii) there is an irretrievable breakdown of communication between you and us; and

   (b) that for the purpose of such enforcement the person has the same rights and entitlements as you would have had under any legislation applicable to you; and

   (c) that we will pay to the person the full amount of any liability for which you are indemnified under this Policy despite any failure by you to pay any excess that you are required to pay.

11. Section 54 of the *Insurance Contracts Act 1984* (Cth) to apply

 (a) We acknowledge that Section 54 of the *Insurance Contracts Act 1984* (Cth) applies to this Policy.

 (b) Despite condition 11(a), we agree that we will not rely on Section 54 to reduce our liability under this Policy or to reduce any amount that is otherwise payable in respect of a claim by reason only of a delay in a claim being notified to us if:

  (i) the person who makes the claim notifies you, either orally or in writing; or

  (ii) that person or you notifies us in writing within 180 days of the date when the person first became aware, or might reasonably be expected to have become aware, of some fact or circumstance that might give rise to the claim.

12. Notification concerning claims settled

 We and you both agree that we will notify the Electrical Licensing Board in writing in the manner required by the Electrical Licensing Board of the settling of payment of any claim under this Policy.

13. Conflicting provisions

 (a) Nothing in this optional extension should be read as limiting indemnity under this optional extension with respect of any defect as a result of any error in design, specification formula or pattern or the provision of advice that is incidental to any electrical work undertaken by the electrician.

 (b) To the extent that condition 13(a) is in conflict with any other provision in this optional extension, condition 13(a) will prevail.

14. Excess

 You are liable to pay us in respect of each claim paid by us under this Policy the amount paid by us or the amount specified in the schedule as the excess. Provided you are not liable to pay an excess more than once in relation to any claim comprising more than one defect or two or more claims that relate to the same defect.

15. You must co-operate with us

 (a) You agree in relation to a claim or prospective claim:

  (i) to make reasonable efforts to assist and inform us or our agent; and

  (ii) to attend the relevant building site for the purpose of inspecting, rectifying or completing electrical work (unless the building owner refuses you access to the site).

 (b) We may reduce the amount of a claim by a building owner by an amount that reasonably represents the cost resulting from an unreasonable refusal by the building owner to give you access to a building site if we have asked you to attend the site.

16. Provision concerning cancellation

 We agree that the cancellation of this Policy:

 (a) will only take effect 30 days after we give both the Electrical Licensing Board and you notice in writing of the cancellation; and

 (b) has no effect on any of our obligations under this Policy with respect to the liabilities referred to in covers 1, 2 and 4 of this optional extension in relation to electrical work that was carried out while this Policy was in force; and

 (c) has no effect on any of our obligations under this Policy with respect to the liabilities referred to in covers 3 and 4 of this optional extension in relation to any personal injury to a third party or loss or damage to the property of a third party (other than property that is part of the electrical work itself) that occurred while this Policy was in force.

G. Victorian plumbers' liability

This optional extension is only to apply in respect of plumbing work performed in Victoria.

Definitions applicable to this optional extension only

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

Word or term	Meaning
Australian consumer law	Schedule 2 of the *Competition and Consumer Act 2010* (Cth) or its successor.
Building owner	The person for whom plumbing work has been, is being, or is about to be, carried out and includes: (a) any occupier of the land, building or home where the plumbing work is carried out; and (b) any person who is the owner for the time being of that land, building or home; and (c) if the plumbing work is carried out on land in a plan of subdivision containing common property, the body corporate for that land or a building on that land; and (d) any assignee of the building owner's rights under a contract; and (e) any person who has contracted with another person to provide the plumbing work.
Completed work liability	Any liability that arises as a result of any personal injury to a third party, or loss or damage to the property of a third party (other than property that is part of the plumbing work itself), directly or indirectly related to or arising from the plumbing work: (a) after the issue of the compliance certificate for the plumbing work; or (b) if you do not issue a compliance certificate for the plumbing work, plumbing work which you carried out but only after you stopped carrying out that work.
Compliance certificate	A certificate referred to in Section 221ZH of the *Building Act 1993* (Vic).
Contract	A contract to carry out plumbing work and includes a domestic building contract or other building contract that includes plumbing work.

Word or term	Meaning
Defect	In relation to plumbing work includes: (a) a failure to carry out the plumbing work in a proper and workmanlike manner and in accordance with any plans and specifications set out in the contract; (b) a failure to use materials in the plumbing work that are good and suitable for the purpose for which they are used; (c) the use of materials in the plumbing work that are not new (unless the contract permits use of materials that are not new); (d) a failure to carry out the plumbing work in accordance with, and in compliance with, all laws and legal requirements including, without limiting the generality of this clause, the *Building Act 1993* (Vic) and any regulations made under that Act; (e) a failure to carry out the plumbing work with reasonable care and skill and, in the case of domestic plumbing work, a failure to complete the work: (i) by the date (or within the period) specified by the contract; or (ii) within a reasonable time, if no date (or period) is specified. (f) if the contract states the particular purpose for which the plumbing work is required, or the result which the building owner wishes the plumbing work to achieve, so as to show that the building owner relies on your skill and judgement, a failure to ensure that the plumbing work and any material used in carrying out the plumbing work: (i) are reasonably fit for that purpose; or (ii) are of such a nature and quality that they might reasonably be expected to achieve that result. (g) a failure to maintain a standard or quality of plumbing work specified in the contract. A reference to any material in sub clause (b) or (f) does not include any material that is supplied by the building owner (or the building owner's agent).
Defects liability	Liability to pay for the costs of rectifying any defect in your plumbing work carried out in Victoria.
Disappearance	Cannot be found after due search and inquiry.
Domestic plumbing work	Plumbing work performed or intended to be performed on or in relation to: (a) a home; or (b) any building or structure on land on which a home is or is intended to be situated.
Home	Any residential premises and includes any part of a commercial or industrial premises that is used as a residential premises and also includes any house boat that is less than eight metres in length, but does not include: (a) any residence that is not intended for permanent habitation; or (b) a rooming house within the meaning of the *Residential Tenancies Act 1997* (Vic); or (c) a motel, a residential club, a residential hotel or a residential part of licensed premises under the *Liquor Control Reform Act 1998* (Vic); or (d) a nursing home, a hospital or accommodation associated with a hospital; or (e) any residence that the regulations made under the *Domestic Buildings Contracts Act 1995* (Vic) state is not a home for the purposes of the definition of 'Home' in that Act.
Insolvent under administration	A person who: (a) under the *Bankruptcy Act 1966* (Cth) or the law of an external Territory, is a bankrupt in respect of a bankruptcy from which the person has not been discharged; or (b) under the law of an external Territory or the law of a foreign country, has the status of an un-discharged bankrupt; and includes: (c) a person any of whose property is subject to control under: (i) section 50 or Division 2 of Part X of the *Bankruptcy Act 1966* (Cth); or (ii) a corresponding provision of the law of an external Territory or the law of a foreign country; or (d) a person who has executed a personal insolvency agreement under: (i) Part X of the *Bankruptcy Act 1966* (Cth); or (ii) the corresponding provisions of the law of an external Territory or the law of a foreign country, where the terms of the agreement have not been fully complied with.

Word or term	Meaning
The Ministerial Order	The Licensed Plumbers General Insurance Order 2002 made under Section 221ZQ and 221ZT of the *Building Act 1993* (Vic).
Plumbing work	Has the same meaning as in Section 221C of the *Building Act 1993* (Vic).
Non-domestic plumbing work	Plumbing work that is not domestic plumbing work.
Product defect	A defect in any appliance, material, substance or other thing that was supplied or used by you in connection with plumbing work.
Trade practices liability	Any liability for the cost of rectifying any defect in plumbing work carried out in Victoria that arises as a result of conduct by you in connection with the plumbing work that contravenes Section 18, 29, 34, 60 or 61 of Schedule 2 of the *Competition and Consumer Act 2010* (the 'Australian Consumer Law') or the corresponding provisions of the *Australian Consumer Law* (Victoria).

Cover

We will cover you under this optional extension for:

1. Defects liability.
2. Trade practices liability.
3. In respect of domestic plumbing work carried out in Victoria any liability arising from:
   (a) any consequential financial loss reasonably incurred by the building owner as a result of any defects or non-completion of the plumbing work (as described in clause 3(b)), including but not limited to:
      (i) the loss of any deposit or progress payment (or any part of any deposit or progress payment); and
      (ii) the cost of alternative accommodation, removal and storage costs that are reasonably and necessarily incurred; and
   (b) non-completion of the plumbing work due to:
      (i) your death or legal incapacity;
      (ii) your disappearance;
      (iii) you becoming an insolvent under administration;
      (iv) the cancellation or suspension of your licence as a licensed plumber under the *Building Act 1993* (Vic); or
      (v) the early termination of the contract by the building owner as a result of your wrongful failure or refusal to complete the plumbing work.

The cover provided under clause 3(b) also applies to any contract for both domestic plumbing work and non-domestic plumbing work in which the non-domestic plumbing component does not exceed 20% of the total contract value.

Limit of liability

We will pay up to:

(a) $50,000 for any one claim or series of claims in respect of cover clauses 1 to 3 in relation to domestic plumbing work for which a compliance certificate is required, (or if a compliance certificate relates to more than one home, an amount not exceeding $50,000 for each home); or

(b) $100,000 for any one claim or series of claims in respect of cover clauses 1 to 3 in relation to a compliance certificate for non-domestic plumbing work.

The most we will pay under this optional extension in any one period of insurance is $5,000,000.

Defence of claims

In addition to the limit of liability we also pay the reasonable legal costs and expenses associated with the successful enforcement of a claim against you or us.

However, we will not pay the legal costs of any person making a claim against you that are not directly or indirectly related to:

1. the enforcement of this optional extension; or
2. a liability in respect of which you are covered under this optional extension.

Provided that:

(a) 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;

(b) if a payment exceeding the limit of liability has to be made to dispose of a claim, our liability to pay any legal costs and expenses under this clause will be limited to that proportion of those legal costs and expenses as the limit of liability bears to the amount paid to dispose of the claim.

Exclusions applicable to this optional extension

We do not cover you for:

1. any defects liability resulting from a product defect provided that:
   (a) we bear the onus of establishing that the claim (or part of the claim) is based on a product defect; and
   (b) we agree that nothing in this exclusion removes the cover given to you by this optional extension in relation to you supplying or using an appliance, material, substance or other thing that you were unaware was defective or that you should not reasonably have been aware was defective.
2. any loss, injury or damage resulting from:
   (a) fair wear, tear or depreciation of plumbing work; or
   (b) a failure by the building owner to reasonably maintain plumbing work.
3. any consequential financial loss in relation to non-domestic plumbing work;
4. claims for liquidated damages for delay, or damages for delay, that may arise under a contract provided that this exclusion does not apply to any increase in rectification costs caused by the delay.

Conditions applying to this optional extension

1. Period of cover

   For defects liability, trade practices liability and liabilities referred to in cover clause 3 of this optional extension, you are only covered in respect of plumbing work for which a compliance certificate is required from the time you agree to carry out that work until:

   (a) six years after you last issued the compliance certificate in relation to that work; or

   (b) if you did not issue a compliance certificate in relation to the work, six years after you stopped carrying out that work.

   The cover provided for defects liability, trade practices liability and liabilities referred to in cover clause 3 of this optional extension continues to apply throughout the relevant period specified in this clause even if you cease to be a licensed plumber before the end of that period and even if you cease to maintain this optional extension.

2. We will comply with court orders

   We agree to comply with any order made against you by a court, the Victorian Civil and Administrative Tribunal or any other competent judicial body, in respect of any liability for which you are indemnified under this optional extension, (including any excess that you may be obliged to pay to us).

