



QBE Insurance (Australia) Limited

Commercial / Retail / Industrial

Business Pack Insurance Policy



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About this booklet

This document contains important information to help you understand the insurance. It is up to you to choose the cover you need. Any advice in this booklet is general nature only and has not considered your objectives, financial situation or needs. You should carefully consider the information provided having regard to your personal circumstances to decide if it's right for you.

For more information

Please take the time to read through this booklet and if you have any questions, need more information or to confirm a transaction, please contact:

- your financial services provider.

About QBE Australia

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 is a member of the QBE Insurance Group Limited ABN 28 008 485 014 (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the largest insurers and reinsurers in the world.

About Austbrokers

This Policy is distributed by insurance brokers who are licensed members of Austbrokers Holding Limited ABN 60 000 000 715.

The Austbrokers Network was established in 1985 to give individual general insurance brokers the opportunity to enjoy the benefits of a larger group, yet still maintain that all import feel of independence. With a total turnover of over \$2.5 billion dollars in general insurance premiums, the Austbrokers Network ranks within the top general insurance broking groups in Australia.

Austbrokers Holding Limited ("Austbrokers") has entered into an arrangement with QBE to develop financial products and services that are distributed by Austbrokers members.

For further information about Austbrokers Network please visit www.austbrokers.com.au

Important information about Austbrokers' advice

Any advice Austbrokers gives about this Policy does not take into account any of your particular objectives, financial situation or needs. For this reason, before you act on Austbrokers' advice, you should consider the appropriateness of the advice taking into account your own objectives, financial situation and needs. Before you make any decisions about whether to acquire this Policy we recommend you should read this insurance Policy.

How to apply for this Policy

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

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

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

If you need to make a claim against this Policy, please refer to '3. Claims Procedures' under General Terms & Conditions. If you have any queries, please contact your intermediary or us as soon as possible.

Important Information

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.

Non-disclosure or misrepresentation

If you make a misrepresentation to us, or if you do not comply with your duty of disclosure and we issue your Policy with terms and conditions that are different to the terms and conditions that would have been issued had there not been any misrepresentation, or your duty of disclosure had been complied with, then:

- we may reduce the cover provided, so that we are placed in the same position as we would have been in, had there not been any misrepresentation and your duty of disclosure had been complied with; and
- we may also cancel your Policy; or
- we may treat your Policy as if it never existed if the misrepresentation or your non-compliance with your duty of disclosure was fraudulent.

Privacy

We'll collect personal information when you deal with us, our agents, other companies in the QBE group or suppliers acting on our behalf. We use your personal information so we can do business with you, which includes issuing and administering our products and services and processing claims. Sometimes we might send your personal information overseas. The locations we send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy Policy describes in detail where and from whom we collect personal information, as well as where we store it and the full list of ways we could use it. To get a free copy of it please visit qbe.com.au/privacy or contact QBE Customer Care.

It's up to you to decide whether to give us your personal information, but without it we might not be able to do business with you, including not paying your claim.

Significant risks

Under-insurance

Certain cover sections, fire, business interruption and electronic equipment, contain under-insurance (also known as 'Average') clauses that may limit the amount that we pay when you have a claim. This will only happen if you understate a sum insured or declared value.

Example:

The insurable value of your property, insured in accordance with the basis of settlement at the commencement of the period of insurance, upon which the sum insured or limit of liability is based, is declared as \$1,000,000.

Property damage amounting to \$400,000 occurs from an event covered by the Policy.

The insurable value of such property at the commencement of the period of insurance calculated as stated, is actually \$1,500,000.

Under-insurance applies because the declared value of the property is less than 80% of the insurable value calculated in accordance with the Basis of Settlement applicable.

Claim payment = $(\$1,000,000 \times \$400,000) / (\$1,500,000 \times 80\%) = \$333,333$.

In this example, we would pay \$333,333 for the cost of reinstating your property, subject to the application of any excess(es).

Goods & Services Tax

The sum insured that you choose should exclude Goods and Services Tax ('GST').

In the event of a claim, if you are not registered for GST, we will reimburse you the GST component in addition to the amount we pay you. If you are registered for GST, you will need to claim the GST component from the Australian Taxation Office.

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

How to make a claim

If you need to make a claim against this Policy, please refer to '3. Claims Procedures' under General Terms & Conditions. If you have any queries, please contact your intermediary or us as soon as possible.

Cooling-off information

If you want to return your insurance after your decision to buy it, you may cancel it and receive a full refund. To do this you may notify your broker electronically or in writing within twenty one (21) days from the date the Policy commenced.

This cooling-off right does not apply if you have made or are entitled to make a claim. Even after the cooling-off period ends, you still have cancellation rights. However, your broker may deduct certain amounts from any refund for administration costs or any non-refundable taxes.

If your Policy is for an event that will start and finish within the twenty one (21) day cooling-off period, you can only exercise your right before the event starts or the expiry of the cooling-off period, whichever is the earlier. For example, for travel insurance, the commencement of the journey is the event.

The General Insurance Code of Practice

QBE Australia is a signatory to the General Insurance Code of Practice.

The Code aims to:

- Commit us to high standards of service
- Promote better, more informed relations between us and you
- Maintain and promote trust and confidence in the general insurance industry
- Provide fair and effective mechanisms for the resolution of complaints and disputes between us and you
- Promote continuous improvement of the general insurance industry through education and training.

Resolving complaints & disputes

At QBE we're committed to providing you with quality products and delivering the highest level of service.

We also do everything we can to safeguard your privacy and the confidentiality of your personal information.

Something not right?

We know sometimes there might be something you're not totally happy about, whether it be about our staff, representatives, products, services or how we've handled your personal information.

Step 1 – Talk to us

If there's something you'd like to talk to us about, or if you'd like to make a complaint, speak to one of our staff. When you make your complaint please provide as much information as possible. They're ready to help resolve your issue.

You can also contact our Customer Care Unit directly to make your complaint. Our aim is to resolve all complaints within 15 business days.

Step 2 – Escalate your complaint

If we haven't responded to your complaint within 15 days, or if you're not happy with how we've tried to resolve it, you can ask for your complaint to be escalated for an Internal Dispute Resolution (IDR) review by a Dispute Resolution Specialist.

The Dispute Resolution Specialist will provide QBE's final decision within 15 business days of your complaint being escalated, unless they've requested and you've agreed to give us more time.

Step 3 – Still not resolved?

If you're not happy with the final decision, or if we've taken more than 45 days to respond to you from the date you first made your complaint, you can contact the Australian Financial Complaints Authority (AFCA). AFCA is an ASIC approved external dispute resolution body.

AFCA resolves insurance disputes between consumers and insurers, at no cost to you. QBE is bound by AFCA decisions - but you're not. You can contact AFCA directly and they'll advise you if your dispute falls within their Rules.

Disputes not covered by the AFCA Rules

If your dispute doesn't fall within the AFCA Rules, and you're not satisfied with our decision then you may wish to seek independent legal advice.

Privacy complaints

If you're not satisfied with our final decision and it relates to your privacy or how we've handled your personal information, you can contact the Office of the Australian Information Commissioner (OAIC).

Contacting QBE's CCU, AFCA or the OAIC

How to contact QBE Customer Care

Phone	1300 650 503 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	<ul style="list-style-type: none"> complaints@qbe.com, to make a complaint. privacy@qbe.com, to contact us about privacy or your personal information. customercare@qbe.com, to give feedback or pay a compliment.
Post	Customer Care, GPO Box 219, Parramatta NSW 2124

How to contact AFCA

Phone	1800 931 678 (free call)
Email	info@afca.org.au
Online	www.afca.org.au
Post	Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

How to contact the OAIC

Phone	1300 363 992 Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	enquiries@oaic.gov.au
Online	www.oaic.gov.au

Policy Wording

This Policy is underwritten by QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545.

Our agreement with you

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

Your Policy is made up of:

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

Please note, only those cover sections shown as covered in your Policy Schedule are insured.

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

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

Definitions

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

Word or term	Meaning
Act of terrorism	An act including, but not limited to, the use of force or violence and/or the 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 similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.
Advertising (or identification) signs	Signs made from glass or electrical illuminated signs permanently fitted to the building or within the boundaries of the premises.
Australia	The Commonwealth of Australia and all of its States and Territories including all external Territories, all referred to in this Policy as Australia.
Australian Consumer Law	Schedule 2 of the <i>Competition and Consumer Act 2010</i> (Cth) or its successor.

