

Business Pack Insurance

Insurance Policy

This insurance policy is to be read in conjunction with the Schedule of Insurance

IMPORTANT NOTICE TO POLICY HOLDERS

YOUR DUTY OF DISCLOSURE

Before you enter into a contract of general insurance with an insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matter

- that diminishes the risk to be undertaken by the insurer;
- that is of common knowledge;
- that your insurer knows or, in the ordinary course of its business, ought to know;
- as to which compliance with your duty is waived by the insurer.

NON DISCLOSURE

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract.

If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

PRIVACY STATEMENT

We collect personal information from you for the purpose of providing you with insurance products, services, processing and assessing claims. You can choose not to provide this information; however, we may not be able to process your requests. We may disclose information we hold about you to other Insurers, an insurance reference service or as required by law. In the event of a claim, we may disclose information to and / or collect additional information about you from investigators or legal advisers.

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Please read both carefully to ensure your Schedule and Policy Wording do provide the coverage you require.

BUSINESS PACK INSURANCE POLICY WORDING

This is Your Business Pack Policy Wording. Please read it carefully to ensure it meets with Your requirements. If You wish to vary Your cover or make further enquiries, please contact Dominion Underwriting Agents Pty Ltd, which represents the Insurer(s), or contact your Insurance Intermediary.

The Policy Wording and Schedule are to be read together and any word or expression on which a specific meaning has been given in any part bears that meaning wherever it may appear unless such meaning is inapplicable to the context in which the word or expression appears.

The information contained in the Schedule sets out the cover, the Sums Insured and Limits of Liability You have selected and for which We have agreed to provide insurance under Your Business Pack Policy.

Provided You have paid the premium, Insurer(s) (as declared on the attached Policy Schedule), will indemnify You for loss, destruction, damage and/or liability occurring during the period of insurance stated in the Schedule or during any agreed renewal period in the manner and to the extent stated and subject to the terms, definitions, conditions, exclusions and limitations of this Policy

GENERAL CONDITIONS

1. GENERAL CONDITIONS AND EXCLUSIONS

The General Conditions and General Exclusions of this Policy form part of all the Sections of this Policy and must be read together with any other Special Conditions or Special Exclusions contained in any of the Policy Sections.

2. NOTICES

All notices or communications to the Insurers relating to any Part or Section of this Policy shall be in writing and forwarded to the office of Dominion Underwriting Agents Pty Limited Suite 2, Level One, 310-314 Whitehorse Road, Victoria. In addition, Dominion Underwriting Agents Pty Limited must be informed in writing of any change or alteration to any of the risks insured under any Section or Part of this Policy. Dominion Underwriting Agents Pty Limited will issue written confirmation or rejection of such requested changes or alterations.

3. MISREPRESENTATIONS AND NON DISCLOSURE

If the Insured,

- a) failed to disclose any matter which the Insured was under a duty to disclose to the Insurers; or
- b) made a misrepresentation to the Insurers before the Contract of Insurance was entered into and if the Insurers would not have entered into the Contract for the same premium and on the same terms and conditions expressed in this Policy but for the failure to disclose or the misrepresentation, then ;
- c) the liability of the Insurers in respect of any claim will be reduced to an amount to place the Insurers in the same position in which the Insurers would have been placed if the failure to disclose had not occurred or the misrepresentation had not been made, or
- d) if the non-disclosure or misrepresentation was fraudulent, the Insurers may avoid the insurance.

4. ALTERATION OF RISK

Insurers may elect to cancel this Policy within the terms of the Cancellation Clause and/or shall not be liable for loss, destruction or damage to any Property Insured caused or contributed to by any alteration after the commencement of this contract -

- a) in the trade or manufacture carried on, or whereby the nature of the occupation or other circumstances materially affecting the Risk Insured can be changed in such a way to increase the risk of loss, destruction, or damage; or
- b) whereby the Building Insured of contained on the Property Insured, becomes unoccupied, and so remains a period of more than Thirty (30) days; or
- c) whereby the Insured's interest ceased except by will or operation of law unless the Insured shall give written notice to the Insurers of such alteration prior to the alteration becoming effective and it being allowed by endorsement to the Policy.

5. NOTIFICATION OF CLAIMS

On the happening of any loss, destruction or damage, the Insured shall forthwith give notice thereof in writing to Insurers and shall as soon as practicable after such loss, destruction or damage or such further time as Insurers may in writing allow, at their own expense deliver to Insurers a claim in writing containing as particular as account as may be reasonably practicable of the several articles or portions of Property lost, destroyed or damaged and of the amount of loss, destruction or damage, thereto respectively having regard to their value at the time of the loss, destruction or damage, together with details of any other insurances on any interest or Property hereby insured.

The insured shall use due diligence and take all reasonable steps to minimise the loss, damage or liability and to prevent any further loss, damage or liability. Insured to supply all particulars and details, invoices, vouchers, documents, proofs, information, explanations and other evidence as may be reasonably required for investigation and verification of the claim together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith.

6. FRAUDULENT CLAIMS

If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the Insured party or anyone acting on behalf of any Insured party to obtain any benefit under the Policy or if any damage be occasioned by the willful act or with the connivance of any Insured party, Insurers without prejudice to any other right they might have under this Policy are entitled to refuse to pay the claim.

7. SUBROGATION

The Insured shall at the expense of the Insurers do and permit to be done all such acts and things as may be necessary or reasonably required by the Insurers for the purpose of enforcing any rights or remedies or of obtaining relief or indemnity from parties other than those Insured under this Policy shall be or would become entitled or subrogated upon their paying for or making good any loss, damage or liability under this Policy whether such acts and things shall be or become necessary, or required before or after the Insured's indemnification by the Insurers.

8. PRECAUTIONS TO PREVENT INJURY, LOSS OR DAMAGE

The Insured shall take all reasonable care to prevent loss or damage and to maintain their premises, plant and everything used in the business in proper repair and to act in accordance with all statutory obligations and regulations.

9. CONTRIBUTION/OTHER INSURANCES

If at the time of any claim there be any other existing Insurance or Insurances whether effected by the Insured or by any other person or persons covering any of the risks insured hereunder, or if any Insurance covering more details of such other Insurance, and Insurers shall have the right to seek reimbursement from such other Insurers for its rateable proportion.

10. REINSTATEMENT

If the Insurers elect or become bound to reinstate or replace any Property the Insured shall at their own expense produce and give to the Insurers such plans, documents, books and information that the Insurers may reasonably require. The Insurers shall not be bound to reinstate exactly or completely, but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one item insured more than the Sum Insured thereon.

11. INTERPRETATION

The Policy, Schedule, Definitions, Conditions, Exclusions, Endorsements, Memoranda, and warranties (if any) and any other terms herein contained which are to be read together and any other word or expression which a specific meaning has been given to any Section and/or Part of this Policy shall bear this meaning wherever it may appear unless such meaning is inapplicable to the context in which the word or expression appears.

Where a Sum Insured or Limit of Liability for any particular item contained in a Section is not indicated or reads "Not Taken" in the Schedule then that Policy Section shall be ineffective.

12. GENERAL WARRANTY

If the insured premises cease to be used as proposed, or in respect of licensed premises shall be unlicensed, or notice of intended withdrawal of licence, or requisitions be issued by lawful authorities, the insured must give notice to Dominion

Underwriting Agents Pty Limited within thirty (30) days, and have such information allowed and noted by endorsement, issued by Dominion Underwriting Agents Pty Limited otherwise the policy shall be void.

13. UNOCCUPANCY

If the insured premises are to become unoccupied for longer than sixty (60) days, notice must be given to Dominion Underwriting Agents Pty Limited within thirty (30) days of such unoccupancy. Unoccupancy must be allowed and noted by endorsement, issued by Dominion Underwriting Agents otherwise the policy shall be void.

GENERAL EXCLUSIONS

This Policy does not cover loss or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any other consequential loss or legal liability of whatsoever nature or any bodily injury or illness directly or indirectly caused or contributed to or by arising from:

1. War, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection of military, naval, air or usurped power.
2. The radioactive, toxic, explosive, or other hazardous properties of any explosive nuclear assembly or Nuclear component thereof.
3. Ionising radiation or contamination by radioactivity from any nuclear waste from the combustion of nuclear fuel.
4. Any act/s of terrorism. An act of terrorism shall mean an act, which may include but is not limited to an act involving the use of force or violence and/or threat thereof, of any person or group/s of persons, whether acting alone or on behalf of or in connection with any organisation/s or government/s, which from its nature or context is done for, or in connection with, political, religious, ideological, or ethnic or similar purposes or reasons, including the intention to influence any government and/or to place the public, or any section of the public, in fear. In accordance with the Terrorism Act 2003, the above Terrorism Exclusion will not apply in respect of an act deemed by the Federal Treasurer to be a “ declared terrorist incident ”
5. Any destruction, loss or damage intentionally caused or liability intentionally incurred by You or any person/s acting with Your express or implied consent.

GENERAL DEFINITIONS

WHERE MENTIONED IN THIS POLICY;

1. BUILDINGS SHALL MEAN:

Buildings at the Situation(s) specified in the Schedule attached hereto (including alterations and/or additions to buildings by or on behalf of the Insured) together with landlord's fixtures and fittings, walls, gates, fences, foundations, awnings, exterior lights and signs, storage tanks above and below ground, fixed fire fighting installations, landscaping, paths, roadways and all other improvements of a structural nature, unless specifically excluded.

2. MACHINERY, PLANT AND ALL OTHER CONTENTS SHALL MEAN:

Machinery and Plant of every description and all other Contents not more specifically insured including machinery, foundations, settings and bedding thereof whilst situated in or about the Buildings and in the open air anywhere at the Situation(s) specified in the Schedule attached hereto, the property of the Insured, or held in trust or on commission for which the Insured is legally responsible **BUT EXCLUDING** Stock-in-Trade and/or merchandise, clothing, jewellery, personal furniture and personal effects and valuables(unless specifically noted in the policy schedule), owned by the Insured and all property belonging to guests and visitors of the Insured, while contained at the address stated in the policy, unless specifically listed in the Schedule attached hereto.

The term "other contents" shall include;

- a) Cash, Securities, Negotiable Documents, Stamps and/or Credits in Franking Machines (Cash Securities and Stamps limited to \$1,000).
- b) Documents, Manuscripts, Business Books, Data Processing, Computer and all other Records of every description, but only for the value of materials as stationery, and not for the value to the Insured of the information contained therein.
- c) Any curiosity or work of art limited to \$2,000 any one article, and \$10,000 in the aggregate, unless specifically listed on the Schedule attached hereto.

3. STOCK-IN-TRADE SHALL MEAN:

Stock, Merchandise, and/or Materials of Trade manufactured, non manufactured and in course of manufacture, work in progress, advertising material and display equipment including all materials used in making and packing of same, contents of storage tanks, works stores and consignment stocks, in or on or about the said buildings and in the yards belonging thereto or elsewhere as specified in the Schedule attached hereto, the insured's own or in trust or on commission, Customers Goods, Goods sold but not delivered - warranted not otherwise insured.

4. COST OF REPLACING AND RESTORING DOCUMENTS SHALL MEAN:

The cost of Rewriting and Restoring Documents referred to in the Schedule attached hereto, shall be deemed to mean the cost of replacing rewriting and restoring Computer Systems Records, including those held on hard drive, Plans, and Designs, Documents, Manuscripts, and Business Books and other records and all the legal and other costs, charges and expenses of, or incidental to, reinstating and of the said Computer Systems Records, Plans, Drawings, and Designs, Documents, Manuscripts, and Business Books or other records in the event of destruction by fire or other peril hereby insured against. Insurers liability is limited to the specified sum insured, listed on the Schedule attached.

5. REMOVAL OF DEBRIS SHALL MEAN:

The cost of removal of debris, demolition and any temporary repairs necessary (including the Insured's legal liability for the cost of removal of debris, demolition, dismantling and temporary repairs in regard to adjoining premises, roadways or waterways, as well as on site) consequent upon the destruction or damage to the property insured and specified in the Schedule attached hereto, occasioned by fire or any other peril hereby insured against. If selected, the limit of Insurers liability is the sum insured specified in the Schedule attached hereto.

PROVIDED ALWAYS

- a) that such cost is not recoverable under any other Policy of Insurance.
- b) that the indemnity afforded by this Insurance shall apply to or include liability assumed by the Insured under agreement entered into after the commencing date of this Insurance unless such liability would have attached to the Insured in absence of such agreement.

6. LOSS OF RENT SHALL MEAN:

In the event of the said premises or any part thereof becoming untenable as a result of its destruction or damage by fire or any other peril hereby insured against, and the rent thereby ceasing, the Insurers will, subject to the conditions hereinafter contained, indemnify the Insured for loss of rent in accordance with the lease or agreement existing at the time of such destruction or damage. The Insurers shall only be answerable for rent for such period as the premises (or proportionately in the case of any part thereof) may be actually untenable, due diligence being used in the repair or reconstruction of same, but if from any cause the repair or reconstruction of the said premises be not forthwith commenced, the loss of rent shall be determined by the time which would have sufficed for the purpose had due diligence been used, but in no case exceeding the number of months stated in the Schedule attached hereto. In case the rent of the premises for the period specified shall exceed the sum hereby insured the amount payable shall be in the proportion which the sum insured bears to such rent.

If the whole or any part of the premises be occupied by the Insured, the rent therefore shall be assessed at a reasonable market value: And it is further stipulated that should any of the standing charges incurred for maintaining the premises in a tenable condition (such as wages of caretakers, cost of power, lighting and the like) cease or be reduced in consequence of fire or any other peril hereby insured against, then the amount payable shall be reduced accordingly.

7. CUSTOMERS GOODS SHALL MEAN:

Goods belonging to the insured's customers whilst at the premises described herein, and specified in the Schedule attached hereto, in so far as such goods are not otherwise insured.

8. MONEY SHALL MEAN:

Current coin, bank notes, currency notes, cheques (including non-negotiable cheques) credit card sales vouchers, postal orders, money orders, unused postage, revenue stamps and Government approved and issued lottery tickets and vouchers. The limits of indemnity are specified in the Schedule attached hereto.

9. FLOOD SHALL MEAN:

The inundation of normally dry land by water escaping from the normal confines of any natural watercourse or lake, whether or not altered or modified, or any reservoir, canal or dam.

10. REINSTATEMENT OR REPLACEMENT

(Applicable to Buildings, Machinery, Plant and all other Property and Contents, other than Stock in Trade and/or Merchandise)

If selected, and specified in the Schedule attached hereto, the basis upon which the amount payable is to be calculated shall be the cost of reinstatement of the Property damaged at the time of its reinstatement, subject to the following provisions and subject also to the terms, conditions and Sums Insured of the Schedule attached hereto. For the purpose of the insurance under the Extension "reinstatement" shall mean:-

- a) Where Property is lost or destroyed, in the case of a Building, the rebuilding thereof, or in the case of Property other than a Building, the replacement thereof, by similar property, in either case in a condition equal to but not better or more extensive than its condition when new.
- b) Where Property is damaged, the repair of the damage and the restoration of the damaged portion of the Property to a condition substantially the same as but not better or more extensive than its condition when new.

11. EXTRA COST OF REINSTATEMENT

(Applicable to Buildings, Machinery, Plant and all other Property and Contents other than Stock in Trade).

Cover extends to include the extra cost of reinstatement (including demolition or dismantling) of the insured Property damaged necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority, subject to the following provisions and subject also to the terms, conditions and Sums Insured of the Schedule attached hereto.

PROVISIONS

- a) The work of reinstatement (which may be carried out wholly or partially upon another site if the aforesaid Act, By-Law or regulation of any Municipal or any other Statutory Authority so necessitates subject to the liability of Insurers not being thereby increased) must be commenced and carried out with reasonable dispatch, failing which Insurers shall not be liable to make any payment beyond the amount which would have been payable under the Policy if this Extension had not been incorporated therein.

- b) The amount recoverable shall not include the additional cost incurred in complying with any such Act, Regulation, By-Law or requirement with which the Insured had been required to comply prior to the happening of the damage.
- c) Average / Under Insurance shall not be applied to the amount recoverable under this extension and any amount specified shall not be taken into account for Average / Under Insurance purposes in terms set out in any clause contained in the Schedule attached hereto.
- d) All other insurance covering the Property affected by or on behalf of the insured shall be on a similar basis.
- e) If the cost of reinstatement of the damage directly caused by any of the Perils insured is less than fifty percent (50%) of what would have been the cost of reinstatement of the Property Insured had such Property been destroyed the amount recoverable shall be limited to the extra cost necessary incurred in reinstating only the portion damaged.
- f) The total amount recoverable under this Extension shall not exceed \$100,000

12. INDEMNITY

Indemnity value is the cost necessary to replace, repair or rebuild the property to a condition substantially the same as but not better or more extensive than its condition at the time that the damage occurred taking into consideration age, condition and remaining useful life.