3. Deemed acceptance of claims

   This clause only applies in relation to domestic plumbing work. We agree to accept liability for a claim if we do not notify the person making the claim within 90 days from when we receive the claim in writing that we accept or dispute the claim, unless we obtain an extension of time from the person in writing or from the Victorian Civil and Administrative Tribunal.

4. Ministerial Order to prevail in the case of conflict

   We agree that if any term of this optional extension conflicts, or is inconsistent, with the Ministerial Order, then this optional extension is to be read and to be enforceable as if it complied with that Order.

5. Claims not to be refused on the grounds that the Policy obtained by fraud, etc.

   This clause only applies in relation to domestic plumbing work.

   We agree that we will not refuse to pay a claim under this optional extension on the ground that this optional extension was obtained by misrepresentation, fraud or non-disclosure by you or anyone acting on your behalf.

   You agree that if we make a payment under this optional extension to, or for the benefit of, any other person under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.

6. We give effect to 'Certificates'

   This clause only applies in relation to domestic building work.

   If we give you a 'Certificate' stating that you are covered by insurance under this optional extension, we agree that we will not refuse to pay a claim on that insurance on the ground that you have not paid the premium for the insurance.

   You agree that if we make a payment under this optional extension to, or for the benefit of, any other person under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.

7. Deemed notice of defects

   We agree that if a person gives notice of a defect in writing to you or us, that person is to be taken for the purposes of this optional extension to have given notice of every defect of which the defect notified is directly or indirectly related, whether or not the claim in respect of the defect that was actually notified has been settled.

8. Claimant may enforce this optional extension direction in certain cases

   We and you both agree that:

   (a) a person who is entitled to claim against you in respect of any liability for which you are indemnified under this optional extension may enforce this optional extension directly against us for the person's own benefit if:

      (i) any event listed in Cover 3(b) of this optional extension occurs; or

      (ii) you refuse to make a claim against us; or

      (iii) there is an irretrievable breakdown of communication between you and us.

   (b) for the purpose of such enforcement the person has the same rights and entitlements as you would have had under any legislation applicable to you;

   (c) we will pay to the person the full amount of any liability for which you are indemnified under this optional extension despite any failure by you to pay any deductible that you are required to pay.

9. Section 54 of the *Insurance Contracts Act*

   (a) We acknowledge that Section 54 of the *Insurance Contracts Act 1984* (Cth) applies to this Policy.

   (b) Despite sub-clause 9(a), we agree that we will not rely on Section 54 to reduce our liability under this optional extension or to reduce any amount that is otherwise payable in respect of a claim by reason only of a delay in a claim being notified to us if:

      (i) the person who makes the claim notifies you either orally or in writing; or

      (ii) that person or you notify us in writing,

      within 180 days of the date when the person first became aware, or might reasonably be expected to have become aware, of some fact or circumstance that might give rise to a claim.

   (c) Nothing in clause 9(b) restricts the operation of clause 1 of the conditions applicable to this optional extension.

10. Provision concerning cancellation

    This clause only applies in relation to domestic building work.

    We agree that the cancellation of this Policy:

    (a) will only take effect 30 days after we give both the Plumbing Industry Commission and you notice in writing of the cancellation; and

    (b) has no effect on any of our obligations under the Policy with respect to the liabilities referred to undercover of this optional extension in relation to plumbing work that was carried out while the optional extension was in force.

11. Notification of claims settled

    We and you both agree that we will notify the Plumbing Industry Commission in writing in the manner required by the Minister of the settling or payment of any claim under this optional extension.

12. Limitation for common property

This clause applies if plumbing work is carried out on land in a plan of subdivision containing common property and a claim is paid by us in relation to the common property.

We will reduce the amount we will pay under this optional extension in respect of any one home on land in the plan of subdivision by an amount calculated by dividing the amount of the claim paid by us in relation to the common property by the number of homes on land in the plan of the subdivision.

13. Limitation concerning non-completion of work

If you fail to complete plumbing work for any reason listed in cover clause 3, then this optional extension does not cover you for claims for the whole or a specified part of any payment made under a contract that exceeds the value of the work completed at the time of payment.

14. You must co-operate with us

(a) you agree in relation to a claim or prospective claim:

(i) to make reasonable efforts to assist and inform us or our agent; and

(ii) to attend the relevant building site for the purpose of inspecting, rectifying or completing plumbing work (unless the building owner refuses you access to the site).

(b) we may reduce the amount of a claim by a building owner by an amount that reasonably represents the cost resulting from an unreasonable refusal by the building owner to give you access to a building site if we asked you to attend the site under clause 14(a)(ii).

Special conditions applicable to this Policy section

Claims

1. Notification of occurrence, claim or suit

You shall give:

(a) written notice (including facsimile transmission) via your broker, to us, as soon as reasonably practicable, of any claim made against you or any occurrence that may give rise to a claim being made against you and which is covered by this Policy;

(b) all such additional information that we may reasonably require and every demand, writ, summons, proceedings, impending prosecution or inquest and all documents relating to the claim or occurrence shall be forwarded to us as soon as practicable after they are received by you.

2. Your duties in the event of an occurrence, claim or suit

You shall:

(a) not, without our written consent (which consent shall not be unreasonably withheld), make any admission, offer, promise or payment in connection with any occurrence or claim;

(b) use the best endeavours to preserve all property, products, appliances, plant, and all other things which may assist in the investigation or defence of a claim or suit or in the exercise of rights of subrogation and, so far as may be reasonably practicable, no alteration or repair shall be effected without our consent (which consent shall not be unreasonably withheld), until we have had an opportunity of inspection;

(c) when so requested, provide us with details of any other insurances current at the time of any occurrence, and/or personal injury and/or property damage and/or advertising injury and covering any of the liability Insured by this Policy.

3. Our rights regarding claims

(a) Following the happening of an occurrence in respect of which a claim is, or may be, made under this Policy, we have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You can seek an update on the status of proceedings and we will consult you where appropriate.

(b) You must co-operate by giving us any statements, documents or assistance we reasonably require. This may include giving evidence in any legal proceedings.

(c) We may at any time pay to you, in respect of all claims against you arising directly or indirectly from one source or original cause:

(i) the amount of the limit of liability or such other amount specified in respect thereof (after deduction of any sum(s) already paid by us, which sum(s) would reduce the amount of our unfulfilled liability in respect thereof); or

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

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

(i) recoverable from you in respect of the period prior to the date of such payment (whether or not pursuant to an order made subsequently); or

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

4. Cross liabilities

This Policy extends to indemnify:

(a) each of the parties comprising the named insured; and

(b) each of the insureds hereunder,

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

In particular, but without limiting the foregoing, this insurance shall indemnify each of the parties described in clauses (a) and (b) of ‘Cross liabilities’ in respect of claims made by any other of such parties.

Provided always that:

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

(d) in no case shall the amount payable by us in respect of any one claim or series of claims arising out of any one occurrence or in the aggregate, as the case may be, exceed the applicable limit of liability as specified in the Policy Schedule.

5. Inspection and audit

We are permitted, but not obligated, to inspect your premises and operations at any reasonable time and with reasonable notice. Neither our right to make inspections, nor our failure to make inspections, nor the making of any inspections, nor any report of an inspection shall constitute an undertaking, on behalf of or for the benefit of you or others, to determine or warrant that such premises or operations are safe or healthful or are in compliance with any law, rule or regulation.

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

6. Premium - adjustment of premium

If the first premium or any renewal premium for this Policy or any part thereof shall have been calculated on estimates provided by you, you shall keep an accurate record containing all particulars relative thereto and shall at all reasonable times allow us to inspect such record.

You shall, where requested by us after the expiry of each period of insurance, provide to us such particulars and information as we may require as soon as reasonably practicable. The premium for such period shall thereupon be adjusted and any difference paid by or allowed to you, as the case may be, subject to retention by us of any minimum premium that may have been agreed upon between us and you at inception or the last renewal date of this Policy.

7. Release

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

Notwithstanding general condition ‘Subrogation rights’ of this Policy, we agree to waive all our rights of subrogation against any such authority or any landlord in the event of any occurrence for which a claim for indemnity may be made under this Policy.

8. Subrogation waiver

We hereby agree to waive all our rights of subrogation under this Policy against:

(a) each of the parties described as an insured;

(b) any corporation, organisation or person which or who owns or controls the majority of the capital stock of any corporation or organisation to which or to whom protection is afforded under this Policy.

Where such corporation, organisation or person is protected from liability insured against hereunder by any other policy of indemnity or insurance, our right of subrogation is not waived to the extent and up to the amount of such other policy.

General property cover section

About this Policy section

This section covers portable and valuable items that you usually carry around with you in the course of your business anywhere in the world. Any individual item worth more than $2,500 must always be specified.

Words with special meaning

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

Word or term	Meaning
Accidental	Unexpected and unintended from your standpoint.
Specified items	The property listed on the current Policy Schedule. Any item worth more than $2,500 must be specified.
Unspecified items	Each item of property which is not a specified item but which is part of a group or class of property described generally on the schedule. The group or class described may include hand tools and hand-held power tools. Unspecified items do not include any item worth more than $2,500.

Your insurance under this cover section

Provided the 'General property' cover section is shown in the Policy Schedule as taken, subject to the exclusions, we will cover you for accidental damage to property insured which occurs anywhere in the world during the period of insurance.

What we pay

We will either:

1. repair or replace the item of property insured (including any carry case and usual accessories) to a condition equal to but not better or more extensive than its condition when new; or
2. pay you the cost to repair or replace the property insured; or
3. replace the property insured with a new item that has the same features or features that are nearly the same as (but not less than) the item being replaced.

When loss or damage is confined to a part or component of the property insured, we will only pay for that part or component plus the cost of any necessary dismantling and reassembling.

If we replace or pay the cost of replacing any item of property you no longer have any cover for that item or the replacement item.

The maximum amount we will pay in respect of each specified item is the sum insured for that item.

The maximum we will pay in respect of each unspecified item is $2,500.

The maximum we will pay during the period of insurance for all claims in respect of any particular group or class of unspecified items is the sum insured for that group or class of unspecified property set out in the Policy Schedule.

Excess

The excess that applies is shown on the Policy Schedule. The excess applies to each item of property that is lost or damaged.

Optional reduction in cover

Fire, theft, collision and other expressed perils

When 'Cover option A' is stated on the Policy Schedule, we will only insure the items described in the Policy Schedule under this section for loss or damage caused by:

(a) fire, lightning, explosion, storm, water, earthquake, impact by vehicle and aircraft, malicious damage and vandalism;

(b) theft following forcible and violent entry which causes visible damage to a locked vehicle or building;

(c) theft of equipment securely attached to a vehicle through use of locks or padlocks, which results in visible damage to the securing devices;

(d) collision or overturning of the conveying vehicle.

Additional benefits

We will also provide the following additional benefit in this cover section.

Any amounts payable under these additional benefits apply in addition to the sum insured.

1. Theft of other equipment

We will cover you for theft of any property (excluding money and stock) not belonging to you but in your physical or legal control for the purposes of your business occurring during the period of insurance anywhere in the world.

This additional benefit does not cover theft committed by any member of your family or by any employee of yours or committed by any person whilst lawfully at your premises.

We will not cover you under this additional benefit unless the property was:

(a) in a securely locked vehicle and the theft was consequent upon forcible and violent entry to the vehicle;

(b) securely and permanently affixed to a building or vehicle and theft is consequent upon forcible and violent removal of the insured property;

(c) in a vehicle and was securely chained to that vehicle by a steel chain having a link diameter of 10mm or greater and a padlock with a security rating under Part 4: Padlocks, of Australian Standard AS4145 (or any subsequent amendment) of 6 (or its equivalent) or above;

(d) in your private residence or the private residence of your employee who has been authorised by you to have the custody and control of the property insured. However we will not cover any theft by a tenant;

(e) securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building.

However we will not cover any theft:

(i) committed by any person while lawfully in the building; or

(ii) of property insured which is unattended in areas of the building.