Word or term	Meaning
Building	<p>A permanently fixed structure that consists of a roof and external walls that completely enclose an area beneath the roof when doors and windows that form part of the structure are closed. Provided that when the word building is used in the Policy Schedule to describe a category of property insured, it is agreed that the following property is included in that category:</p> <ul style="list-style-type: none"> (a) carports, pergolas and canopies; (b) barns, outbuildings and tanks; (c) storage sheds, shipping containers or transportable buildings permanently located at the premises used for additional accommodation for the storage of stock or contents or for any other general business use or amenity; (d) walls, fences, gates and letter boxes; (e) all permanent fittings and fixtures to any building; (f) external fixed items: <ul style="list-style-type: none"> (i) swimming pools, saunas and spas; (ii) gangways between buildings; (iii) lights and signs; and (iv) air conditioning units and associated piping and wiring; (g) flag poles; (h) communications masts, aerials, antennae and dishes; (i) fixed floor coverings; (j) bitumen, concrete or sealed surface: <ul style="list-style-type: none"> (i) driveways; (ii) roadways; and (iii) carparks, (k) foundations of any building; (l) structural improvements to any building; (m) underground and above ground services, for which you are responsible, that are connected to any building; (n) piers, jetties, wharves and docks; (o) bridges and tunnels.
Business	Your business, occupation, trade or profession.

Word or term	Meaning
Consequential loss	<p>Loss of use, loss of earning capacity and any other consequential financial loss of any kind including an increase in costs and expenses caused directly or indirectly or resulting from:</p> <ul style="list-style-type: none"> (a) delay or interruption of business; (b) lack of power, light, heat, steam or refrigeration; or (c) any other indirect result or consequence of a breakdown.
Contents	<p>All contents at the premises, including property (other than buildings and stock) of others including shipping containers not owned by you but temporarily in your possession for the delivery, unloading, loading and/or dispatch of goods and merchandise to or from the premises, but only to the extent that you are not indemnified against loss, destruction or damage thereto under any other policy of insurance. Contents also include property belonging to your welfare, sports and social clubs.</p> <p>When the word contents is used in the schedule to describe a category of property insured, it is agreed that we accept the designations used in your books and records.</p> <p>Where you are a tenant of rented premises, contents shall also mean:</p> <ul style="list-style-type: none"> (a) property owner's fixtures and fittings, window blinds, floor coverings and glass for which you are liable under the terms of a lease or similar agreement; and (b) property comprising alterations and/or additions to the premises by the landlord for your use in the business where the cost of reinstatement is your responsibility in the event of loss or damage.
Cover section	The individual coverage that we give you that attaches to and forms part of your Policy when this is shown in the Policy Schedule, for example 'Burglary' section or 'Glass' section.
Endorsement	An individual endorsement document that we give you that attaches to and forms part of your Policy. This document varies the terms and conditions of your Policy.
Excess	The first amount of each claim. The amount of the excess is shown in the Policy Schedule.

Word or term	Meaning
External glass	Glass or plastic material used as glass fixed in external windows, doors, showcases or skylights forming part of the premises.
Flood	<p>The covering of normally dry land by water that has escaped or been released from the normal confines any of the following:</p> <ul style="list-style-type: none"> (a) a lake (whether or not it has been altered or modified); (b) a river (whether or not it has been altered or modified); (c) a creek (whether or not it has been altered or modified); (d) another natural watercourse (whether or not it has been altered or modified); (e) a reservoir; (f) a canal; (g) a dam.
Indemnity	To reinstate, replace or repair the insured property to a condition substantially the same as but not better or more extensive than its condition at the time of the damage, loss or destruction, taking into consideration age, condition, depreciation and remaining useful life.
Money	<p>Cash, bank notes, currency notes, negotiable cheques, negotiable securities, travellers' cheques, debit and credit card vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines.</p> <p>Money does not include collectible items (for example coin or stamp collections) or anticipated revenue.</p>
North America	<ul style="list-style-type: none"> (a) The United States of America and the Dominion of Canada; and (b) any state or territory incorporated in, or administered by, the United States of America or the Dominion of Canada; and (c) any country or territory subject to the laws of the United States of America or the Dominion of Canada.

Word or term	Meaning
Obsolete stock	Stock which can no longer be sold for its full value, for example stock which is out-of-season fashion, superseded computers or perishable goods beyond their use by date.
Period of insurance	The period of insurance shown in the Policy Schedule or any subsequent period for which we have agreed to renew or extend the cover.
Policy Schedule	The Policy Schedule document that we give you that attaches to and forms part of your Policy.
Pollutants	Any solid, liquid, gaseous or thermal irritant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals or waste. Waste includes but is not limited to material to be recycled, reconditioned or reclaimed.
Premises	The premises at the location shown in the Policy Schedule.
Premium	The amount(s) shown in the Policy Schedule that you have to pay inclusive of all charges for the cover we provide.
Proposal	The proposal document you complete for this insurance.
Sealed surface	Ground surface areas that are packed or plugged to prevent percolation or the passage of fluids.
Seasonal increase periods	<p>Any period of time during the period of insurance that has turnover, sales or levels of stock at least 20% higher than the average turnover, sales or level of stock at other times during the period of insurance.</p> <p>The total number of days we will allow as seasonal increase periods is 126 days in total during any one period of insurance. You do not have to tell us what the dates of the periods are, but if you claim under a Policy section which has the seasonal increase cover, then your financial records over at least the 2 previous years must substantiate the period as a seasonal increase period. If the business is less than 2 years old, we will use the financial records of your business from the date of commencement until the date of the loss or damage to substantiate your claim.</p> <p>You can nominate different stock increase period(s) of higher percentage increases of stock. If you do, they will be shown on your Policy Schedule and you must pay any additional premium that applies.</p>

Word or term	Meaning
Stock	All stock at the premises, including work in progress and property of others held on consignment, and when the word stock is used in the Policy Schedule to describe a category of property insured, it is agreed that we accept the designations used in your books and records.
Sum insured	The sum insured shown in the Policy Schedule.
We, us and our	QBE Insurance (Australia) Limited, ABN 78 003 191 035, Licence No. 239545.
You, your or yours	The person(s) or parties shown as the Insured in the Policy Schedule, including all subsidiary companies, organisations and entities incorporated in Australia in which the Insured has a controlling interest (exceeding 50%) engaged in the business described in the Policy Schedule and not for any other purpose or activity.

Our agreement

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

1. Approved claim preparation costs

In addition to the amount of cover provided by each cover section, we will pay up to \$25,000 for costs necessarily and reasonably incurred for the preparation and negotiation of a claim under a cover section, for which we agree to indemnify you under this policy.

This benefit does not apply to the Tax Audit cover section, Employment Practices cover section, or Statutory liability cover section.

2. Emergency mitigation costs

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

3. Payment of rewards

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

Provided that:

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

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

4. Repairs to damage by you

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

Limitations of cover

The cover provided by your Policy is limited by the limitations of cover shown in the cover sections and the general exclusions applicable to all cover sections that follow.

General exclusions

The following general exclusions apply to your Policy:

1. Acquisition of companies

Your Policy does not cover:

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

Provided that we have been notified in writing within sixty (60) days of any acquisition, and the business is of a similar occupation to that stated in the Policy Schedule, we will agree to provide cover subject to your acceptance of our terms and undertaking to pay the additional premium we may require. Our liability shall not exceed the limit of liability, sum insured limit or any sub-limit of liability applicable under the relevant cover sections making up your Policy for each category of property.

2. Aggravated, punitive or exemplary damages, fines or penalties

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

3. Alteration of risk

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

- you did not know of the alteration; or
- you have notified us of the alteration and we have agreed to accept the alteration to the risk.

4. Electronic data

This Policy does not cover:

- total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of electronic data;
- error in creating, amending, entering, deleting or using electronic data; or
- total or partial inability or failure to receive, send, access or use electronic data for any time or at all,

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

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

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

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

Accidental Damage (other than non-physical damage), fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, aircraft, and/or other aerial device, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising, storm and/or tempest, and/or rainwater, and/or wind, and/or hail, water, and/or other liquids, and/or substances discharged, and/or overflowing, and/or leaking from any apparatus, and/or appliance, and/or pipes, and flood where Optional extension of cover "Flood" is insured.

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

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

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

5. Obsolete or redundant plant & equipment

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

6. Sanction limitation and exclusion clause

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

7. Unoccupied buildings and premises

Excepting for loss or damage to insured property by:

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

your Policy does not provide any cover at a building or premises after the building or that premises has been unoccupied for more than ninety (90) consecutive days.

