



**Property Insurance**  
**Policy Wording**  
vL0520



**Pen Underwriting Pty Ltd**  
ABN 89 113 929 516 AFSL 290518

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### Contact Details

Current as at May 2020

#### SYDNEY

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GPO Box 4431  
Sydney NSW 2001

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#### BRISBANE

Level 9, 60 Edward St  
Brisbane QLD 4000  
GPO Box 541  
Brisbane QLD 4001

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F: 07 3056 1477

#### MELBOURNE

Level 3, 333 Collins St  
Melbourne VIC 3000  
PO Box 230  
Collins St West VIC 8007

T: 03 9810 0600  
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**W:** [www.penunderwriting.com.au](http://www.penunderwriting.com.au)

## IMPORTANT INFORMATION

### This Policy

This Policy is an important document and should be kept in a safe place. Please read it carefully so that you understand the insurance provided.

### Duty of Disclosure

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

You have this duty until we agree to insure you.

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

You do not need to tell us anything that:

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

### If you do not tell us something

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

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

### Co-Insurance

A co-insurance clause applies to this Policy. This means that if you underinsure, you will become your own insurer for a portion of the damage. Please check your policy wording for the co-insurance percentage.

### GST

The Premium includes an amount for GST.

The Insurer's liability to indemnify the Insured under this Policy is calculated less any Input Tax Credit to which the Insured is entitled for any relevant Acquisition, or to which the Insured would have been entitled had it made a relevant Acquisition. The Insured must inform Underwriters of the extent to which it is entitled to an Input Tax Credit for that GST, and any GST liability arising from the Insured's provision of incorrect advice is payable by the Insured.

GST, Input Tax Credit and Acquisition have the meaning given to those words in *A New Tax System (Goods and Services Tax) Act 1999*.

### Privacy

Pen Underwriting and the Insurers handle your personal information with care and in accordance with the Privacy Act 1988 and the Australian Privacy Principles. We collect personal information (including sensitive information) about you for purposes of issuing you with, and administering, this insurance product (including the handling and settlement of claims). Where possible, we will collect personal information directly from you or, where that is not reasonably practical, from other sources. We may also use your personal information for the purpose of promoting our products and services, designing or underwriting new insurance products, for research and analytical purposes, to perform administrative functions, and to comply with our legal

obligations. We may disclose your personal information (including sensitive information) to third parties for the purposes described in our privacy policies, including insurers who may be located in the United Kingdom, reinsurers, reinsurance brokers, loss adjusters, external claims data collectors, investigators and others involved in the claims handling process, agents and service providers and related entities some of whom may be located in overseas countries, including Switzerland, India, United States of America, United Kingdom and Bratislava. By asking us to provide you with insurance and insurance related services, you consent to the collection, use and disclosure, including overseas disclosure of your personal information for the purposes described in our privacy policies. Where you provide us with personal information about others, you represent to us that you have made them aware of that disclosure and of our privacy policies and that you have obtained their consent. If you do not consent to provide us with the personal information that we request, or withdraw your consent to the use and disclosure of your personal information at any stage, we may not be able to offer you the products or provide the services that you seek. For information about how to access and or correct the personal information we hold about you or if you have any concerns or complaints, ask us for a copy of our Privacy Policy or visit [www.penunderwriting.com.au](http://www.penunderwriting.com.au).

### General Insurance Code of Practice

Pen Underwriting and certain Underwriters at Lloyd's proudly support the General Insurance Code of Practice. The Code commits general insurers to uphold high standards of service and practice. A copy of the Code can be obtained from us upon request or from [www.codeofpractice.com.au](http://www.codeofpractice.com.au).

This Policy is code of Practice compliance, apart from any claims adjusted outside of Australia.

### Claims

In the event of a claim arising under this insurance immediate notice should be given to Pen Underwriting at [claims.au@penunderwriting.com](mailto:claims.au@penunderwriting.com) or at the address shown on the Contact Details page of this policy wording.

### Complaints Handling

If you are dissatisfied with a decision Pen Underwriting makes, our service, the service of others we appoint to discuss insurance matters with you, or a claim settlement, we have an internal dispute resolution process to assist you. For further information, ask for a copy of our Complaints and Disputes Resolution Policy or visit [www.penunderwriting.com.au](http://www.penunderwriting.com.au).

### Litigation Dispute Resolution

Lloyd's Underwriters agree that:

- (i) In the event of a dispute arising under this Insurance, Lloyd's Underwriters at the request of the Insured will submit to the jurisdiction of any competent Court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such Court.

- (ii) Any summons notice or process to be served upon the Lloyd's Underwriters may be served upon:

*Lloyd's General Representative in Australia,*

*Lloyd's Australia Limited*

*Level 9, 1 O'Connell St*

*Sydney NSW 2000*

*Telephone: (02) 8298 0700*

*Facsimile: (02) 8298 0788*

who has authority to accept service and to enter an appearance on the Lloyd's Underwriters' behalf, and who is directed at the request of the Lloyd's Underwriters to give a written undertaking to the Insured that he will enter an appearance on the Lloyd's Underwriters' behalf.

- (iii) If a suit is instituted against any one of the Lloyd's Underwriters, all Lloyd's Underwriters hereon will abide by the final decision of such Court or any competent Appellate Court.

#### **Australian Terrorism Insurance Act**

The Insurer(s) has treated this insurance (or part of it) as an insurance to which the Australian Terrorism Insurance Act 2003 (ATIA) applies.

ATIA and the supporting regulations made under the Act deem cover into certain policies and provide that the Terrorism Exclusion to which this Policy is subject shall not apply to any "eligible terrorism loss" as defined in ATIA.

Any coverage established by ATIA is only in respect of any "eligible terrorism loss" resulting from a "terrorist act" which is a "declared terrorist incident" as defined in ATIA. The Terrorism Exclusion to which this Policy is subject applies in full force and effect to any other loss and any act or event that is not a "declared terrorist incident".

All other terms, conditions, insurance coverage and Exclusions of this Policy including applicable limits and excesses remain unchanged.

If any or all of the insurers have reinsured this insurance with the Australian Reinsurance Pool Corporation, then any such insurer will not be liable for any amounts for which they are not responsible under the terms of ATIA due to the application of a "reduction percentage" as defined in ATIA which results in a cap on the insurer's liability for payment for "eligible terrorism losses".

#### **Several Liability Notice**

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

#### **Premium**

The amount of Premium specified herein is the amount due to the Insurer(s) and any commission allowed by them is to be regarded as remuneration of Pen Underwriting.

#### **Agreement**

In consideration of the payment of the Premium and in reliance on the contents of the Proposal, the Insurer will indemnify the Insured in accordance with the terms of this Policy.

#### **Jurisdiction**

This Policy shall be interpreted in accordance with the laws of Australia and shall be subject to determination by any court of competent jurisdiction within Australia.

#### **Further Information**

Your insurance broker has arranged this insurance on your behalf. If you have any questions or need further information concerning your insurance, you should contact your insurance broker to assist you with your enquiry. You should direct all of your correspondence to us through your insurance broker as he is your agent for this insurance.

## GENERAL DEFINITIONS

**Australia** means the Commonwealth of Australia, its dependencies and External Territories.

**Business** means the business, trade or occupation shown in the Schedule.

**Business Hours** means Your working hours (including overtime) during which You or Your employees are on the premises at the Situation for the purpose of Your Business.

**Excess** means the amount of each claim, or series of claims which arise out of one event under any one Section, for which We will make no payment. Should more than one Excess be payable under this Policy for any claim or series of claims arising from the one event, such excesses shall not be aggregated and the highest single level of Excess only shall apply. The amount of the Excess for each Section is stated in the Schedule.