(f) stolen as a consequence of armed hold-up or the threat of physical violence.

We will not cover you for more than $2,000 in any one period of insurance under this additional benefit.

Exclusions

This section does not cover:

(a) loss or damage to any unspecified item of property unless your Policy Schedule shows that you have cover for unspecified property;

(b) loss or damage caused by or arising out of:

  (i) wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause;

  (ii) moths, termites or other insects or vermin;

  (iii) scratching, biting or chewing by any animal;

  (iv) chipping, scratching, denting or marring that does not materially affect the use or operation of the property insured;

  (v) change in colour, loss of weight, change in flavour, texture of finish;

  (vi) the action of light, atmospheric conditions, any form of fungus or variations or extremes of temperature, rust or oxidation, wet or dry rot, corrosion, inherent vice or latent defect;

  (vii) mechanical, hydraulic, electrical or electronic breakdown, burn-out, failure, malfunction or derangement of any equipment or device;

  (viii) smut or smoke from industrial operations (other than sudden and unforeseen resultant damage);

  (ix) any faults or defects in any form of insured property that you or any of your employees knew about before taking out this cover section;

  (x) faulty materials or faulty workmanship.

(c) loss or damage to any item worth more than $2,500 unless it is a specified item;

(d) loss or damage to money or documents of any kind;

(e) loss of use, loss or earning capacity or any other consequential loss;

(f) loss or damage to property as a result of:

  (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of data;

  (ii) breakdown or malfunction of the processing system including operator error or mission in creating, amending, loading, deleting or using data;

  (iii) total or partial inability or failure to receive, send, access or use data for any time or at all;

  (iv) committed by any member of your family or by any employee of yours or committed by any person while lawfully at your premises.

Machinery breakdown cover section

About this Policy section

This section covers the breakdown of machinery at your premises.

Words with special meaning

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

Word or term	Meaning
Boilers and pressure plant and pressure pipe systems	The permanent structure of machinery which is subject to internal steam, gas or fluid pressure (other than atmospheric pressure) including all direct attachments connected to the permanent structure and includes with respect to boilers the rotating, reciprocating or electrical apparatus attached to them.
Breakdown	A sudden and accidental failure of machinery resulting in physical damage to the equipment which requires the repair or replacement of the equipment or a part of the equipment. Breakdown does not mean: (a) depletion, deterioration, corrosion or erosion of material; (b) wear and tear; (c) vibration or misalignment; (d) the functioning of any safety device or protective device; or (e) the failure of a structure or foundation supporting the equipment or a part of the equipment.
Controlled atmospheric conditions	An atmosphere in which oxygen, carbon dioxide and nitrogen concentrations as well as temperature and humidity are regulated.
Expendable items	(a) Electrical and electronic glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements; (b) tracks, rails, wear plates, cutting edges, tools, dies, engraved cylinders, moulds, patterns, shear pins, filters, chains, belts, tyres, tracks or conveyor belts and any other part or parts which require periodic replacement.
Hazardous substance	(a) Any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or (b) any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergic, pathogenic or toxigenic.
Machinery	Any of the following equipment provided it is owned, leased, operated or controlled by you and used in your business: (a) any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure (other than static pressure of contents) any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, but not including any: (i) boiler foundation, any refractory or insulating material; (ii) part of a boiler or fired pressure vessel that does not contain steam or water; nor (iii) buried piping, any drainage piping, any sprinkler piping and its accessory equipment. (b) any mechanical or electrical equipment that generates, transmits or utilises mechanical or electrical power, but not including: (i) any vehicle, or mobile equipment; (ii) any watercraft or aircraft; or (iii) any elevator or escalator.

Your insurance under this cover section

Provided the 'Machinery breakdown' cover section is shown in the Policy Schedule as taken, subject to the exclusions we will cover you for:

(a) breakdown of machinery which occurs at the premises; and

(b) direct loss or damage to other property insured as a result of that breakdown,

provided that the breakdown of machinery occurs during the period of insurance.

What we pay

If we pay a claim for breakdown of machinery, we will either repair, rebuild or replace any damaged item or pay for the cost of repairing, rebuilding or replacing. If we replace the damaged item, we will replace the damaged property with similar property of a like kind, capacity, size, quality and function.

If you and we agree that you can carry out the repairs at the premises or at a workshop owned by you, we will pay the actual costs of materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

If it is necessary to replace parts that are unavailable, we will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, we will not pay more than the manufacturers, or suppliers, latest list price. we will not pay any cost of repairing or replacing any part or parts of a piece of machinery, which is greater than the cost of repairing or replacing the entire piece of such machinery.

If the work of repairing, rebuilding or replacing the item is not commenced and carried out within a reasonable time period after the breakdown, we will not be liable to pay more than the cost necessary to repair, rebuild or replace the item at the time the breakdown occurred.

Where the breakdown is confined to a part of a machine or structure, we will not pay more than the cost of repairing or replacing that part plus the cost of dismantling and erecting the structure.

The maximum we will pay is the sum insured as shown in the Policy Schedule.

1. In the event of breakdown we will either pay to you, up to the sum insured less the applicable excess, the reasonable cost of repair or replacement necessary to return the machinery to their former state of operation including:

   (a) cost of dismantling, re-erection, cleaning up and removal of debris;

   (b) replacement of refrigerant or lubricating or insulating oil lost from machinery as a direct result of breakdown;

   (c) charges for overtime work on public holidays where necessarily and reasonably incurred;

   (d) freight within the Commonwealth of Australia by any recognised scheduled service;

   (e) overseas air freight by any recognised scheduled service and/or overseas labour;

   (f) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any property insured;

   (g) any customs duties and dues.

   Provided that the total of all of these extra costs in clauses 1(c), 1(d), 1(e) and 1(f) are limited to 50% of the normal cost of repair payable under this part.

2. Where you incur extra expense, in complying with the requirements of any Act of Parliament or Regulation made there under or any By-Law or Regulation of any Municipal or other Statutory Authority, in the course of effecting repair or replacement of the machinery, we will indemnify you for such extra expense.

   Provided that the amount so recoverable hereunder shall not include the additional cost in complying with any such Act, Regulation, By-law or requirement with which you had been required to comply with prior to the breakdown.

3. All machinery which can be repaired must be repaired. However should the item be uneconomical to repair due solely to the nature of the breakdown, settlement will be as follows:

   (a) the cost of replacement of the machinery by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the machinery when new; or

   (b) the sum insured for the machinery.

4. We shall not be required to replace the machinery exactly, but only as circumstances permit.

Where components or manufacturer's specifications are no longer available due to obsolescence, we will pay the cost to replace the insured item adjusted for age, wear, tear, depreciation and the general condition and remaining useful life of the individual item or components that are damaged.

Excess

You must pay the amount of any excess shown in the Policy schedule for each claim you make.

Extra covers

If we pay a claim under this Policy section for breakdown of machinery, we will also pay or provide the extra covers set out below.

Any amounts payable under these extra covers apply in addition to the sum insured.

1. Hazardous substances

If a hazardous substance is involved in or released by a breakdown of the machinery we cover you for the increase in cost to repair, replace, clean up or dispose of, damaged property insured.

We will not pay more than $25,000 for each claim under this extra cover.

2. Inflation protection

The sum insured on items of machinery shall at the time of loss be increased according to the consumer price index by the proportion which the number of days since the commencement of the period of insurance shall bear to the whole of such period.

3. Repair costs

The cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with our written consent (which consent shall not be unreasonably withheld), in the reinstatement of machinery. Provided that where the sum insured is exhausted we will pay an additional amount of up to $5,000 in respect of this extra cover.

Additional benefit

We will also provide the following additional benefit in this Policy section, subject to the Policy limits, conditions and exclusions except as provided otherwise.

Any amount payable under the following additional benefits applies in addition to the sum insured.

1. Additional items

If you hire or purchase and commission at your premises any items similar to items already insured under this cover section, these items will be added to the insurance by this Policy section, giving the same cover as for similar items already insured.

Provided that:

(a) cover for additional items shall not exceed the total sum insured for the items already insured under this cover section;

(b) you give us written notice within 90 days of the hire or purchase and commissioning of the item(s) and pay the appropriate extra premium on a pro rata basis together with any applicable statutory charges;

(c) the items are as far as you are aware, suitable for service, free from material defect and in sound working condition;

(d) the items shall not be insured until successfully commissioned and all relevant statutory provisions for inspections and certification have been fulfilled;

(e) the limits and excess as shown on the Policy Schedule shall be the same as for similar items already insured.

Exclusions – applicable to machinery breakdown

We will not cover you for:

1. The cost of repair or replacement of expendable items other than expendable items which are necessary for the repair.
2. The costs incurred in repairing wear and tear or gradual deterioration including:
   (a) wear and tear due to normal operation;
   (b) wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation;
   (c) damage to a safety or protective device caused by its own operation;
   (d) the chipping or scratching of painted or polished surfaces; or
   (e) slowly developing deformation or distortion.
3. The cost of:
   (a) carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
   (b) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs, or as a separate operation;
   (c) modification or alteration of insured plant to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
   (d) replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting;
   (e) repair of scratches chipping or discolouration to painted or polished surfaces, unless resulting from Insured damage;
   (f) repair of a slowly developing deformation, distortion or fatigue of any part;
   (g) repair of blisters, laminations, flaws or grooving even when accompanied by leakage;
   (h) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking;
   (i) repairs to shaft keys requiring tightening, fitting or renewal;
   (j) damage caused by the movement of foundations, masonry or brick work unless this results from breakdown of any machinery or any part of machinery; or
   (k) removal or installation of underground pumps and well casings. Unless specifically noted on the Policy Schedule, this exclusion does not apply to submersible pumps.
4. Breakdown of machinery which you knew or reasonably should have known to be defective before the breakdown occurred.
5. Loss of use or consequential loss of any kind.
6. We will not cover loss or damage caused by or arising out of:
   (a) earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption;
   (b) cyclone, storm, hail, lightning, thunder, wind, rainwater;
   (c) flood;
   (d) the sea, including tidal wave, tsunami, storm surge or high-water;
   (e) fire, smoke or soot;
   (f) water seeping or percolating the building from outside;
   (g) water, liquids or substances discharged or other means used to extinguish a fire;
   (h) vandalism or malicious damage.
7. Breakdown, loss or damage caused by explosion, other than:
   (a) the sudden and violent rending of any boilers and pressure plant or pressure pipe systems by force of internal fluid pressure of ignited flue gases, but excluding other chemical action; or
   (b) the bursting or disruption of turbines, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformers, switches or oil immersed switch gear.
8. Breakdown, loss or damage caused during the course of maintenance, inspection, repair, alteration, modification or overhaul.
9. Breakdown, loss or damage caused during installation, erection or relocation.
10. Damage to foundations, brickwork, and refractory materials other than as a result of breakdown.
11. Breakdown, loss or damage arising out of plant being subjected to tests involving abnormal stresses or arising out of plant being deliberately overloaded. The checking of the correct working of any insured item or of its safety installations is not testing or overloading within the context of this exclusion.
12. Breakdown, loss or damage caused by a deliberate act, neglect or omission on your part.
13. Breakdown, loss or damage for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement provided that we shall be liable for 'Breakdown' insured by this section and not recoverable under such maintenance agreement or warranty by reason of a specific exclusion contained therein or by reason of any dispute concerning the interpretation of that agreement or warranty (as the case may be).
14. The cost of alterations, improvements or overhauls unless it is required for the repair or replacement.
15. The costs associated with modifying the machinery so that it operates with a more ozone friendly refrigerant gas as required by the United Nations Environment Programme ('UNEP').
16. Breakdown, loss or damage as a result of dual lifting.
17. Breakdown of machinery, which is useless or obsolete to your business.
18. Loss or damage caused by or arising out of pollution, contamination or a hazardous substance, however caused, except as provided for in extra cover 1.