Unoccupied means left vacant by you or any other authorised person whether furniture or other contents remain or not.

Provided that:

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

8. War, act of terrorism, confiscation, radioactivity, nuclear perils

Your Policy does not cover loss, damage, costs or expense, personal injury, illness or liability 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 thereto:

- (i) any war, hostilities whether war is declared or not, acts of foreign enemies, rebellion, revolution, civil war, invasion, insurrection or the use of military or usurped power;
- (ii) any act of terrorism or any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism;
- (iii) any order of any government, public or local authority involving the confiscation, nationalisation, requisition, damage or destruction of any property unless such destruction was undertaken to reduce the spread of fire;
- (iv) radioactivity or any radioactive substances; or
- (v) nuclear fission or nuclear fusion.

General Terms & Conditions

The following general terms and conditions apply to your Policy:

1. Bankruptcy or insolvency

In the event that you should become bankrupt or insolvent, we shall not be relieved thereby of the payment of any claims under any cover section because of such bankruptcy or insolvency. In case of execution against you of any final judgement covered by this policy being returned 'unsatisfied' by reason of such bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against us in the same manner, and to the same extent as you but not in excess of the sum insured or limit of liability.

2. Cancellation

(a) How you may cancel this Policy

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

Where you involves more than one (1) person or party, we will only cancel the Policy when written agreement to cancel is received from all of the such named persons or parties.

(b) How we may cancel this Policy

We may cancel this Policy or any cover section in any of the circumstances permitted by law by informing you in writing.

We will give you this notice in person or send it to your address last known to us.

(c) The premium

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

(d) Premium funders

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

3. Claims procedures

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

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

- (a) take all reasonable precautions to prevent further loss, damage, injury, illness or liability;
- (b) inform the police immediately if property is lost, stolen or maliciously damaged;
- (c) notify us immediately of the event;
- (d) provide us with full written details of the event within thirty (30) days of learning that the event happened;
- (e) supply us with all information and assistance as we may reasonably require;
- (f) allow us to use any legal rights held by you or held by any other party covered by your Policy;

(g) allow us to negotiate, defend or settle the claim:

- (i) in your name and on your behalf;
- (ii) in the name of and on the behalf of any other party covered by your Policy.
- (iii) immediately send us any claim, writ, summons, or full details of other relevant legal or other proceedings such as an impending prosecution or inquest you receive or become aware of;
- (iv) as far as possible preserve any products, appliances, plant or other items which might prove necessary or useful as evidence until we have had an opportunity of inspection;
- (v) provide us with all information we require and all reasonable assistance in exercising your legal rights to recover loss, damage, costs and expenses incurred in the settlement of your claim from other parties including taking action and instituting legal proceedings in your name.

4. This clause has intentionally been left blank.

5. Fraudulent claims

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

6. Interests of other parties

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

Where the separate interests of more than one party in the property are insured under this policy, any act or neglect of one party will not prejudice the rights of the remaining party or parties provided that the remaining parties are entirely innocent of and have no prior knowledge of any such act or neglect and shall, within a reasonable time after becoming aware of any act or neglect whereby the risk of loss, damage or destruction has increased, give notice in writing to us and shall on demand pay such reasonable additional premium as we may require.

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

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

When a claim is paid under the policy and is also recoverable under another policy or policies, you agree to provide us with details of such policies and so that we may seek contribution from the other insurer or insurers.

7. Non-disclosure or misrepresentation

If you make a misrepresentation to us or if you do not comply with your duty of disclosure and we issue your Policy with terms and conditions that are different to the terms and conditions that would have been issued had there not been any misrepresentation and your duty of disclosure had been complied with, then:

- (a) the cover provided will be reduced so that we are placed in the same position as we would have been in had there not been any misrepresentation and your duty of disclosure had been complied with;
- (b) we may also cancel your Policy; or
- (c) we may avoid your Policy if the misrepresentation or your non-compliance with your duty of disclosure is fraudulent.

8. Non-imputation

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

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

9. Notifications

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

10. Other insurance & contribution

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

11. Payment of excess

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

Should a single event result in you claiming under more than one (1) cover section of your Policy, then only the single highest excess will apply to all claims that arise out of the one (1) event.

Only one (1) excess will apply to all damage resulting from earthquake, subterranean fire, volcanic eruption, bushfire, storm, hail or rainwater that is continuous, is due to the same general conditions, and occurs within a seventy two (72) hour period from the first happening of damage.

12. Payments in respect to Goods & Services Tax

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

When we make a payment to you or on your behalf under this Policy as compensation instead of payment for the acquisition of goods, services or other supplies, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System

(Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or supplies.

13. Precautions

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

14. This clause has intentionally been left blank.

15. Progress payments

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

16. Proper law & jurisdiction

The construction, interpretation and meaning of the provisions of this Policy shall be determined in accordance with Australian law.

In the event of any dispute arising under this Policy, including but not limited to its construction and/or validity and/or performance and/or interpretation, you will submit to the exclusive jurisdiction of any competent court in Australia.

17. Waiver of subrogation rights

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

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

18. Allocation of subrogation proceedings

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

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

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

Nothing in this Condition 18. shall prevent you and us entering into a 'Subrogation Agreement' following a loss agreeing to a different basis of sharing costs and expenses and the allocation of monies recovered.

Fire – Gold

Introduction

This cover section only forms part of your Policy when 'Fire section – Gold' is shown in the Policy Schedule and is limited to the period of insurance indicated.

Definitions

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

Word or term	Meaning
Breakdown	The actual breaking, seizing, deformation or melting of any part of the property while it is in use that is caused by mechanical, electrical or electronic defect that results in sudden and total loss of operation that requires repair or replacement before the property can resume normal operation.
Category or categories	<p>The category into which property can be designated, from the following:</p> <ol style="list-style-type: none"> 1. building(s); 2. plant/machinery and all contents excluding stock; 3. stock; 4. plant and machinery; 5. all contents; 6. tenant's leasehold improvements; or 7. specified items, <p>where specified items are any items of property that are specified in the Policy Schedule.</p> <p>Provided that when property is being designated to these categories we agree to accept the designation used by you in your records, prior to the loss or damage.</p>
Damage or damaged	Accidental physical damage, destruction or loss.
Declared value	The individual declared value shown in the Policy Schedule calculated in accordance with the basis of settlement that applies to each specific category of property at specific premises.
Excluded property	<p>The following items unless they are shown in the Policy Schedule as being covered:</p> <ol style="list-style-type: none"> 1. furs, jewellery, gold, silver, platinum, pearls, diamonds, sapphires, rubies and other precious stones unless these items are stock and stock is shown in the Policy Schedule as being insured; 2. money; 3. glass, unless such glass is directly damaged by: <ol style="list-style-type: none"> (a) fire, lighting, explosion, impact, storm and tempest or earthquake, (b) riot, civil commotion, persons taking part in industrial disputes, or

Word or term	Meaning
	<p>(c) persons acting maliciously, other than where such glass is cracked or broken through its entire thickness,</p> <p>Provided that when reinstating damage to glass under clause 3, we will, when necessary, also reinstate damage to frames, signwriting, coatings and alarm tapes;</p>
	<p>4. property in transit outside of the premises other than property that is covered by Extension of cover – C, 6. Restricted transit;</p>
	<p>5. aircraft, locomotives, rolling stock, watercraft whilst in water;</p>
	<p>6. motor vehicles or trailers, caravans or motorcycles all while registered or licensed to travel on a public road, provided that this does not apply to:</p> <ol style="list-style-type: none"> (a) mobile plant and equipment (excluding cars, sedans, panel vans, and trucks) not otherwise insured, (b) motor vehicles or trailers, caravans or motorcycles that are stock in trade of your business,
	<p>7. animals, other than animals contained within a building and owned as stock or contents if damaged by a peril or event covered by this cover section;</p>
	<p>8. canals, dams, reservoirs other than tanks and their contents;</p>
	<p>9. standing timber, growing crops, plants, potted plants, land including top soil and fill, landscaping, gardens and pastures. Provided that:</p> <ol style="list-style-type: none"> (a) when reinstating damage to a building, landscaping, plants and gardens are not excluded property; or (b) potted plants are not excluded property when insured as contents; when they are used to restore landscaping, plants, potted plants and gardens to a condition similar to that immediately prior to the damage;
	<p>10. property being constructed, built, erected, altered or dismantled, including all associated materials or supplies, provided that this does not apply to:</p> <ol style="list-style-type: none"> (a) such property if the total cost of this work is less than \$500,000 or 20% of the limit of liability for the premises concerned, whichever is the lesser, or (b) that portion of the building or part of any property that is not directly affected by such work,
	<p>11. mining property and any equipment located beneath the surface of the ground, provided that this exclusion does not apply to underground services connected to a building;</p>