13. AVERAGE (UNDER INSURANCE)

In the event of destruction or damage by fire or any other peril hereby insured against the Insurers shall be liable for no greater proportion of the destruction or damage than the Sum Insured bears to eighty five percent (85%) of the value of the property insured at the such destruction or damage occurs limited however in all cases to the Sum Insured thereon.

Provided that the above provision shall not apply if the amount of any destruction or damage does not exceed five percent (5%) of the Sum Insured thereon.

14. LIMIT OF INDEMNITY

The limit of liability of the Insurers is limited in respect to each item of Property the sum insured expressed in the Schedule attached hereto, to be insured of such items of property or in the whole the total sum insured less the application of any excess.

Provisions

- a) The work of rebuilding, or replacing, or repairing, or restoring, as the case may be (which may be carried out upon another site and in any manner suitable to the requirements of the Insured, but subject to the liability of Insurers not being thereby increased), must be commenced and carried out with reasonable dispatch, failing which the Insurers shall not be liable to make any payment beyond the amount which would have been payable under the Policy if this extension had not been incorporated therein.
- b) When any Property Insured to which this extension applies is damaged in part only, the liability of the Insurers shall not exceed the sum representing the cost which the Insurers could have been called upon to pay for reinstatement if such property had been wholly damaged.
- c) Property Insured under this extension is separately subject to the following: In the event of damage to Property Insured hereunder caused by any Peril hereby Insured against, Insurers shall be liable for no greater proportion of such damage than the amount of the Sum Insured on such Property on the day of the commencement of the Period of Insurance bears to the sum representing ninety per cent (90%) of the cost which would have been incurred in reinstatement if the whole of the Property Insured hereunder on the day of commencement of the Period of Insurance had been damaged on that day, but not exceeding the Sum Insured expressed in the said Schedule;

PROVIDED THAT if the sum actually incurred or expended in rebuilding or replacing the Property damaged within the meaning of sub-paragraph (a) of the above-mentioned definition of reinstatement, exceeds the amount which would have been payable under the Policy if this Extension had not been incorporated therein, but is less than the cost of reinstatement as above defined, then the sum so actually incurred and expended shall for all purposes of this extension be deemed to be the cost of reinstatement of the property.

Provided further that the above Clause shall not apply if the amount of any loss does not exceed five per cent (5%) of the sum Insured on such Property.

15. SPECIFIED ITEMS

“Specified items” means those items described in the Schedule of Insurance attached hereto, as specified items.

16. INTERESTS OF OTHER PARTIES

If any person or entity shall have any interest in the property insured, the Insurer shall protect that interest in the event of a claim, provided that interest is disclosed in the business records of the Insured and the Insured shall have disclosed the nature and extent of that interest at the time of notification of the claim.

Where the separate interests of more than one co-insured in the property insured are insured under this policy, any act or neglect of one co-insured will not prejudice the rights of the remaining co-insured; provided that the co-insured shall, within a reasonable time after becoming aware of any act or neglect whereby the risk of damage has increased, give notice in writing to the Insured and shall on demand pay such reasonable additional premium as the Insurer may require.

17. LEASEHOLD

Where selected and specified on the Schedule attached to the policy document, Insurers will indemnify the Insured against loss of the unexpired value of the lease, and licence, arising by reason of the lessor’s neglect, refusal or inability to reinstate the premises occupied by the insured, following loss or damage to the insured premises by fire or any other peril insured by this policy occurring during the period of the insurance, specified on the Schedule attached hereto.

PROVIDED THAT:

- a) Due diligence will be observed by the insured to ensure that all licensing laws are complied with including the erection, if necessary, of a temporary bar or similar facility as it relates to the Insured business.
- b) The indemnity payable hereunder shall not exceed 80% of the unexpired value of the lease on the day of the occurrence of the loss or damage which amount shall become payable as soon as liability is established either by the neglect or refusal of the lessor to reinstate the premises or by the refusal of the licensing court to grant an extension to carry on business under the licence, whichever may first occur.

18. ASBESTOS CLEAN UP COST

We will only be liable for cleaning costs arising directly or indirectly out of or caused by, through, or in connection with any Asbestos cleanup. The maximum amount we will pay each and every loss is \$10,000

SECTION ONE –FIRE

(Including specified extraneous events as detailed hereunder)

Introduction

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule

If the Building or Stock or Contents as described in the Schedule or any part thereof, and which are at the Situation shown in the Schedule are lost, destroyed or damaged as a result of any of the Events referred to, then We will indemnify you for the value of the property at the time of the Event or pay You the costs of reinstating the damaged property, or We may, at Our option repair, reinstate or replace that property or any part of that property. (Subject to the provisions of the Average Condition)

We will not pay more than the amount shown against each item in the Schedule for Section One in respect of any one loss or series of losses arising out of the one event. The amount of each claim otherwise payable shall be excess of the amount of any Excess applicable.

1. THE EVENTS ARE

- 1) **Fire**, but excluding fire caused directly or indirectly by:
 - a) spontaneous fermentation or heating, of the property itself;
 - b) the property undergoing any process involving the application of heat;
 - c) earthquake, subterranean fire or volcanic eruption.
- 2) **Lightning**.
- 3) **Explosion**, but excluding destruction of or damage to boilers (other than boilers used for domestic purposes only) and/or economisers and/or vessels under pressure and their contents resulting from the explosion of the boilers, economisers or vessels.
- 4) **Storm and/or tempest and/or rainwater**, but excluding destruction or damage caused directly or indirectly:
 - (i) by water from or action of the sea, tidal wave, storm surge, high water or Flood, except that caused by or arising from tsunami;
 - (ii) by erosion, subsidence, landslide, collapse, settling or any other movement of earth;
 - (iii) to gates, fences, retaining walls, exterior textile awnings or blinds, shade cloth, shade sails, or shade house which exceed \$10,000 in respect of any one claim or where exterior textile awnings or blinds, shade cloth, shade sails, or shade house are greater than 10 years of age;
 - (iv) to other property in the open air unless it comprises or forms part of a permanent structure designed to function without protection of walls or roof(s);
 - (v) to Buildings (or their Contents) in the course of construction or reconstruction unless the Buildings are enclosed and under roofs with all outside doors and windows permanently in place;
 - (vi) by water entering the Buildings, unless it is through an opening made by the storm;
 - (vii) to growing crops, trees or any other plants;
 - (viii) as a result of structural defect, faulty design or faulty workmanship.
- 5) **Water** discharged or leaking from any pipe or water system installed in or on the Building and/or an adjoining Building and/or by water from a water main outside the Building, but excluding destruction or damage caused directly or indirectly as a result of structural defect, faulty design or faulty workmanship

6) Impact by:

- (i) vehicles designed primarily for use on land;
- (ii) animals, trees and aerals;
- (iii) aircraft and other aerial devices and/or articles dropped from them, sonic boom. but excluding destruction or damage caused directly or indirectly:
- (iv) by any animal kept at the premises.
- (v) by you or any person acting with your consent felling or lopping a tree.
- (vi) to growing crops, trees or any other plants.

7) Earthquake, subterranean fire, volcanic eruption or tsunami or fire resulting from any of these provided that, for destruction or damage occurring during any one period of 48 consecutive hours to property located within the one business site, We shall not be liable to pay the first \$20,000 or an amount being 1% of the Total Sum Insured under this Section One, whichever is the lesser. The Average/Underinsurance Special Condition will be applied to the claim before determining the amount for which We will not be liable. (Refer to 4.2 for further detail)

8) Riot, civil commotion and labour disturbances but excluding destruction or damage caused directly or indirectly by cessation of work whether total or partial or the delaying, interruption or cessation of any process or operation.

9) Vandalism or Malicious Damage, including damage directly resulting from persons gaining or attempting to gain unlawful entry to the premises. but excluding destruction or damage caused directly or indirectly:

- a) by Burglary of property;
- b) by guests or lodgers;
- c) to growing crops, trees or any other plants;
- d) to glass or signs.

10) Accidental Damage at the Situation caused by any sudden, unexpected or unforeseen occurrence not otherwise excluded in this Defined Event provided that Our Limit of Indemnity for Damage arising out of any one event will not exceed \$20,000

We will not pay the amount shown in the Schedule as the Excess for this Defined Event 10 – Accidental Damage.

Specific exclusions applicable to this Defined Event 10 – Accidental Damage

We will not pay for:

1. Damage that is insurable or covered under Defined Events 1 to 9 of this Section or under any other Section of the Policy whether effected or not, other than Accidental Damage under Section Five – General Property and/or Part A of Section Eleven – Computer/Electronic Equipment.

2. Damage caused by:

- (a) spontaneous combustion, fermentation, heating or any process involving the direct application of heat, deterioration and putrefaction of refrigerated goods;
- (b) action of The Sea, Storm Surge, high Water, Flood, seepage or percolation of Water or Water entering the Premises as a result of structural defects, faulty design or faulty workmanship;
- (c) hail, to motor vehicles, caravans, trailers, motorcycles, Watercraft or Hovercraft whilst in the open air;

- (d) impact, to motor vehicles, caravans, trailers, motorcycles, Watercraft or Hovercraft whilst being driven, towed or carried on any road or thoroughfare;
- (e) theft;
- (f) fraud or dishonest acts, embezzlement, forgery, erasure, counterfeiting and fraudulent misappropriation by electronic means or otherwise;
- (g)
 - (i) unexplained inventory shortages or disappearances,
 - (ii) shortage in the supply or delivery of materials to or from You,
 - (iii) loss induced by deception;
- (h) loading or unloading, delivery or dispatch;
- (i) demolition, other than demolition by or ordered by a public authority provided that such demolition or order for demolition work does not exceed \$250,000 or 20% of the total Sum Insured on Building and Contents whichever is the lesser. This clause does not override specific exclusion 3.b. applicable to this Section;
- (j) testing, intentional overloading or experiments;
- (k) any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Property Insured, provided this exclusion shall be limited to the item or items immediately affected and shall not extend to other property Damaged as a result of any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Property Insured;
- (l) scratching, biting and chewing by any animal or bird;
- (m) mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any machine or electrical or electronic device or temperature-controlling equipment;
- (n) live animals, birds or fish or any other living creature;
- (o) scratching or marring.

3. Damage caused to:

- (a) Property Insured which occurs at any location other than the Situation shown in the Schedule
- (b) motor vehicles, caravans, trailers, motorcycles, Watercraft, Hovercraft, Aircraft or aerial devices or the accessories to any of these other than motor vehicles, caravans, trailers, motorcycles or Watercraft which are Stock in Trade;
- (c) Property Insured during and as the result of its processing;
- (d) Property Insured during construction, erection, renovation or demolition or to their Contents or Stock in Trade;
- (e) gates, fences, landscaping, retaining walls
- (f) awnings, shades, blinds or signs;
- (g) glass or items of a brittle nature;
- (h) property in transit;
- (i) boilers or pressure vessels with a capacity of one cubic metre or greater caused by explosion or implosion of the boiler or pressure vessel;
- (j) Property Insured as a result of the malicious acts of Your tenant/s or lessee/s.

2. DEFINITIONS

For the purpose of this Section One:

“Buildings” means all Buildings, including lessor’s fixtures and fittings, outbuildings, structural improvements, fixed equipment and services, fencing, gates, paths and roadways pertaining to the Buildings but does not include property undergoing construction or erection or property comprising alterations or additions or repairs when the value of such work being undertaken exceeds 10% of the Sum Insured on Buildings or \$250,000, whichever is the lesser. Buildings do not include Glass unless the damage is caused as a direct result of fire damage to the Building.

“Stock” means all Stock in trade and/or merchandise, including trading Stock in course of production belonging to You or for which You are responsible or for which You have assumed responsibility to insure prior to the occurrence of any destruction or damage, also where applicable licence fees and sales tax which You may be required to bear.

“Contents” means all business furniture, machinery, plant and equipment, and includes antiques, curiosities and works of art (limited to \$2,000 to any one article, set or collection of curiosities or art, up to a maximum of \$10,000 for any one claim) belonging to You or for which you have assumed responsibility to insure prior to the occurrence of any destruction or damage.

Contents also include:

- i. the cost of repair or replacement of necessary patterns, models, moulds, dies and lasts, but limited, unless repaired or replaced, to the value standing in Your financial records;
- ii. improvements, alterations, decorations, fittings or additions to leased buildings which have been made by You and for which You are not entitled to be reimbursed by the lessor in the event of destruction or damage.

Contents does not include:

Stock, money, coin, bank notes, currency notes, cheques other than stationery, Australia Post money orders, credit card sales vouchers, postage and revenue stamps, other negotiable instruments, security documents, explosives, property of guests or lodgers. Motor vehicles, trailers, aircraft or watercraft, including any parts or accessories associated with, attached or connected to any of these. Contents does not include Glass unless the damage is caused as a direct result of fire damage to the contents.

“Flood” means the inundation of normally dry land by water escaping or released from the normal confines of any natural watercourse or lake, whether or not altered or modified, or any reservoir, channel, canal, dam or river, BUT DOES NOT MEAN inundation by water from fixed pipes, water systems or water mains or run-off surface water from surrounding areas, or overflowing of storm water drains or systems.

“Indemnity Costs” means the amount which We will pay is limited to the costs necessary to replace, repair or rebuild the damaged property to a condition substantially the same as not better or more extensive than its condition at the time that the damage occurred taking into consideration age, condition, the remaining useful life, deterioration, wear and tear which has taken place over time and if we are insuring Stock in Trade, whether the Stock is obsolete. We will choose whether We will make payment, replace the damaged property or carry out repairs.

3. ADDITIONAL BENEFITS

We will also indemnify You, where a claim is admitted under Section One for the following Additional Benefits necessarily and reasonably incurred and in addition to the Sum insured.

1. Claims Preparation Costs

Costs incurred by you in proving the loss and/or providing an inventory and/or asset list and/or their values. The maximum we will pay for any one event shall not exceed \$20,000.

2. Seasonal Variation

The Sum Insured shown in the Schedule for Stock is automatically increased by 50% or \$75,000 whichever is the lesser, during the following periods:

- (a) 21 days prior to and including Easter Tuesday and 7 days following Easter Tuesday;
- (b) from the 1 December to 15 January the following year (inclusive).
- (c) any long weekend which occurs as a result of the government gazetted Monday or Friday as a public holiday in the State where the premises are located.

Where Item (c) occurs during any of the periods under Items (a) or (b) only one such increase will apply.

3. Temporary Removal

This Section One, subject to its terms, definitions, conditions, exclusions and limitations, extends to cover the property insured whilst temporarily removed from any part of Your premises at the situation shown in the Schedule to any other part of Your premises or to any other premises within Australia and whilst in transit by road or rail between any of those places.

PROVIDED THAT:

- (a) We do not indemnify You under this Extension for:
 - (i) Stock, including goods on consignment;
 - (ii) the property of employees, guests or lodgers;
 - (iii) motor vehicles (other than forklift trucks and similar appliances used for hauling or conveying goods within the premises at which the Business is situated);
- (b) the total sum payable under this Extension shall not exceed 10% of the Sum Insured for which the property is insured and shall not exceed the amount that would have been payable had the destruction or damage occurred in that part of Your premises from where it was removed;
- (c) this Extension shall not apply to any property which has been removed for a period of excess of 90 days except with Our written consent;
- (d) this extension shall not cover destruction or damage resulting from water or impact while the property is in the open air or in transit.

4. Floor Space Ratio Index

Where the Reinstatement and Replacement Value Conditions and Extra Costs of Reinstatement Conditions are operative in this Section One, if the Building(s) is/are damaged by an Event to such a degree as to constitute total loss or constructive total loss and as a result of the exercise of statutory authority reinstatement of the Building(s) as before is prohibited and reinstatement cannot take place, We will indemnify You, on completion of the said limited reinstatement, provided the reinstatement is commenced with reasonable dispatch, in addition to any amount payable on reinstatement of the Building(s);

- (a) The difference between
 - (i) the actual cost of reinstatement incurred in accordance with the reduced Floor Space Ratio index; and
 - (ii) the estimated cost of reinstatement at the time of the damage which would have been incurred had a reduced Floor Space Ratio Index not been applicable; in arriving at the difference referred to above the actual and estimated costs shall not include the extra cost of reinstatement, including demolition or dismantling of the Building(s) necessarily incurred as a result of the exercise of statutory authority.
- (b) The amount incurred for fees, contributions or other imposts if made necessary by any statutory requirement where such fees, contributions or other imposts are incurred as a condition precedent to the obtaining of consent to reinstate the Building(s).