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

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

**Money** means cash, notes, negotiable instruments, cheques, postal notes, post office money orders, negotiable securities, stamps, credit card sales vouchers, instant lottery tickets, bus or transport tickets, telephone credit cards or franking machine credits.

**Pen Underwriting** means Pen Underwriting Pty Ltd ABN 89 113 929 516 AFSL 290518.

**Period of Insurance** means the period stated in the Schedule for which cover is current.

**Policy** means this Policy wording together with the Schedule and Endorsements

**Pollution and Contamination** means Damage or loss arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon any property, land, atmosphere or any water course or body of water (including ground water).

**Proposal Form** means the Property Insurance Proposal Form You completed or which was completed on Your behalf.

**Safe or Strongroom** means a container or structure which is specifically designed for the secure storage of Money or valuables and is designed to protect the contents against fire and to resist unauthorised opening

**Schedule** means the most recent Schedule given to You. It shows the Policy Number together with other details of cover.

**Sea** means oceans, bays, ports or tidal waters.

**Seasonal Increase Periods** means the following periods unless otherwise stated in the Schedule:

- a) 15 December to 15 January the following year (inclusive);
- b) 15 days prior to and including Easter Sunday;
- c) 15 days following Easter Sunday,
- d) gazetted public holidays falling outside the above periods, to bank closing time on the next business day following the public holiday.

**Situation** means the location or address of the risk as stated in the Schedule.

**Sum(s) Insured/Limit of Liability** means the amounts as stated in the Schedule or this Policy.

**Water** means water including snow, sleet or hail or any other liquid.

**We, Us, Our, Insurer** means the Insurer stated in the Schedule.

**You, Your** means the person(s) named in the Schedule as the insured.

In addition, further definitions specific to particular Sections are included within each Section.

## GENERAL EXCLUSIONS

In addition to these General Exclusions, further Exclusions specific to particular Sections are included within each Section.

### 1. Unoccupancy

The cover under this Policy ceases if the building(s) at the Situation have not been occupied for a period of sixty (60) consecutive days. However, if You notify Us beforehand in writing, We may consent to the continuation of cover. Such consent will only be effective if notified to You in writing.

To be occupied, the buildings at the situation must have been used by person(s) present at the Situation for Business purposes for at least six (6) consecutive hours on each of two (2) consecutive days. For the purposes of this clause, attendances at the Situation for other purposes or for lesser or non-consecutive periods will not be taken to amount to occupation.

### 2. Construction and Demolition

The cover under this Policy ceases if the building(s) at the Situation are undergoing:

- a) construction, erection, alteration, addition or repair when the value of all such work undertaken exceeds 10% of the Building(s) Sum Insured or the amount specified in the Schedule; or
- b) demolition.

### 3. Territory

We will not pay claims that arise directly or indirectly out of loss, destruction or damage which occurs outside the Commonwealth of Australia except as stated in the relevant Section.

#### 4. Consequential Loss

We will not pay claims that arise directly or indirectly out of consequential loss of any kind including consequential loss due to delay, lack of performance, loss of contract or depreciation of value of land or stock except as stated in the relevant Section.

#### 5. Intentional Damage

We will not pay claims that arise directly or indirectly out of loss or damage intentionally caused by You or by any person acting with Your express or implied consent.

#### 6. Wear, Tear and Conditions

We will not pay claims that arise directly or indirectly out of:

- a) loss or damage arising out of Your failure to keep any insured property in good repair and condition; or
- b) wear, tear, atmospheric conditions, mould, mildew, insects, vermin, fading, inherent defect.

#### 7. Flood

We will not pay claims that arise directly or indirectly out of Flood unless as agreed by Us and shown in the Schedule.

#### 8. War & Terrorism

We will not cover You for loss, damage, cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion or assuming the proportions of or amounting to an uprising, military or usurped power or looting, sacking or pillaging following the same, or confiscation or nationalisation or requisition or destruction or damage to property by or under the orders of any government or public or local authority following the same;
- b) any act of terrorism.

For the purpose of this exclusion an act of terrorism means an act, including but not limited to 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), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

#### 9. Quarantinable Diseases

We will not pay claims that arise directly or indirectly out of any:

- a) Highly Pathogenic Avian Influenza in Human; or
- b) Listed Human Disease, Biosecurity Emergency or Human Biosecurity Emergency as defined in or declared under the Biosecurity Act 2015 (Cth) includes any amendment, re-enactment or successor legislation. A reference to Listed Human Disease, Biosecurity Emergency or Human Biosecurity Emergency shall have the meaning found in any replacement definition, in any amendment, re-enactment or successor legislation, or where there is no replacement definition the term shall have the meaning of a term which is substantially similar in meaning as defined in or declared in any amendment, re-enactment or successor legislation.

#### 10. Communicable Disease

We will not pay claims for any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.

- a) For the purposes of this Exclusion, loss, damage, claim, cost, expense or other sum, includes any cost to clean-up, detoxify, remove, monitor or test:
  - i for a Communicable Disease, or
  - ii any property insured hereunder that is affected by such Communicable Disease.
- b) As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
  - i the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
  - ii the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
  - iii the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.

#### 11. International Trade Controls

We shall not be deemed to provide cover and shall not be liable to pay any claim or pay any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any jurisdiction applicable to Us.

## 12. Pollution

We will not cover loss or damage resulting from pollution or contamination except (unless otherwise excluded) loss or destruction of or damage to property or any part thereof used by the Insured at the premises for the purpose of the business caused by:

- a) Pollution or contamination at the premises which itself results from fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, bursting overflowing discharging or leaking of water tanks, apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal.
- b) Any of the perils listed in (a) above which itself results from pollution or contamination.

## 13. Radioactive Contamination

We will not cover:

- a) physical loss, destruction of or damage to the Property Insured,
- b) any legal liability of whatsoever nature, directly or indirectly caused by or contributed to by or arising from:
  - i. ionising radiation or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel.  
For the purpose of this exclusion only, "combustion" shall include any self-sustaining process of nuclear fission.
  - ii. nuclear weapons materials.

## 14. Biological and Chemical Materials

We will not cover loss, Damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

## 15. Micro-organism

We will not cover loss, Damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to mould, mildew, fungus, spores or other microorganisms of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless of whether there is:

- a) any physical loss or damage to insured property;
- b) any insured peril or cause, whether or not contributing concurrently or in any sequence;
- c) any loss of use, occupancy, or functionality; or
- d) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

## 16. Electronic Data Recognition

We will not cover loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- a) the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not; or
- b) any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not.

This Exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

## 17. Cyber and Data

We will not cover:

- a) Cyber Loss;
- b) loss, Damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

In the event any portion of this Exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

This Exclusion supersedes and, if in conflict with any other wording in the Policy or any Endorsement having a bearing on Cyber Loss or Data, replaces that wording.

For the purposes of this Exclusion:

- i. Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- ii. Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

- iii. Cyber Incident means:
  - A. any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
  - B. any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- iv. Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.
- v. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
- v. Supply Us with details of any other insurances which cover or may cover the event;
- vi. Advise Us of any impending prosecution or inquest;
- vii. Give Us all the information and assistance We may reasonably require; and
- viii. Use the best endeavours to preserve and not alter the condition or location of any products, appliances, plant or other items which might prove necessary or useful by way of evidence in connection with any claim until We have had an opportunity of inspection unless the alteration or repair of any products, plants, appliances or other items is necessary for practical or safety reasons. You are not entitled to abandon any property to Us.
- b) You must not agree to settle any claim without Our consent.

We shall have full discretion in the conduct of any negotiations and the settlement of any claims.

After payment for or replacement of any property (not being a building) lost or damaged, the property becomes Ours subject to Your right to reclaim it on repayment to Us of the amount paid by Us in respect of such property.