Word or term	Meaning
	<p>12. any pressure vessel (including a boiler) not used solely for domestic purposes, that has a value of more than \$250,000, and where the damage is directly caused by the explosion or implosion of such pressure vessel; and</p> <p>13. landlord's fixtures and fittings unless these are included as part of the declared value for buildings.</p>
Limit of liability	<p>120% of the total of the insured amounts shown in the Policy Schedule for a specific premises.</p> <p>Provided the limit of liability is the maximum amount that we will pay for all damage that arises out of any one source or original cause at such premises unless it is specifically stated in this cover section that payments are made in addition to this amount.</p>
Pollution or contamination	The discharge, dispersal, release, escape of any type of pollutant or contaminant into or upon property, land, atmosphere or any watercourse or body of water including, but not limited to, ground water.
Pre-damage value	The value of the property that is damaged immediately before the damage has occurred. This value must take account of wear and tear, maintenance, construction, general condition and the anticipated future useful life of the property.
Property	<p>Any tangible property both real or personal of every kind and description belonging to you or that you are responsible for, or which you have assumed responsibility to insure prior to the occurrence of any damage.</p> <p>Provided that this does not include:</p> <ol style="list-style-type: none"> personal property of directors, partners and employees, that is not on the premises; and items defined as excluded property.
Reinstatement	<p>To restore that part of the property:</p> <ol style="list-style-type: none"> that is damaged; and any undamaged property which has been dismantled to enable the restoration of the damaged property, <p>so that the function, output and construction are similar to that part of the property when it was new, by repairing it or at our option replacing that part of the property with similar new property.</p>
Replacement cost	The cost to replace property with new property that has similar function, output and construction to that of the original property when it was new. This shall include all charges, fees and costs such as but not limited to local authority permit and approval charges, architects, engineers and other consultants fees necessarily incurred when replacing this property.

Word or term	Meaning
Sum insured	The amount shown in the Policy Schedule declared for each category of property insured under this section of the Policy.

Cover

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

Basis of settlement

When property shown in the Policy Schedule is damaged during the period of insurance the following basis of settlement will apply at each of the premises:

1. Categories of property

(a) Branded goods

Any salvage of branded goods and/or merchandise owned by you or for which you are legally liable and/or goods sold but not delivered shall not be disposed of by sale without your consent. If such salvage is not disposed of by sale, the goods may be retained by you and disposed of as you see fit, provided a reasonable salvage allowance is agreed with us for the value of the goods.

(b) Business records

- For damage to business books, plans, computer records, patterns, and other business records, we will pay the cost of re-creating the documents that are damaged; and
- for damage to business records of your customers at the premises or your business records stored off-site, we will pay up to a maximum of \$25,000 any one (1) loss unless a higher amount is specified in the Policy Schedule.

(c) Electronic data and software

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

(d) Heritage buildings

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

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

(e) Old plant and equipment

Unless specifically insured otherwise:

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

(f) Output replacement

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

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

(g) Stock

For damage to stock we will at our option:

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

(h) Works of art, antiques and curios

For all works of art, antiques and curios, none of which form part of the stock in trade or merchandise of the business, we will pay your claim as follows:

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

(i) All other property that is damaged

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

2. Rebuilding at another location

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

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

3. Undamaged portions of buildings

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

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

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

Limitations of cover**1. Cash settlement**

If you request a cash settlement, we will only pay the lesser of:

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

In assessing the application of Limitation of cover 9. Under-insurance, the basis of the calculation will be the value of property and not its replacement cost.

2. Categories of property

We will only pay for property at specific premises that can be correctly designated to one (1) of the categories of property shown in the Policy Schedule for that premises.

3. Delay in reinstatement or re-creation of documents

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

- (a) the cost of reinstatement including the cost of re-creation of documents that would have been incurred had the reinstatement or re-creation of documents taken place immediately after the damage; or

- (b) the actual cost of reinstatement including the cost of re-creation of documents following such unreasonable delay.

4. Directors and employees property

Cover for damage to the personal property of directors, partners and employees of your business that is on the premises is limited to a maximum of \$5,000 any one (1) person.

5. Earthquake

Cover for damage to property at premises caused by earthquake, volcanic eruption, subterranean fire or tsunami.

We will not pay for the first \$20,000 or 1% of the limit of liability (whichever is the lower amount) of each claim caused by earthquake, tsunami, volcanic eruption or subterranean fire.

6. Excess

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

7. Limit of liability

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

8. Storm, rainwater, wind, hail or snow

Cover for damage to textile blinds and awnings, shade cloth, shade houses, fibreglass houses and glass houses, gates, fences, signs and retaining walls caused by or arising from storm, rainwater, wind, hail or snow is limited to a maximum of \$25,000 in total, any one (1) event.

9. Under-insurance

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

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

Exclusions

1. We will not pay for property while it is undergoing any process where damage results from it being processed.
 2. We will not pay for any damage to any building that is vacant awaiting or undergoing demolition, and this exclusion shall apply to all contents, fittings, plant and machinery associated with such property unless we have agreed otherwise.
 3. We will not pay for damage caused by or arising from:
 - (a) theft, other than physical damage to property at the premises during theft or any attempted theft and/or theft of parts of the building or fixed plant in the open air when buildings are insured;
 - (b) any legal liability that you have other than the legal liability that is covered within Extensions of cover – A, '1. Demolition and debris removal' clause (c)(ii);
 - (c) the incorrect siting of buildings as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any lawful authority;
 - (d) demolition ordered by any lawful authority as a result of failure by you to comply with any lawful requirement;
 - (e) any unexplained shortage or inventory shortage or disappearance of property;
 - (f) contamination of property by pollutants, except when caused directly by a peril or event covered by this cover section;
 - (g) flood;
 - (h) the action of the sea or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance; or
 - (i) erosion, landslide, mudslide, rock slide, subsidence, settling, seepage, shrinkage or expansion of earth, vibration or other earth movement, unless caused by or arising from a direct consequence within 72 hours of; a storm, an earthquake, tsunami, subterranean fire, volcanic eruption or water escaping from a water main owned by a water supply authority.
4. We will not pay for consequential loss of any kind.
 5. We will not pay for damage caused directly by or arising directly from:
 - (a) breakdown;
 - (b) gradually operating causes such as, but not limited to, wear and tear, mildew, mould, corrosion, disease, oxidation, fading, tree roots, evaporation, change in flavour, colour, temperature or texture;
 - (c) vermin, insects, termites;
 - (d) latent defect, inherent defects, faulty workmanship, faulty material, structural defects or faulty design;
 - (e) faults or defects known to you or any employee whose knowledge in law would be deemed to be your knowledge and not disclosed to us at the time this insurance was arranged, extended, varied or renewed;
 - (f) the cessation of work whether total or partial or cessation, interruption or retarding of any process or operation as a result of any industrial dispute. Provided that Exclusion 5(f) shall not apply in respect of damage directly caused by strikers, locked out workers or other persons engaged in supporting such activities;
 - (g) fraud or dishonesty by you or your directors, partners, employees, officers or any other persons who have an interest in the property;
 - (h) deliberate and unauthorised corruption, amendment or erasure of data by you or your directors, partners, employees, officers or any other person who has an interest in the property whether acting alone or in collusion with any other person;
 - (i) the gaining of unauthorised access to your computer via any communication system that is used by your computer system by any person other than you or your directors, partners, employees, officers or any other person who has an interest in the property;
 - (j) the operation or presence of any computer program that alters or erases data or programs in a manner that is undesired by you;

- (k) computer virus, being an executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained, and which destroys or alters the host program or other computer code or data, causing undesired program or computer system operation;
 - (l) explosion or implosion of any pressure vessels (including any boilers):
 - (i) where the load on the safety valve upon the particular pressure equipment was in excess of the manufacturer's specification at the time of any damage; or
 - (ii) where any safety valve limiting pressure was removed or rendered inoperative;
 - (m) scratching, denting, chipping or defacing, except when caused directly by fire, lightning, explosion, impact by any road vehicle or animal, aircraft or other aerial devices or articles dropped from them, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing or discharging of tanks, apparatus or pipes containing water or liquid of any kind, or sprinkler leakage.
6. We will not pay for damage occurring within 72 hours from the commencement of this policy caused by or arising from bushfire, flood, or a cyclone named by the Bureau of Meteorology.