5. Stock in Bond or Free Stores

Where this Extension is selected on the Schedule as being operative, the insurance under this Section One in respect of Stock is extended to include Stock in any bond or free store within Australia.

PROVIDED THAT:

Our liability shall not exceed the limit shown in the Schedule under heading "Stock in bond or free stores".

6. Landscaping

Costs incurred by You to re-foliate the immediate surroundings of the subject risk where damage occurred due to a peril insured under this Section, but excluding roadways and paths.

PROVIDED THAT:

Our liability shall not exceed more than \$20,000

7. Exploratory Costs

Costs incurred by You to find the source of a leak when liquids have caused physical damage to Property.

PROVIDED THAT:

Our liability shall not exceed more than \$10,000

8. Cost of Clearing Drains

Cost of clearance of drains including expenses necessarily incurred in clearing and/or repairing drains, gutters, sewers and the like, at or in the vicinity of the Situation shown in the Schedule

PROVIDED THAT:

- (a) Our liability shall not exceed more than \$10,000
- (b) Our liability does not include the costs of removal, nullification or cleaning up of contaminant or pollutant substances, including asbestos.

9. Expediting Expenses

Costs and expenses for express carriage rates and extra payments for overtime, night, Sunday or Public Holiday working incurred in connection with the repair or reinstatement of the Property Insured.

PROVIDED THAT:

Our liability shall not exceed more than \$50,000

10. Loss of Land Value

If any requirement of any legal authority does not allow rebuilding or only partial rebuilding at the Situation shown in the Schedule, We will pay the difference between:

- (a) the land value after such rebuilding, or
- (b) the land value after it has been determined that rebuilding is not possible,

and the land value before the damage. Less, any sum paid by any authority by way of compensation.

PROVIDED THAT:

Our liability shall not exceed \$100,000.

11. Architects and other fees

Architects, surveyors and legal fees, all necessarily incurred in the repair or reinstatement of damage to your property following loss or damage for which a claim is admissible under this section but only to the extent that the sum insured on that item is not otherwise exhausted.

Any fee, contribution or other impost payable to any government, local government or other statutory authority, incurred by you as a condition precedent to the obtaining of consent to reinstate any property insured under this section.

We will not be liable for payment of any fine or penalty imposed on you by such authorities.

The maximum we will pay under this additional benefit is \$20,000.

12. Discharge of mortgage

Reasonable legal costs and fees payable by you to discharge any mortgage on buildings or contents that are considered by us to be a total loss.

We will pay:

- (i) for buildings or contents, up to the balance of the sum insured for the applicable item of property where such balance is not otherwise exhausted
- (ii) for buildings only and when the sum insured is exhausted, up to 10% of the sum insured for such buildings or \$25,000, whichever is the lesser.

We will also cover, in addition to the sum insured shown in the Schedule against the item (where appropriate):

13. Rewriting of records

The cost of rewriting &/or reproducing necessary written or printed documents, computer system records(including Hard Drives), business records, plans and designs limited to \$25,000.

14. Fire extinguishment costs

Fire extinguishment costs to a maximum of \$25,000 covering:

- (a) wages of your employees

- (b) the cost of replenishment of fire fighting appliances or damage to materials (including employees' clothing and personal effects) unless otherwise specifically insured
- (c) the costs you are liable for under any Fire Brigade Act or similar legislation, provided always that our liability in respect of these costs shall be limited to those necessarily and reasonably incurred in extinguishing fires at or adjoining the location of the property insured by this section or immediately threatening to involve such property.

15. Removal of debris, temporary repairs and temporary protection

The cost of removal, storage and disposal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs and temporary protection as a direct result of an insured event up to a maximum amount of \$50,000.

16. Liability to make Enquires

This Policy is extended to include costs and expenses incurred by you in respect of any legal liability to make enquiries consequent upon Damage during the Period of Insurance to Property Insured. The maximum we will pay for any one event shall not exceed \$20,000.

17. Directors, Partners' and Employees Personal Property.

The repair or replacement of Directors', Partners' and Employees' Personal Property which is damaged by a Defined Event, but only if such property was at the Situation at that time. The word jewellery, furs in the exclusions shall not apply to personal effects belonging to directors and employees of the insured. The basis of settlement is replacement value or if unable to replace the market value immediately preceding the claim.

Cover is limited to \$5,000 any one person but if any person is entitled to indemnity under any other Policy of insurance effected by him/her or by any person other than you, this cover will only apply in respect of any amount in excess of that provided by such other Policy.

18. New premises — temporary cover

We will temporarily extend cover provided by this section to property at any new situation first occupied by you during the period of insurance provided that:

- (a) this temporary cover period is limited to the lesser of;
 - (i) 30 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 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 Schedule
- (e) you must provide to us full details of the new premises within 30 days of the commencement of this temporary cover. If we agree to continue the cover you must pay any additional premium that we may require.

The maximum we will pay for this additional benefit is 20% of the highest sum insured shown on the Schedule for each item of property.

19. Capital Additions.

Where the building is undergoing structural alteration or addition, We will pay for any destruction of or damage to those alterations or additions occurring while they are being undertaken. The maximum we will pay for any one event \$250,000

20. Statutory or Public Authority Fees.

This policy is extended to include costs and expenses incurred by you in connection with legal liability to make enquiries and Statutory Enquiries following Damage to Property Insured. The term “Statutory Enquiries” shall mean any judicial, coronial or other form of inquiry or hearing established by or at the direction of any government, semi-government, local or planning authority as a direct result of Damage to Property insured. The maximum we will pay for any one event \$25,000

21. Temporary Protection

This Policy is extended to include costs and expenses incurred by you for the temporary protection and safety of property pending repair or replacement consequent upon damage or destruction during the Period of Insurance to Property Insured. The maximum we will pay for any one event shall not exceed \$10,000

BASIS OF SETTLEMENT

Buildings, Contents or other Property

1. Reinstatement and Replacement (including Extra Cost) Conditions

(i) Reinstatement and Replacement Value is the basis upon which the amount payable under Section One shall be the cost of Reinstatement of the damaged property at the time of its Reinstatement.

For the purpose of the insurance “Reinstatement” means:

- (a) where property is lost or destroyed, in the case of a Building, the rebuilding thereof or in the case of Contents, the Replacement thereof by similar property. In either case in a condition equal to, but not better or more extensive than its condition as new;
- (b) where the property is damaged, the restoration and the repair of the damaged portion to a condition substantially the same as, but not better or more extensive than its condition when new.

The work of rebuilding, replacing, repairing or restoring, as the case may be (which may be carried out on another site and in any manner suitable to Your requirements but subject to Our Liability not being increased as a result) must be commenced and carried out with reasonable dispatch, failing which We shall not be liable to make any payment beyond the amount which would have been payable under this Section One if this Extension had not applied.

(ii) Extra Cost Conditions

We will pay for the extra cost of reinstatement, including demolition or dismantling of Buildings, and/or Contents (other than the property of employees, guest or lodgers) necessarily incurred to enable compliance with any municipal or statutory requirement at the time of reinstatement. If the cost of reinstatement of the damage is less than 50% of what would have been the cost of reinstatement of the property insured had such property been wholly destroyed, the amount payable under this Extension shall be that relating to the reinstatement only of the portion of the property destroyed or damaged and shall not include any extra cost in relation to any portion of the property which has not been destroyed or damaged and, in any event, shall not exceed the amount which We would have been called upon to pay if that property had been wholly destroyed.

For the purpose of this extension, “Reinstatement” means:

- (a) where the Building and/or Contents are destroyed, their reinstatement by similar property by way of rebuilding or replacement in a condition equal to, but not better or more extensive than their condition when new;
- (b) where the Building and/or Contents are damaged, the restoration and the repair of the damaged portion to a condition substantially the same as, but not better or more extensive than its condition when new.

The work of reinstatement (which may be carried out wholly or partially upon another site if made necessary by any statutory requirements, but subject to Our liability not being increased as a result) must be carried out with reasonable dispatch, failing which we shall not be liable to make any payment beyond the amount which would have been payable under this Section One if this Extension had not applied;

The amount payable under this Extension shall not include any extra cost to comply with any municipal or statutory requirements imposed and with which You had been required to comply prior to the happening of the destruction or damage.

Stock

Where the Stock has been destroyed the amount payable will be assessed in accordance with the **Indemnity Costs**.

4. SPECIAL CONDITIONS APPLYING TO SECTION ONE

1) Hazardous Goods

Hazardous Goods may be stored if usual to the Business but only in such quantities and in such manner as permitted by law.

2) Average / Underinsurance

In the event of destruction or damage to the Buildings and/or Stock and/or Contents, if the respective amount shown against each item in the Schedule is less than 85% of the value of either Buildings or Stock or Contents at the time such loss, destruction or damage occurs We will only pay the proportion of such loss, destruction or damage that the respective sum(s) bear to 85% of those respective values but limited also to the amount shown against each item in the Schedule This clause shall not apply if the amount of any destruction or damage does not exceed 5% of the respective Sum Insured. Where the Reinstatement and Replacement Value (including Extra Cost) Conditions Extension of this Section One applies then, for the purpose of this Special Condition, the value of Buildings and/or Contents shall include the cost which would have been incurred in reinstatement or replacement if the whole of the property insured by those items had been destroyed.

3) Sprinkler and/or Fire Alarm Systems

If You have fire sprinkler system, fire alarm system (including smoke and Heat Detectors) installed at the situation shown in the Schedule, You must:

- (a) ensure they are regularly tested and maintained in accordance with the manufacturer's recommendations; and
- (b) ensure that they are made operational outside normal business hours.

We may refuse to pay or may reduce the amount of a claim if You do not comply with this Condition.

4) Excesses

The Excesses appearing in this Section One shall not be aggregated and the highest appropriate Excess shall be applied to all claims or series of claims arising out of the one Event.

5) Progress Payments

Progress Payments on account of any claims for which liability has been admitted by Us under this Section One may be made at such intervals and for such amounts as may be agreed upon production of a report by the Loss Adjuster as to the amount(s) of loss actually incurred by You as at the date of the report provided that such payment(s) shall be deducted from the amount finally determined upon adjustment of the claim.

6) Smoke / Heat Detection

It is a condition precedent to indemnity under this Schedule that Hotels, Bars, Taverns or Motels must have operational smoke or heat detection devices installed throughout the premises.

7) Cooking – Hotels, Bars, Taverns, Motels, Restaurants and Take Away Food Shops

It is a condition precedent to indemnity under this Schedule that no cooking of food shall be permitted unless the area specified is acceptable for cooking as required by local building ordinance or building regulations which would include but not be limited to having provision for venting, fire protection and hygiene.

8) Deep Fat Fryers

It is a condition precedent to indemnity under this Schedule that the following requirements be met:

- a) An automatic thermostat must be fitted to each pan, thermostats to disconnect each heating element from the power/gas supply;
- b) A fire blanket must be installed adjacent to the Fryer to be readily available for immediate use;
- c) A fully charged Fire Extinguisher must be installed adjacent to the Fryer to be readily available for immediate use;
- d) All thermostats, pans, fire blankets and extinguishers must be at all times maintained in good working order and must be serviced and maintained in accordance with current regulations.

9) Flue Cleaning

It is a condition precedent to indemnity under this Schedule that an independent contractor be employed to clean kitchen exhaust flues on a minimum twelve monthly contract basis. Filters to be cleaned fortnightly by the Insured or by an independent contractor.

10) Open Fires / Ashtrays

It is a condition precedent to indemnity under this Schedule that the contents of open fires and ashtrays will be removed from the premises at the end of trading and emptied into metal refuse containers.

SECTION 2- BUSINESS INTERRUPTION

Introduction

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule

1. THE COVER

If the Business carried on by You is interrupted or interfered with as a result of Damage occurring during the Period of Insurance, to:

1. Property insured under any of the following Sections of this Policy:
 - (a) Section 1 – Property; or
 - (b) Section 3 – Burglary &/or Theft; or
 - (c) Section 4 – Money; or
 - (d) Section 5 – Glass; or
2. Property insured under another insurance policy, and:
 - (a) the insurer has paid or admitted liability under its policy or would have paid or admitted liability but for the application of an Excess; and
 - (b) the Damage would have been covered under one of the Sections of this Policy shown in 1. above had You elected to take such cover; or
3. Property at the Situation, used by You but not owned by You,
 - (a) for which You are not legally responsible, and for which You have not assumed a liability to insure,
 - (b) and such Damage would have been insured under one of the Sections of this Policy shown in 1 above had the Property been owned by You; or
4. Property insured by You under Section 1, as a result of explosion or implosion of boilers (other than boilers used for domestic purposes only), economisers, or vessels under pressure, including their own explosion or implosion, We will, after taking into account any sum saved during the Indemnity Period in respect of such charges and expenses of the Business as may cease or be reduced in consequence of the interruption or interference, indemnify You in respect of:

Item 1. Gross Income

- (a) The amount by which the Gross Income during the Indemnity Period in consequence of the Damage falls short of the Standard Income; and
- (b) the additional expenditure necessarily and reasonably incurred by You for the sole purpose of avoiding or minimising the reduction in Gross Income during the Indemnity Period in consequence of the Damage, but not exceeding the reduction in Gross Income thereby avoided. If, during the Indemnity Period, services are rendered other than at the Situation, for the benefit of the Business, either by You or by others on Your behalf, the money received or receivable in respect of those services will be brought into account in arriving at the amount of the Gross Income during the Indemnity Period.

Item 2. Payroll

(a) Loss of Payroll

- (1) During the Initial Period:

The amount produced by applying the Rate of Payroll applied to the Shortage in Income, less any Payroll saved in consequence of the Damage.

- (2) During the Remaining Period:

The amount produced by applying the Rate of Payroll to the Shortage in Income, less any Payroll saved in consequence of the Damage, but not exceeding the amount produced by applying the insured percentage of the Rate of Payroll to the Shortage in Income, plus any Payroll saved in consequence of the Damage during the Initial Period.

- (3) Option to Consolidate

At Your option, the Initial Period may be increased to the period shown in the Schedule as the Consolidated Period. This means that the cover for the rest of the Remaining Period will be restricted to the amount of Payroll saved during the Consolidated Period.

(b) Additional Expenditure

The additional expenditure necessarily and reasonably incurred by You for the sole purpose of Minimizing the loss of Payroll during the Indemnity Period but not exceeding the loss of Payroll thereby avoided.

Item 3. Increased Cost of Working

The cost of further expenditure not otherwise payable under this Section, necessarily and reasonably incurred during the Indemnity Period in consequence of the Damage, for the sole purpose of avoiding or minimising a reduction in Gross Income or resuming or maintaining the normal operation of the Business.

Item 4. Reinstatement of Documents

The necessary and reasonable cost of legal, clerical and other charges actually incurred in reinstating Documents.

Item 5. Book Debts

- (a) The loss of Your book debts or book debts of a Client where You are responsible for them, which are, or become, irrecoverable as a result of Damage to books of accounts or other business records, calculated on the difference between:
- (1) the Outstanding Debit Balances; and
 - (2) the total of the amounts received or traced in respect thereof.
- (b) The additional expenditure, incurred with Our prior consent, in tracing and establishing Client debit balances after the date of the occurrence of the Damage.
- (c) The interest charges at the ruling rate of Your bank on any loan to offset impaired collections of such sums that become irrecoverable as a result of the Damage.

Item 6. Gross Rentals

- (a) The amount by which the Gross Rentals earned during the Indemnity Period fall short of the Standard Gross Rentals.

- (b) Any additional expenditure necessarily and reasonably incurred by You for the sole purpose of avoiding or minimising the reduction in Gross Rentals during the Indemnity Period, but not exceeding the reduction in Gross Rentals thereby avoided.

Item 7. Weekly Income

The percentage reduction in the Actual Average Weekly Income during the Indemnity Period, applied to the Weekly Income Sum Insured.

Under this item,

- (a) the Indemnity Period commences with the occurrence of the Damage that gives rise to the interruption or interference, and
- (b) no payments will be made once the weekly income exceeds ninety five per cent (95%) of the Actual Average Weekly Income, and
- (c) if the weekly income is less than ten per cent (10%) of the Actual Average Weekly Income, then the weekly income will be treated as being nil.

Item 8. Claim Preparation Costs

The reasonable cost of accountants' and other professionals' fees and other expenses, necessarily incurred by You in producing or certifying the bills, accounts or particulars required by Us, in respect of any claim made under this Section.

Limitation

Our total liability during any one Period of Insurance or for any claim arising out of the one event or series of events arising directly or indirectly from one source or original cause, in respect of each Item specified on the Schedule, will not exceed \$50,000.

2. DEFINITIONS

For the purpose of this Section Two:

Actual Average Weekly Income means the weekly average of the Gross Income for the twelve (12) months immediately before the commencement date of the occurrence of the Damage, after Adjustment.