#### 18. Overhead Transmission and Distribution Lines

We will not cover overhead transmission and distribution lines and their supporting structures of power-generating authorities or companies and telecommunications companies, but this exclusion shall not apply in respect of the aforementioned lines (and their supporting structures) that extend from the public highway to the insured premises (not exceeding a distance of 300 metres ) and are the responsibility of the insured.

It is understood and agreed that the public utilities extension and/or suppliers extension and/or contingent business interruption coverages are not subject to this exclusion, provided that these are not a part of transmitters' or distributors' policy.

### GENERAL CONDITIONS

These conditions apply to all Sections of this Policy. Any failure on Your part to adhere to their requirements may entitle Us to refuse to pay a claim in whole or in part, including to reduce the amount We pay for a claim by the amount that fairly represents the extent to which Our interests have been prejudiced. We may also cancel this Policy.

#### 1. Claims

- a) If an event happens which may result in a claim under the Policy, You or Your legal representative must:
  - i. Advise Us and send written confirmation within thirty (30) days;
  - ii. Take all reasonable steps to stop or reduce further loss or damage;
  - iii. Take all reasonable steps to recover lost or stolen property;
  - iv. Immediately inform the Police of any burglary, theft, malicious damage or vandalism. You may also be required by Us to provide Us with a copy of the written Police report;

#### 2. Cancellation

You may cancel this Policy at any time by written request. After cancellation by You, We will retain or be entitled to the premium for the period during which this Policy has been current, calculated at Our current short-term rates.

We may cancel the Policy on any of the grounds stated in the Insurance Contracts Act 1984. After cancellation by Us, You will be entitled to a pro-rata refund of the premium.

#### 3. Alteration of Risk

You must notify Us in writing if there are any changes in the facts or circumstances which existed when this insurance commenced.

If We agree to cover those changes We may, at our discretion, apply additional terms and conditions and or require You to pay additional premium. This Policy will not cover those changes unless We have notified You in writing of Our agreement to them, and any additional terms and conditions that may apply, and You have paid Us any additional premium which We may have required. If We do not agree to cover the changes, We may cancel this Policy.

#### 4. Subrogation

If We agree to provide indemnity under this Policy in respect of any claim, then regardless of whether or not actual payment has been made, We shall immediately be subrogated to any rights contractual or otherwise which You may have in connection with that claim.

## 5. Other Insurance

At the time You make a claim, You must give Us written notice of any other insurance covering the same loss, destruction or damage which may apply to Your claim.

When We have paid a loss under this Policy which is also recoverable under another Policy and We have paid more than Our rateable share We reserve the right to seek contribution from the other insurer(s).

## 6. Reasonable Care and Maintenance

You must take all reasonable care:

- a) to prevent loss, destruction or damage happening to the property insured;
- b) to maintain the buildings, structures, fittings, fixtures, furnishings, appliances, machinery, implements and plant in sound condition;
- c) to comply with all statutory obligations and by-laws or regulations imposed by any Public Authority;
- d) to ensure that only competent employees are employed;
- e) to prevent bodily injury or loss of or damage to property;
- f) to minimise any loss; and
- g) to ensure that where applicable burglar alarms and intrusion prevention systems shall be made operative whenever the premises at the Situation are not occupied or are unattended and tested daily except during non-business days. Fire protection systems shall comply with the relevant Australian standard in respect of installation and testing and be operative at all times.

## 7. Fraudulent Claims

If You or anyone acting on Your behalf or with Your connivance should make a claim knowing or reasonably suspecting it to be false or fraudulent, We may refuse to pay the claim or cancel this Policy or do both.

## 8. Reinstatement of Sum Insured

In the event of payment of a claim under any Section of the Policy, the amount by which that Section's Sum Insured or Limit of Indemnity is reduced in consequence of the loss or damage will be automatically reinstated from the date of the loss, destruction or damage, provided that:

- a) there is no written request from You or written notice by Us to the contrary;
- b) the Section is an operative Section of the Policy; and
- c) You pay the additional premium We require for the reinstatement.

## 9. Other Interests and Joint Insured's

This Policy only covers the interests of the Insured and such other interests notified to Us at the time of cover and from time to time thereafter and which are accepted by Us by written notification to You. No interest in this Policy may be transferred without Our written consent and all persons entitled to benefit under the Policy shall be bound by its terms.

Where the Policy covers the severable interest of more than one party, any act or neglect of an individual party will not prejudice the rights of the other party(ies), provided that such other party(ies) shall immediately on becoming aware of any act or neglect whereby the risk of loss, destruction or damage has increased give notice in writing to Us and on demand pay the additional premium We require.

## 10. Event

Only for the purpose of the application of any Excess: all loss destruction or damage resulting from earthquake, subterranean fire, volcanic eruption, cyclone, storm and tempest rainwater or Flood occurring during each period of seventy-two (72) consecutive hours shall be considered as one event whether continuous or sporadic in its sweep and/or scope and the loss, destruction or damage was due to the same seismological or meteorological conditions. Each event shall be deemed to have commenced on the first happening of any such loss, destruction or damage not within the period of any previous event.

## 11. Progress Payments

Progress payments on account of any claim accepted under this Policy will be made to You or on Your behalf at such stages as may be mutually agreed upon if desired by You and on production of an interim report from a loss adjuster.

## 12. Governing Law

This Policy is governed by the law of the State of Australia in which it is issued. Any person's rights under this Policy will be read subject to these laws as they apply at the time of any claim or the exercising of any right under this Policy.

## 13. Adjustment of Premium

If the premium for any section of the Policy in any Period of Insurance is calculated on estimates You provided, You must within thirty (30) days from the end of the Period of Insurance declare such information as We advise You is required. The premium may then be adjusted and any difference paid by You or refunded to You as the case may be. Any adjustment will be subject to Our receiving or retaining the minimum premium We require.

## 14. Due Observance and Inaccurate Information

The due observance and fulfilment of the terms and conditions of this Policy by all persons insured by this Policy, to the extent that they are capable of being construed as such, are conditions precedent to any liability of Us to make any payment under this Policy.

If a Policy Condition is breached without Your knowledge or consent, or You give Us inaccurate information believing in its truth, then provided You notify Us in writing as soon as the breach or error comes to Your knowledge, Your rights under the Policy will not be prejudiced. If this information increases the hazard You must pay any additional premium, to be calculated from the date of the breach or error, and comply with any additional terms and conditions, that We may require

## 15. Legislation

You are required to comply with all legislation and regulations.

## 16. Hold Harmless Agreements

You must not enter into an agreement with another person which excludes or reduces Your rights to make a claim against that person at any time without Our written consent.

If You do, We may reduce the amount of any claim You make under this Policy by the extent to which Your agreement prevents Us making a claim against that person under Our rights of subrogation.

## 17. Currency

All references to currency are references to Australian Dollars.

## 18. Headings

Headings have been included for ease of reference and it is understood and agreed that the terms and Conditions of this Policy are not to be construed or interpreted by reference to such headings.

## SECTION 1 PROPERTY

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the General Definitions, General Conditions, General Exclusions, terms and limitations and the current Schedule.

Our total liability for all Damage or Damage to Property arising during any one Period of Insurance or for any loss for which a claim would be payable under this Section arising out of one event or series of events arising directly or indirectly from one source or original cause, will not exceed, for each item specified in the Schedule, the Sum Insured shown in the Schedule for that item. In addition, We will also pay other amounts as provided for under Additional Benefits in this Section.

### COVER UNDER THIS SECTION

We will indemnify You for Damage or Damage to Property caused by Fire and Perils or Accidental Damage to Property Insured, whilst at the Situation.