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

Extensions of cover – A

When damage to property at specific premises is covered by this cover section, then provided that we do not pay more in the aggregate than the limit of liability shown for that premises, we will pay for the following costs that are incurred as a result of that damage:

1. Demolition and debris removal

The reasonable costs incurred by you for:

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

2. Expediting expenses

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

Provided that the total additional cost for any one (1) loss does not exceed 50% of the cost of repairing the item or \$25,000 whichever is the lesser.

3. Exploratory costs

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

4. Extra cost of reinstatement

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

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

5. Fees and costs

Fees and costs such as, but not limited to, local authority permit and approval charges, architects, engineers and other consultants including those involving liability to make inquiries, necessarily and reasonably incurred in reinstatement of property that is damaged.

6. Floating stock

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

- (a) the increase in the declared value of stock at the premises receiving the inwards transfer will be:
 - (i) the value of stock transferred which remains immediately prior to the damage occurring; or
 - (ii) if the declared value of stock at the other premises at the commencement date of the period of insurance was less than 80% of the value thereof on that date calculated in accordance with the Basis of Settlement, the amount of increase in (i) above will be proportionately reduced to reflect the degree of under-insurance below 80% of the value;
- (b) the limit of liability at the premises subject to the inwards transfer will be increased by an amount representing 120% of the amount calculated under (a) above;
- (c) the period in which the limit of liability for the specified premises is being exceeded in consequence of the transfer does extend beyond 90 days and where we have not agreed in writing to an extended period, during the period of insurance.

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

7. Floor space ratio or index

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

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

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

8. Loss of land value

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

Provided that:

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

9. Make safe and temporary repair expenses

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

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

10. Playing surfaces

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

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

11. Removal of trees and branches

We will pay the reasonable costs incurred by you to remove and dispose of any branch or tree that has fallen causing impact damage to property insured. We will also pay the cost of stump removal when required.

12. Unpacking expenses

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

13. Water authority charges

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

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

Extensions of cover – B

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

1. Capital additions

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

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

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

Provided that this extension of cover does not apply to:

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

2. Catastrophe

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

- (a) increase the limit of liability under this cover section by up to 20% of the declared value for the building if your building is rebuilt; and
- (b) we will also increase the limits on the amounts we will pay under Extensions of cover - B for 1. 'Capital additions' and 5. 'Prevention of imminent damage' by 20%;

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

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

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

In all other aspects, the normal terms and conditions of this Policy shall apply.

For the purposes of this extension of cover only, the following additional definitions apply:

Major loss will be deemed to have occurred when the cost of reinstating your building in accordance with the basis of settlement provisions of this cover section exceeds 70% of the replacement cost of your building immediately prior to the event.

Increased building costs means the difference between the cost of reinstatement actually incurred in accordance with the basis of settlement provisions of this cover section and the cost of reinstatement that would have applied had the catastrophe event not occurred.

3. Discharge of mortgage cost

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

Provided that this extension of cover is limited to \$50,000 any one (1) event.

4. Fire fighting and authority costs

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

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

5. Prevention of imminent damage

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

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

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

6. Seasonal increase

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

7. Temporary removal to other premises

We will extend the cover provided by this cover section to property while it is temporarily removed from any premises shown in the Policy Schedule to some other premises in Australia for any period up to ninety (90) days.

Provided that:

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

Extensions of cover – C

1. Automatic reinstatement

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

2. Costs related to glass in vacant buildings

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

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

This Extension of Cover for costs does not apply:

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

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

3. Disposal of salvage

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

4. Minimisation of damage

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

5. New premises – temporary cover

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

Provided that:

- (a) this temporary cover is limited to a period of ninety (90) consecutive days from the day that you first use the new premises;
- (b) this temporary cover is not available to property that cannot be correctly designated to one (1) of the categories of property that has a declared value shown in the Policy Schedule;
- (c) this temporary cover is only available to property that is of a similar type to that insured by this cover section;
- (d) for each specific category of property shown in the Policy Schedule this temporary cover is limited to 50% of the declared value for that category, or if more than one (1) premises is shown in the Policy Schedule, then this 50% limitation will apply to the lowest declared value that applies to a specific category of property;
- (e) the new premises have building, fire protection and security features that are similar to those at one (1) of the premises shown in the Policy Schedule;
- (f) you provide us with full details of the new premises within ninety (90) days of you first using the new premises; and
- (g) Limitations of cover – 9. Under-insurance does not apply to this extension of cover.

6. Restricted transit

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

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

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

Optional extension of cover

If shown in the Policy Schedule the following extensions shall apply:

1. Flood

When "Flood" is shown in the Policy Schedule, the word 'Flood' is deleted from exclusion 3(g).

Business Interruption – Income

Introduction

This cover section only forms part of your Policy when 'Business interruption section – Income' is shown in the Policy Schedule and is limited to the period of insurance indicated.

Definitions

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

Word or term	Meaning
Additional uninsured working expenses	Those expenses that are shown as additional uninsured working expenses in the Policy Schedule for this business interruption cover section.
Damage or damaged	Accidental physical damage, destruction or loss. Damaged has a corresponding meaning to damage.
Income	<ol style="list-style-type: none"> 1. Income received from the renting or leasing of any part of the premises including monies paid by the lessee as outgoings under the terms of the rental or leasing agreement; and 2. income from your business at the premises for goods sold, work done, electrical power generated and sold, services rendered or any government approved incentives, subsidies or market development allowances you are entitled to in relation to your business, less: <ol style="list-style-type: none"> (a) working expenses for freight, packing, bad debts, and the purchase of goods, materials, components, or stock; (b) any other additional uninsured working expenses shown in the Policy Schedule; and (c) payroll if this is shown in the Policy Schedule.
Indemnity period	The period that starts on the date of the damage and ends not later than the number of weeks or months stated in the Policy Schedule after the date of the damage during which results of your business are affected as a consequence of the damage.
Insured damage	<ol style="list-style-type: none"> 1. In relation to your property, insured damage means damage to your property when both the property that is damaged and the cause of the damage are covered by: <ol style="list-style-type: none"> (a) our Policy under one (1) or more of the following cover sections: <ol style="list-style-type: none"> (i) fire; (ii) burglary; (iii) money; (iv) glass; (v) business special risks;

Word or term	Meaning
	<p>(b) another insurance policy that insures your property and names you as the insured.</p> <p>Provided that:</p> <p>(i) we receive written confirmation of the extent of cover from the insurer who issued this other policy; and</p> <p>(ii) cover for both the property that is damaged and the cause of the damage would have been covered under one (1) of the cover sections shown in 1(a) above had that cover section formed part of your Policy.</p> <p>Where the damage is below the excess applicable under any insurance mentioned in 1(a) and 1(b), such damage shall be deemed to be insured damage and covered for the purposes of this definition.</p> <p>2. In relation to property referred to in this cover section under:</p> <p>(a) the heading 'Extensions of cover', insured damage means damage to such property located in Australia; and</p> <p>(b) the 'Optional extensions of cover', insured damage means damage to property located in Australia at the premises of the specified customers and specified suppliers who are shown in the Policy Schedule of this cover section.</p> <p>Provided that this damage would have been covered under one (1) of the cover sections shown in 1(a) above had such property been insured under that cover section as part of your Policy when the damage happened.</p>
Interruption	Interruption or interference.
Loss of income	Loss or reduction of your income that occurs during the indemnity period.
Payroll	All gross remunerations including, but not limited to, salaries, wages, directors fees, payroll tax, fringe benefits tax, bonuses, holiday pay, sick pay, workers compensation insurance premiums, accident compensation levies, superannuation and pension fund contributions of your directors, partners, employees and officers.
Rate of payroll	The rate of payroll to income during the financial year immediately before the date of the damage.
Severance pay	The expenditure as you are obligated or have agreed to pay under industrial awards, determinations or agreements for severance pay and/or pay in lieu of notice to employees whose services are terminated during the indemnity period in consequence of the damage.

Cover

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

Provided that this insured damage happens during the period of insurance shown for this business interruption cover section.

Basis of settlement

1. Loss of income

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

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

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

2. Accumulated stocks clause

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

3. Additional expenditure

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

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

4. Auditors and accountants

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

5. Departmental clause

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

For the purposes of this clause any income received from the renting or leasing of any part of the premises will be regarded as the proceeds of one (1) such department.