Adjustment means adjustment as necessary to provide for the trend of the Business and variations in, or other circumstances affecting, the Business, either before or after the date of occurrence of the Damage, or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted represent, as nearly as may be reasonably practicable, the results that, but for the Damage, would have been obtained during the relative period after the Damage.

Annual Gross Rentals means the Gross Rentals earned during the twelve (12) months immediately before the date of the occurrence of the Damage, after Adjustment.

Annual Income means the Gross Income during the twelve (12) months immediately before the date of the occurrence of the Damage, after Adjustment.

Business means Your Business at the Situation and specified in the Schedule.

Client means the persons, partnerships or bodies whether incorporated or unincorporated, to whom You owe money or by whom money is owed to You, for services rendered in the course of the Business.

Gross Income means the total of:

1. the amount paid or payable to You for goods sold and services rendered; and
2. Gross Rentals; and
3. all other sources of income received in the course of the Business; and
4. the amount of closing stock and work in progress at the end of Your financial year;

less:

1. purchases of stock and consumables; and
2. the amount of opening stock and work in progress at the beginning of Your financial year; and
3. Uninsured Working Expenses.

Gross Rentals means the amount receivable by You in accordance with a lease or agreement existing at the time of Damage to the building.

Indemnity Period means the period beginning with the date of the occurrence of the Damage and ending not later than the last day of the period specified in the Schedule during which the results of the Business are affected as a consequence of the Damage.

Initial Period means the period shown in the Schedule which immediately follows the date of the Damage.

Output means the sale and/or invoice value of goods manufactured and/or processed by You in the course of the Business at the Situation.

Outstanding Debit Balances means the total of the outstanding debit balances of all Clients appearing in Your books of account as at the date of the occurrence or the event giving rise to a claim, adjusted for:

1. bad debts;
2. amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the occurrence of the Damage) to Your Clients' accounts in the period between the date to which the last entry relates and the date of occurrence of the Damage; and
3. any abnormal condition of trade that had, or could have had, a material effect on the Business, so that the figure thus adjusted represents as nearly as reasonably practicable, the debit balances that would have been recovered had the Damage not occurred.

Payroll means the remuneration (including but not limited to wages, salaries, payroll tax, fringe benefits tax, bonuses, holiday pay, sick pay, workers' compensation insurance premiums, accident compensation levies, superannuation and pension fund contributions and the like) paid to all of Your employees.

Property means the property at the Situation belonging to or used by You, or for which You are legally responsible or have assumed a responsibility to insure.

Rate of Payroll means the proportion that the Payroll bears to the Gross Income during the financial year immediately before the date of the occurrence of the Damage.

Remaining Period means the period, shown in the Schedule which immediately follows the Initial Period.

Shortage in Income means the amount by which the Gross Income during a period following Damage falls short of that part of the Standard Income that relates to that period in consequence of that Damage, after Adjustment. Any Income resulting from a salvage sale during the Indemnity Period will not be taken into account when calculating the Shortage in Income.

Standard Gross Rentals means the Gross Rentals earned during that period in the twelve (12) months immediately before the date of the occurrence of the Damage that corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds twelve (12) months), after Adjustment.

Standard Income means the Gross Income during that period in the twelve (12) months immediately before the date of the occurrence of the Damage that corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds twelve (12) months), after Adjustment.

Uninsured Working Expenses means the uninsured working expenses shown in the Schedule.

Weekly Income Sum Insured means the Sum Insured for each week, which You have selected and which is shown in the Schedule

3. ADDITIONAL BENEFITS

1. Return Premium Clause

In the event of the:

- (a) Gross Income earned; or
- (b) Payroll paid; or
- (c) Gross Rentals earned, in accordance with the indemnity afforded in respect of such Items, in the course of the Business during the accounting period of twelve months (or a proportionately increased multiple thereof where the Indemnity Period exceeds 12 months) most nearly concurrent with the Period of Insurance, being certified by Your accountant or auditor as being less than the respective Sum Insured, a pro rata return of premium not exceeding fifty per cent (50%) of the Premium paid for such Period of Insurance will be made in respect of the difference,

Provided that,

- (a) if a claim has been paid or became payable in the Period of Insurance, for which an adjustment is to be made under this clause, the amount of the claim will be included in the calculation of Gross Income or Gross Rentals earned or Payroll paid for such period.
- (b) no return premium will be allowed unless You lodge the accountant's or auditor's certificate with Us within twelve (12) months of expiry of the Period of Insurance for which the return of premium is claimed.

2. Departmental Clause

If the Business is conducted in departments, divisions or locations, the independent trading results of which are ascertainable, in the event of Damage giving rise to a claim under this Section, the provisions of this insurance will apply separately to each department, division or location affected by the Damage.

3. Gross Income/Output Option

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

4. Accumulated Stocks Clause

In adjusting any loss, account will be taken and equitable allowance made, if any Shortage in Income or reduction in the weekly income due to Damage is postponed by reason of the Gross Income or weekly income being temporarily maintained from accumulated stocks.

5. Reinstatement of Sum Insured

Following a claim under this Section (other than a claim for total loss), We will reinstate the Sum Insured from the date of loss, provided You pay or agree to pay any additional premium that may be required by Us.

6. Government Incentives

The pecuniary loss under Item 1 Gross Income and Item 2 Payroll of this Section includes the loss of any Government-approved incentives, subsidies or market development allowances to which You are entitled in relation to the Business resulting from interruption of or interference with Your Business in consequence of Damage giving rise to a claim.

7. Unspecified Suppliers' and/or Customers' Premises

Any loss to property for which a claim would have been payable under Section 1 of this Policy if such property had been insured under this Policy, resulting in interruption of or interference with the Business, as a consequence of Damage occurring within Australia to property:

- (a) at suppliers' and/or customers' premises; or
- (b) preventing movement of goods to, or from, a suppliers' or customers' premises, shall be deemed to be loss resulting from Damage to Property used by You at the Situation.

The most We will pay under this Additional Benefit, in respect of Item 1 Gross Income, Item 2 Payroll, or Item 7 Weekly Income, is twenty per cent (20%) of the Sum Insured for that item.

For the purposes of this Additional Benefit, premises does not include domestic premises.

8. Murder, Suicide or Disease

The occurrence of any of the circumstances set out in this Additional Benefit shall be deemed to be Damage to Property used by You at the Situation.

- (a) Murder or suicide occurring at the Situation.
- (b) Injury, illness or disease caused by the consumption of food or drink provided and consumed at the Situation.
- (c) The outbreak of a human infectious or contagious disease occurring within a 20 kilometre radius of the Situation.
- (d) Closure or evacuation of Your Business by order of a government, public or statutory authority consequent upon:
 - 1) the discovery of an organism likely to result in a human infectious or contagious disease at the Situation; or
 - 2) vermin or pests at the Situation; or
 - 3) defects in the drains or other sanitary arrangements at the Situation.

Cover under Additional Benefits 8(c) and 8(d)(1) does not apply in respect of Highly Pathogenic Avian Influenza in Humans or any other diseases declared to be quarantinable diseases under the Quarantine Act 1908 and subsequent amendments.

9. Prevention of Access, Public Utilities, Computer Installations, Commercial Complexes

Any loss to property for which a claim would have been payable under Section 1 of this policy if such property had been insured under this Policy, resulting in interruption of or interference with the Business as a consequence of Damage to:

- (a) property within twenty (20) kilometres of the situation, which prevents or hinders access to, or use of, the property; or
- (b) property, either at or away from the Situation, within Australia, belonging to or under the control of suppliers of electric power, gas, communications, water or sewerage reticulation control systems, from which You obtain services, subject to the limitation below; or

- (c) computer installations, including ancillary equipment and data processing media utilized by You anywhere in Australia; or
- (d) property in any commercial complex of which the Business forms a part or in which the Business is contained, which results in cessation or diminution of trade, including any cessation or diminution of trade due to temporary falling away of custom, shall be deemed to be loss resulting from Damage to Property used by You at the premises.

In relation to Additional Benefit 9(b), We will not be liable for the first two (2) usual trading days of any loss.

10. Fines and Damages

Following a claim under Item 1 Gross Income or Item 2 Payroll for which We have agreed to indemnify You, this insurance extends to include Your liability, incurred during the Indemnity Period, to pay cancellation charges, or fines or damages other than aggravated, punitive or exemplary damages:

- (a) for breach of contract resulting from non-completion or late completion of orders for Your goods or services; or in discharge of contract purchases of Your goods or services.
- (b) for breach of contract for the purchase by You of goods or services that cannot be utilized by You, during the Indemnity Period, less any value to You of such goods or services or the amount received from sale.

The most We will pay under this Additional Benefit is five per cent (5%) of the total Sum Insured for Gross Income and Payroll.

This Additional Benefit applies in addition to the Sum Insured shown in the Schedule.

11. Storage Sites

If the respective Sums Insured are not otherwise exhausted, any loss resulting from interruption of or interference with the Business, as a consequence of Damage to Your property sustained while it is stored or being processed at any premises in Australia not occupied by You, shall be deemed to be loss resulting from Damage to property used by You at the Situation. The most We will pay under this Additional Benefit, in respect of Item 1 Gross Income, Item 2 Payroll, or Item 7 Weekly Income, is twenty per cent (20%) of the Sum Insured for that item.

12. Transit

If the respective Sums Insured are not otherwise exhausted, any loss resulting from interruption of or interference with the Business as a consequence of Damage to Your property while it is in transit by road, rail, sea or air within Australia and outside of the Situation occupied by You, shall be deemed to be loss resulting from Damage to property used by You at the Situation.

The most We will pay under this Additional Benefit, in respect of Item 1 Gross Income, Item 2 Payroll, or Item 7 Weekly Income, is ten per cent (10%) of the Sum Insured for that item.

13. Explosion of Pressure Equipment

If the respective Sums Insured are not otherwise exhausted, any loss resulting from interruption of or interference with the Business as a consequence of Damage to Your property caused by Damage to Pressure Equipment by self-explosion or collapse, but excluding the item itself, shall be deemed to be loss resulting from Damage to property used by You at the Situation.

The most We will pay under this Additional Benefit, in respect of Item 1 Gross Income, Item 2 Payroll, or Item 7 Weekly Income, is twenty per cent (20%) of the Sum Insured for that item.

14. Documents

Any loss resulting from interruption of or interference with the Business as a consequence of Damage to Documents that belong to You or are held in trust by You, while they are in transit or at premises not occupied by You, shall be deemed to be loss resulting from Damage to property used by You at the Situation.

15. Motor Vehicles Owned or Operated by You

Any loss resulting from interruption of or interference with the Business as a consequence of Damage to any registered vehicles or trailers owned or operated by You, but not while such vehicles are on a public thoroughfare, shall be deemed to be loss resulting from Damage to property used by You at the Situation.

16. Severance Pay

This policy is extended to include cover for such further additional expenditure as you are obligated or have agreed to pay under industrial awards, determinations, decisions or agreements for severance pay and/or in lieu of notice to employees whose services are terminated during the Indemnity Period in consequence of the damage. The maximum we will pay for any one event is \$10,000.

Variations and Extensions

Cover only applies if shown in the Schedule

1 Specified Suppliers' Premises

This Section extends to include loss resulting from interruption of or interference with the Business as a consequence of Damage, for which insurance is provided under Cover clause 1 or 2, to property (including Your property while it is temporarily deposited at premises anywhere in Australia) at the premises of Your suppliers of materials or where work is done in connection with Your Business, and which is shown in the Schedule.

Our liability under this Extension shall not exceed the percentage of the Sum Insured shown against each supplier's premises in the Schedule.

We are not liable under this Extension for any loss resulting from Damage by earthquake, tsunami, subterranean fire or volcanic eruption, to property at any supplier's premises located in Japan, New Zealand or United States of America.

2 Specified Customers' Premises

This Section extends to include loss resulting from interruption of or interference with the Business as a consequence of Damage, for which insurance is provided under Cover clause 1 or 2, to property at the premises of Your customers shown in the Schedule

Our liability under this Extension shall not exceed the percentage of the Sum Insured shown against each customer's premises in the Schedule.

We are not liable under this Extension for any loss resulting from Damage by earthquake, tsunami, subterranean fire or volcanic eruption, to property at any customer's premises located in Japan, New Zealand or United States of America.

4. EXCLUSIONS

We will not be liable for any claim under this Section if:

1. the Damage occurs after the Business has been dissolved or wound up or is being carried on by a liquidator or receiver or has ceased to operate; or
2. Your interest in the Business ceases, other than by death; or
3. the interruption to or interference with the Business is due to underinsurance under any Section of this Policy, or any other policy of insurance.

Special Clauses

1. New Business

In the event of Damage occurring before the completion of the first year's trading of Your Business:

- (a) **Annual Gross Rentals** and **Annual Income** shall mean the proportional equivalent, for a period of twelve (12) months, of the actual Gross Rentals or income, realised;
- (b) **Rate of Payroll** shall mean the proportion that the Payroll bears to Gross Income;
- (c) **Standard Gross Rentals** and **Standard Income** shall mean the proportional equivalent, for a period equal to the Indemnity Period, of the actual Gross Rentals and actual Gross Income, realised;
- (d) **Actual Average Weekly Income** shall mean the average weekly income during the period between the date of the commencement of the Business and the date of the occurrence of the Damage.

2. Underinsurance/Average

Where at the date of the occurrence of the Damage the Sum Insured as shown in the Schedule for:

- (a) Gross Income is less than eighty per cent (80%) of the Annual Income (appropriately increased if the Indemnity Period exceeds twelve (12) months);
- (b) Payroll is less than the amount produced by applying the Payroll limits set out in the Schedule to eighty per cent (80%) of the amount produced by applying the Rate of Payroll to the Annual Income appropriately increased if the Indemnity Period exceeds twelve (12) months);
- (c) Book Debts is less than eighty per cent (80%) of the total amount of Outstanding Debit Balances;
- (d) Gross Rentals is less than eighty per cent (80%) of the Annual Gross Rentals (appropriately increased if the Indemnity Period exceeds twelve (12) months); then the amount payable for those Items will be proportionately reduced.

This clause shall not apply if the claim does not exceed ten per cent (10%) of the Sum Insured for the respective item.

3. Alternative Trading

If during the Indemnity Period, goods are sold, work is performed, and/or services are rendered other than at the Situation for the benefit of the Business, either by You or by others acting on Your behalf, the Income received and/or receivable for such sales, work or services will be brought into account in arriving at the Gross Income or the Weekly Income during the Indemnity Period.

5. CLAIMS PROCEDURE

Please refer to the Claims Procedure in the General Provisions of this Policy for details of Your obligations in the event of a claim.

SECTION 3 – BURGLARY &/OR THEFT

1. THE COVER

We will pay You in accordance with the Basis of Settlement for Damage to any of the Property Insured shown in the Schedule under this Section at the Situation that is caused by a Defined Event which occurs during the Period of Insurance.

2. DEFINITIONS

“**Building**” means the building or buildings at the Situation that are fully enclosed by walls and a roof.

“**Stock in Trade**” means the following items excluding tobacco, cigars and cigarettes:

- a. stock in trade and/or merchandise, including the value of work done, containers and packaging materials;
- b. customers’ goods and items held in trust or on commission for which You are liable.

Defined Events applicable to this Section

1. Theft following forcible and violent entry to the securely locked Building or any attempt at theft, but We will not pay for Damage if there is no visible evidence of the entry or attempt at entry.
2. Theft or any attempt at theft by a person feloniously concealed in the Building.
3. Theft from the Premises following assault or violence or threat of immediate assault or violence to You, Your employees or Your customers.
4. Theft following armed hold up occurring at the Premises.
5. Theft, fraud or dishonesty by Your employees provided that:
 - (i) the maximum amount payable under this Defined Event 5. will not exceed \$1,000 during any one Period of Insurance;
 - (ii) the loss is discovered within 21 days of its occurrence;
 - (iii) any cover given under this Defined Event 5. Will not accumulate with any cover that may be given under Policy Section Four – Money or Policy Section Six – Employee Dishonesty.

To this extent Specific exclusions applicable to this Section 2.c. is modified.

6. Theft of fixtures and fittings attached to or forming part of the Building. The maximum amount payable under this Defined Event 6. during any one Period of Insurance is \$2,000.

3. ADDITIONAL BENEFITS

Following a claim being admitted under this Section, We will pay for the reasonable and necessary costs that are incurred for the additional benefits listed below.

Our liability for these additional benefits will be:

- a. limited to the relevant amount shown in the Schedule or

- b. if no amount is shown in the Schedule the amount shown below, subject to the extent that the Sum Insured is not otherwise exhausted. The limitation regarding the Sum Insured being not otherwise exhausted does not apply to additional benefits 5., 6. and 7. applicable to this Section.