### SCOPE OF COVER

#### 1. Insured Event/The Cover

Accidental Damage

#### What is not Covered

Damage or Damage to Property caused by or as a consequence of:

- a) Fire and Perils. Anything that is specifically excluded under Fire and Perils is also excluded from this Accidental Damage cover;
- b) theft or any attempt thereat or armed hold-up;
- c) Breakage of glass;
- d) fraudulent or dishonest acts by Your employees;
- e) wear and tear, wasting, fading, scratching or marring, gradual deterioration or gradually developing flaws, deformation, distortion, cracks or partial fractures, normal upkeep or making good;

- f) the action of animal, fish, birds, moths, termites or other insects, vermin;
- g) rust or oxidisation, mildew, mould, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation;
- h) disease, inherent vice or latent defect, loss of weight, change in flavour or texture or finish;
- i) error or omission in design or plan or specification, failure of design, faulty materials or faulty workmanship, incorrect locating of buildings as a result of incorrect design, plan or specification;
- j) demolition ordered by Government, public or local authority as a result of Your failure, or that of Your agents, to comply with any lawful requirement;
- k) any order of any government or public or local authority including the confiscation nationalisation requisition repossession or damage to or of any property;
- l) erosion, subsidence, landslide, collapse or any other movement of earth;
- m) testing, intentional overloading or experiments of any kind;
- n) welding, grinding, cutting, drilling or shaping, or the application of tools to the property;
- o) unexplained inventory shortage, unexplained disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials to or from You;
- p) loss induced by trickery;
- q) mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any nature;
- r) pollution or contamination unless it is sudden and unforeseen;
- s) normal settling, seepage, creeping, heaving, vibration, shrinkage or expansion in Buildings, foundations, walls, pavements, roads, and other structural improvements;
- t) loss, damage, destruction distortion, erasure, corruption or alteration of Electronic Data from any cause including but not limited to Computer Virus;
- u) kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt at any of these;
- v) legal liability of any kind other than as specifically provided for herein;
- w) consequential loss of any kind;
- x) theft of Money or negotiable securities ; or
- y) property undergoing any process where the Damage results from its being so processed;

The above exclusions e), f), i), m), n), r), t) and u) of this cover shall be limited to the item, appliance, unit or machine immediately affected and shall not extend to Damage to other property that would otherwise be covered under this Section.

## 2. Insured Event/The Cover

Fire and Perils

### 2.1. Fire resulting from explosion or otherwise;

#### **What is not Covered**

Excluding spontaneous combustion, fermentation, heating or any process involving the direct application of heat. This exclusion shall be limited to the item or items immediately affected and shall not extend to other property Damaged as a result of such spontaneous combustion, fermentation, heating or any process involving the direct application of heat

### 2.2. Lightning or thunderbolt;

### 2.3. Attempts by civil authorities to prevent the spread of fire;

### 2.4. Impact by:

- i. vehicles designed primarily for use on land;
- ii. animals, but not Damage by eating, chewing, clawing or pecking by animals or birds;
- iii. trees or branches of trees. This cover includes the reasonable costs associated with the removal and disposal of the trees or branches that caused the Damage;
- iv. communication masts, towers, antennae to satellite dishes; or
- v. watercraft.

### 2.5. Storm, tempest, rainwater, snow, sleet, wind or hail;

#### **What is not Covered**

excluding Damage or Damage to Property caused:

- i. by water from or action of the sea, tidal wave, storm surge, high water, Flood;
- ii. to gates, fences, retaining walls;
- iii. to shade sails, shades, shade cloths, awnings and blinds;
- iv. to property in the open air unless such property is a permanent structure designed to function without the protection of walls or roof;
- v. by erosion, subsidence, landslide, collapse or any other movement of earth;
- vi. by or resulting from water seeping, percolating or otherwise penetrating into the Buildings as a result of structural defects, faulty design or faulty workmanship in their construction; or
- vii. by water entering Buildings through an opening in the wall or roof made for the purpose of alterations, additions, renovations or repairs.

### 2.6. Insured Event/The Cover

Water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other systems;

### 2.7. Insured Event/The Cover

Explosion;

#### **What is not Covered**

Excluding Damage to boilers (other than boilers used for domestic purposes only), economisers, vessels under pressure or their contents resulting from their own explosion.

### 2.8. Insured Event/The Cover

Earthquake, subterranean fire or volcanic eruption, tsunami occurring during any period of seventy-two (72) consecutive hours;

An excess of 20,000 or one per cent (1%) of the total Sum Insured at the situation, whichever is the lesser, applies to this cover.

### 2.9. Insured Event/The Cover

Impact by aircraft or other aerial devices or articles dropped there from, sonic boom;

### 2.10. Insured Event/The Cover

Riot, civil commotion, strikes or locked out workers or persons taking part in labour disturbances or Damage occurring as a result of vandalism by persons not being tenants (including Damage or destruction to, but not loss of, property caused by theft or any attempt thereat) or as a result of the actions of any lawfully constituted authority in connection with the foregoing acts but not by:

- i. cessation of works whether total or partial; or
- ii. cessation, interruption, or retarding of any process or operation as a direct result of strikes, labour disturbances or locked out workers.

## DEFINITIONS APPLYING TO THIS SECTION

The following definitions apply to this Policy Section:

1. **Buildings** means the property belonging to You or for which You are legally responsible, or for which You have assumed a responsibility to insure, described below:
  - a) The building together with outbuildings (including flammable goods stores), foundations, annexes and gangways;
  - b) Fixed coverings to walls, floors and ceilings but excluding fixed carpets other than landlord's fixed carpets;
  - c) Structural improvements including:
    - i. fixtures, lifts elevators, escalators and equipment all permanently fixed and non-portable.
    - ii. paths, driveways, car parks, driveway aprons, terraces, walls, gates, fences, letterboxes, signs(attached & detached), walls, floodlights, flagpoles, hoists, gangways, staircases, exterior lights, masts, antennae and aerials, storage tanks including fixed attachments and fixed accessories thereof.
    - iii. swimming pools, saunas and spas all permanently fixed including fixed attachments and fixed accessories thereof.