Policy section conditions

1. Adherence to statutory requirements

   If any insured equipment must be licensed under statutory obligations, by-laws, regulations, public authority requirements or safety requirements, you must obtain any licenses as required and use the machinery as specified in the license.
2. Inspection

   We or our authorised representatives have the right to make inspections of machinery at any reasonable time and with reasonable notice. Neither this right to make inspections nor making them is an undertaking to you or others that the insured equipment is safe and not hazardous or injurious to health.

3. Obligation to prevent loss

   If we or our authorised representative discover machinery in or exposed to a dangerous condition, you must comply with any direction provided by us or our representatives to prevent loss. If you do not comply within 30 days of receiving the direction, we may refuse to pay a claim and cancel your Policy.

4. One breakdown

   If either:

   (a) breakdown of machinery causes the breakdown of other insured property; or

   (b) a series of breakdowns occur at the same time as a result of the same cause,

they will all count as one breakdown for the purpose of applying the excess, the relevant sum insured and any other limit or sub-limit in this Policy section and the 'Electronic equipment' cover section.

Optional cover

We will provide the following optional cover when requested by you, when you pay any additional premium required and when shown on your Policy Schedule as applying. This optional cover is subject to the Policy limits, conditions, general exclusions and exclusions, except as otherwise provided.

Deterioration of stock

Provided 'Deterioration of stock' is shown in the Policy Schedule, we will cover you for loss of perishable stock that spoils during the period of insurance due to a change in temperature in a refrigeration chamber of the refrigeration or freezer unit as a result of:

(a) a breakdown of the refrigeration or freezer unit in which the refrigerated stock is kept where we pay a claim under the 'Machinery breakdown' or 'Electronic equipment' cover section for the breakdown of such machinery or electronic equipment;

(b) malfunctioning or failure of the thermostats, controls, fuses, circuit breakers or overload devices which are owned by you and are protecting a refrigeration chamber, but not including loss or damage due to the manual operation or setting of switches;

(c) contamination of the refrigerated stock by leakage of refrigerant;

(d) sudden and unforeseen failure of the public power supply;

(e) accidental failure of supply services which directly affects the refrigeration or freezer unit;

(f) a supply authority intentionally interfering with a public service but only to the extent that this is necessary to safeguard life or any part of the public supply and the supply authority’s interference is not caused directly or indirectly by fire, flood, storm or any other natural cause; or

(g) sudden leakage of refrigerant from the machinery or pressure pipe systems.

Loss minimisation

If deterioration occurs or is likely to occur to such stock by any of the above causes, we will pay any reasonable expenses incurred by you to prevent or minimise the loss of refrigerated stock.

What we pay

If we pay for a claim for deterioration of refrigerated stock, we will either, pay the cost of replacing the refrigerated stock or replace that stock.

We are not liable to pay more than the purchase price you paid for the stock, together with any handling costs you incurred. If deterioration occurs or is likely to occur to refrigerated stock by any of the defined events specified above, we will also pay the reasonable costs incurred by you to prevent or minimise the loss of or damage to refrigerated stock.

We will not pay more than the sum insured shown on the current Policy Schedule for this optional cover, except to the extent stated during seasonal increase periods.

During the seasonal increase periods we will increase the sum insured shown in the Policy schedule by 50%.

What you are not covered for under this option

In addition to the exclusions for this Policy section, we will not pay for:

(a) any loss or damage due to shrinkage, inherent defects or diseases;

(b) loss or damage caused by improper storage, collapse of the packing material or storage structure;

(c) penalties or delay or detention or consequential loss or damage or liability of any nature whatsoever; and

(d) loss or damage following loss of public power supply due to:

   (i) the deliberate act of any public power supply authority unless performed for the sole purpose of safeguarding life or protecting a part of the supply system;

   (ii) the decision by any public power supply authority to restrict or withhold supply excepting a scheme of rationing necessitated by damage to any part of the supply system;

   (iii) shortage of power generation fuel or water.

Condition which applies to deterioration of stock

In respect of stock that is kept in cold storage under controlled atmospheric conditions, you must keep adequate records, for each chamber, of the temperature, humidity and gas concentrations, as well as the time(s) and date(s) when each chamber is opened. You must provide us with those records upon request.

Electronic equipment cover section

About this Policy section

This section covers the breakdown of electronic equipment at your premises.

Words with special meaning

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

Word or term	Meaning
Breakdown	A sudden and accidental failure of electronic equipment resulting in physical damage to the equipment which requires the repair or replacement of the equipment or a part of the equipment. Breakdown does not mean: (a) depletion, deterioration, corrosion or erosion of material; (b) wear and tear; (c) vibration or misalignment; (d) the functioning of any safety device or protective device; or (e) the failure of a structure or foundation supporting the equipment or a part of the equipment.
Computer equipment	General purpose machine, commonly consisting of digital circuitry, that accepts (inputs), stores, manipulates, and generates (outputs) data as numbers, text, graphics, voice, video files, or electrical signals, in accordance with instructions called a program including but not limited to electronic data processing equipment comprising a central processing unit, video display units, printers, hard disks, floppy disk drives, micro diskettes including read and write heads, electro or mechanical motors and passive components but does not include software.
Electronic equipment	Any of the following equipment provided it is owned, leased, operated or controlled by you and used in your business: (a) any electronic machine, device or instrument used for research, diagnosis or medical treatment; (b) telecommunication transmission and receiving equipment; (c) lighting facilities, audio visual, amplification and surveillance equipment; (d) office machines owned by you or for which you are legally responsible; (e) computer equipment.
Expendable items	(a) Electrical and electronic glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements; (b) tracks, rails, wear plates, cutting edges, tools, dies, engraved cylinders, moulds, patterns, shear pins, filters, chains, belts, tyres, tracks or conveyor belts and any other part or parts which require periodic replacement.
Hazardous substance	(a) Any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or (b) any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergic, pathogenic or toxicogenic.

Your insurance under this cover section

Provided the 'Electronic equipment' cover section is shown in the Policy Schedule as taken, subject to the general exclusions we will cover you for:

(a) breakdown of electronic equipment which occurs at the premises; and

(b) direct loss or damage to other property insured as a result of that breakdown,

provided that the breakdown of electronic equipment occurs during the period of insurance.

What we pay

If we pay a claim for breakdown of computer equipment or electronic equipment we will at either repair, rebuild or replace any damaged item or pay for the cost of repairing, rebuilding or replacing. If we replace the damaged item, we will replace the damaged property with similar property of a like kind, capacity, size, quality and function.

If we agree that you can carry out the repairs at the premises or at a workshop owned by you, we will pay the actual costs of materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

If it is necessary to replace parts that are unavailable, we will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, we will consider the equipment a total loss. We will not pay any cost of repairing or replacing any part or parts of a piece of computer equipment or electronic equipment which is greater than the cost of repairing or replacing the entire piece of such computer equipment or electronic equipment.

If the work of repairing, rebuilding or replacing the item is not commenced and carried out within a reasonable time period after the breakdown, we will not be liable to pay more than the cost necessary to repair, rebuild or replace the item at the time the breakdown occurred.

Where the breakdown is confined to a component or part of a computer equipment or electronic equipment, we will not pay more than the cost of repairing or replacing that component or part plus the cost of dismantling and erecting the computer equipment or electronic equipment.

The maximum we will pay is the sum insured as shown in the Policy Schedule.

1. In the event of breakdown we will at either pay to you, up to the sum insured less the applicable excess, the reasonable cost of repair or replacement necessary to return the electronic equipment to their former state of operation including:
   (a) cost of dismantling, re-erection, cleaning up and removal of debris;
   (b) replacement of refrigerant or lubricating or insulating oil lost from electronic equipment as a direct result of breakdown;
   (c) charges for overtime work on public holidays where necessarily and reasonably incurred;
   (d) freight within the Commonwealth of Australia by any recognised scheduled service;
   (e) overseas air freight by any recognised scheduled service and/or overseas labour;
   (f) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any property insured;
   (g) any customs duties and dues.

Provided that the total of all of these extra costs in clauses 1(c), 1(d), 1(e) and 1(f) are limited to 50% of the normal cost of repair payable under this part and shall be payable in addition to the sum insured.

2. Where you incur extra expense, in complying with the requirements of any Act of Parliament or Regulation made there under or any By-Law or Regulation of any Municipal or other Statutory Authority, in the course of effecting repair or replacement of the electronic equipment, we will indemnify you for such extra expense.

   Provided that the amount so recoverable hereunder shall not include the additional cost in complying with any such Act, Regulation, By-law or requirement with which you had been required to comply with prior to the breakdown.

3. All electronic equipment which can be repaired must be repaired. However should the item be uneconomical to repair due solely to the nature of the breakdown, settlement will be as follows:
   (a) the cost of replacement of the electronic equipment by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the electronic equipment when new; or
   (b) the sum insured for the electronic equipment.

4. We shall not be required to replace the electronic equipment exactly, but only as circumstances permit.

Where components or manufacturer's specifications are no longer available due to obsolescence, the basis of settlement will be the cost which would have been incurred if the components or specifications had still been available.

Depreciation applied for replacement of computers

If we pay you the cost to replace computer equipment rather than repair it, we will apply depreciation based on the age of the computer, but not as a result of improvements in technology or functionality.

We will apply depreciation at the rate of 10% per annum for each year from the date of manufacture, subject to a maximum reduction of 80% of the installed current replacement cost.

Excess

You must pay the amount of any excess shown in the Policy schedule for each claim you make.

Extra covers

If we pay a claim under this Policy section for breakdown of electronic equipment, we will also pay or provide the extra covers set out below.

Any amounts payable under these extra covers apply in addition to the sum insured.

1. Hazardous substances

If a hazardous substance is involved in or released by a breakdown of the electronic equipment we cover you for the increase in cost to repair, replace, clean up or dispose of, damaged property insured.

We will not pay more than $25,000 for each claim under this extra cover.

2. Inflation protection

The sum insured on items of electronic equipment shall at the time of loss be increased according to the consumer price index by the proportion which the number of days since the commencement of the period of insurance shall bear to the whole of such period.

3. Repair costs

The cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with our written consent (which consent shall not be unreasonably withheld), in the reinstatement of electronic equipment. Provided that where the sum insured is exhausted we will pay an additional amount of up to $5,000 in respect of this extra cover.

Additional benefits

We will also provide the following additional benefit in this Policy section, subject to the Policy limits, conditions and exclusions except as provided otherwise.

Any amount payable under the following additional benefits applies in addition to the sum insured.

1. Additional Items

If you hire or purchase and commission at your premises any items similar to items already insured under this cover section, these items will be added to the insurance by this Policy Section, giving the same cover as for similar items already insured.

Provided that:

(a) cover for additional items shall not exceed the total sum insured for the items already insured under this cover section;
(b) you give us written notice within 90 days of the hire or purchase and commissioning of the item(s) and pay the appropriate extra premium on a pro rata basis together with any applicable statutory charges;
(c) the items are as far as you are aware, suitable for service, free from material defect and in sound working condition;
(d) the items shall not be insured until successfully commissioned and all relevant statutory provisions for inspections and certification have been fulfilled;
(e) the limits and excess as shown on the Policy Schedule shall be the same as for similar items already insured.

2. Electronic equipment away from the premises

Electronic equipment cover is extended to:

(a) breakdown occurring during the period of insurance to electronic equipment away from the premises;

(b) breakdown of your laptop computer equipment or mobile electronic equipment anywhere in Australia and the laptop computer equipment or mobile electronic equipment is specified in the Policy Schedule under 'General property' cover section.

3. Restoration of computer data

We will insure you for the costs of restoring electronic data stored on media if:

(a) we pay a claim under the 'Electronic equipment' cover section for repair or replacement of the computer equipment;

(b) the electronic data is lost or distorted during the period of insurance as a direct result of the breakdown covered under this Policy section; and

(c) the media which contains the electronic data is:

- (i) at the premises;
- (ii) at a location away from the premises where copies of media are stored;
- (iii) temporarily at an alternative location for processing purposes; or
- (iv) in transit between any of these locations.