6. Payroll

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

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

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

Limitations of cover

1. Sum insured

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

Any limits stated under the extensions of cover are within the sum insured for income, they are not additional to the sum insured for income.

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

2. Closure of your business

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

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

3. Under-insurance

(a) Income

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

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

If the sum insured shown in the Policy Schedule has been calculated using a Business Interruption Calculator approved by us and your 'GST exclusive sales income' figures from your Business Activity Statement are as stated in the calculation from the approved calculator, then the Limitations of cover in this clause 3.(a) will not apply.

(b) Payroll

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

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

Provided that 3.(a) and (b) will not apply, if your:

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

4. Excess

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

Extensions of cover

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

1. Automatic reinstatement

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

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

2. Catastrophe cover

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

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

3. Explosion of boilers and pressure vessels

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

4. Fines, damages and penalties

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

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

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

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

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

6. Murder, suicide and infectious disease etc.

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

- (a) any legal authority closing or evacuating all or part of the premises as a result of:
 - (i) the outbreak of an infectious or contagious human disease occurring within a twenty (20) kilometre radius of your premises, however there is no cover for highly pathogenic Avian Influenza or any disease declared to be a listed human disease under the *Biosecurity Act 2015* (as amended) irrespective of whether discovered at the location of your premises, or out-breaking elsewhere;
 - (ii) vermin or other animal pests at the premises; or
 - (iii) hygiene problems associated with drains or other sanitary arrangements at the premises;
 - (iv) bomb threat at or to the premises,
- (b) poisoning directly caused by the consumption of food or drink provided on the premises; and
- (c) murder or suicide occurring at or near the premises.

The definition insured damage does not apply to this extension of cover.

7. Other premises and property

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

(a) Unspecified suppliers

Property at the premises of any of:

- (i) your suppliers of goods, produce, materials or services, including their direct suppliers, other than those services supplied by public utilities; or
- (ii) manufacturers of products utilised or sold by the business; or
- (iii) repairers or processors of materials, components, or goods.

(b) Unspecified customers

Property at the premises of any of your customers and clients, or property at the premises of their direct suppliers or customers, or at work sites when your business entails work away from your premises.

(c) Documents

Documents and electronic data files belonging to or held in trust by you while in transit or while at premises not occupied by you.

(d) Storage sites

Your property stored at any premises not occupied by you, including freight forwarders.

(e) Transit

Your property while in transit outside of the premises occupied by you.

(f) Roads, bridges and railway lines

Roads, bridges and railway lines over which stock, components and materials are conveyed to and from the premises. Provided that damage by flood is excluded.

(g) Computer data

Computer installations including ancillary equipment and data processing media utilised by you.

8. Prevention of access

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

- (a) to any property within a retail complex when your business is located within a multi-tenanted retail complex; or
- (b) to property in the vicinity of the premises which shall prevent or hinder the use or access to the premises.

9. Prevention of access by a public authority

We will pay for loss of income that results from an interruption of your business that is caused by any legal authority preventing or restricting access to your premises or ordering the evacuation of the public as a result of damage to or threat of damage to property or persons within a fifty (50) kilometre radius of your premises.

However, there is no cover for highly pathogenic Avian Influenza or any disease declared to be a listed human disease under the *Biosecurity Act 2015* (as amended) irrespective of whether discovered at the location of your premises, or out-breaking elsewhere.

10. Public utilities

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

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

11. Registered motor vehicles

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

Optional extensions of cover

1. Accounts receivable (book debts)

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

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

Provided that these debt collection costs are necessarily incurred to collect amounts that otherwise would not have been collected.

Provided that we will not pay for:

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

incurred.

2. Additional claims preparation costs

If 'Additional claims preparation costs' is shown in the Policy Schedule then we will pay for costs incurred that are not otherwise recoverable for processing and certifying details of claims under the Fire – Gold and Business interruption cover sections up to an amount equal to the sum insured for additional claims preparation costs.

3. Additional increase in cost of working

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

This amount is additional to the additional expenditure costs payable under basis of settlement.

4. Cost of goodwill

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

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

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

5. Loss of attraction - drawcard premises

If 'Loss of attraction - drawcard premises' is shown in the Policy Schedule then we will pay up to the sum insured shown in the Policy Schedule for loss of income resulting from an interruption of your business in consequence of damage to property at the premises identified in the Policy Schedule against 'Loss of attraction - drawcard premises', causing a cessation or diminution of the insured's trade or normal business operations. Such loss shall be deemed to be loss resulting from damage to property used by the Insured at the premises.

6. Other premises

If Extension "Other premises" is shown in the Policy Schedule then we will pay for loss of income that results from an interruption of your business that is caused by insured damage that occurs in Australia to:

(a) Specified customers

Property at the premises of your specified customers that are shown in the Policy Schedule or property at the premises of their direct suppliers or customers up to an amount calculated by applying the percentage shown in the Policy Schedule to the sum insured for income; and

(b) Specified suppliers

Property at the premises of your specified suppliers shown in the Policy Schedule including their direct suppliers up to an amount calculated by applying the percentage shown in the Policy Schedule to the sum insured for income.

7. Rent default

Definitions applying to this optional cover

Word or term	Meaning
Agent	A licensed property manager or licensed real estate agent.
Lease agreement	The written and enforceable agreement between you or your agent and your tenant setting out the Lease agreement terms and conditions of occupation of your commercial premises including the end date of the tenancy period and the amount or method of calculation of rent payable to you and the timing thereof.
Rent	The amount of money paid or payable by the tenant under the terms of the lease agreement.
Rent default	When your tenant fails to pay rent in accordance with the lease agreement.
Rental premises	The building at the situation specified in the Policy schedule.
Tenant	The person(s) or legal entity named in the current lease agreement.

Cover

Where "Rent default" is shown on your Policy Schedule we will indemnify you up to the limit specified for loss of rent during the period of insurance if your tenant breaches the lease agreement and:

- (a) permanently vacates your rental premises before the end of the tenancy period specified in the lease agreement but does not give you or your agent the required notice, or
- (b) ceases to pay rent owed to you or your agent and remains in default after you have issued all required notices, or
- (c) is legally evicted from your rental premises.

How much we will pay

The maximum we will pay is the sum insured specified on the Policy Schedule for "Rent Default".

Basis of settlement

Commencing from the fifth consecutive week your tenant is in default, we will pay the actual weekly rent payable as set out in the rental contract.

If we have accepted a claim for rent default under this cover extension we will also pay legal costs incurred with our prior written consent to:

- (a) legally evict tenants, and/or
- (b) recover amounts owed by your tenants.

The most we will pay for your legal costs in any one period of insurance is \$5,000, additional to the cover provided for rent default.

Cover for rent default will cease at the earlier of the time when:

- (a) rental payment re-commences, or
- (b) the vacated premises are re-tenanted.

Subject to the maximum amount payable under this section of the Policy not otherwise being exhausted, the amount we will pay in total for all claims for rent default at the situation during any one period of insurance is the lesser of:

- (a) the calculated rent for the indemnity period specified on the Policy Schedule, or
- (b) 13 weeks calculated rent, or
- (c) \$30,000.

Exclusions

We will not pay:

- (a) for the first 4 consecutive weeks of each occurrence of rent default by a tenant;
- (b) if the lease agreement does not have a specified end date and is operating as a periodic tenancy (including a periodic tenancy after a fixed term lease agreement has expired);
- (c) for a lease agreement which applies to premises used for domestic or residential purposes;
- (d) if the rent is already in arrears at the time of commencement of this cover;
- (e) for any period of rent default whilst the premises are unavailable for occupation due to maintenance, repair or renovation work;
- (f) if the tenant leaves the premises and you have failed to rectify a notice of remedy breach, issued by the tenant to you;
- (g) for any loss of rent arising from any tenant or corporations with common directors who have previously defaulted on their rental payments with you.

Condition

General condition "Automatic reinstatement" does not apply to the cover provided under this additional benefit for Rent default.

Business interruption – weekly income

Introduction

This cover section only forms part of your Policy when 'Business interruption section – Weekly income' is shown in the Policy Schedule and is limited to the period of insurance indicated.