- d) Room heaters, stoves, air-conditioners, fans, light fittings and hot water services all permanently fixed and non-portable;
  - e) Other fixed (non-portable) apparatus or appliances attached to the gas, plumbing, drainage or sewerage system, or to the electrical system (other than by means of a flexible or tensile cord to a power point);
  - f) Pipes, ducts, wires, cables, metres, and switches used in connection with the provision of lighting, heating, cooling, communication, water supply, drainage, sewerage and other services;
  - g) Exterior blinds, awnings, shade sails, shade cloths and shades;
  - h) Materials and supplies intended for use in the construction, erection, repair of, or alteration and addition to an amount not exceeding ten per cent (10%) of the Sum Insured or the amount specified in the schedule;
  - i) Tanks above or below ground;
  - j) Fire extinguishment equipment or electronic surveillance equipment installed in or on the building.
2. **Computers** means electronic data processing equipment including software programs.
3. **Computer Virus** means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to trojan horses, worms and time or logic bombs.
4. **Contents** means items belonging to You or for which You are legally responsible, or have assumed a responsibility to insure, described below:
- a) Machinery, machinery foundations settings and beddings, plant, tools, instruments and utensils of trade, non fixed or portable equipment, office equipment, safes, strongrooms, portable fire extinguishment equipment and portable electronic surveillance equipment;
  - b) Furniture, furnishings, carpets, curtains, internal blinds;
  - c) Unregistered mechanically or electrically propelled vehicles;
  - d) Where You are the tenant of leased or rented premises:
    - i. landlord's fixtures and fittings other than breakage of glass for which You are liable under the terms of a lease or similar agreement; and
    - ii. fixtures and fittings, or materials and supplies intended for use in the construction of fixtures and fittings, installed or to be installed for Your own use.
  - e) Documents, manuscripts, business books but only for their value as stationery;
  - f) Patterns, models, moulds, designs;
  - g) Unused books, books of reference, stationery;
  - h) Advertising material and display equipment; and
  - i) Computers, all equipment connected to and operating from Computers and all disk, tapes, cards or other materials used for storing data.
- Contents does not mean:**
- i. Specified Items specified in the Schedule;
  - ii. Stock;
  - iii. Watercraft, aircraft, registered mobile plant, motor vehicles, motorcycles, trailers or caravans including accessories, tools and spare parts whilst attached to or within the watercraft, aircraft, registered mobile plant, motor vehicle, motorcycle, trailer or caravan;
  - iv. Any living creature or organism;
  - v. Growing crops or pastures;
  - vi. Bullion, money, jewellery, furs, watches, precious or semi-precious stones.
5. **Debris** means the residue of damaged Property Insured excluding any material that is itself a pollutant or contaminant and which is deposited beyond the boundaries of the Insured Premises.
6. **Electronic Data** means facts, concepts and information converted to a form useable for communications, interpretations or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.
7. **Property Insured** means the Buildings, Contents and Stock shown in the Schedule under this Section.
8. **Removal of Debris** means:
- a) the removal, storage and disposal of Debris and of anything that has caused insured Damage, from the Situation;
  - b) the removal, storage and disposal of Debris from premises, roadways, services, railways or waterways owned by any other person or entity, where You are liable at law to remove, store or dispose of such Debris as a result of insured Damage, together with the cost of cleaning up, but provided that such liability has not arisen as a result of any agreement made by You unless liability would have attached in the absence of such agreement;
  - c) the demolition, dismantling, shoring up, propping or underpinning of Property Insured or the carrying out of other temporary repairs to Property Insured as a result of insured Damage; and
  - d) the demolition and removal of Property Insured that is necessary for the purpose of repair or replacement as a result of insured Damage.
9. **Stock** means stock in trade and/or merchandise (including all materials used in the packing of same) and work in progress (excluding tobacco unless separately insured hereunder) the property of the Insured or held in trust or on commission for which the Insured is legally responsible.

## ADDITIONAL BENEFITS

The insurance under this Section 1 - Property is extended to include:

### 1. Temporary Removal of Property

Stock and Contents whilst temporarily removed from the Situation but excluding:

- a) Motor vehicles;
- b) Stock on consignment;
- c) Stock sold and in transit to a customer;
- d) Portable computers, portable hand held equipment and mobile phones; and Stock and Contents that have been removed for a period in excess of ninety (90) days without Our written agreement to continue cover.

The most We will pay under this Additional Benefit is ten percent (10%) of the total Sum Insured on Stock and Contents but only to the extent that the Sum Insured is not otherwise exhausted.

In respect of Stock and Contents in transit or in the open air:

- a) Accidental Damage cover does not apply; and
- b) Cover is limited to Fire and Perils.

### 2. Removal of Debris and Temporary Repairs

Cost of Removal of Debris, Demolition, Dismantling and any temporary repairs necessary (including Your legal liability for the cost of removal of debris, demolition, dismantling and any temporary repairs in regard to adjoining premises, property, services, roadways, waterways, as well as at the Situation) as a direct result of an Insured event up to ten percent (10%) of the Sum Insured or \$10,000 whichever is the lesser.

### 3. Architects and Other Fees

Architects, Surveyors, Legal and Consulting fees approved by Us (which will not exceed those chargeable under the scales of the various institutes and authorities regulating their charges) necessarily incurred and payable to any of the professional persons referred to in this clause in the reinstatement of the Damage to Your property but only to the extent that the Sum Insured on that item is not otherwise exhausted and not including fees incurred to prepare a Claim under the Policy.

### 4. Fire Extinguishment & Emergency Services Costs

Costs and expenses, including wages of Your employees up to \$5,000, necessarily and reasonably incurred:

- a) in extinguishing fire at or in the vicinity of, and threatening to involve;
- b) in preventing or diminishing imminent Damage to;
- c) in gaining access consequent upon Damage to the Property Insured;
- d) in the replenishment of fire fighting appliances and apparatus;
- e) for the purpose of shutting off the supply of water or other substances that are accidentally discharged from any fire protective equipment or otherwise;

- f) in the Removal of Debris from the Situation by Fire Brigade Services;
- g) for which You are liable to any Fire Brigade Service;
- h) for which You are liable under any Fire Brigade legislation or similar legislation following circumstances described in (a) above; or
- i) in respect of Damage to employees' clothing and personal effects

Payment under this Additional Benefit is not dependent on Damage to Property Insured.

### 5. Flood

Provided that such an extension of cover is stated in the Schedule.

### 6. Capital Additions

Cover for Property Insured at any one situation is extended to include any alterations and additions to Buildings and Contents to an amount not exceeding ten per cent (10%) of the Sum Insured.

### 7. Discharge of Mortgage

Where the Sum Insured is not otherwise exhausted, We will pay up to the balance of the Sum Insured for the reasonable legal costs to discharge a mortgage or mortgages on Buildings only, but only where such discharge is rendered necessary as a direct result of a claim for which We have agreed to indemnify You.

### 8. Rewriting of Records

If the claim is in respect of Damage to Contents, the reasonable costs associated with the rewriting, reconstructing and restamping of Your records and books of accounts. The most We will pay under this Additional Benefit is ten per cent (10%) of the contents Sum Insured or \$50,000 whichever is the lesser.

### 9. Employees/Volunteers/Work Experience Students Tools, Equipment, Personal Effects and Clothing

Clothing, tools, equipment and personal effects (excluding electronic devices), not otherwise insured, belonging to the owners, partners, proprietors, directors, employees, volunteers or work experience students of Your Business whilst at the insured premises not exceeding \$1,000 for any one person.

### 10. Landscaping

Loss or damage to Landscaping (up to a maximum of \$1,000 any one loss) which includes trees shrubs plants, and lawns resulting from Accidental Damage and Fire and Perils.

### 11. Temporary Protection

The cost of temporary protection (up to a maximum of \$25,000 any one loss) reasonably necessary for the safety and protection of the Contents and Stock following loss or damage to the Insured Premises.

### 12. Branded Goods

Any salvage of branded goods and/or merchandise, Your own 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 such 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 or on behalf of You.

### 13. Exploratory Costs

The exploratory costs necessarily and reasonably incurred by the Insured to prevent imminent Damage or diminish Damage to Property Insured by any peril insured against by this Policy (up to a maximum of \$10,000).

### 14. Cost of Clearance of Drains

The costs 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 property hereby insured, consequence upon Damage recoverable hereunder (up to a maximum of \$10,000).

### 15. Seasonal Increase

The Sum Insured for Stock will automatically increase by one hundred per cent (100%) during the Seasonal Increase Periods.

## BASIS OF SETTLEMENT OF CLAIMS

The basis of settlement for claims is Reinstatement or Replacement and Extra Costs, unless otherwise specified in the Schedule, as follows:

### Reinstatement, Replacement

**Reinstatement or Replacement** means in the case of a Building its rebuilding where destroyed, and in the case of Contents lost or destroyed their replacement with similar property, in either case to a condition substantially the same as but not better or more extensive than their condition when new.

Where Buildings or Contents are damaged in part only, **Reinstatement or Replacement** means the repair of the Damage and the restoration of the damaged portion of the Building or Contents to a condition substantially the same as but not better or more extensive than their condition when new.

**Indemnity** means the cost necessary to replace, repair or rebuild the property destroyed or damaged to a condition substantially the same as but not better or more extensive than its condition at the time the damage occurred, making due allowance for depreciation, wear, tear and deterioration.