We will not cover you for:

(d) loss or distortion of electronic data due to defects in the media;

(e) any consequential loss;

(f) restoration of electronic data other than that which is lost or distorted after the most recent functional back-up;

(g) expenses or costs incurred in connection with the loss or distortion of electronic data if they are not incurred within 12 months of the breakdown;

(h) loss or damage of, or distortion to, electronic data caused by a computer virus; loss or damage of, or distortion to, electronic data caused by or resulting from the partial or total failure, malfunction or loss of use of any electronic equipment, computer system, information repository, microchip, integrated circuit or other similar device due to:

- (i) the erasure, destruction, corruption, misappropriation or misinterpretation of electronic data;
- (ii) any error in creating, amending, entering, deleting or using electronic data;
- (iii) the inability to receive, transmit or use electronic data; or
- (iv) the functioning or malfunctioning of the Internet, Intranet, local area networks, virtual private networks or similar facility, or of any Internet address, website or similar facility.

Except to the extent that such loss, damage or distortion results solely from the breakdown of computer equipment covered under 'Electronic equipment' cover section.

If we pay a claim, we will pay the costs incurred in restoring the lost or distorted electronic data in a condition equivalent to that existing prior to the breakdown. Electronic data may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in its original form.

We will not pay more than $15,000 for each claim under this additional benefit.

4. Computers – increased costs

We will insure you for the increased costs that you incur, such as the hiring of alternative computers, following the breakdown of computers which we have agreed to pay a claim for under 'Electronic equipment' cover section.

We will insure you for the increased costs of operating your business, including hiring computers, transport costs, additional personnel and working at an off-site back up facility if:

(a) we pay a claim under the 'Electronic equipment' cover section for repair or replacement of computer equipment;

(b) the increased costs of working occur during the period of insurance and are a direct result of the breakdown covered under the 'Electronic equipment cover section; and

(c) we agree in advance to pay the increased costs of working (but we will not unreasonably withhold our agreement).

We will not cover you for:

(d) costs incurred in respect of the first two working days following the breakdown of your computer equipment;

(e) fines or liability incurred for breach of contract or for late or incomplete orders or for any loss of bonus or any kind of penalties;

(f) any increased costs that are not necessary and reasonable to minimise any interruption to the business;

(g) any consequential loss;

(h) costs incurred after 90 days from the date of breakdown;

(i) expenses that are incurred in the replacement of the media;

(j) the cost of reinstating the electronic data contained on the media.

If we pay a claim, we will pay the actual amount of the increased costs of working, less the charges and expenses of the business that cease or are reduced as a consequence of the loss or damage.

We will not pay more than $15,000 for each claim under this 'Additional benefit'.

Exclusions – applicable to electronic equipment breakdown

We will not cover you for:

1. The cost of repair or replacement of expendable items other than expendable items which are necessary for the repair.
2. The costs incurred in repairing wear and tear or gradual deterioration including:

   (a) wear and tear due to normal operation;

   (b) wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation;

   (c) damage to a safety or protective device caused by its own operation;

   (d) the chipping or scratching of painted or polished surfaces; or

   (e) slowly developing deformation or distortion.

3. The cost of:
   (a) carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
   (b) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs, or as a separate operation;
   (c) modification or alteration of insured plant to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
   (d) replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting;
   (e) repair of scratches chipping or discolouration to painted or polished surfaces, unless resulting from insured damage;
   (f) repair of a slowly developing deformation, distortion or fatigue of any part;
   (g) repair of blisters, laminations, flaws or grooving even when accompanied by leakage;
   (h) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking;
   (i) repairs to shaft keys requiring tightening, fitting or renewal;
   (j) damage caused by the movement of foundations, masonry or brick work unless this results from breakdown of any electronic equipment or any part of electronic equipment; or
   (k) removal or installation of underground pumps and well casings. Unless specifically noted on the Policy Schedule, this exclusion does not apply to submersible pumps.
4. Breakdown of electronic equipment which you knew or reasonably should have known to be defective before the breakdown occurred.
5. Loss of use or consequential loss of any kind.
6. We will not cover loss or damage caused by or arising out of:
   (a) earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption;
   (b) cyclone, storm, hail, lightning, thunder, wind, rainwater;
   (c) flood;
   (d) the sea, including tidal wave, tsunami, storm surge or high-water;
   (e) fire, smoke or soot;
   (f) water seeping or percolating the building from outside;
   (g) water, liquids or substances discharged or other means used to extinguish a fire;
   (h) vandalism or malicious damage.
7. Breakdown, loss or damage caused by explosion, other than:
   (a) the sudden and violent rending of any boilers and pressure plant or pressure pipe systems by force of internal fluid pressure of ignited flue gases, but excluding other chemical action; or
   (b) the bursting or disruption of turbines, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformers, switches or oil immersed switch gear.
8. Breakdown, loss or damage caused during the course of maintenance, inspection, repair, alteration, modification or overhaul.
9. Breakdown, loss or damage caused during installation, erection or relocation.
10. Damage to foundations, brickwork, and refractory materials other than as a result of breakdown.
11. Breakdown, loss or damage arising out of plant being subjected to tests involving abnormal stresses or arising out of plant being deliberately overloaded. The checking of the correct working of any insured item or of its safety installations is not testing or overloading within the context of this exclusion.
12. Breakdown, loss or damage caused by a deliberate act, neglect or omission on your part.
13. Breakdown, loss or damage for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement provided that we shall be liable for breakdown insured by this section and not recoverable under such maintenance agreement or warranty by reason of a specific exclusion contained therein or by reason of any dispute concerning the interpretation of that agreement or warranty (as the case may be).
14. The cost of alterations, improvements or overhauls unless it is required for the repair or replacement.
15. The costs associated with modifying the electronic equipment so that it operates with a more ozone friendly refrigerant gas as required by the United Nations Environment Programme ('UNEP').
16. Breakdown, loss or damage as a result of dual lifting.
17. Breakdown of computer equipment or electronic equipment which is useless or obsolete to your business.
18. Loss or damage caused by or arising out of pollution, contamination or a hazardous substance, however caused, except as provided for in extra cover 1.

Policy section conditions

1. Adherence to statutory requirements

If any insured equipment must be licensed under statutory obligations, by-laws, regulations, public authority requirements or safety requirements, you must obtain any licenses as required and use the electronic equipment as specified in the license.

2. Inspection

We or our authorised representatives have the right to make inspections of electronic equipment at any reasonable time and with reasonably notice. Neither this right to make inspections nor making them is an undertaking to you or others that the insured equipment is safe and not hazardous or injurious to health.

3. Obligation to prevent loss

If we or our authorised representative discover electronic equipment in or exposed to a dangerous condition, you must comply with any reasonable direction provided by us or our representatives to prevent loss in accordance with engineering practice. If you do not comply within 30 days of receiving the direction, we may refuse to pay a claim and cancel your Policy.

4. One breakdown

If either:

(a) a breakdown of electronic equipment causes the breakdown of other insured property; or

(b) a series of breakdowns occur at the same time as a result of the same cause;

they will all count as one breakdown for the purpose of applying the excess, the relevant sum insured and any other limit or sub-limit in this Policy section and the 'Machinery breakdown' cover section.

Optional covers

We will provide the following optional cover when requested by you, when you pay any additional premium required and when shown on your Policy Schedule as applying. These optional covers are subject to the Policy limits, conditions, general exclusions and exclusions, except as otherwise provided.

1. Electronic data and electronic data media

Provided 'Data Media' is shown as taken in the Policy Schedule under the 'Electronic equipment' cover section, 'Additional benefit' 3. Restoration of computer data, is replaced by:

We will cover you for damage to:

(a) electronic data media; and

(b) the data on electronic data media,

insured under this optional cover as specified in the Policy Schedule, caused solely as the result of damage covered under the 'Electronic equipment' cover section to an item which is specified in the Policy Schedule.

We will extend cover under this optional cover to include restoration of lost information which results from loss or damage to an electronic data processing system which is not owned by you and which you are not responsible to insure, but which is being used by you at the time the loss or damage to that system occurs in circumstances which would give rise to indemnity under the 'Machinery breakdown' cover section if it was insured under the 'Machinery breakdown' cover section.

What we pay

If we pay a claim for damage to electronic data media or the restoration of data on electronic data media we will pay you up to the sum insured less the applicable excess specified in the Policy Schedule including:

(a) the actual cost of replacement of lost or damaged software and electronic data media by new unused materials;

(b) any expenses which can be proved to have been incurred by you only for the purpose of restoring the electronic data by reproduction of data or information in a condition equivalent to that existing prior to the damage and necessary to allow operation of the insured item to continue in the normal manner.

Lost electronic data may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in the original form, and provided:

(c) we shall only be liable for costs and expenses incurred within a period of 12 months following the damage within the period of insurance;

(d) this extension only applies whilst the insured electronic data media is:

(i) at the premises; or

(ii) at a media storage situation; or

(iii) temporarily at an alternative situation for processing purposes; or

(iv) in transit between any of these locations.

(e) the amount of each claim otherwise payable shall be reduced by the amount of the excess shown in the Policy Schedule.

What you are not covered for under this option

We will not pay for:

(a) loss or distortion of electronic data contained on the electronic data media while mounted in or on any machine for use or processing unless such loss or distortion occurs at:

(i) the premises due to damage to an insured item which is specified in the Policy Schedule; or

(ii) another situation temporarily for processing purposes due to damage to the insured item which would be indemnifiable if the insured item were insured under the 'Electronic equipment' cover section.

(b) loss or distortion caused by computer virus;

(c) wasting or wearing away or wearing out caused by or naturally resulting from ordinary use or working or gradual deterioration;

(d) loss or damage caused by atmospheric conditions, moisture or changes in temperature unless directly resulting from damage to air-conditioning equipment which would be indemnifiable if the equipment were insured under the 'Electronic equipment' cover section;

(e) consequential loss of any kind or description whatsoever;

(f) work undertaken without our approval other than for minor temporary or provisional repairs. There is no cover under this extension with respect to any insured item which has been operated without being satisfactorily repaired following damage.

Condition which applies to electronic data and electronic data media

It is a condition precedent to indemnity under this extension that you must have duplicate copies of updated file media stored off site at alternative premises.

This cover only applies if the sum insured against 'Data media' in the Policy Schedule is greater than the sum insured under 'Additional benefit' 3. Restoration of computer data.

2. Electronic equipment - increased costs

If a sum insured is shown in the Policy Schedule against 'Increased cost of working', 'Additional benefit' 4. Computers – increased costs, is replaced by:

We will cover you as set out in what we pay up to the sum insured for any additional costs of operating your business directly resulting from interruption or interference to your business as defined in the Policy Schedule but only if:

(a) the interruption or interference is as a result of breakdown to insured electronic equipment covered; and

(b) the interruption or interference is caused solely as a result of breakdown.

We will deduct from the amount payable by us any sum saved during the period of the interruption in respect of charges and expenses of your business which may cease or be reduced as a result of the breakdown, including any such savings occurring by reason of the interruption of the normal operation of the electronic operation of the data processing system.

To the extent that the sum insured by this extension is not otherwise exhausted, we will also pay for reasonable professional fees of accountants or auditors and any necessary and reasonable expenses payable by you for preparation and proving of valid claims.

What we pay

(a) We will pay you for the additional expenditure incurred over and above the normal expenses which would have been incurred by you for the operation of your electronic equipment by the use of substitute equipment to maintain normal business operation during the interruption up to the sum insured specified in the Policy Schedule, less the applicable excess including:

  (i) the actual hire charges incurred for the rental of substitute equipment; and

  (ii) the cost of additional personnel and transport expenses incurred with the use of the substitute equipment.