1. Damage to the Building at the Situation

Damage to the Building and/or its fixtures and fittings caused by forcible and violent entry to or exit from the Building, to a maximum of \$2,000 during any one Period of Insurance.

2. Temporary protection

Temporary protection of Property Insured pending repair or replacement following Damage by a Defined Event, to a maximum of \$5,000 for any one Period of Insurance.

Provided that any cover given under this additional benefit 2. Temporary protection shall not accumulate with any similar cover that may be given under additional benefit 4. of Policy Section Four – Money.

3. Rewriting or replacing records

Rewriting or replacing necessary written or printed documents, computer system records (including Hard Drives), Business records, plans or designs (including the cost of obtaining any information to be rewritten or recorded) to a maximum of \$5,000 for any one event, however We will not cover the cost of obtaining any information to be rewritten or recorded.

4. Directors', Partners' and Employees' Personal Property

To the extent the Directors', Partners' and Employees' Personal Property is not otherwise insured, to a maximum of \$2,000 for any one person and \$5,000 for any one event.

Provided that any cover given under this additional benefit 4. Directors', Partners' and Employees' Personal Property shall not accumulate with any similar cover that may be given under additional benefit 1. of Policy

5. Replacement keys and locks

For:

- a. replacing locks and/or keys and/or combinations and/or the cost of opening safes, where, if because of a Defined Event the keys and/or combinations are stolen, or if there are reasonable grounds to believe the keys may have been duplicated;
- b. replacing and developing security film where it is exposed because of a Defined Event;

up to a maximum of \$5,000 for any one Period of Insurance.

Provided that any cover given under this additional benefit 5. Replacement keys and locks shall not accumulate with any similar cover that may be given under additional benefit 2. of Policy Section Four – Money.

6. Seasonal increase

The Sum Insured shown in the Schedule for Stock is automatically increased by 50% or \$75,000 whichever is the lesser, during the following periods:

- a. 21 days prior to and including Easter Tuesday and 7 days following Easter Tuesday;
- b. from the 1 December to 15 January the following year (inclusive).

- c. any long weekend which occurs as a result of the government gazetted Monday or Friday as a public holiday in the State where the premises are located.

Where Item (c) occurs during any of the periods under Items (a) or (b) only one such increase will apply.

7. Temporary removal

Damage to Property Insured while temporarily removed from Your Building(s) to any other building(s) within the Territorial Limits.

Provided that:

- a. We will not cover the following property:
 - (i) Stock in Trade that is on consignment to other parties;
 - (ii) tobacco, cigarettes, cigars and alcoholic beverages,
 - (iii) motor vehicles or trailers, watercraft, caravans or motor cycles unless they are Stock in Trade of Your Business or forklift trucks and similar appliances that are normally used for hauling or lifting goods at Your Premises.
- b. The maximum amount We will pay for this additional benefit will be 20% of the Sum Insured under this Section.
- c. This additional benefit will not apply to Property Insured which has been removed for a period greater than 60 days.
- d. This additional benefit will not apply to any other Building(s) where the physical security and protection are of a lower standard than at the Situation.

8. New premises temporary protection

Temporary protection of Property Insured at any new situation that is used by You for Your Business for the first time during the Period of Insurance for a period of 30 consecutive days from the day that You first use the new premises.

Provided that:

- a. this temporary cover is not available for property that cannot be correctly designated to one of the items/categories of Property Insured that is shown in the Schedule as insured;
- b. this temporary cover is only available to property that is of a similar type to that insured by this Section;
- c. this temporary cover is limited to 10% of the highest Sum Insured shown in the Schedule for that item of property;
- d. this additional benefit will not apply to any other building(s) where the physical security and protection are of a lower standard than at the Situation; and
- e. cover will then cease unless, in the meantime, You provide Us full details of the new situation, We agree to provide cover, You and We agree on Sums Insured and You agree to pay any additional premium required;
- f. in no case shall the temporary cover provided under this additional benefit extend beyond the Period of Insurance.

9. Death following assault

Death within 12 months as a direct result of injury caused through You, Your directors, partners or any person employed by You protecting or attempting to protect Property Insured from theft at the Premises up to a maximum of \$10,000 during any one Period of Insurance payable to the estate of the deceased person.

Provided that any cover given under this additional benefit 9. Death following assault shall not accumulate with any similar cover that may be given under additional benefit 3. of Policy Section Four – Money.

10. Tenanted premises

The cost of repairing Damage to the Building where You are a tenant and for which You are legally liable to pay under the terms of Your lease, provided the Damage occurs as a result of theft or attempted theft of Property Insured up to a maximum of \$1,000 for any one event.

4. BASIS OF SETTLEMENT

The Basis of Settlement following the happening of a Defined Event to the Property Insured will be as follows:

- a. Contents and Stock in Trade (other than those specified below)
Reinstatement or Replacement or Indemnity specified below) as specified in the Schedule.
- b. Equipment, machinery or plant
Reinstatement or Replacement (including installation) unless otherwise specified in the Schedule
- c. Raw materials, supplies & other merchandise not manufactured by You
The replacement value at the time and the place of replacement or, if the Property Insured is not replaced, the value of it at the time and place of the Damage.
- d. Material in the process of manufacture
The replacement value of the raw materials and the value of labour and other overhead charges expended on them at the time and the place of the Damage.
- e. Finished goods
The replacement value of the raw materials and the value of labour and other overhead charges expended on them before any allowance for profit, or the cost of reproducing such goods, whichever is the lesser.
- f. Computer systems records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description
The cost of reinstating, replacing, reproducing or restoring them, including information contained in them or on them, but excluding the value to You of that information; or, if this is not required, the replacement cost of materials as blank stationery at the time and place of the Damage. Patterns, models, moulds, dies or casts
- g. Customers' goods
Indemnity
- h. Directors' Partners' and Employees' Personal Property
Reinstatement or Replacement

In the event of a claim any salvage of branded goods and/or merchandise, Yours or held by You in trust or on commission, and/or goods sold but not delivered, will not be disposed of by sale without Your consent. If the salvage is not disposed of by sale then the Damage will be assessed at the value agreed between You and Us after brands, labels or names have been removed by You or on Your behalf.

For the purpose of this Section Three – Theft, the terms Reinstatement or Replacement and Indemnity will apply as follows:

1. Reinstatement or Replacement

Where Your Schedule states that cover is for Reinstatement or Replacement, claims will be settled as follows:

Where Property Insured is stolen:

In the case of Property Insured other than that specifically described in 4.c. to 4.h. above, its replacement with similar property: in either case in a condition equal to, but not better or more extensive than, its condition when new.

Where Property Insured is Damaged in part only:

The repair of the Damage and the restoration of the Damaged portion of the Property Insured to a condition substantially the same as, but not better or more extensive than, its condition when new, and including demolition or destruction of sound property necessary for the purpose of Reinstatement or Replacement.

Provided that:

- i. where Property Insured consists of equipment, machinery or plant and We settle Your claim using an item or items with greater function, capacity or output and the new installed cost of such replacement property is greater than the replacement cost of the Damaged property, the amount payable is the lesser of:
 - a) the replacement cost; or
 - b) that proportion of the new installed cost of the replacement item or items which the output of the property damaged bears to the output of the replacement item or items.
- ii. when any Property Insured to which this clause applies is Damaged in part only, Our liability will not exceed the sum representing the cost which We could have been called upon to pay for reinstatement had the Property Insured been wholly destroyed.

2. Indemnity

- a. Where Your Schedule states that cover is for Indemnity and for property shown in the above table as 4.g., claims will be settled as follows:
- b. If the Property Insured is stolen or Damaged in part or totally destroyed, We will pay the cost necessary to reinstate, replace or repair the Property Insured to a condition substantially the same as but not better or more extensive than its condition at the time of the theft, taking into consideration age, condition, depreciation and remaining useful life.

3. No payment for reinstatement unless reinstatement occurs

Until You actually incur the cost of reinstatement, We will not pay any more than We would be required to pay under clause 2.b. Indemnity in the Basis of Settlement.

Excess

We will not pay the amount shown in the Schedule as the Excess for this Section.

SPECIFIC EXCLUSIONS applicable to this Section We will not pay for:

1. loss or Damage arising directly or indirectly out of or in any way connected with theft or any attempt at theft, to:
 - a. Money, business books, plans, or designs;
 - b. tobacco, cigarettes and cigars unless specifically stated in the Schedule
 - c. jewellery, furs, bullion, precious metals or precious stones for an amount in excess of \$2,000 for any one item or \$10,000 in total;
 - d. curios or works of art for an amount in excess of \$2,000 for any one item or \$10,000 in total;
 - e. live animals, birds or fish or any other living creature (other than Stock in Trade); or
 - f. plants, shrubs, landscaping or growing crops, pastures or standing timber; unless expressly stated in the Schedule

2. loss or Damage arising directly or indirectly out of or in any way connected with theft or any attempt at theft committed by:
 - a. any member of Your family;
 - b. any persons while lawfully on the Premises;
 - c. the collusion of or the fraudulent embezzlement by or the fraudulent misappropriation by You, Your directors, partners or any person employed by You, other than by an employee following visible forcible and violent entry;
3. loss or Damage arising directly or indirectly out of or in any way connected with fire;
4. loss or Damage to glass or the cost of replacing sign-writing, ornamentation, reflective materials and burglar alarm tapes and connections attached to the glass (other than Stock in Trade);
5. loss or Damage to motor vehicles, unless expressly stated in the Schedule;
6. loss or Damage to Property Insured in the open air or from any open-sided structure such as but not limited to verandas, yards, driveways or other open spaces whether they are partially or fully enclosed or not;
7. loss or Damage arising directly or indirectly out of or in any way connected with theft or any attempt at theft of Property Insured from a Safe, Strongroom or security enclosure opened by a key or by use of the details of a combination either of which has been left on Your Premises while closed for Business;
8. loss or Damage arising directly or indirectly out of or in any way connected with the dishonest manipulation of any database or computer system;
9. unexplained disappearances or unexplained shortages whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You.

SPECIFIC CONDITIONS applicable to this Section

If a burglar alarm system is installed in the Premises the following conditions apply:

1. The burglar alarm must be well maintained and in good working condition at all times.
2. The burglar alarm must be made operative whenever the Premises are left unoccupied.
3. If the burglar alarm system relies upon either electricity or communication services to operate in the correct manner, electricity and communication services must be connected to the burglar alarm and operational at all times unless the power supply has failed due to unforeseen circumstances beyond Your control.

If You do not comply with these conditions, We may cancel Your Policy or reduce or refuse to pay a claim.

SECTION 4 – MONEY

1. THE COVER

We will pay You in accordance with the Basis of Settlement for a Defined Event which occurs during the Period of Insurance to the Property Insured shown in the Schedule under this Section.

2. DEFINITIONS

“**Bank**” means a bank, building society, credit union or similar financial institution.

“**Building**” means the building or buildings at the Situation that are fully enclosed by walls and a roof.

“**Business Hours**” means the period You or persons authorised by You are at the Premises for the purpose of conducting the Business.

Defined Events applicable to this Section

The following Defined Events will apply to this Section where shown in the Schedule.

Loss and/or Damage to:

1. Money in transit, meaning:

- a) Money in transit to or from the Premises while in Your personal custody or the custody of persons that You have authorised;
- b) Money while contained in the night safe or automatic teller machine of any Bank at which You normally transact business provided that Our liability for Money in night safes or automatic teller machines will cease at Bank closing time on the next business day following deposit;
- c) Money drawn as wages and/or salaries and carried by You and/or persons authorised by You while on the Premises until paid out provided that:
 - i. Our liability in respect of Money not paid out on the day of withdrawal from the Bank will be limited to a maximum of 40% of the withdrawal;
 - ii. during non-Business Hours Money is kept in a securely locked Safe or Strongroom in the Building.

2. Money contained in the Building:

- a) during Business Hours;
- b) outside Business Hours;
- c) only while contained in a securely locked Safe or securely locked Strongroom.

3. Money in Your personal custody or the custody of persons that You have authorised while contained in Your/their private residences but Our liability will cease at Bank closing time on the next Bank business day or after 48 hours, whichever is the later, following the day on which the Money was taken into custody.

4. Safes, Strongrooms or cash-carrying bags caused by unauthorised persons attempting to gain entry to the Safe, Strongroom or cash carrying bag up to a maximum of \$5,000.

Basis of Settlement applicable to this Section

We will pay You the amount of Money lost or Damaged, less the Excess listed in the Schedule We will not pay more than the Sum Insured stated against each item in the Schedule In the case of loss of subscription, conversion or redemption privileges through the loss of any security, the value of such privileges will be their value immediately before their expiration, such valuation being in the currency in which the loss was sustained.

Losses sustained in currencies other than Australian dollars will 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 in this paragraph, then the value will be agreed between You and Us, or if We cannot agree, We and You will submit to arbitration and will be bound by the decision of the umpire. In the case of travellers' cheques, discount house vouchers or lottery tickets, the basis of valuation will be the original purchase price incurred by You.

In the case of Safes, Strongrooms or cash carrying bags, the Basis of Settlement will be:

- Where stolen or Damaged beyond repair: Replacement with similar property in a condition equal to, but not better or more extensive than, its condition when new.
- Where Damage can be repaired: The repair of the Damage and/or the restoration of the Damaged portion of the Safe, Strongroom or cash carrying bag to a condition substantially the same as, but not better or more extensive than, its condition when new.
- We will also pay for demolition or destruction of sound property necessary for the purpose of replacement or reinstatement and for Damage to the Building and/or fixtures and fittings as a result of theft or attempted theft of Money.

Excess

We will not pay the amount shown in the Schedule as the Excess for this Section.

3. ADDITIONAL BENEFITS

Following a claim being admitted under this Section, We will pay for the reasonable and necessary costs that are incurred for the additional benefits listed below.

Our liability for the following additional benefits will be limited to:

- a. the relevant amount shown in the Schedule or
- b. if no amount is shown in the Schedule, the amount shown below, subject to the extent that the cumulative Sums Insured for Defined Events 1. to 4. are not otherwise exhausted. The limitation regarding the Sum Insured being not otherwise exhausted does not apply to additional benefits 1,5. and 6. applicable to this Section.

Provided that any cover given under this additional benefit 1. Directors', Partners' and Employees' Personal Property shall not accumulate with any similar cover that may be given under additional benefit 4. of Policy Section Three – Theft.

1. Replacement keys and locks

Where a Sum Insured is shown in the Schedule against Defined Event 2.c. We will pay for:

- a. replacing locks and/or keys and/or combinations and/or the cost of opening Safes where, because of theft or attempted theft of Money the keys and/or combinations are stolen, or if there are reasonable grounds to believe the keys may have been duplicated;
- b. replacing and developing security film where it is exposed because of theft or attempted theft of Money; up to a maximum of \$5,000 for any one Period of Insurance.

Provided that any cover given under this additional benefit 1. Replacement keys and locks shall not accumulate with any similar cover that may be given under additional benefit 5. of Policy Section Three – Theft.

2. Death following assault

Death within 12 months as a direct result of injury to You, Your directors, partners or any person employed by You as a result of their protecting or attempting to protect Property Insured from theft at the Premises up to a maximum of \$10,000 during any one Period of Insurance payable to the estate of the deceased person.

Provided that any cover given under this additional benefit 2. Death following assault shall not accumulate with any similar cover that may be given under additional benefit 9. of Policy Section Three – Theft.

3. Temporary protection

Temporary protection of Property Insured pending repair or replacement following Damage by a Defined Event, to a maximum of \$5,000 for any one event.

Provided that any cover given under this additional benefit 3. Temporary protection shall not accumulate with any similar cover that may be given under additional benefit 2. of Policy Section Three – Theft

4. Theft by Your employees

Theft, fraud or dishonesty by Your employees provided that:

- (i) the maximum amount payable under this additional benefit 4. Theft by Your employees, will not exceed \$1,000 during any one Period of Insurance;
- (ii) the loss must be discovered within 21 days of its occurrence; and
- (iii) any cover given under this additional benefit 4. Will not accumulate with any cover that may be given under Policy Section Three – Theft or Policy Section Six – Employee Dishonesty.

5. Seasonal Money extension

Increase the Sum Insured for Defined Events 1., 2.a. and 2.c. by 50% during the following periods:

- a. from 60 days before Christmas Day to the twentieth day following, both days inclusive;
- b. from 30 days before Easter Sunday to the twentieth day following, both days inclusive;

unless stated otherwise in the Schedule.

Provided that the increased Sums Insured under this additional benefit 5. will not apply to the calculation of any amount payable under additional benefits 1. to 4. inclusive and 6.