The work of rebuilding, replacing, repairing or restoring as the case may be, must be commenced and carried out with reasonable despatch, failing which We will not pay more than the cost of Replacement, repair or rebuilding on an indemnity basis. The work may be carried out on another site and in any manner suitable to Your requirements but subject to Our liability not thereby being increased.

When Buildings or Contents are destroyed or damaged in part only, We will not pay more than the amount We could have been called upon to pay for reinstatement or replacement if such Buildings or Contents had been wholly destroyed.

No payment beyond the indemnity value of the loss shall be made until a sum equal to the cost of Reinstatement shall have been actually incurred.

All other insurances covering the Property Insured by or on Your behalf shall be issued on a similar Reinstatement or Replacement basis.

## Extra Costs

We will pay for the extra cost of Reinstatement, including the cost of demolition or dismantling of damaged Buildings or Contents, necessarily incurred to enable compliance with the requirements of any statute or regulation of any municipal or statutory authority operative at the time of the Reinstatement, provided the work of Reinstatement (which may be carried out wholly or partially upon another site if the previously mentioned statute or regulation of any municipal or statutory authority so necessitates, subject to Our liability not thereby being increased) must be commenced and carried out with reasonable despatch, failing which We shall not be liable to make payment beyond the amount which would have been payable under this Section if this Clause had not been incorporated therein, **but not** any additional cost incurred in complying with any such requirement which You may have been required to comply with prior to the destruction or damage.

If the cost of Reinstatement of the damaged Property Insured is less than fifty (50%) per cent of what the cost of reinstatement would have been if such Property had been totally destroyed, the amount We will pay under this Clause will be limited to the extra cost of Reinstatement necessarily incurred in reinstating only the damaged portion of the Property.

Additional Benefit 7 – Discharge of Mortgage shall not be applied to the amount recoverable under this Clause.

## Floor Space Ratio Index (Plot Ratio)

In the event of a Building being declared a total loss or constructive total loss following Insured Damage, and, following the exercise of powers or authority by any government department, local government authority or statutory authority, Reinstatement of such Insured Damage is limited or restricted by any statute or regulation of any such authority, resulting in the reduction of the floor space ratio index (plot ratio) of the site, We shall pay in addition to any amount payable for Reinstatement of such Building the difference between the actual cost incurred in Reinstatement in accordance with a reduced floor space ratio index (plot ratio) and the cost of Reinstatement which would have been incurred had a reduced floor space ratio index not been applicable. Any payment by Us under this clause shall only be made after the said difference has been ascertained upon completion of the Reinstatement referred to above, and after Your architect has duly certified the relevant amount.

Our liability under this Clause shall not cause Our liability in respect of a claim under Section 1 (Specified Events) to exceed the Sum Insured stated in the Schedule in respect of Buildings which are the subject of the claim.

## UNDERINSURANCE / AVERAGE CONDITION

When the amount of a claim is more than five (5%) per cent of the relevant Sum Insured stated in the Schedule for Building or Contents or Stock, the following underinsurance condition will apply.

If the Sums Insured on Buildings, Contents or Stock is or are less than eighty five (85%) per cent of their respective Replacement values at the commencement of the Period of Insurance, We will not pay for a greater proportion of the loss or damage than the relevant Sum Insured bears to eighty five (85%) per cent of the Replacement value of the Buildings, Contents or Stock at the time the loss, destruction or damage occurred.

Our liability under this Clause shall not exceed the Sum Insured stated against each item in the Schedule.

## SECTION 2 BUSINESS INTERRUPTION

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the General Definitions, General Conditions, General Exclusions, terms and limitations and the current Schedule.

### DEFINITIONS APPLYING TO THIS SECTION

**Accountant** means a professional Accountant to be appointed by both You and Us or failing such appointment nominated by the President of the Institute of Chartered Accountants in Australia or by the President of the Australian Society of CPA's.

**Annual Income** means the gross income during the twelve (12) months immediately before the date of damage, to which adjustment shall be made to reflect the trend in the business and any other circumstances in order to arrive at the same result that would have been obtained had the damage not occurred.

**Gross Income** means the money paid or payable to You for goods sold and/or services rendered or for rental received or payable (plus outgoings as defined or specified in any lease) to You in the course of the business less the purchase cost of stock.

**Indemnity Period** means the period beginning with the occurrence of the damage and ending not later than the number of weeks or months stated in the Policy Schedule during which the results of the business shall be affected in consequence of the damage.

**Outstanding Accounts Receivable** means the total amount owed to the business by customers as at the end of the month immediately prior to the date of the damage adjusted for:

- a) bad debts;
- b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of damage) to customers' accounts in the period between the date to which the last statement relates and the date of the damage; and
- c) any abnormal condition of trade which had or could have had a material effect on the business, so that the figured thus adjusted shall represent as nearly as reasonably practicable those which would have been attained at the date of the damage had the damage not occurred.

**Standard Income** means the gross income during that period corresponding with the indemnity period in the twelve (12) months immediately before the date of the damage, adjusted to reflect the trend in the business and any other circumstances in order to arrive at the same result that would have been obtained had the damage not occurred.

### COVER UNDER THIS SECTION

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;

- b) Section 3 – Burglary;
- c) Section 4 – Money;
- d) Section 5 – Glass; or
- e) Section 6 – General Property

for which a claim has been paid or liability admitted, or such claim would have been paid or liability admitted but for the application of an Excess;

2. Property insured under another insurance policy insuring the same events as those as in Clause 1 above, and the insurer has paid or admitted liability under its policy or would have paid or admitted liability but for the application of an Excess; or
3. Property insured under Section 1 as a result of an explosion or implosion of boilers (other than boilers used for domestic purposes only), economisers, or vessels under pressure (including their own pressure).

We will, 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 up to the limits specified in the Policy Schedule in respect of:

#### Gross Income

Where Gross Income has been selected, the amount payable as indemnity shall be:

- a) In respect of reduction of Gross Income, the amount by which the Gross Income earned during the indemnity period shall in consequence of the damage fall short of the standard income.
- b) Additional expenditure necessarily and reasonably incurred with Our consent for the sole purpose of avoiding or diminishing the reduction in the Gross Income of the business caused by the loss or damage. The amount expended shall not exceed the reduction in Gross Income thereby avoided (less expenses saved as a result of the damage).

#### Additional Increased Cost Of Working

We will also pay the additional expenditure, not otherwise recoverable under any other cover option in this Section, You reasonably incur to minimise the effect of the loss or damage to the Business during the Indemnity Period.

#### ADDITIONAL BENEFITS

Following a claim under this Section for which We have agreed to indemnify You, the insurance Policy is extended to include:

#### Claims Preparation Costs

The reasonable professional fees payable by You, and such other reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation of claims under this Section.

#### Prevention of Access

- a) Damage by any insured event covered by the Property section to property within a one (1) kilometre radius of Your premises or to a property forming part of or contained in a complex of which the location forms part;
- b) bomb threat;
- c) closure or evacuation of all or part of the premises by order of a competent government, public or statutory authority as a result of;

- i. food poisoning, murder or suicide; or
- ii. infectious or contagious human diseases, at Your premises;
- d) closure or evacuation of all or part of the premises by order of a competent government, public or statutory authority as a result of:
  - i. vermin or other animal pests, or
  - ii. incorrect operations of drains or other sanitary arrangements at the location,

which shall prevent or hinder the use of Your building or access thereto, or results in a cessation or diminution of trade due to temporary falling away of potential customers.

The cover provided by this Extension shall be subject to a sub-limit of \$250,000 in the aggregate during any one Period of Insurance. For the avoidance of doubt, the specified sub-limit shall apply in the aggregate for all Situations or locations combined, not per Situation/location.