Definitions

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

Word or term	Meaning
Damage or damaged	Accidental physical damage, destruction or loss. Damaged has a corresponding meaning to damage.
Income	Income from your business at the premises for goods sold, work done, services rendered, any government approved incentives, subsidies or market development allowances you are entitled to in relation to your business and income received from the renting or leasing of any part of the premises including monies paid by the lessee as outgoings under the terms of the rental or leasing agreement plus incidental electrical power generated and sold.
Indemnity period	The period that: <ol style="list-style-type: none"> 1. starts with the occurrence of the damage; and 2. ends not later than the number of weeks shown in the Policy Schedule or when the weekly income becomes greater than 95% of the average weekly income for: <ul style="list-style-type: none"> (a) the year immediately prior to the date of the damage; or (b) the total period of your business operations prior to the date of the damage if your business was in operation for less than a year on the day of the damage.
Insured damage	<ol style="list-style-type: none"> 1. In relation to your property, insured damage means damage to your property when both the property that is damaged and the cause of the damage are covered by: <ul style="list-style-type: none"> (a) your Policy under one (1) or more of the following cover sections: <ul style="list-style-type: none"> (i) fire; (ii) burglary; (iii) money; (iv) glass; (v) business special risks; (b) another insurance Policy that insures your property and names you as the insured, <ul style="list-style-type: none"> (i) we receive written confirmation of the extent of cover from the insurer who issued this other Policy; and

Word or term	Meaning
	<p>(ii) cover for both the property that is damaged and the cause of the damage would have been covered under one (1) of the cover sections shown in 1(a) above had that cover section formed part of your Policy.</p> <p>Where the damage is below the excess applicable under any insurance mentioned in 1(a) and 1(b), such damage shall be deemed to be insured damage and covered for the purposes of this definition.</p> <p>2. In relation to property referred to in this cover section under the heading extensions of cover, insured damage means damage to such property located in Australia.</p> <p>Provided that this damage would have been covered under one (1) of the cover sections shown in 1(a) above had such property been insured under that cover section as part of your Policy when the damage happened.</p>
Interruption	Interruption or interference.
Loss of income	A loss or reduction of your income that occurs during the indemnity period.

Cover

We will pay in accordance with the basis of settlement, for loss of income that results from an interruption of your business that is caused by insured damage that happens at the premises.

Provided that this insured damage happens during the period of insurance shown for this business interruption cover section.

Basis of settlement

1. Loss of income

For each specific week of the indemnity period the loss of income will be calculated by subtracting the income earned that week from the income you would have earned that week had the damage not occurred.

Provided that the income you would have earned during that week had the damage not occurred:

- (a) will be calculated by reference to the income for:
 - (i) a week that starts exactly a year prior to the first day of the specific week; or
 - (ii) a week of your normal business operation that corresponds most closely to the specific week if your business has operated for less than a year at the start of the indemnity period; and
- (b) will be adjusted to take into account any:
 - (i) trends of business and other influences that would vary the income;
 - (ii) variation of normal trading whereby income is maintained during the indemnity period from increased sales of low margin goods;
 - (iii) changes to how stock, materials, finished goods or partially finished goods are used, purchased or sold; and

- (iv) savings made during the indemnity period that reduce the normal cost of running your business.

2. Additional expenditure

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

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

3. Auditors and accountants

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

Limitations of cover

1. Closure of your business

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

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

2. Total payment

Our total aggregate payment during the period of insurance for loss of income in the indemnity period is limited to the number of weeks and sum insured for each item shown in the Policy Schedule.

Extensions of cover

The following extensions of cover apply, provided that the amount shown in the Policy Schedule for weekly income is not exceeded:

1. Automatic reinstatement

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

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

2. Explosion of boilers and pressure vessels

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

3. Landlord's property and other non-owned property used by you at the premises

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

4. Murder, suicide and infectious disease

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

- (a) any legal authority closing or evacuating all or part of the premises as a result of:
 - (i) the outbreak of an infectious or contagious human disease occurring within a twenty (20) kilometre radius of your premises, however, there is no cover for highly pathogenic Avian Influenza or any disease declared to be a listed human disease under the *Biosecurity Act 2015* (as amended) irrespective of whether discovered at the location of your premises, or out-breaking elsewhere;
 - (ii) vermin or other animal pests at the premises; or
 - (iii) hygiene problems associated with drains or other sanitary arrangements at the premises;
- (b) poisoning directly caused by the consumption of food or drink provided on the premises; and
- (c) murder or suicide occurring at or near the premises.

The definition insured damage does not apply to this extension of cover.

5. Other premises and property

We will pay up to 20% of the amount shown in the Policy Schedule for weekly income for each loss of income that results from an interruption of your business that is caused by insured damage that occurs in Australia to the following property:

(a) Unspecified suppliers

Property at the premises of any of:

- (i) your suppliers of goods, produce, materials or services including their direct suppliers, other than those services supplied by public utilities; or
- (ii) manufacturers of products utilised or sold by the business; or
- (iii) repairers or processors of materials, components or goods.

(b) Unspecified customers

Property at the premises of any of your customers and clients, or property at the premises of their direct suppliers or customers, or at work sites when your business entails work away from your premises.

(c) Documents

Documents and electronic data files belonging to or held in trust by you while in transit or while at premises not occupied by you.

(d) Storage Sites

Your property stored at any premises not occupied by you, including freight forwarders.

(e) Transit

Your property while in transit outside of the premises occupied by you.

(f) Roads, bridges and railway lines

Roads, bridges and railway lines over which stock, components and materials are conveyed to and from the premises.

Provided that damage by flood is excluded; and

(g) Computer data

Computer installations including ancillary equipment and data processing media utilised by you.

6. Prevention of access

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

- (a) to any property within a retail complex when your business is located within a multi-tenanted retail complex; or
- (b) to property in the vicinity of the premises which shall prevent or hinder the use or access to the premises.

7. Prevention of access by a public authority

We will pay for loss of income that results from an interruption of your business that is caused by any legal authority preventing or restricting access to your premises or ordering the evacuation of the public as a result of damage to or threat of damage to property or persons within a fifty (50) kilometre radius of your premises.

8. Public utilities

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

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

9. Registered motor vehicles

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

Optional extension of cover

1. Increase in cost of working

We will pay up to the sum insured shown in the Policy Schedule for Increase in cost of working for the additional costs necessarily incurred by you for the sole purpose of reducing a loss of income that is covered by this cover section.

Liability

Introduction

This cover section only forms part of your Policy when 'Liability' section is shown in the Policy Schedule and is limited to the period of insurance indicated.

Definitions

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

Word or term	Meaning
Advertising liability	<p>Any:</p> <ul style="list-style-type: none"> (a) breach of the misleading or deceptive conduct provisions of the <i>Competition and Consumer Act 2010</i> (Cth) or Schedule 2 to the <i>Competition and Consumer Act 2010</i> (the Australian Consumer Law) or any Fair Trading or similar legislation of any Country, State or Territory; or (b) infringement of copyright of or passing off of a title or slogan; or (c) unfair competition, piracy or idea misappropriation contrary to an implied contract; or (d) invasion of privacy; <p>committed or alleged to have been committed during the period of insurance in any advertisement, publicity article, broadcast or telecast arising out of any advertising activities conducted by or on behalf of you, in the course of advertising your products.</p>
Aircraft	Any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.
Business	<p>For the purpose of this cover section only, your business shown in the Policy Schedule and all other activities incidental to the conduct of your occupation including:</p> <ul style="list-style-type: none"> (a) ownership or occupation of premises by you; (b) participation in exhibitions; (c) construction, erection, demolition, alteration or addition, not exceeding in cost the sum of \$500,000, of or to buildings owned by you; (d) the provision and management of canteens, social, sports and welfare organisations primarily for the benefit of your employees, first aid, fire and ambulance services; (e) private work undertaken by any employee of yours, for any of your directors or senior executives; (f) hire or loan of plant, equipment or goods to other parties; (g) conducted tours of your premises for no reward; and

Word or term	Meaning
	(h) the erection, use and/or maintenance by you or on your behalf of advertising and directional signs, their frames, supports and appurtenances.
Electronic data	Facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic or electromechanical data processing or electronically-controlled equipment.
Excess	The amount you first bear in relation to each occurrence. The excess applies to all amounts payable under this cover section including the indemnity provided under additional payments.
Hovercraft	Any vessel, craft or device made to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.
Incidental contracts	<p>Any:</p> <ul style="list-style-type: none"> (a) written agreement for the lease and/or hire of real and/or personal property which does not impose upon you as lessee or hirer an obligation to insure such property; (b) written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work performed by you or on your behalf for such authorities or entities; or (c) written contract with any railway authority for the loading, unloading and/or transport of products, including contracts relating to the operation of railway sidings.
Insured person	You and the parties described under the heading 'Cover for others'.
Medical persons	Legally qualified medical practitioners, legally qualified registered nurses, dentists and first aid attendants.
Occurrence	An event or series of events including continuous or repeated exposure to substantially the same general conditions which results, unexpectedly and unintentionally from your standpoint, in personal injury or property damage or advertising liability during the period of insurance. All personal injury or property damage happening during the period of insurance attributable to one (1) source or to a common cause or to the same general conditions shall be deemed to be one (1) occurrence.