6. Bank and public holiday extension

Increase the Sums Insured for Defined Events 1., 2.a. and 2.c. by the lesser of 100% or \$50,000 on days that are gazetted Bank or public holidays. This increase will apply until the closing time of the next Bank business day after such holiday.

Provided that the increased Sums Insured under this additional benefit 6. will not apply to the calculation of any amount payable under additional benefits 1. to 5. inclusive.

SPECIFIC EXCLUSIONS applicable to this Section

We will not pay for:

1. loss or Damage due to shortages arising directly or indirectly from or in any way connected with clerical or accounting errors or loss due to errors in receiving or paying out;
2. loss or Damage not discovered within seven (7) working days of the occurrence;

3. loss or Damage by or through the collusion of or the fraudulent embezzlement or the fraudulent misappropriation by You, Your directors, partners or any person employed by You, other than as provided in additional benefit 5. applicable to this Section;
4. loss of or Damage to Money carried by professional money carriers, collectors or professional carriers or common carriers;
5. loss from an unattended motor vehicle;
6. loss from a Safe or Strongroom opened by a key or by use of details of a combination either of which has been left on Your Premises while closed for Business;
7. loss or Damage arising directly or indirectly out of or in any way connected with the dishonest manipulation of any database or computer system;
8. loss of or Damage to Money while it is outside the Territorial Limits.

SPECIFIC CONDITIONS applicable to this Section

If a burglar alarm system is installed in the Premises the following conditions apply:

1. The burglar alarm must be well maintained and in good working condition at all times.
2. The burglar alarm must be made operative whenever the Premises are left unoccupied.
3. If the burglar alarm system relies upon either electricity or communication services to operate in the correct manner, electricity and communication services must be connected to the burglar alarm and operational at all times unless the power supply has failed due to unforeseen circumstances beyond Your control.

If You do not comply with these conditions, We may cancel Your Policy or reduce or refuse to pay a claim.

SECTION 5 – GLASS

1. THE COVER

We will pay You in accordance with the Basis of Settlement for Damage to any Glass at the Situation that is caused by a Defined Event occurring during the Period of Insurance.

2. DEFINITIONS

“**Breakage**” means a fracture extending through the entire thickness of the Glass, perspex or plastic or in the case of laminated Glass, the entire thickness of the laminate.

“**Broken**” has a corresponding meaning to “Breakage”.

“**External Glass**” means fixed glass, perspex and plastic material used in external windows, doors, skylights and showcases at the Premises.

“**Glass**” External Glass and Internal Glass, belonging to You or for which You are legally responsible or have assumed responsibility before the Damage.

“**Internal Glass**” means fixed glass, perspex and plastic material in internal partitions, doors, windows, counters, shelves and stock restraints, showcases, mirrors (including hanging mirrors) and ceramic vitreous china urinals, lavatory pans, cisterns and wash basins.

Defined Event applicable to this Section

Loss or Damage caused by accidental Breakage.

Basis of Settlement applicable to this Section

The Basis of Settlement will be:

1. on Glass (other than illuminated signs), the value of insured Glass being the purchase price of Glass of similar manufacture and quality, or the manufacture and quality that are necessary to comply with the requirements of any statutory authority, whichever is higher, including the cost of installation;
2. on illuminated signs, the cost of repairing or replacing them. Where they are not repaired or replaced, We will pay to You the value of them at the time and place of the Damage. We will not pay more than the Sum Insured shown against illuminated signs in the Schedule

Excess

We will not pay the amount shown in the Schedule as the Excess for this Section.

3. ADDITIONAL BENEFITS

Consequent upon a claim being admitted following the occurrence of a Defined Event, We will pay for the reasonable and necessary costs that are incurred for the following additional benefits:

1. Damage to window or door frames, tiled shop fronts and Stock in Trade;
2. Damage to illuminated signs including Perspex and plastic signs not otherwise insured;
3. the cost of temporary shuttering and security, signwriting, ornamentation, reflective materials and alarm tapes.

Our liability for these additional benefits will be limited to:

- (i) the amount shown in the Schedule, or
- (ii) if no amount is shown in the Schedule, up to a maximum of \$5,000 for any one event.

SPECIFIC EXCLUSIONS applicable to this Section

We will not pay for:

1. any disfiguration or Damage to Glass other than a fracture extending through its entire thickness, or in the case of laminated glass, through an entire laminate;
2. Breakage arising directly or indirectly from or in consequence of fire, artificial heat, subterranean fire or Flood;
3. cracked, chipped or imperfect Glass;
4. Glass when in transit or while being fitted into position or removed from its fitting;
5. Damage to Glass forming part of Your Stock in Trade;
6. Damage to Glass forming part of shade houses, fibreglass houses or glasshouses.

SECTION 6 - EMPLOYEE DISHONESTY

Introduction

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the General definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of this Policy and in the Schedule.

1. THE COVER

1. After You have:
 - (a) provided to Us the Claim Documents; and
 - (b) made available to Us for interview all persons nominated by Us who in Our opinion will be helpful to assist Us to investigate Your claim or a Loss;

We will indemnify You against Loss.

2. The amount of the indemnity will be determined in accordance with the clauses under the heading Settlement of Claims.

2. DEFINITIONS

In this Section:

Claim Documents means:

1. the documentation created in the preparation of, or evidencing, a claim; and
2. all records and documents that may assist Us to investigate:
 - (a) a claim; or
 - (b) a Loss; or
 - (c) Your right of recovery in consequence of a Loss;

including electronic records, computer records, video and audio recordings, working papers, internal memoranda, reports, accounting records and audit documents.

Employee means:

1. a person:
 - (a) employed by You under a contract of service; or
 - (b) assigned, by any agency whose business it is to furnish personnel, to perform Employee duties for You, in the ordinary course of Your Business, during the Period of Insurance, and whom You have the right to direct in the detail of that person's performance of work;
2. a former Employee during a period of not more than 30 days following the cessation of that person's service;
3. a Group of Employees, which means:
 - (a) two or more Employees acting in collusion;
 - (b) an Employee acting alone and also acting as a member of a Group of Employees;
 - (c) two or more Groups of Employees having an Employee in common,

but Employee does not include:

1. a person who is not directly paid remuneration by You other than as described in 1(b) above; or
2. a person who is one of Your directors or trustees, except when performing acts within the scope of the usual duties of an Employee; or
3. a person who is a member of any committee that examines or audits or has custody of or access to Your money, negotiable instruments or goods.

Limit of Indemnity means the Limit of Indemnity of Employee Dishonesty insurance shown in the Schedule for all Losses during the Period of Insurance.

Limit per Employee means the Limit per Employee for Employee Dishonesty insurance, shown in the Schedule in respect of any Loss or all Losses caused by an act or acts of the one Employee.

Loss means direct loss:

1. of:
 - (a) money;
 - (b) negotiable instruments; or
 - (c) goods;

which belong to You, or were in Your possession and for the loss of which You are liable;

2. occurring in the ordinary course of Your Business;
3. caused directly by an act of fraud or dishonesty:
 - (a) of an Employee; and
 - (b) committed within twelve (12) months before discovery by You of the act of fraud or dishonesty, and
4. discovered by You:
 - (a) during the Period of Insurance; or
 - (b) if this Section is not renewed or is cancelled, within twelve (12) months after the Period of Insurance or the date of cancellation for this Section of the Policy;

but in either case no later than twelve (12) months after the cessation of employment of the relevant Employee, and does not include cover for any indirect or consequential loss whatsoever.

3. ADDITIONAL BENEFITS

1. Claims Preparation Fees

If We are liable to indemnify You against a Loss and where the Limit per Employee and the Limit of Indemnity are not otherwise exhausted, the cover is extended to indemnify You against:

- (a) the fees payable by You to Your Auditors; and
- (b) all other costs, charges and expenses;

reasonably and necessarily incurred by You with Our consent in the preparation of a claim; but the most We will pay under this Additional Benefit is ten per cent (10%) of the Limit per Employee or \$20,000, whichever is the lesser.

2. Superannuation Funds

The Definition of You, Your, includes any superannuation or pension scheme formed by You and exclusively for the benefit of Employees, but does not include any scheme that is administered by a professional funds manager, but the most We will pay under this Additional Benefit is ten per cent (10%) of the Limit per Employee or \$20,000, whichever is the lesser.

3. Welfare, Social or Sporting Club

The Definition of You, Your, includes any welfare, social or sporting club formed with Your knowledge and consent exclusively for the benefit of Employees and their families, but the most We will pay under this Additional Benefit is ten per cent (10%) of the Limit per Employee or \$20,000, whichever is the lesser.

4. SETTLEMENT OF CLAIMS

1. Our total liability for all Losses and Claims Preparation Fees during the Period of Insurance shall not exceed the Limit of Indemnity shown on the Schedule.
2. Our liability for all Losses relating to acts of fraud or dishonesty committed by one Employee, or any Group of Employees, or any number of Groups of Employees that contain one common Employee, will not exceed the Limit per Employee shown on the Schedule.
3. Our liability will be reduced by the sum of all moneys to which an Employee who caused a Loss would have been entitled, but which are retained by You or which You are entitled to retain.
4. We will be liable only for that part of the Loss that exceeds the Excess shown on the Schedule or on any endorsement to this Section.

Exclusion

This Section does not cover Loss arising from an act committed by an Employee after You have knowledge of, or reasonable cause to suspect, the commission by the Employee of an act of fraud or dishonesty, unless if, then You first obtained the knowledge or reasonable cause for suspicion:

1. the money, negotiable instruments or goods that are the subject of the Loss were in the possession of the Employee; and
2. You immediately took all reasonable action to regain possession of the money, negotiable instruments or goods.

SPECIAL CONDITIONS

1. Notification of Loss

You must:

- (a) notify Us in writing within 21 days after discovery by You of Loss, or any act of fraud or dishonesty that may give rise to a Loss or after You first have reasonable cause for suspicion thereof; and
- (b) deliver to Us as soon as practicable, but no later than 3 months after the notice in (a), the Claim Documents and full details in writing of the Loss and of Your claim under this Section.

2. Observance of System of Audit, Supervision and Checks

You must observe the system of audit, supervision and checks which, in connection with this Section, You stated to Us that You observe.

3. Notification of Alteration of Risk

You must as soon as practicable notify us in writing of any change that will or might increase the risk, including:

- (a) a change in the nature of your Business;
- (b) Your non-observance of the system of audit, supervision and checks which, in connection with this Section, You stated to Us that You observe; so that We may either cancel the Section or agree to the variation of its terms and conditions.

4. Prevention of Further Loss After Discovery

You must, immediately when You discover Loss, take all reasonable steps to regain possession of the money, negotiable instruments or goods and take all reasonable steps to prevent further Loss occurring.

5. Unidentifiable Employees

Where a Loss is caused by an unidentifiable Employee, cover is subject to You proving that the Loss was caused by fraud or dishonesty of an Employee and any cost incurred in proving this will be at Your expense and will not be payable under Additional Benefit Claims Preparation Fees.

6. Our Rights of Conduct and Recovery

- (a) We will, upon Your notice to Us of a Loss, have the right to recover the Loss and We will have full discretion in the recovery of the Loss;
- (b) You must not in any way prejudice Our right or ability to recover a Loss;
- (c) You must co-operate with Us fully in the recovery of a Loss.

SECTION 7 - MACHINERY/BOILER AND PRESSURE VESSEL COMPUTER ELECTRONIC EQUIPMENT INSURANCE AND DETERIORATION OF STOCK

Introduction

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule

1. THE COVER

The Insurers agree that if there shall occur to the Insured items described in the Schedule attached hereto, for this Section any sudden and unforeseen physical loss or damage from any cause not hereinafter excluded which necessitates repair or replacement to allow continuation of use, the Insurers will provide insurance of each occurrence up to but not exceeding the Sum(s) Insured detailed in the Schedule.

The Insurance applies at the situation and during the Period of Insurance but only after completion of the successful initial commissioning.

2. SUM INSURED

The Sum Insured for each and every insured item must not be less than the New Replacement cost, at the commencement of the current period of insurance, which shall mean the cost of replacement of the insured item by a new item of the same kind of capacity, as approved by the Insurers, including packing, freight, government charges and installation costs.

3. BASIS OF SETTLEMENT OF CLAIMS

a) Repairable Damage

Where damage to any insured item can be repaired the Insurers will be liable under this Section, pay all expenses necessarily incurred to restore the damaged item described in the Schedule in its former state of serviceability, including the cost of Dismantling and Re-erection incurred for the purpose of effective repairs, as well as Freight Charges, Penalty Rates, Government Charges, Cost of Hire (but not exceeding \$2000.00 any one loss and in the aggregate) of a temporary replacement of computers, electronic equipment (as specified in the Schedule) and/or electric motor(s) and the Replacement of Refrigerant lost from insured items as a direct result for which liability is accepted by the Insurers under this Section, subject to depreciation in the Schedule attaching and forming part of this Policy of Insurance. If the repairs are executed at a workshop owned by the Insured, the Insurers will pay the cost of materials and wages incurred for the purpose of the repairs. If the cost of the repairs equals or exceeds the ACTUAL value of the Insured item immediately before the occurrence of the damage, the settlement shall be made on the basis of a TOTAL LOSS, but this shall be limited to indemnity only and depreciation will apply.

b) Total Loss

Where an Insured item described in the Schedule is total lost or destroyed the Insurers will at their own option either:-

- i) supply and equivalent replacement item similar in type, capacity and condition to the Insured item immediately prior to the occurrence of the loss and pay any costs for ordinary freight and erection;

OR

- ii) pay the actual value of the Insured item immediately before the occurrence of the loss, plus the costs for ordinary freight, erection and government charges if any. Such actual value to be calculated by deducting proper depreciation from the new replacement cost of any item.

The Insurers will also pay any normal charges for the removal of the Insured items destroyed, less the value of any salvage, providing that the total liability of the Insurers shall not exceed the sum Insured.

c) The Insurers shall not pay the cost of any:-

- i) alterations, additions, improvements, overhauls, adjustments, cleaning, maintenance, service, replacement of undamaged components;
- ii) provisional repairs or remedial actions unless such repairs or actions constitute part of the final repairs and do not increase the total repair costs;
- iii) extra charges incurred for the charter of aircraft or for air freight from overseas unless specifically agreed by endorsement

d) Excess

The amount specified in the Policy Schedule

e) Depreciation Rates

The following rates of depreciation will apply to losses under this section to all insured plant and equipment, in addition to the excess specified in the Schedule attached hereto.

Age of equipment: 0-3 years nil %, in excess of 3 years, 5% per annum to a maximum deduction of 50%.

4. DETERIORATION OF STOCK

This additional cover is available only if specified in the Schedule attached hereto, and is subject to the specified excess. The Insurers will indemnify the Insured against loss or damage to the refrigerated goods in the cold storage spaces cooled by the Plant specified in the Schedule due to deterioration or putrefaction caused by:

- a) A change in temperature due solely to:
 - i) Insured Damage to the Plant;
 - ii) operation or failure of thermostats, pressure controls or limiting devices but shall not include loss due the manual operation or setting of switches.
 - iii) the accidental failure of public supply services
 - iv) the sudden leakage of refrigerant from the Plant or Pressure Pipe System forming part of the Plant specified in the Schedule
- b) Contamination of the goods resulting only from leakage of refrigerant from the plant;

Provided that the liability of the Insurers under this extension for all claims arising out of any one occurrence shall not exceed the Limit of Indemnity specified in the Schedule attached hereto less the Excess.

The Insurers may, at their own option, replace the refrigerated goods.

c) Exceptions

This additional cover excludes:

- i) Consequential loss, damage or liability due to or arising from the deterioration or putrefaction of the goods;
- ii) Loss of or damage to goods due to the failure of public services as a result of any deliberate act by the supply authority not performed for the sole purpose of safeguarding life or protecting any part of the public supply system;
- iii) Loss or damage to goods due to any scheme or rationing not necessitated solely by accidental damage to the public supply's undertakings generating or supply equipment;

- iv) Loss of or damage to goods due to or resulting from disease or improper storage, damage to packing material, inadequate air circulation or non-uniformity of Temperature.