#### Public Utilities, Customers, and Suppliers

Where Damage occurs within the Commonwealth of Australia at:

- a) electricity station or substation;
- b) a gas supplier;
- c) water or sewerage services;
- d) a customer's premises; or
- e) a supplier or manufacturer of goods, components or materials,

and these premises supply goods or services utilised by You or You supply goods or services to them, where damage is caused by and would be covered by an insured event listed in the Property Section of this Policy, the consequential reduction of Gross Income or Weekly Income resulting from such interruption or interference shall be deemed to be loss resulting from loss or damage to property used by You at Your premises.

**We will not** pay more than twenty per cent (20%) of the Sum Insured for Gross Income or Weekly Income in respect of loss resulting from such interruption or interference at suppliers' premises.

Nor by reason of this or the combined operation of this clause and any other clauses in this Section, shall We be obliged to pay more than the Sum Insured for Gross Income or Weekly Income in any one Indemnity Period or during the term of this Policy.

### SECTION 3 BURGLARY

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the General Definitions, General Conditions, General Exclusions, terms and limitations and the current Schedule.

Our total liability during any one Period of Insurance, will not exceed, in respect of each item, the Sum Insured shown in the Schedule for that item.

#### DEFINITIONS APPLYING TO THIS SECTION

1. **Contents** means the items belonging to You or for which You are legally responsible, or have assumed a responsibility to insure, described below:
  - a) furniture, furnishings, carpets, curtains and internal blinds;

- b) machinery and plant, tools, instruments and utensils of trade, non-fixed or portable equipment, office equipment, Safes, Strongrooms;
- c) consumable materials used in the operation of machinery, computers, all equipment connected to and operating from Computers, and all disks, tapes, cards or other materials used for storing data;
- d) advertising material and display equipment;
- e) where You are a tenant of leased or rented premises;
  - i. landlord's fixtures and fittings for which You are liable under the terms of a lease or similar agreement;
  - ii. fixtures and fittings, or materials and supplies intended for use in the construction of fixtures and fittings to be installed for Your own use;
- f) documents but only for their value as stationery;
- g) patterns, models, moulds, designs;
- h) unused books, books of reference, stationery; but does not mean:
  - i. Tobacco, Cigars and Cigarettes;
  - ii. Stock;
  - iii. Items specified in the Schedule;
  - iv. Money;
  - v. Vehicles or trailers (including their accessories) registered or licensed to travel on a public road, other than mobile plant and equipment that is so registered or licensed, while on Your Premises, but excluding cars, sedans, panel vans and trucks;
  - vi. Watercraft, aircraft, locomotives or rolling stock, including their accessories; or

2. **Stock** means stock in trade and/or merchandise (including all materials used in the packing of same) and work in progress (excluding tobacco unless separately insured hereunder) the property of the Insured or held in trust or on commission for which the Insured is legally responsible.

#### COVER UNDER THIS SECTION

The items shown in the Schedule are insured whilst within the Premises, against destruction, loss or damage (other than breakage of glass) caused by:

1. Theft or attempted Theft, consequent upon forcible or forcible and violent entry into the Premises;
2. Theft or attempted Theft occurring outside Business Hours, by a person having been feloniously concealed on the Premises, provided that there is evidence of forcible and violent exit from the Premises;
3. Theft, consequent upon threat of immediate violence or violent intimidation;
4. Armed hold-up at the Situation;
5. Theft, fraud or dishonesty by any of Your employees provided that the loss is discovered within twenty

one (21) days of its occurrence and Our Limit of Liability during any one Period of Insurance in respect of all such loss shall not exceed \$1,000, but not any loss by theft in which any member of Your household is involved as a principal or accessory or theft from any open space whether fenced or unfenced outside the walls of any building at the Situation;

#### ADDITIONAL BENEFITS

Following a claim under this Section for which We have agreed to indemnify You, the insurance Policy is extended to include:

##### 1. Theft Without Forcible Entry

Subject to the Sum Insured not being otherwise exhausted We will indemnify You for loss of Contents (excluding Stock) resulting from theft without forcible and violent entry to the premises at the Situation up to an amount of \$2,000;

##### 2. Temporary Protection

The cost of temporary protection (up to a maximum of \$10,000 any one claim) reasonably necessary for the safety and protection of the Contents and Stock following insured loss or damage to the premises at the Situation;

##### 3. Developing Film

The cost of developing the film of security cameras following the occurrence of an event specified in SECTION 3 BURGLARY cover under this Section, or an attempt thereat;

##### 4. Replacement Locks

Subject to the Sum Insured not being otherwise exhausted We will indemnify You for the cost of replacing locks and keys which secure external doors, windows and other openings of the buildings at the Situation, the keys which are lost or stolen during the Period of Insurance **but** such locks must be replaced with locks of a similar type and quality. We will not pay more than \$1,000 under this Clause in any one Period of Insurance;

##### 5. Employees Tools, Equipment, Personal Effects and Clothing

The cost of employees' tools, equipment, personal effects (excluding electronic devices) and clothing not otherwise insured against loss or damage resulting from an insured event whilst at the Situation up to the sum of \$2,000 or the amount shown in the Schedule, whichever is the greater;

##### 6. Customers goods for which You are legally liable which are held at the premises at the Situation up to an amount of \$1,000 any one claim;

##### 7. Temporary cover, on the same basis as set out in this Section, at new premises first occupied by You during the Period of Insurance and not for more than thirty (30) days from the first date of such occupation; and

##### 8. Temporary removal of Property Insured from its location at the Premises and situated in another building (to a maximum of ten per cent 10% of the Sum Insured under this Section) excluding:

- a) Stock held by others on consignment;

- b) Money;
- c) directors or employees tools, equipment, personal effects and clothing; and
- d) theft without forcible and violent entry to the building at the other location.

##### 9. Seasonal Increase, the Sum Insured under this Section will automatically increase by one hundred per cent (100%) during the Seasonal Increase Periods.

#### CONDITIONS APPLICABLE TO THIS SECTION

##### Burglar Alarm Systems

Where the situation is protected by a burglar alarm system, You must ensure that:

1. the burglar alarm system is made fully operative whenever the Premises are left unattended;
2. You exercise all due care to maintain all burglar alarm systems under Your control so that they are in good working order at all times and are tested daily, except on non-business days; and

If You do not meet both of these conditions, We may refuse to pay, or reduce the amount We pay for, any claim.

#### EXCLUSIONS

We will not cover:

1. Money;
2. tobacco, cigarettes or cigars (unless stated in the Schedule);
3. any consequential loss whatsoever; or
4. loss, destruction or damage due to, or sustained by or through Theft or any attempted Theft, or any act of fraud or dishonesty committed by any:
  - a) members of Your family;
  - b) persons in Your service (except as otherwise provided for in this Section), other than loss or destruction or damage through Theft or any attempted Theft committed by persons in Your service following forcible and violent entry by such persons to the Premises;
  - c) loss, destruction or damage as a result of trickery.

#### SECTION 4 MONEY

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the General Definitions, General Conditions, General Exclusions, terms and limitations and the current Schedule.

The most We will pay during any one Period of Insurance or for any claim arising out of one event or series of events arising directly or indirectly from one source or original cause, for each item specified in the Schedule, is the Sum Insured shown in the Schedule for that item.

#### COVER UNDER THIS SECTION

We will pay to You or on Your behalf (up to the Money Sum Insured stated in the Schedule) the value of Money belonging to You and connected with the Business in the event of loss of or damage to such Money:

1. in Your personal custody and/or that of persons authorised by You whilst in transit to or from Your private residence and/or that of persons authorised by You to and from Your bank or whilst such Money is contained in the night safe of any bank where You normally transact business or when being made up for banking.