(b) The indemnity period and the time excess shall commence upon the commencement of use of substitute electronic equipment.

(c) We shall be liable for additional expenditure incurred during the actual period of the interruption but not exceeding the period specified in the Policy Schedule as the indemnity period.

(d) We will not be liable for loss, damage or costs incurred by you during the time excess.

(e) The amount of each claim otherwise payable shall be reduced by the amount of the excess shown in the Policy Schedule.

What you are not covered for under this option

(In addition, the exclusions contained in this Policy section apply to this extension.)

We will not pay for:

(a) the costs incurred during:

  (i) interruption due to the carrying out of alterations, additions or improvements to the insured electronic equipment;

  (ii) interruption due to the carrying out of cleaning, adjustment, inspection or maintenance of the insured electronic equipment; or

  (iii) the extension of any interruption due to any measure, restriction or regulation imposed by any government, public or local authority.

(b) additional costs incurred where the period of interruption otherwise applicable is increased beyond four weeks due to delay in the repair or replacement of items manufactured outside Australia where such delay results from:

  (i) measures, restrictions or regulations imposed by any government, public or local authority;

  (ii) the time required to procure replacement parts or complete items in overseas markets;

  (iii) the time required to transport or ship component parts or complete items between the premises and any overseas place of repair or replacement; or

  (iv) the time required to engage and transport overseas specialists or consultants to assist in or supervise local repairs.

Condition under this option

For the purpose of this extension only, 'Exclusion' 13 does not apply.

Employee dishonesty cover section

About this Policy section

This section covers the theft of your money, contents or stock by any of your employees either acting alone or in collusion with any others.

Words with special meaning

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

Word or term	Meaning
Employee(s)	Any person employed by you under a contract of service or apprenticeship but does not include: (a) any director, partner, trustee or principal except when performing acts within the scope of the usual duties of an employee; (b) any broker, factor, commission agent, consignee, contractor or other agent of the same general character.
Money	For the purposes of this cover section only, money has the meaning in the general definitions and also includes funds held in electronic form in a bank account.

Your insurance under this cover section

Where the 'Employee dishonesty' cover section is shown in the Policy Schedule as taken, we will cover you for loss of money, contents or stock as a result of any act of theft, fraud or dishonesty by any of your employees, either acting alone or in collusion with others, provided that the loss occurs during the period of insurance.

What we pay

We will:

(a) pay you the amount of lost money; or

(b) at our option, replace lost contents or stock or pay the market value of the contents or stock.

Notwithstanding that the act of fraud or dishonesty may have been committed during more than one period of insurance, the maximum amount we will pay for any one claim and for all claims in the period of insurance is the sum insured shown in the Policy Schedule.

Excess

The amount of each claim otherwise payable shall be reduced by the amount of the excess shown in the Policy Schedule.

Additional benefits

We will also provide the following additional benefits in this cover section.

Unless stated otherwise below, any amounts payable under these additional benefits do not apply in addition to the sum insured.

1. Auditors fees

With our prior approval, we will pay up to $5,000 towards the reasonable and necessary fees payable by you to internal and/or external auditors and for other expenses which you incur in preparation of a claim under this benefit.

2. Retroactive cover

The insurance provided under this cover section also applies to any loss by fraud or dishonesty committed during the currency of any previous policy provided that:

(a) the discovery period in such previous Policy has expired;

(b) the fraud or dishonesty is discovered within:

(i) the period of this Policy; or

(ii) 12 months of the termination of this Policy or 12 months after termination of the employment of the employee concerned, whichever shall first occur.

(c) the cover we provide will fall within and not be in addition to the sum insured shown in the current Policy Schedule;

(d) we shall not be liable for any loss arising from an act of fraud or dishonesty committed more than 12 months before the inception of this section of the Policy.

3. Unidentified employees

If a loss is alleged to have occurred as a result of the fraud of dishonesty of any one or more of your employees and you are unable to positively identify them we will pay for the loss provided that you are able to provide evidence that the loss was due to the fraud or dishonesty of one or more employees.

4. Welfare, social or sporting club cover

The term 'You' is extended to include any welfare, social or sporting club formed with your knowledge and consent which is exclusively for the benefit of employees and their families.

What you are not covered for under this cover section

We will not pay for any loss of money, contents or stock:

(a) resulting from any further act of fraud or dishonesty after you first discover that the employee has previously engaged in provable dishonest conduct or has previous convictions for dishonest acts;

(b) discovered more than 12 months after the period of insurance has expired or more than 12 months after the termination of employment of the employee concerned;

(c) that is not reported to us as soon as possible after the discovery of any act of fraud or dishonesty on the part of any employee or any other matter in respect of which a claim may arise;

(d) beyond the limit of cover stated in this additional benefit in respect of any one employee and all employees, even if the dishonest conduct continued during more than one period of insurance;

(e) if the only proof of loss is shortage revealed by an inconsistency in:

(i) accounting records;

(ii) comparison between physical counts and inventory or stock records; or

(iii) profit and loss calculation.

(f) resulting from dishonest conduct of an employee which occurs after you discover the employee is engaging in or likely to engage in dishonest conduct.

Conditions applicable to this cover section

1. Reinstatement

In the event of the sum insured being reduced by the amount of any claim payable under this additional benefit, the sum insured may be reinstated by payment of appropriate additional premium, provided that the amount by which the sum insured is reinstated shall be available only in respect of acts of fraud or dishonesty committed after such reinstatement.

2. Property recovered from employees

If property is recovered by you from your employees after we have paid a claim, we agree the property will be first applied to your excess and any uninsured loss you have incurred and then the balance will be paid to us up to the amount we have paid including our costs in handling the claim.

Tax audit cover section

About this Policy section

This section covers the costs of a statutory tax audit.

Words with special meaning

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

Word or term	Meaning
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.
Occurrence	Any occurrence which may give rise to a statutory tax audit.
Statutory tax audit	An official examination and verification of accounts and records from a relevant statutory body, related to a statutory tax audit which arises from a Tax Act and incurs accounting costs arising in the course of and in the normal conduct of its business.
Tax Act	An Act of any Australian Parliament which was enacted pursuant to a taxation power.

What you are insured against

Subject to the terms, conditions, limitations and exclusions of this Policy, we agree to indemnify you up to the sum insured 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 a 'Statutory tax audit', where notification of the audit:

(a) occurred during the period of insurance; and

(b) is given to us during the period of insurance.

Limit of liability

Our aggregate limit of liability in any one period of insurance for all claims arising out of the one occurrence will not exceed the sum insured specified in the Policy Schedule.

Our consent

We shall be under no liability to make any payment in relation to accountants' fees incurred unless our prior written consent has been obtained in accordance with the terms and conditions of this Policy, (but we will not unreasonably withhold our consent).

We shall be entitled at any time to withdraw the indemnity granted under this Policy if 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.

If you and we do not agree whether you have reasonable grounds to defend the tax audit, we will follow the advice of a Senior Counsel you and we agree on. If you and we cannot agree on the Senior Counsel, we will ask the President of the Bar Association in the relevant State or Territory to nominate one.

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.

Substantiation of claim

Subject to the terms, conditions, limitations and exclusions of this Policy, we will 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.

What you are not covered for under this cover section

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 relevant culpability scale applicable to those Acts set out in the definition of statutory tax audit 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, incur 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.

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

(i) are or become bankrupt or commit an act of bankruptcy;

(ii) make or enter into a scheme of arrangement or compromise with creditors;

(iii) being a corporation, are in liquidation or come under the control of a receiver or receiver and manager or an agent for a mortgagee in possession.

Special conditions applicable 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.

1. 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.

2. 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 notice in writing as soon as possible. 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, 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 reasonable 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 as soon as possible 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.

3. 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.

4. 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 shall not be unreasonably withheld), 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.

5. 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, apart from any part of the loss you can show was not caused by the act or omission.

6. 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.

7. Excess

The amount of each claim otherwise payable shall be reduced by the amount of the excess shown in the Policy Schedule.

Transit cover section

About this Policy section

This section only forms part of your Policy when Transit section is shown in the Policy Schedule and is limited to the period of insurance indicated.

Cover

We will cover you up to the limit specified in the Policy Schedule for loss or damage to goods belonging to you or for which you are legally responsible, whilst in the normal course of transit by road, anywhere in Australia, on a vehicle owned or operated by you, caused by:

(a) collision, overturning or jack-knifing of the conveying vehicle;

(b) fire, flood, lightning or explosion;

(c) theft resulting from forcible and violent entry evidenced by visible damage to the securely locked portion of a vehicle containing your goods;

(d) malicious damage;

(e) impact to the goods with any external object except when that object is on or part of the conveying vehicle.

Limitations of cover

Excess

You are liable for the excess for each and every claim.

Basis of settlement

When property covered by this section is lost or damaged, the following basis of settlement will apply to each item of property:

(a) for goods sold, your invoice value;

(b) for goods purchased, the purchase price as shown on the invoice;

(c) for all other goods, including plant transfers, market value.

Additional benefits

1. Removal of debris

This section covers all reasonable costs and expenses incurred in unloading, removing and/or disposing of damaged goods and clean-up of an accident site incurred as a direct result of an insured event.

2. Packaging

This section covers accidental loss or damage to packaging while carried in transit caused by an insured event.

'Packaging' means packing materials, shipping containers, crates, pallets, or similar receptacles belonging to you or for which you are responsible.

The maximum we will pay under additional benefits 1. and 2. in the aggregate in any one period of insurance is 20% of the sum insured or $5,000, whichever is the lesser.

What you are not covered for under this section

We will not pay for loss or damage to the following property:

(a) money;

(b) jewellery, watches, furs, antiques, paintings, works of art, precious metals or precious stones or articles composed of any of them;

(c) explosives, petroleum products in bulk or gas in bulk;

(d) livestock;

(e) cigarettes, tobacco, wines, spirits or other alcoholic beverages unless specified in the Policy Schedule; or

(f) personal property of directors, partners and employees of your business.

We will also not pay for loss or damage caused by, arising from or due to:

(g) dislodgement of goods as a result of contact by the conveying vehicle with roadway curbing, road humps, traffic islands and similar protuberances or uneven road surfaces;

(h) theft by or in collusion with any of your employees;

(i) electrical or mechanical derangement unless damage is visible to the exterior of the machine; or

(j) delay, loss of market, consequential loss of any kind, depreciation or deterioration.

Employment practices cover section

About this Policy section

This section only forms part of your Policy when 'Employment practices' cover section is shown in the Policy Schedule and is limited to the period of insurance indicated.

Words with special meaning

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

Word or term	Meaning
Bodily injury	Physical injury, sickness, disease, or death of any person, but does not include mental injury, mental anguish, nervous shock, or emotional distress not associated with bodily injury.
Back pay	Back pay arising from an order of reinstatement or re-employment, but shall be limited to the amount you are legally obliged to pay a claimant for the period between the time of termination of employment and the time such claimant is reinstated or re-employed.
Claim	A written demand for compensation or non-pecuniary relief, a criminal charge, a written or other notice or demand by a regulatory authority in connection with any investigation or penalty proceedings, arbitration, mediation or other dispute resolution process.
Defence costs	Reasonable costs, charges, and expenses, (other than regular or overtime wages, salaries or fees of any insured person), incurred by us or by you with our prior written consent (and such consent will not be unreasonably withheld) in defending, investigating or monitoring any claim, or proceedings and appeals from them, together with costs of the proceedings and appeal. Where you are not indemnified under this section, only those costs, charges and expenses incurred solely and exclusively for the benefit, and on behalf of, an insured person will constitute defence costs. Defence costs in this section are part of, and not in addition to, the aggregate limit of liability applicable to this section and payment by us of defence costs reduces the aggregate limit of liability by the amount of any such payment.
Employee	Any person employed by you under a contract of service or apprenticeship during the period of insurance, but does not include any person employed under such contract who is excluded from the definition of 'Worker' under any applicable workers' compensation legislation.
Employment practices	Any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination in respect of your employees.
Insured person	Includes only: (a) the named insured specified in the Policy Schedule; and (b) every past, present or future director, partner, proprietor, officer, executive or employee of the named insured while such persons are acting for or on behalf of the named insured and/or within the scope of their duties in such capacities.
Loss	The total amount which you become legally obligated to pay in respect of a claim made against you and will include damages, judgments, settlements, legal costs and expenses awarded against you to any claimant and defence costs.
Penalty	Any monetary sum payable by you to any regulatory authority pursuant to a wrongful breach by you, but excluding: (a) any amounts payable as compensation; (b) any compliance, remedial, reparation or restitution costs; (c) any damages, including but not limited to any exemplary or punitive damages; (d) any consequential economic loss; (e) any amounts uninsurable under the law pursuant to which this Policy is construed; (f) any legal costs and associated expenses of the regulatory authority.