5. EXCLUSIONS

THE UNDERWRITER SHALL NOT BE LIABLE UNDER THIS SECTION FOR:

- a) cost or loss or damage unless necessary as part of the rectification of loss or damage indemnifiable under the section of the following items of equipment:-
 - i) belts, ropes, wires, chains, links, slings, grabs, tyres, tracks;
 - ii) shear pins, rupture plates or other load limiting devices;
 - iii) electric heating elements, filaments, fuses, brushes, electrical contacts, valves, globes, tubes.
 - iv) cutting tools, knives, blades, edges, dies, keys, templates, moulds, patterns;
 - v) breaking or grinding or pulverising surfaces, engraved cylinders;
 - vi) glass porcelain, ceramics, refractories;
 - vii) seals, glands, gaskets, jointings, packings, fabrics, leathers, felts, sieves, filters, screens;
 - viii) lubricants, fuels, catalyses, insulating oils, heat exchanging liquids;
 - ix) recharging of refrigerant gas/liquid when occasioned by normal usage or by leakage from glands, seals, gaskets or joints;
 - x) foundations and masonry;
- b) cost or loss or damage due to:-
 - i) wear and tear due to the normal operation of the machine;
 - ii) gradual leakages, defects, cracks, fractures, deterioration including erosion, rust, corrosion, boiler scales, oxidisation, or metal fatigue;
 - iii) scratching or discolouration of painted or polished surfaces;
 - iv) imposition of abnormal condition or stresses directly or indirectly related to testing, intentional overloading, or experimentation, except where specifically agreed by the Insurers and endorsed on the Schedule;
 - v) defects or faults known or which ought reasonably to have been known to the Insured or his responsible employees at the time of arrangement of this insurance and not disclosed to the Insurers;
 - vi) fire, smoke, soot, extinguishing of fire or subsequent demolition or collapse;
 - vii) storm, direct lightning, tempest, windstorm, hurricane, cyclone or water;
 - viii) earthquake, subterranean fire, volcanic eruption, landslip, avalanche, subsidence or flood;
 - ix) impact of land borne vehicles, waterborne craft, aircraft or other aerial devices, or articles dropped therefrom;
 - x) riot, strike, malicious damage, lockout, civil commotion, persons taking part in labour disturbances or malicious persons acting on behalf or in connection with any political organisation;
- c) additional costs due to:-
 - i) delay, detention, penalties, or consequential loss of any kind or description whatsoever unless specifically endorsed on to this Section.

SECTION 8 - GENERAL PROPERTY

Introduction

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule

1. INTEREST INSURED:

As per Policy Schedule.

LIMIT OF LIABILITY:

As more specifically defined in the Schedule and in the Basis of Valuation Clause here in defined but in no case shall the Indemnity under this policy exceed in the aggregate the sum insured in the Schedule.

GEOGRAPHIC SCOPE OF COVER:

As per Policy Schedule.

2. CONDITIONS OF COVER:

This insurance will indemnify the insured in respect of accidental direct physical loss or damage to the property described herein, subject to the exclusions here in defined.

Warranted that any vehicle or place of storage is at all times securely locked when not in use and/or not attended.

Insurers will also pay for the cost of hiring similar equipment pending replacement of the lost or damaged equipment for a period of up to one (1) month from the date of such loss or damage, provided that the total payment for such hire shall not exceed twenty (20) percent of the Sum Insured on the lost or damaged equipment.

3. EXCLUSIONS:

In no case will this Insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:-

1. Flood, whether naturally or artificially caused, being the inundation of normally dry land by water escaping or released from the normal confines of any natural watercourse or lake (whether or not altered or modified) or any reservoir, canal, or dam, or by rainwater run off over the surface of the land, unless caused by blocking failure or inadequacy of any storm water drain or street gutter.
2. The sea, tidal wave or high water, or by the Insured interest being damaged by water resulting from being exposed to the open air.
3. Theft or misappropriation by hirers and/or their employees.
4.
 - a) Loss or damage by theft from an unoccupied premise or vehicle, unless directly resulting from violent or forcible entry to such premise or vehicle, except when the said premises are the Venue of Performance, Rehearsal or Recording, when theft cover without violent or forcible entry shall be granted, provided that all reasonable and practical steps to prevent theft have been taken.
 - b) Loss or damage from an unoccupied vehicle where the property has been left unattended in a vehicle overnight.
5. Loss or damage arising from wear and tear, gradual deterioration, moth, vermin, woodworm, or from any process of cleaning, repairing, dyeing or restoring any article.

6. Loss or damage arising from electronic & mechanical derangement, unless such derangement is caused by any external means (not otherwise excluded under this insurance), or the apparatus is damaged at one and the same time.
7. Breakage of valves and or transistors in electronic equipment, unless such breakage is caused by any external means (not otherwise excluded under this insurance), or the apparatus is damaged at one and the same time.
8. Delay, loss of market, indirect or consequential loss of any kind.
9. Climatic and or atmospheric conditions and/or extremes of temperature. Actual or threatened war, invasion of foreign enemies, hostilities (whether war declared or not), civil war, rebellion, revolution, insurrection, military usurped power, confiscation, nationalization, requisition, or destruction of or damage to the property by or under the order of any government or public or local authority.
10. Strikes, riots, civil commotion, civil disturbances assuming the proportions of or amounting to a popular uprising, martial law or the act of any lawfully constituted authority,
11. Seizure or destruction under quarantine or Customs regulations, confiscation, nationalization or requisition, or destruction of or damage to property by or under the order of any government, public or local authority, or handling of contraband trade or transportation.
12. Unexplained or inventory shortage or disappearance resulting from clerical or account errors or any other mysterious and unexplained causes.
13. Faulty materials within the insured item or faulty workmanship performed on the insured item.
14. Fraudulent or dishonest acts, fraudulent misappropriation, embezzlement and or forgery by or on behalf of the insured.
15. The Insured's interests in any premises having become unoccupied and remaining unoccupied for a continuous period of thirty (30) days.
16. INSTITUTE RADIOACTIVITY CONTAMINATION CLAUSE: This clause shall be paramount and shall override anything contained in the Insurance consistent therewith. In no case shall this Insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:-
 - Ionizing radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion's of nuclear fuel.
 - The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
 - Any weapons of war employing atomic or nuclear fission and or fusion or other like reaction or radioactive force or matter.
17. ELECTRONIC DATE RECOGNITION CLAUSE: This Policy excludes loss or damage caused by, resulting from, contributed to or made worse by the failure of any owned or non-owned:-
 - Computer system, computer equipment, hardware, program or software: or Micro-chip, integrated circuit or similar device in computer equipment or non-computer equipment: to correctly recognize any date as its true or correct date. Losses which ensue from such failure are only insured against if they are caused by or result from fire, lighting, explosion, aircraft or vehicular impact, falling objects, windstorm, hail, tornado, hurricane, cyclone, riot, strikes, civil commotion, vandalism, malicious mischief, theft or freezing of plumbing or sprinkler systems.

The endorsement also excludes costs or expenses you incur to repair or modify any:
 Computer system, computer equipment, hardware, program or software: or Computer equipment or non-computer equipment containing a micro-chip, integrated circuit or similar device; in order to correct deficiencies or failures of logic or operation.



4. BASIS OF VALUATION:

- a) The "Value" on which settlement will be based shall be the cost of replacing the Lost or Damaged item with a new one of equal standard up to the limit provided in the Schedule. (Subject to all other Policy Conditions herein.)
- b) In the event of partial loss or damage to any item insured the amount of loss shall be the cost and expense of restoration plus any resulting depreciation in value but not exceeding the Value of that item. (Subject to all other Policy Conditions herein.)
- c) In the event of loss of or damage to any insured property which has a special or increased value by virtue of forming part of a pair or set, any indemnity under this insurance shall not take account of any such special or increased value but shall only be a proportional part of the value of the pair or set.
- d) Following the payment of the full amount insured for any item, pair or set, the Insurers will become the full owners, and reserve the right to take possession of the item, pair or set.

SECTION 9 - PUBLIC AND PRODUCTS LIABILITY

Introduction

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule

1. INDEMNITY CLAUSE

The Companies will pay to or on behalf of the Insured up to the applicable Limit of Liability and above the Excess specified in the Schedule all sums which the Insured shall incur a civil liability to pay by way of Compensatory Damages in respect of Personal Injury or Property Damage happening during the Period of Insurance, where such Personal Injury or Property Damage is alleged to have been caused by an Occurrence during the Period of Insurance in connection with the Insured's Business.

We will indemnify You against claims for Compensation in respect of Injury or Damage happening during the Period Of Insurance and caused by an event in connection with Your Business. Our liability in respect of any one Occurrence will not exceed the Sum Insured. Where such an event has been caused, the Insurer will honour the claim only if it has first taken place after the Retroactive Date.

SUPPLEMENTARY PAYMENTS CLAUSE

In addition, with respect only to liability falling within the indemnity provided by the INDEMNITY CLAUSE, the Companies will also make Supplementary Payments as provided by this SUPPLEMENTARY PAYMENTS CLAUSE. Should the Insured's established or agreed liability for Compensatory Damages exceed the applicable Limit of Liability stated in the Schedule, the Companies will only pay that percentage of Supplementary Payments which that Limit of Liability bears to the amount of liability for Compensatory Damages.

Under no circumstances will the total of Supplementary Payments exceed an amount equal to 50% of the applicable Limit of Liability.

LIMITS OF LIABILITY CLAUSE

The limits of the Companies' liability directly or indirectly arising out of or in connection with any one Occurrence shall not exceed the Limit of Liability stated in the Schedule. All Occurrences directly or indirectly arising out of or in connection with one source or original cause shall be treated as one Occurrence, for all purposes relating to this Policy.

The limit of the Companies' total aggregate liability during the Period of Insurance for all claims arising directly or indirectly out of or in connection with Occurrences involving the Insured's Products shall not exceed the designated Sub-Limit of Liability stated in the Schedule.

The Companies' total aggregate liability under this Policy in connection with all Occurrences involving Pollution, shall not exceed the designated Sub-Limit of Liability stated in the Schedule.

The Limit of Indemnity is the amount stated in the Schedule. This is the maximum amount the Insurer will pay in respect of any one Occurrence provided that, for all legal liability directly or indirectly arising out of Your Products, the Insurer's total aggregate liability during any one Period Of Insurance will not exceed the Limit of Indemnity.

You must pay the amount shown in the Schedule as the Excess in respect of each claim.

2. DEFINITIONS

For all purposes of this Policy:

1. "**Commencement Date**" means the date specified in the Schedule as the first calendar day of the Period of Insurance; "Expiry Date" means the last calendar day of the Period of Insurance.
2. "**Compensatory Damages**" means civil damages, other than punitive, exemplary or aggravated damages, fines or penalties, which an Insured may become liable to pay or may with the Companies' consent agree to pay, to a

claimant in respect of Personal Injury or Property Damage, and includes all charges, expenses and legal costs of the claimant for which the Insured may also become liable or may so agree to pay.

3. **"Employee"** means any person employed under a contract of service, by any of the entities referred to in DEFINITIONS clause 18(a) below, and includes persons deemed by Common Law, or by the operation of any Statute, ordinance or regulation, to have been so employed.
4. **"Excess"** means the amount specified in the Schedule which is the portion of Compensatory Damages which must be borne by the Insured itself in connection with any claim and above which this Policy applies, up to the Limit of Liability.
5. **"Insured's Business"** means all the activities referred to as such in the Schedule
6. **"Insured's Products"** means anything, after it has ceased to be in the Insured's possession or under the Insured's control, which is manufactured, constructed, erected, installed, repaired, serviced, treated, sold, supplied or distributed by the Insured (including any container other than a vehicle).
7. **"Limit of Liability"** and "Sub-Limit of Liability" mean the amounts specified as such in the Schedule, where applicable.
8. **"Medical Persons"** means:
 - (a) registered nurses and first aid attendants, legally qualified as such in Australia; and
 - (b) medical practitioners and dentists, not in the employ of the Insured, who are legally qualified as such in Australia.
9. **"Occurrence"** means an event during the Period of Insurance, including continuous or repeated exposure to the same or similar conditions during that Period, which causes Personal Injury or Property Damage neither expected nor intended from the Insured's standpoint.
10. **"Period of Insurance"** means the period during which the cover provided by this Policy is in force, beginning at 4.00 pm on the Commencement Date and concluding at 4.00 pm on the Expiry Date.
11. **"Personal Injury"** means:
 - (a) bodily Injury, sickness, disease or disability, including resultant death;
 - (b) false arrest or false imprisonment, wrongful detention or wrongful eviction, malicious prosecution or humiliation;
 - (c) malicious falsehood, defamation or breach of the right to privacy; or
 - (d) trespass to the person, assault or battery, not committed by or at the Insured's direction unless for the purpose of preventing or eliminating imminent or present danger to persons or property; happening during the Period of Insurance
12. **"Policy"** means the contract of insurance between the Named Insured and the Companies, as embodied in the Proposal, the Schedule, this policy text and all Endorsements and Memoranda attached to and agreed to form part of it, but does not include any Statutory Notices required to be provided in connection with it or any legislative provisions to which its operation may be subject.
13. **"Pollution"** means the discharge, dispersal, release or escape of smoke, vapour, soot, fumes, acids, alkalis, toxic chemicals, liquids, gases, waste materials or any other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water.
14. **"Property Damage"** means physical damage to or destruction of tangible property happening during the Period of Insurance, including the resultant loss of use of that damaged or destroyed property.
15. **"Retro-Active Date"** means the date specified as such in the Schedule or the Commencement Date of this Policy, whichever is the earlier. If no Retro-Active Date is specified or the words "nil", "not applicable" or words of similar effect appear, the Retro-Active Date is the Commencement Date.
16. **"Supplementary Payments"** means all charges, expenses and legal costs, incurred by the Companies or by the Insured with the written consent of the Companies, in connection with the investigation, defence or settlement of claims.
17. **"The Companies"** means the entities referred to as such in the Schedule.

18. "The Insured" includes:

- (a) the Named Insured stated in the Schedule together with all Related Entities as defined in the *Corporations Act 2001 (Cth)*;
- (b) any Director, Officer or employee of any entity described in clause 18(a) above, or their personal representative, but only while acting within the scope of their duties in that capacity;
- (c) any Principal of the Named Insured or a Related Entity, but only in respect of liabilities arising out of the performance by the Insured or Related Entity of work for such Principal, and then only to the extent required by the relevant contract.

19. "Vehicle" means any form of mobile, mechanically-powered conveyance which may be used for the transportation of goods or persons by land, sea, air or under the ground. It includes all such machines which are intended wholly or partially for recreational purposes, but does not include any plant or equipment while it is being used as such and is neither being used for haulage nor is in transit to or from any work site.

3. EXCLUSIONS

This insurance does not apply to:

1. Any liability which an Insured may incur, whether under the provisions of any Worker's Compensation legislation, industrial award, agreement or determination or otherwise, toward any Employee of that Insured for Personal Injury suffered by that Employee.
2. Liability for Property Damage to:
 - (a) property owned, leased or hired by the Insured, except for leased premises where the damage is caused by fire, explosion, water leakage or Vehicle impact;
 - (b) property in the Insured's physical or legal control, except for property of the Insured's Employees, or Vehicles which are not used by or on the Insured's behalf but which are damaged whilst in the Insured's car park, provided that the Insured's Business does not include ownership or operation of a car park for reward.
3. Liability for Property Damage to the Insured's Products, if such damage is attributable to any defect or deficiency in those Products or their harmful nature or unsuitability.
4. Any liability arising out of or in connection with the performance of the Insured's obligations under any contract, including an agreement to indemnify any other person or organisation against a loss or liability, or for damages for the Insured's failure to perform such an obligation. This includes but is not limited to contractual obligations toward others arising out of or involving injuries to the Insured's Employees. This Exclusion, however, shall not apply to statutory warranties, or to any liability for Personal Injury or Property Damage which would nevertheless have been imposed upon the Insured even in the absence of such a contractual obligation.
5. Any liability for the withdrawal, recall, inspection, repair, replacement or loss of use of the Insured's Products, or of any property of which such Products form a part, if such Products or property are withdrawn from the market or from use because of any known or suspected defect or deficiency in them.
6. Any liability arising out of or in connection with the ownership, maintenance, operation or use by an Insured of any Vehicle.
7. Any liability arising out of or in connection with the provision of, failure to provide or any error or omission in connection with, professional advice or services, including but not limited to plans, designs, specifications, recommendations or instructions and irrespective of whether or not a fee is charged for the advice or service, on the part of any Insured. This Exclusion, however, shall not apply to:
 - (a) the rendering of or failure to render professional medical advice or assistance by medical persons employed by the Insured to provide first aid and/or other medical services on the Insured's premises;
 - (b) commercial representations or recommendations, manuals, standard operating directions or instructions for use, made or issued in connection with the Insured's Products; or

- (c) errors in design, formulation, specification or preparation of the Insured's Products, before they have ceased to be in the Insured's possession or under the Insured's control.
8. Any liability, of whatever nature and however arising, directly or indirectly arising out of or in connection with Pollution, including but not limited to the prevention, clean up or containment of it, any Personal Injury or Property Damage caused by it and the remediation of any environment affected by it; provided, however, that this Exclusion shall not apply where the Insured has proved, on the balance of probabilities, that the discharge, dispersal, release or escape involved:
- (a) did not occur gradually over a period of time but suddenly, at an identifiable point in time; and
 - (b) was entirely unexpected, unintended and fortuitous from the standpoint of the Insured.
9. This policy will not indemnify the Insured in respect of liability for damages, compensation, interest, costs, expenses or payments of whatsoever nature in connection with any demand, claim or proceeding made or brought within the legal jurisdiction of the United States of America (USA) or Canada. However, subject otherwise to the terms and conditions of this Policy, this Exclusion shall not apply in respect of:
- (a) Products liability of the insured and any sales offices or distributors but only in respect of the insured's products manufactured outside the USA or Canada, provided that the activities of any such sales offices or distributors in the USA or Canada in respect of such products are wholly restricted to:
 - i. marketing, selling and/or
 - ii. demonstrating, advising and/or
 - iii. storing, distributing and/or
 - iv. re-packaging, packaging's, packing, labelling, pre-sale cleaning or providing operating instructions
 - (b) Public Liability and/or products liability of the insured solely in respect of work performed by the insured's;
 - i. Employees
 - ii. Directors
 - iii. Partnerswho are normally resident outside the USA and Canada and who are temporarily working in the USA or Canada.
 - (c) Employers' liability of the insured in respect of any person who is normally resident outside the USA and Canada and who is temporarily visiting the USA or Canada in the course of his or her employment by the insured.
 - (d) Personal liability of any person who is normally resident outside the USA and Canada and who is temporarily visiting the USA and Canada; however this Agreement will not provide an indemnity in respect of liability arising from or out of the ownership, possession or use by or on behalf of an insured, or any other person entitled to indemnity of any mechanically propelled vehicle or craft.
 - (e) Public liability and/or products liability and/or employer's liability and/or personal liability of the insured in respect of losses, which occur outside the USA and Canada.