Provided that Our liability for Money in night safes shall cease at bank closing time on the next business day following deposit therein, and, in the case of Money drawn as wages and/or salaries and carried by You and/or persons authorised by You also whilst on the premises at the Situation, shall cease when the Money is paid away

Provided further that Our liability in respect of Money not paid out on the day of withdrawal from Your bank shall be limited to an amount not exceeding forty per cent (40%) of the particular withdrawal, provided that during non-business hours such Money be kept in a securely locked safe or securely locked strongroom on the premises;

2. on the premises at the Situation during Business Hours;
3. on the premises at the Situation outside Business Hours, whilst contained in a securely locked safe or strongroom;
4. on the premises at the Situation not kept in a securely locked safe or strongroom;
5. on the premises at the Situation whilst contained in a securely locked automatic teller machine or totalisator agency board machine;
6. on the premises at the Situation whilst contained in a securely locked gaming machine; and/or
7. in Your personal custody at Your private residence and/or the personal custody of persons authorised by You whilst contained in their own private residences, provided that:
  - i. Our liability will cease at Your bank closing time on the next bank business day following that on which the transit of the Money to the private residence was completed, and
  - ii. for loss of or damage to coins and banknotes, We will only pay their face value (if any) at the time of the loss or damage and will not pay for any additional value they may have arising out of their rarity or value as collectables.

#### ADDITIONAL BENEFITS

Following a claim under this Section for which We have agreed to indemnify You, the insurance Policy is extended to include:

1. **Collusion or Act Of Fraud:** Cover of \$1,000 during any one Period of Insurance for loss by or through the collusion in any act of fraud or dishonesty by any of Your employees.
2. **Replacement Locks:** The cost of replacing locks and keys which secure external doors, windows and other openings of the buildings at the Situation which are damaged, lost or stolen during the Period of Insurance during the course of circumstances giving rise to indemnity under this section, **but** such

locks must be replaced with locks of a similar type and quality. We will not pay more than \$1,000 under this Clause in any one Period of Insurance.

3. **Seasonal Increase:** The Sum Insured for Money will automatically increase by one hundred per cent (100%) during the Seasonal Increase Periods.

#### EXCLUSIONS

We will not pay for:

1. shortages resulting from clerical or accounting errors or loss due to errors in receiving or paying out;
2. loss not discovered within seven (7) working days after its occurrence;
3. any act of fraud or dishonesty by You or that of any member of Your family, directors or partners;
4. loss of Money exceeding \$1,000 during any one Period of Insurance by or through the collusion in any act of fraud or dishonesty by any of Your employees;
5. loss destruction or damage to Money carried by professional money carriers, professional carriers or common carriers;
6. loss from an unattended vehicle; or
7. loss from a safe or strongroom opened by a key or by use of details of a combination or other code any of which has been left on the Premises outside Business Hours.

#### SECTION 5 GLASS

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the General Definitions, General Conditions, General Exclusions, terms and limitations and the current Schedule.

#### DEFINITIONS APPLYING TO THIS SECTION

1. **Breakage** means:
  - a) for any plate of sheet Glass or porcelain, a fracture extending through the entire thickness of the Glass or porcelain; and
  - b) for laminated Glass, a fracture extending through the entire thickness of a lamination,
 but not:
  - i. any other damage or disfiguration; or
  - ii. caused by or in consequence of fire or artificial heat.
2. **External Glass** means:
  - a) external fixed glass forming part of the premises and any shatter resistant or reflective film affixed thereto; and
  - b) ceramic tiled shop fronts.
3. **Internal Glass** means:
  - a) all fixed internal glass, sinks, wash basins and sanitary ware and mirrors (other than hand mirrors) whilst in the Premises; and
  - b) showcase frames, display cabinets and counter frames in the premises,
 but does not include:

- i. glass forming part of stock in trade or merchandise;
  - ii. glassware, crystal, crockery or china; or
  - iii. imperfect glass.
4. **Signs** means Glass or plastic that forms part of a sign.

#### COVER UNDER THIS SECTION

We will indemnify You in the event of Breakage of the Glass shown in the Schedule

#### ADDITIONAL BENEFITS

1. Where We have admitted a claim under this Section, Section 5 extends to cover up to the greater of \$1,000 or the amount(s) specified in the Schedule for each of the following benefits:
  - a) replacing sign writing or ornamentation affixed to the broken Glass.
  - b) temporary shuttering, boarding up or other protection reasonably necessary for the safeguarding of the Premises or contents therein, pending replacement of the broken Glass.
  - c) replacing damaged window frames and tiled shop fronts, but with due allowance for wear and tear.
  - d) the value at cost, of the stock or contents destroyed or damaged by broken Glass following the Breakage of Glass where such breakage constitutes an admissible claim under this section, less any amount realised from the sale of any salvage.
2. Following a claim under this Section, 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.

#### SETTLEMENT OF CLAIMS

In the event of a Breakage of Glass as shown in the Schedule We Will, at Our option:

1. replace the broken Glass in compliance with the requirements of Standards Australia and/or any Statutory Authority; or
2. pay the cost of replacement of such glass.

### SECTION 6 GENERAL PROPERTY

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the General Definitions, General Conditions, General Exclusions, terms and limitations and the current Schedule.

Our total liability during any one Period of Insurance, will not exceed, in respect of each item, the Sum Insured shown in the Schedule for that item.

#### DEFINITIONS APPLYING TO THIS SECTION

**General Property** means the items of property owned by You or for which You are legally responsible and which are described in the Schedule including any accessories or carrying cases.

#### General Property does not mean:

Property

- a) wholly or predominantly used for personal, domestic or household purposes by:
  - i. You or any other person insured under the Policy;
  - ii. a relative of or any other person insured under the Policy; or
  - iii. any person with whom You or any other person insured under the Policy resides; and
- b) ordinarily used for that purpose, or is otherwise personal and domestic property for the purposes of the Corporations Regulations 2001 (Cth) (as amended).

**Loss** means loss or damage caused by or arising from a sudden and unforeseen accident.

#### COVER UNDER THIS SECTION

We will pay for Loss of General Property happening anywhere in the Commonwealth of Australia.

#### BASIS OF SETTLEMENT

1. We may at Our option repair or replace any lost or damaged General Property, or pay the lesser of the amount of the loss or damage up to the market value, or the General Property Sum Insured stated in the Schedule.
2. We will not pay for the cost of any alterations, improvements or overhauls carried out on the occasion of repair or replacement resulting from a Loss.
3. Where the Loss is confined to part of the item of General Property, We shall pay for the repair or replacement of that item plus the cost of any dismantling and reassembling necessary.
4. Where the item of General Property that has been lost or damaged is one of a pair or part of a set, We shall only be liable to pay for the repair or replacement of the lost or damaged item.

#### EXCLUSIONS

1. We will not pay for loss or damage directly or indirectly caused by:
  - a) Mechanical or electronic breakdown or derangement unless as a consequence of a Loss;
  - b) Cracking, scratching or breakage of glass or fragile items or surfaces unless as a consequence of Loss;
  - c) Loss or damage caused by rust or oxidation, mildew, mould, moths, vermin, insects, change of colour, or any process of heating, drying, cleaning, dyeing or alteration to the item of General Property;
  - d) The action of light or atmospheric conditions or gradually developing conditions, vibration, wear and tear or depreciation;
  - e) Dishonesty by You or others to whom the item of General Property may be delivered, entrusted, loaned or rented;

- f) Action of the sea, tidal wave, high water or Flood; or
  - g) Theft without forcible and violent entry to locked premises or vehicles containing the General Property.
2. We will not pay for loss or damage to sporting equipment while in use.
  3. We will not pay for consequential loss of any description.