Word or term	Meaning
Wrongful act	Means any of the following actual or alleged conduct by an insured person in the course of their duties to you, or by you: (a) discharge or termination, either actual or constructive, of an employment relationship; (b) breach of any oral or written, express or implied, employment contract or quasi-employment contract; (c) misleading representation or advertising relating to employment; (d) failure to employ or promote; (e) unfair deprivation of a career opportunity; (f) unfair discipline; (g) failure to grant tenure; (h) negligent employee evaluation; (i) workplace harassment of any kind (whether sexual or otherwise), including the alleged creation or permission of a harassing workplace environment; (j) employment-related: (i) denial of natural justice; (ii) invasion of privacy; (iii) defamation; (iv) infliction of emotional distress; (v) discrimination on any legally prohibited basis.

Basis of cover - Claims made

This section operates on a 'Claims made and notified' basis. This means that we cover you for claims made against you and notified to us during the period of insurance.

We do not provide cover in relation to:

(a) acts, errors or omissions actually or allegedly committed prior to the retroactive date applicable to this section;

(b) claims made, threatened or intimated against you prior to the commencement of the period of insurance;

(c) facts or circumstances of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this section.

Section 40(3) of the *Insurance Contracts Act 1984* (Cth)

Section 40(3) of the *Insurance Contracts Act 1984* (Cth) may give you rights to be covered for a claim made against you after the policy period ends if you give us written notice of facts that might give rise to the claim:

- as soon as reasonably practicable after you become aware of those facts; and
- before the period of insurance ends.

These rights arise under the legislation only. The terms and effect of this policy section are that you are not covered for claims made against you after the period of insurance ends.

Limit of liability

The maximum amount payable by us under this section of the Policy inclusive of defence costs for any one claim and in the aggregate during the period of insurance, irrespective of the number of:

(a) claims; and/or

(b) locations, premises, situations; and/or

(c) insured persons,

shall be the amount set out in the Policy Schedule.

What you are insured against

We will cover you in accordance with the terms of this section, for employment practices subject also to the general exclusions and general conditions.

We agree to pay all loss arising from a claim against you alleging a wrongful act where the claim is first made and notified to us during the period of insurance.

Additional benefits

1. Retroactive date

We will only provide indemnity in relation to conduct and wrongful acts committed or alleged to have been committed after the earliest commencement date of uninterrupted employment practices insurance cover that you have held with us.

2. Extended reporting period – Claims or facts and circumstances

Where you become aware of a claim, fact or circumstance during the period of insurance and with reasonable cause cannot provide notice to us before expiry of the period of cover, you may provide this notice in an extended period of insurance of 45 days immediately following the period of insurance. Such notice is deemed to have been provided during the period of insurance.

3. Continuous cover

If you knew or ought reasonably to have known prior to the commencement date of the period of insurance of any claim, fact or circumstance ('circumstance') that might give rise to a claim and had not notified us of such circumstance prior to expiration of the 'Extended reporting period – claims or facts and circumstances' attaching to the relevant period of insurance during which that knowledge was or should have been acquired, exclusions (b) and (c) of clause 'Basis of cover – Claims made' will not apply to the notification of a circumstance.

Provided always that:

(a) your failure to notify was not fraudulent; and

(b) we have continued as the insurer of your 'Employment practices' Policy in uninterrupted succession between the date when the circumstance should have been notified and the date the claim was actually notified; and

(c) any such indemnity shall be subject to the terms, conditions, limits of indemnity and excess applicable to the period of insurance during which the circumstance should have been notified.

What you are not covered for under this section

There are also general exclusions which apply to all sections of this Policy.

We do not cover loss arising from any claim against you directly or indirectly based upon, attributable to or in consequence of any:

1. Benefits

Your actual or alleged obligation:

(a) pursuant to any workers' compensation, disability benefits, redundancy or unemployment benefits or compensation, unemployment insurance, superannuation, retirement benefits, social security benefits, or similar law;

(b) for or in respect of employment entitlements such as but not limited to employee share or equity plans, bonuses or incentives of any kind, leave or similar entitlements, severance or redundancy, superannuation contributions and similar alleged entitlements or amounts.

2. Bodily injury

Directly or indirectly based upon, attributable to or in consequence of bodily injury.

3. Building modifications

Costs incurred by you to modify any building or property in order to make such building or property more accessible or accommodating to any disabled person.

4. Continuity of employment benefits

Employment-related benefits (other than back pay) to which the claimant would have been entitled as an employee had you provided the claimant with a continuance, reinstatement or commencement of employment. This exclusion does not apply to defence costs.

5. Criminal proceedings

Criminal, administrative or other disciplinary proceedings against you.

6. Fraud and dishonesty

Any claims made against you which are directly or indirectly based upon, attributable to or in consequence of:

(a) your actual or alleged dishonest, fraudulent, criminal or malicious act or omission or those of your consultants, sub-contractors or agents; or

(b) your actual or alleged act or omission or those of your consultants, sub-contractors or agents with a reckless disregard for the consequences of the acts or omissions; or

(c) wilful violation or wilful breach of any statute or regulation, or any wilful breach of any contract.

7. Non-pecuniary relief

Cost of compliance with any order for, grant of, or agreement to provide injunctive or non-pecuniary relief. This exclusion does not apply to defence costs.

8. Prior or pending

Arising directly or indirectly from or in consequence of a claim:

(a) made, threatened or intimated against you prior to the period of insurance; or

(b) directly or indirectly based upon, attributable to or in consequence of any fact or circumstance:

   (i) of which written notice has been given, or ought reasonably to have been given, under any previous policy; or

   (ii) of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had potential to give rise to a claim.

9. Property damage

Directly or indirectly based upon, attributable to or in consequence of physical loss of, damage to, or destruction of any tangible property, including loss of use of the tangible property or any consequential loss.

10. Territorial limits

Any claim made against you:

(a) pursuant to the law of any Country, State or Territory outside the territorial limits; or

(b) committed or allegedly committed outside the territorial limits applicable to this cover section.

11. Unfair contract

Actual or alleged unfair contract of employment, including but not limited to any claim or proceeding brought under Section 106 of the *Industrial Relations Act 1996* (NSW) or Section 471 of the *Industrial Relations Act 2016* (Qld) or similar legislation in any other State, Territory, or jurisdiction.

12. Unrelated proceedings

Any defence costs in respect of that part of any proceedings which do not directly relate to the coverage items insured by this Policy section.

Conditions applicable to this section

There are also general conditions which apply to all sections of this Policy.

1. Allocation

(a) If both loss covered by this Policy and loss not covered by this Policy are incurred, either because:

   (i) a claim against you includes both covered and uncovered matters; or

   (ii) a claim is made against you and there are others who are party to the proceedings or demand to which the claim relates, but who are not insured under the Policy,

   then we will use our best efforts to agree with you upon a fair and proper allocation of such amount between covered loss and uncovered loss, having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties. We are only liable under this Policy for amounts attributable to covered matters and parties, and our liability for loss, including defence costs, otherwise payable by us will be reduced to reflect such fair and proper allocation;

(b) if we cannot agree with you on an allocation of defence costs then we will advance defence costs which we agree are covered under this Policy until a different allocation is negotiated, arbitrated or judicially or otherwise determined;

(c) we will, if requested by you, submit the dispute to a Senior Counsel to be mutually agreed or, in default of agreement, to be appointed by the President of the Bar Association in the relevant State or Territory, on the basis that the Senior Counsel will determine the allocation of loss according to their view of the fair and proper allocation, but having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties, and the overriding intention in (a) above;

(d) any negotiated, arbitrated or judicially or otherwise determined allocation of defence costs on account of a claim will be applied retrospectively to all defence costs on account of such claim.

2. Jurisdiction

All disputes arising out of or under this section will be subject to determination by any court of competent jurisdiction within Australia according to the law applicable to the jurisdiction.

3. Your right to contest

If we recommend a settlement in respect of any claim and you do not agree that the claim should be settled, then you may elect to contest the claim. Our liability in connection with that claim will not exceed the amount for which the claim can be settled, plus the defence costs incurred with our written consent up to the date of your election.

The sum for which the claim or claims can be settled is either:

(a) the amount for which the claimants offer to settle all claims; or

(b) the amount assessed by a Senior Counsel, taking into account:

- (i) the economics of the matter;
- (ii) the damages and costs which are likely to be recovered by the claimants;
- (iii) the likely defence costs; and
- (iv) your prospects of successfully defending the claim.

If you and we cannot agree on the Senior Counsel, we will ask the President of the Bar Association in the relevant State or Territory to nominate one.

We will include the cost of the Senior Counsel's opinion in your defence costs.

4. Your right not to contest

We will not require you to contest any claim unless a Senior Counsel (to be mutually agreed upon by you and us) advises that the claim should be contested. The Senior Counsel will be mutually agreed upon by you and us or, in default of agreement, will be appointed by the President of the Bar Association in the relevant State or Territory.

In formulating their advice, Senior Counsel will take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely defence costs and your prospects of successfully defending the claim.

The cost of the Senior Counsel's opinion will be part of the defence costs.

5. Excess

You will have to pay an excess for each and every claim under this section of the Policy. The amount of excess is shown on your Policy Schedule and applies to all amounts for which we will be liable, including defence costs.

All causally connected or interrelated claims shall jointly constitute a single claim under this Policy section.

Statutory liability cover section

About this Policy section

This section only forms part of your Policy when 'Statutory liability' cover section is shown in the Policy Schedule and is limited to the period of insurance indicated.