PROVIDED ALWAYS THAT in respect of (a) to (e) above, the original policy is issued outside the USA and Canada and in all respects other than as detailed in (a) to (e) above

- (i) only indemnifies the insured in respect of business conducted from premises wholly located outside the USA and Canada, and
 - (ii) does not indemnify any insured incorporated or domiciled in the USA and Canada.
10. Any liability arising out of or in connection with Personal Injury or Property Damage (including loss of use of property) directly or indirectly arising out of or in connection with:
- (a) the mining, processing, transportation, distribution, processing and/or storage of asbestos or asbestos-related products;
 - (b) any process or procedure for the extraction, removal, disposal, treatment or control of asbestos, or for the decontamination or remediation of property affected by asbestos.

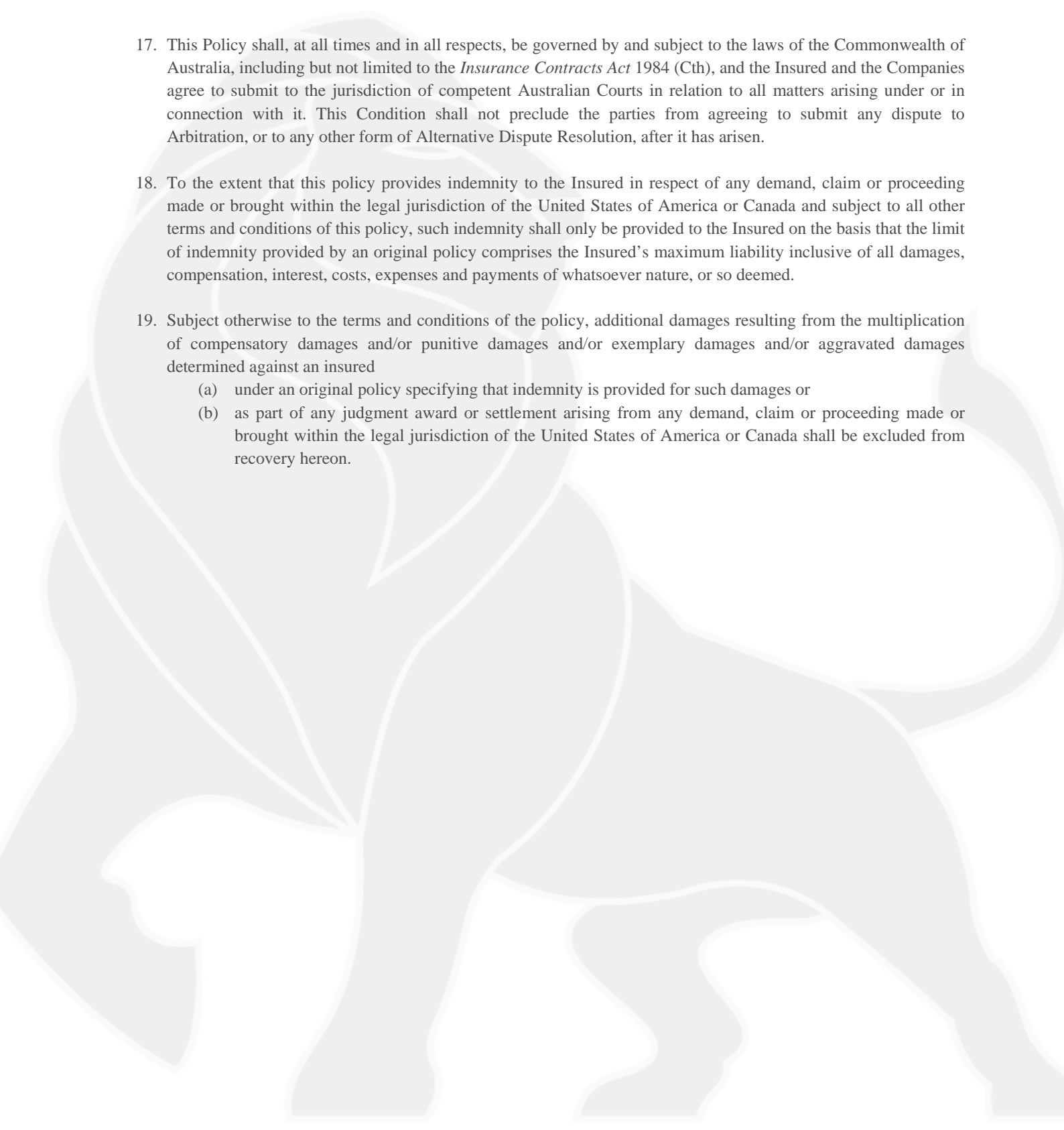
11. Any liability arising out of or in connection with any defamatory publication or utterance or malicious falsehood:
 - (a) made prior to the commencement of the Period of Insurance; or
 - (b) made at the Insured's direction with knowledge of its falsity or reckless disregard for its truth or falsity; or
 - (c) made in connection with advertising, broadcasting, telecasting or publishing activities conducted by or on the Insured's behalf.
12. Any liability directly or indirectly arising out of or in connection with war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power. This includes expropriation, seizure, confiscation, nationalisation, damage or destruction of the Insured's Products or of any other Property, by or under the order of any de facto or de jure government or authority.
13. Liability directly or indirectly arising out of or in connection with ionising radiation or contamination by radioactivity from any man-made source.
14. Any liability for claims arising out of or in connection with Personal Injury or Property Damage arising directly or indirectly out of or caused by, through or in connection with the failure of the Insured's Products to detect, prevent, retard, alleviate, eliminate or cure illness or injury to person or loss of or damage to property which the Insured's Products are designed, intended, represented, warranted or agreed to do or achieve.

4. CONDITIONS

1. The Insured must give written notice to Rob Scally & Associates on behalf of the Companies, of every claim against the Insured or Occurrence out of which a liability might reasonably be expected to arise, as soon as reasonably possible after the Insured itself becomes aware of that claim or Occurrence.
2. The Insured shall not without the Companies' consent in writing make any admission, offer, promise, payment or settlement in connection with any claim against it or alleged liability and the Companies, if they so desire, shall be entitled to take over and conduct on behalf of the Insured and in its name the investigation, defence, negotiation or settlement of any claim, in such manner and upon such terms as they may consider appropriate.
3. The Insured shall use their best endeavours to preserve any property, Products, equipment or other evidence which might prove relevant, necessary or useful in connection with the investigation of any Occurrence or the negotiation, defence or settlement of any claim and, so far as may be reasonably practicable, no alteration, disposal or repair shall be effected without the Companies' consent, until the Companies have had full opportunity to inspect and preserve any evidence.
4. The Companies shall be subrogated to and shall be entitled to prosecute in the Insured's name, at their own expense and for their own benefit, any cause of action (including a claim for contribution or indemnity) which the Insured may have against any other person or organisation, other than Partners, Employees, Tenants and lessee's, arising out of any liability in respect of which indemnity for Compensatory Damages or a Supplementary Payment has been provided by the Companies under this Policy. It is not a requirement of the pursuit of subrogation, under this Condition, that actual payment first be made by the Companies. The Insured shall do nothing to restrict, compromise, prejudice or limit the Companies' rights of subrogation after an Occurrence. If the Insured does anything of the sort, including entering into any compromise or release of liability with any other party, the Companies may adjust the indemnity for Compensatory Damages and any Supplementary Payments provided under this Policy by the monetary equivalent of the prejudice caused to them.
The Companies shall have first right to the proceeds of any such recovery action but shall account to the Insured for any amount which they may recover, in excess of the total amount of indemnity for Compensatory Damages and Supplementary Payments paid under this Policy, after deduction of the Companies' costs of recovery.

5. The Companies shall have full discretion in the conduct of the investigation, defence, negotiation or settlement of any Occurrence or legal proceedings, in connection with any claim by or against the Insured or any subrogation recovery, and the Insured shall provide all necessary information, cooperation and assistance as the Companies may reasonably require in connection with any claim or recovery. This shall be at the Insured's own expense, except that the Companies shall promptly reimburse the Insured for any out of pocket expenses, other than remuneration, lost profits or opportunity costs, incurred in the provision of such information, cooperation or assistance.
6. In the event of an Occurrence, the Insured shall promptly take at its own expense all reasonable steps to prevent or to mitigate Personal Injury or Property Damage, arising from that Occurrence or similar Occurrences, and to reduce the likelihood of a claim. Under no circumstance shall the expense of complying with this condition be recoverable under this Policy.
7. In respect of all Occurrences or claims by or against the Insured, directly or indirectly arising out of or in connection with one source or original cause, the Companies may at any time tender to the Insured the balance of the Limit of Liability in respect of those claims, or such lesser amount as the persons making claim against the Insured are willing to accept, at that time, in full and final settlement. The Companies shall then be under no further liability under this Policy in respect of those claims, except for:
 - (a) charges, expenses and legal costs which may subsequently be recoverable from the Insured only in respect of the period prior to the date on which the Limit of Liability was tendered; and
 - (b) charges, expenses and legal costs incurred by the Insured, with the Companies' written consent, prior to that date.
8. The Insured shall take all reasonable precautions to prevent Personal Injury and Property Damage from arising out of or in connection with its Business, and shall comply with and ensure that its Employees, contractors, agents and other representatives comply with all statutory obligations, Codes, bylaws or regulations which may be applicable to the Business from time to time. In particular, and without limiting the generality of the foregoing, the Insured shall at its own expense take all reasonable steps to trace, recall and/or modify any of its Products which it knows or has reason to suspect may contain any defect or deficiency which may render them injurious to persons or property, and shall comply promptly with all statutory obligations which may be imposed upon it in this regard.
9. Each of the persons or entities comprising the Insured shall be treated, for the purposes of this Policy, separately and distinctly from all of the others and the word "Insured" shall be applied to them in the same manner as if a separate policy had been issued to each, however under no circumstances shall this Condition operate in such a manner as to increase the Companies' Limit of Liability or any Sub-Limits, beyond those which would apply if there were only a single Insured.
10. This Policy also insures the liability of any Principal of the Insured, arising out of the performance by the Insured of any work for such Principal, but only to the extent required under the relevant contract and subject always to the Limits of Liability and to the other terms, Conditions and Exclusions of the Policy. In the case of any conflict between the terms of the relevant contract and this Policy, this Policy shall prevail.
11. The Insured must ensure payment of the premium specified in the Schedule to the Companies within thirty days of the commencement of the Period of Insurance.

12. The insured must provide the Companies, as soon as reasonably practicable, with written notice of every change which materially varies or alters any of the facts or circumstances, relating to any of the parties falling within the definition of the Insured or to the Insured's Business, as they were disclosed in the Proposal or known to the Companies at the commencement date of this Policy. This includes the entry by an Insured, after the commencement of the Policy, into any contract, arrangement or understanding which may limit its legal rights against any other party, to which the Companies might otherwise be subrogated. In the event of such a material change, the companies reserve the right to cancel or to amend the terms of this Policy, as they may consider appropriate, or to charge such additional premium as may be reasonable in the circumstances. If the Insured does not provide notice of a material change sufficiently before the happening of an Occurrence as to give the Companies adequate opportunity to exercise their rights under this Condition, the Companies may refuse coverage, in whole or in part, in respect of any liability arising out of that Occurrence.
13. In the event of any liability for which the Insured is entitled to coverage under this Policy and also under any other policy or policies, then in the event that the Insured elects to pursue its rights under this Policy the Insured must inform the Companies of the full details of all such other insurances, and must provide all reasonable assistance to the Companies in enforcing their rights to rateable contribution.
14. The Named Insured may cancel this Policy, on behalf of all other persons or entities falling within the definition of Insured or otherwise entitled to the benefit of the insurance, at any time by giving immediate written notice to Dominion Underwriting Agents Pty Limited, which shall receive it on behalf of the Companies. The Companies may cancel this Policy by giving three business days' notice in writing to the Named Insured, in any of the circumstances permitted by Section 60 of the *Insurance Contracts Act 1984* (Cth).
In the event of cancellation by either party, the Companies may retain pro-rata premium for the time on risk. In the event of cancellation by the Insured, a penalty loading of 20% of the full adjusted annual premium will also apply. When the premium is subject to adjustment, cancellation by either party will not effect the Insured's obligation to supply such information as the Companies may reasonably require for the adjustment of the premium. Neither will cancellation effect the Insured's obligations to pay the amount of the adjustment, as applied to the pro-rata premium.
15. The Companies shall be permitted but not obliged to inspect the Insured's Business and operations at any time. Neither the Companies' right to make inspections nor the making of any inspection nor any report of an inspection shall constitute any form of undertaking, acknowledgement or representation regarding the safety or appropriateness of the Insured's Business or the manner in which it is being carried on, or a waiver of any of the Companies' other rights. The Companies may examine and audit the Insured's books and records at any time during the Period of Insurance, including any renewals or extensions of it, and within three years after the final renewal has concluded, in so far as they may relate to the subject matter of the insurance.
16. Should the premium for this Policy or any renewal have been calculated on estimates furnished by the Insured, and subject to adjustment at the end of the Period of Insurance, then the Insured must keep accurate records and all necessary evidence of all particulars required to enable the adjustment to be promptly and efficiently calculated, and must permit the Companies to inspect this evidence at such times and in such manner as they may reasonably require. Within thirty days of the expiry of each Period of Insurance the premium for which is subject to adjustment, the Named Insured shall furnish to Dominion Underwriting Agents Pty Limited, which shall receive it on behalf of the Companies, a statement containing full particulars and supporting information required to calculate the adjustment. The premium for the expired Period of Insurance shall then be adjusted accordingly and any extra premium or return premium required shall be paid by or credited to the Named Insured, as the case may be, within thirty days. Nothing in this Condition precludes the retention, by the Companies, of any minimum premium applicable to the relevant Period of Insurance.

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17. This Policy shall, at all times and in all respects, be governed by and subject to the laws of the Commonwealth of Australia, including but not limited to the *Insurance Contracts Act 1984* (Cth), and the Insured and the Companies agree to submit to the jurisdiction of competent Australian Courts in relation to all matters arising under or in connection with it. This Condition shall not preclude the parties from agreeing to submit any dispute to Arbitration, or to any other form of Alternative Dispute Resolution, after it has arisen.
 18. To the extent that this policy provides indemnity to the Insured in respect of any demand, claim or proceeding made or brought within the legal jurisdiction of the United States of America or Canada and subject to all other terms and conditions of this policy, such indemnity shall only be provided to the Insured on the basis that the limit of indemnity provided by an original policy comprises the Insured's maximum liability inclusive of all damages, compensation, interest, costs, expenses and payments of whatsoever nature, or so deemed.
 19. Subject otherwise to the terms and conditions of the policy, additional damages resulting from the multiplication of compensatory damages and/or punitive damages and/or exemplary damages and/or aggravated damages determined against an insured
 - (a) under an original policy specifying that indemnity is provided for such damages or
 - (b) as part of any judgment award or settlement arising from any demand, claim or proceeding made or brought within the legal jurisdiction of the United States of America or Canada shall be excluded from recovery hereon.