Words with special meaning

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

Word or term	Meaning
Claim	A written or other notice by a regulatory authority in connection with any claim, official investigation or inquiry, or penalty proceedings.
Defence costs	Reasonable costs, charges, and expenses (other than regular or overtime wages, salaries or fees of any insured person) incurred by us or by you with our prior written consent (and such consent will not be unreasonably withheld) in defending, investigating or monitoring any claim, or proceedings and appeals from them, together with costs of the proceedings and appeal. Where you are not indemnified under this section, only those costs, charges and expenses incurred solely and exclusively for the benefit, and on behalf of, an insured person will constitute defence costs. Defence costs in this section are part of, and not in addition to, the aggregate limit of liability applicable to this section and payment by us of defence costs reduces the aggregate limit of liability by the amount of any such payment.
Employee	Any person employed by you under a contract of service or apprenticeship during the period of insurance, but does not include any person employed under such contract who is excluded from the definition of 'Worker' under any workers' compensation legislation.
Environmental legislation	Any Commonwealth, State or Territory statute, regulation, by-law or local law prohibiting, controlling or regulating the discharge, release, escape or disposal of pollutants into or upon land, the atmosphere or any watercourse or body of water.
Insured person	Includes only: (a) the named insured specified in the Policy Schedule; and (b) every past, present or future director, partner, proprietor, officer, executive or employee of the named insured while such persons are acting for or on behalf of the named insured and/or within the scope of their duties in such capacities.
Investigation costs and expenses	Reasonable legal costs and other expenses incurred by you or on your behalf with our consent (which consent shall not be unreasonably withheld), or by us, resulting from any legally compellable attendance by you at any official investigation or inquiry. Investigation costs and expenses does not include any fine, penalty or order for the payment of monetary compensation.
Joint venture	Any enterprise undertaken jointly by you with a third party or parties.
Official investigation or inquiry	An official investigation, examination or inquiry in relation to the conduct of your business where such official investigation or inquiry may lead to a recommendation in respect of civil or criminal liability, or civil or criminal proceedings, and which would be the subject of a claim or defence costs covered by this section, including an investigation, examination or inquiry by way of Royal Commission or Coronial inquiry or conducted by a regulatory authority. However, 'Official investigation or inquiry' does not include any investigation, examination or inquiry conducted by a parliament, or any committee of a parliament, or any disciplinary committee of any association or professional body of which you are a member.
Penalty	Any monetary sum payable by you to any regulatory authority pursuant to a wrongful breach by you but excluding: (a) any amounts payable as compensation; (b) any compliance, remedial, reparation or restitution costs; (c) any damages, including but not limited to any exemplary or punitive damages; (d) any consequential economic loss; (e) any amounts uninsurable under the law pursuant to which this Policy is construed; (f) any legal costs and associated expenses of the regulatory authority.
Regulatory authority	A person or entity appointed, constituted or acting under a delegation pursuant to any Act for the purposes of enforcement of such Act or another Act.
Territorial limits	Anywhere in the Commonwealth of Australia and its protectorates and Territories.
Wrongful breach	Any conduct by you which results in a contravention of: (a) any occupational, health, or safety legislation enacted by the Commonwealth of Australia or any State or Territory of Australia; (b) any environmental legislation.

Basis of cover - Claims made

The cover provided operates on a 'Claims made and notified' basis. This means that we cover you for claims made against you and notified to us during the period of insurance.

We do not provide cover in relation to:

(a) acts, errors or omissions actually or allegedly committed prior to the retroactive date applicable to this section;

(b) claims made, threatened or intimated against you prior to the commencement of the period of insurance;

(c) facts or circumstances of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this section.

Section 40(3) of the Insurance Contracts Act 1984 (Cth)

Section 40(3) of the *Insurance Contracts Act 1984* (Cth) may give you rights to be covered for a claim made against you after the policy period ends if you give us written notice of facts that might give rise to the claim:

- as soon as reasonably practicable after you become aware of those facts; and
- before the period of insurance ends.

These rights arise under the legislation only. The terms and effect of this policy section are that you are not covered for claims made against you after the period of insurance ends.

Limit of liability

The maximum amount payable by us under this section of the Policy inclusive of investigation costs and expenses and defence costs for any one claim and in the aggregate during the period of insurance, irrespective of the number of:

(a) claims; and/or

(b) locations, premises, situations; and/or

(c) persons/entities insured,

shall be the amount set out in the Policy Schedule.

What you are insured against

We will cover you in accordance with the terms of this section, for coverage items:

1. Official investigations and inquiries – Costs and expenses

We agree to pay investigation costs and expenses in relation to any official investigation or inquiry commenced during the period of insurance and which is notified to us during the period of insurance.

In relation to any cover afforded under this section:

(a) we will be entitled to appoint legal representation to represent you in the official investigation or inquiry; and

(b) in the event that a claim for payment of investigation costs and expenses is subsequently withdrawn or denied, we will cease to advance investigation costs and expenses and we may recover, acting reasonably, from you or any person named as an insured (for your respective rights and interests) any investigation costs and expenses advanced by us, unless we agree in writing to waive recovery of the investigation costs and expenses.

2. Fines and penalties

We will indemnify you against any penalty and defence costs resulting from a claim by a regulatory authority for a wrongful breach which would otherwise be excluded by reason of exclusion 'Fines and penalties' where the claim is first made on you and notified in writing to us in the period of insurance. Provided always that we will not be liable to indemnify you in respect of any penalty or defence costs in respect of any such claim arising directly or indirectly from or which is based upon, attributable to, or in consequence of any:

(a) dishonest, wilful, intentional or deliberate wrongful breach; or

(b) wilful, intentional or deliberate failure to comply with any lawful notice, direction, enforcement action or proceeding under any Act; or

(c) your gross negligence or recklessness; or

(d) requirement to pay taxes, rates, duties, levies, charges, fees or any other revenue or impost.

3. Pollution liability defence costs

We will indemnify you for defence costs in respect of any claim brought or maintained by a regulatory authority, which would otherwise be excluded by reason of exclusion 'Pollutants' where the claim alleges a breach of environmental legislation.

Provided that we will not be liable to indemnify you for defence costs relating to any claim brought by a regulatory authority on behalf of, in the name of, or as a representative of any other person(s), corporation or other entity.

Additional benefits

1. Retroactive date

We will only provide indemnity in relation to conduct and wrongful acts committed or alleged to have been committed after the earliest commencement date of uninterrupted statutory liability insurance cover that you have held with us.

2. Extended reporting period – Claims or facts and circumstances

Where you become aware of a claim, fact or circumstance during the period of insurance and with reasonable cause cannot provide notice to us before expiry of the period of cover, you may provide this notice in an extended period of insurance of 45 days immediately following the period of insurance. Such notice is deemed to have been provided during the period of insurance.

3. Continuous cover

If you knew or ought reasonably to have known prior to the commencement date of the period of insurance of any claim, fact or circumstance ('circumstance') that might give rise to a claim and had not notified us of such circumstance prior to expiration of the 'Extended reporting period – claims or facts and circumstances' attaching to the relevant period of insurance during which that knowledge was or should have been acquired, exclusions (b) and (c) of clause 'Basis of cover – Claims made' will not apply to the notification of a circumstance.

Provided always that:

(a) your failure to notify was not fraudulent; and

(b) we have continued as the insurer of your statutory liability policy in uninterrupted succession between the date when the circumstance should have been notified and the date the claim was actually notified; and

(c) any such indemnity shall be subject to the terms, conditions, limits of indemnity and excess applicable to the period of insurance during which the circumstance should have been notified.

What you are not covered for under this section

There are also general exclusions which apply to all sections of this Policy.

This section does not cover loss arising from any claim against you:

1. Aircraft, watercraft and vehicles

Any claim arising out of a wrongful breach relating to the regulation of air, marine or motor traffic.

2. Asbestos

Any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

3. Bodily injury

Directly or indirectly based upon, attributable to or in consequence of bodily injury. However, this exclusion will not apply to:

(a) penalties and defence costs resulting from a claim by a regulatory authority; or

(b) investigation costs and expenses,

as a result of an alleged contravention of any Commonwealth, State or Territory occupational or workplace health and safety legislation, provided always that cover will not extend to defence costs incurred in relation to any civil proceeding or claim seeking damages or compensation in connection with such alleged contravention.

4. Fines and penalties

Punitive, aggravated, exemplary damages or fines or penalties imposed by law other than provided under coverage item 2. 'Fines and penalties'.

5. Fraud and dishonesty

Any claims made against you which are directly or indirectly based upon, attributable to or in consequence of:

(a) your actual or alleged dishonest, fraudulent, criminal or malicious act or omission or those of your consultants, sub-contractors or agents; or

(b) your actual or alleged act or omission or those of your consultants, sub-contractors or agents with a reckless disregard for the consequences of the acts or omissions; or

(c) wilful violation or wilful breach of any statute or regulation, or any wilful breach of any contract.

6. Joint venture

Arising from or attributable to any joint venture partners of your business.

7. Pollutants

Other than as provided under coverage item 3. 'Pollution liability defence costs', directly or indirectly based upon, attributable to or in consequence of:

(a) the actual, alleged or threatened discharge, release, escape, containment or disposal of pollutants into or upon land, the atmosphere, or any watercourse or body of water; or

(b) any enforcement action or proceeding in connection with the containment, clean up, removal, or treatment of such pollutants; or

(c) asbestos or asbestos products in any form or quantity.

8. Prior or pending

Arising directly or indirectly from or in consequence of a claim:

(a) made, threatened or intimated against you prior to the period of insurance; or

(b) directly or indirectly based upon, attributable to or in consequence of any fact or circumstance of which:

  (i) written notice has been given, or ought reasonably to have been given, under any previous policy; or

  (ii) you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had potential to give rise to a claim.

9. Property damage

Directly or indirectly based upon, attributable to or in consequence of physical loss of, damage to or destruction of any tangible property, including loss of use of the tangible property or any consequential loss.

10. Territorial limits

Any claim made against you:

(a) pursuant to the law of any Country, State or Territory outside the territorial limits; or

(b) committed or allegedly committed outside the territorial limits applicable to this cover section.

11. Unrelated proceedings

Any defence costs in respect of that part of any proceedings which do not directly relate to the coverage items insured by this Policy section.

Conditions applicable to this section

There are also general conditions which apply to all sections of this Policy.

1. Allocation

(a) If both loss covered by this Policy and loss not covered by this Policy are incurred, either because:

  (i) a claim against you includes both covered and uncovered matters; or

  (ii) a claim is made against you and there are others who are party to the proceedings or demand to which the claim relates but who are not insured under the Policy,

then we will use our best efforts to agree with you upon a fair and proper allocation of such amount between covered loss and uncovered loss, having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties. We are only liable under this Policy for amounts attributable to covered matters and parties, and our liability for loss, including defence costs, otherwise payable by us will be reduced to reflect such fair and proper allocation;

(b) if we cannot agree with you on an allocation of defence costs then we will advance defence costs which we agree are covered under this Policy until a different allocation is negotiated, arbitrated or judicially or otherwise determined;

(c) we will, if requested by you, submit the dispute to a senior counsel to be mutually agreed or, in default of agreement, to be appointed by the President of the Bar Association in the relevant State or Territory, on the basis that the senior counsel will determine the allocation of loss according to their view of the fair and proper allocation, but having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties, and the overriding intention in (a) above;

(d) any negotiated, arbitrated or judicially or otherwise determined allocation of defence costs on account of a claim will be applied retrospectively to all defence costs on account of such claim.

2. Jurisdiction

All disputes arising out of or under this section will be subject to determination by any court of competent jurisdiction within Australia according to the law applicable to the jurisdiction.

3. Your right to contest

If we recommend a settlement in respect of any claim and you do not agree that the claim should be settled, then you may elect to contest the claim. Our liability in connection with that claim will not exceed the amount for which the claim can be settled, plus the defence costs incurred with our written consent up to the date of your election.

The sum for which the claim or claims can be settled is either:

(a) the amount for which the claimants offer to settle all claims; or

(b) the amount assessed by a Senior Counsel, taking into account:

- (i) the economics of the matter;
- (ii) the damages and costs which are likely to be recovered by the claimants;
- (iii) the likely defence costs; and
- (iv) your prospects of successfully defending the claim.

If you and we cannot agree on the Senior Counsel, we will ask the President of the Bar Association in the relevant State or Territory to nominate one.

We will include the cost of the Senior Counsel’s opinion in your defence costs.

4. Your right not to contest

We will not require you to contest any claim unless a senior counsel (to be mutually agreed upon by you and us) advises that the claim should be contested. The Senior Counsel will be mutually agreed upon by you and us or, in default of agreement, will be appointed by the President of the Bar Association in the relevant State or Territory.

In formulating their advice, senior counsel will take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely defence costs and your prospects of successfully defending the claim.

The cost of the senior counsel’s opinion will be regarded as part of the defence costs.

5. Excess

You will have to pay an excess for each and every claim under this section of the Policy. The amount of excess is shown on your Policy Schedule and applies to all amounts for which we will be liable, including defence costs.

All causally connected or interrelated claims shall jointly constitute a single claim under this Policy section.

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