Word or term	Meaning
	With respect to advertising liability all damages involving the same injurious material or act, regardless of the frequency or repetition thereof, the number and kind of media used and the number of claimants shall be deemed to arise out of one (1) occurrence.
Personal injury	<p>(a) Bodily injury, death, sickness, disease, shock, fright, mental anguish, mental injury or loss of consortium;</p> <p>(b) false arrest, false detention, wrongful imprisonment, malicious prosecution or malicious humiliation;</p> <p>(c) discrimination as a result of race, religion, sex, marital status, age, intellectual impairment, disability or otherwise (unless insurance thereof is prohibited by law) not committed by you or at your direction;</p> <p>(d) wrongful entry or wrongful eviction or other invasion of privacy;</p> <p>(e) defamation, libel and slander; and</p> <p>(f) assault and/or battery.</p>
Products	<p>Anything (after it has ceased to be in your possession or under your control) which is or is deemed to have been manufactured, grown, extracted, produced, processed, imported, exported, constructed, assembled, erected, installed, repaired, serviced, renovated, treated, sold, supplied or distributed by you or on your behalf (including your predecessors in your business) including labels, packaging or any container thereof the design, specification or formula of the products and directions, instructions or advice given or omitted to be given in connection with such products and anything which by law or otherwise you are deemed to have manufactured in the course of your business including discontinued products.</p> <p>Provided always that for the purpose of this insurance the term 'products' does not include food and beverages:</p> <p>(a) supplied by you or on your behalf primarily to your employees as a staff benefit;</p> <p>(b) served in any dining room or at any function to employees or guests for consumption at your premises; or</p> <p>(c) supplied from any vending machine or any other property rented to or located for use of others but not sold by you,</p> <p>and any claims for compensation against you arising out of any occurrence shall be deemed to be a general liability claim to which the limit of liability specified in the Policy Schedule shall apply.</p>
Property damage	(a) Physical injury to or loss of or destruction of tangible property including loss of use of that property at any time resulting therefrom;

Word or term	Meaning
	(b) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by physical damage to or destruction of other tangible property.
Software	Programs, procedures and routines associated with the operation of electronic or electromechanical data processing or electronically-controlled equipment, including any operating system.
Territorial limits	Anywhere in the world (subject to the limitations set out in exclusions 9. Pollution, 12. Advertising liability and 18. Territorial limits of this cover section.
Tool of trade	The use or operation of a vehicle and/or equipment, tool or apparatus which forms part of the vehicle, but only whilst engaged in and undertaking its designed purpose of digging, scraping, shovelling, grading, boring, drilling, compacting, harvesting, ploughing, shredding, lifting, clearing, levelling, hosing, pumping, spraying, vacuuming or suction activities.
You or your	<p>For the purpose of this cover section only, the definition of you or your is extended to include any of your subsidiary companies now or hereinafter formed or constituted.</p> <p>Provided that:</p> <p>(a) any such incorporation is notified to us within ninety (90) days of the incorporation date;</p> <p>(b) the newly incorporated company conducts the same type of business as your business; and</p> <p>(c) the newly incorporated company is incorporated in Australia.</p>
Vehicle	Any type of machine on wheels or self laid tracks or on skis, made or intended to be propelled by other than manual or animal power and any trailers or other attachment made or intended to be drawn by any such machine.
Watercraft	Any vessel, craft or thing made to or intended to float on or in or travel on or through or under water.

Cover

Subject to the limits of liability stated in the Policy Schedule and the terms and conditions of this cover section, we will pay all sums that the insured person shall become legally liable to pay for compensation in respect of:

- Personal injury
- Property damage
- Advertising liability

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

Extension of cover

1. Cover for others

This cover section is extended to the following:

- (a) any of your directors, executive officers, employees or voluntary unpaid workers but only whilst acting within the scope of their duties in such capacity;
- (b) any office bearer or member of the canteen, social, or sports organisations for your employees and internal first aid given by your medical persons, fire or ambulance services formed with your consent, but only whilst acting within the scope of their activities in such capacity;
- (c) any of your directors or senior executives in respect of private work undertaken by your employees for such director or senior executive, but only after they have obtained your prior consent to this private work to be undertaken;
- (d) any employee superannuation fund or pension scheme managed by you or your on behalf and the trustees and the directors of the trustee of any such employee superannuation fund or pension scheme which is not administered by corporate fund managers;
- (e) the estates, legal representatives, heirs or assigns of:
 - (i) any deceased or insolvent persons; or
 - (ii) persons who are unable to manage their own affairs by reason of mental disorder or incapacity,
 who would otherwise be indemnified by this policy, but only in respect of liability incurred by such persons as described in clauses (a) to (d) above;
- (f) any principal but only for their liability for personal injury or property damage that is directly caused by your performance of the work for that principal and only to the extent that we would cover you under this cover section for your liability to that principal had the principal made a claim against you in respect of the circumstances giving rise to the principal's liability;

Provided that:

- (i) the work was carried out by you in an attempt to comply with a contract to perform work that was made between you and the principal; and
- (ii) our liability shall not exceed the lesser of the minimum amount of liability insurance cover required by the contract to perform the work and the limit of liability shown in the Policy Schedule;
- (iii) for avoidance of doubt it is further provided that where a principal makes a claim under this clause, the 'Exclusion 1. Employer's liability' shall apply so that we will not pay for that principal's liability for personal injury to any person in the service of either you or that principal.

Limit of liability

Our liability to pay compensation as a result of an occurrence shall not exceed the limit of liability stated in the Policy Schedule, except coverage provided under 'Additional payments'.

Our total aggregate liability to pay compensation in respect of or in any way related to your products during any one (1) period of insurance shall not exceed the limit of liability stated in the Policy Schedule.

Additional payments

In addition to the limits of liability stated in the Policy Schedule we will pay as additional payments all:

- (a) reasonable legal costs and expenses (including the costs of representation at any Coronial hearing or other official investigation into the circumstances) incurred by the insured person with our written consent in the defence of any claim;
- (b) premiums payable for:
 - (i) bonds to release attachments for amounts not exceeding the applicable Limit of Liability, but we shall have no obligation to apply for or furnish any such bond;
 - (ii) appeal bonds and/or security for costs required in any suit, but we shall have no obligation to apply for or furnish such bonds and/or security for costs;
- (c) expenses incurred by the insured person for first aid to others, other than medical expenses prohibited by Section 126 of the *Health Insurance Act 1973*;
- (d) reasonable expenses incurred by the insured person for the temporary repair or shoring up or preservation of property which has been damaged;
- (e) interest accruing after entry of judgement against the insured person until we have paid, tendered or deposited in court such part of the judgement as does not exceed the limit of liability;

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

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

Exclusions

We will not pay anything in respect of:

1. Employer's liability

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

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

2. Vehicles

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

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

Exclusion 2 does not apply to claims:

- (i) for personal injury arising out of an occurrence that is partially (to the extent of that part) or totally outside the indemnity afforded under such compulsory liability insurance or other legislation relating to vehicles and where the reason the occurrence is outside the indemnity afforded by compulsory liability insurance or statutory indemnity does not involve a breach by an insured person of legislation relating to vehicles; or
- (ii) arising out of and during the loading or unloading of goods to or from any vehicle; or
- (iii) arising from or caused by the operation or use of any vehicle which is designed primarily for lifting, lowering, loading or unloading whilst being operated or used by an insured person on your behalf within the confines of your premises; or
- (iv) arising from the use of any tool of trade other than whilst in transit or whilst being used for transport or haulage; or

(v) for property damage arising out of the movement by you or by any employees of yours of any vehicle or trailer not belonging to you which is interfering with access to or from your premises or any site where you are carrying out work; or

(vi) for property damage caused by or arising out of the movement of any vehicle (which is required to be conditionally registered in accordance with the law of any State or Territory in Australia) in the event of your inadvertent and unintentional failure to effect conditional registration.

3. Property in physical or legal control

Property damage to property owned by or in the physical or legal control of an insured person.

Exclusion 3 does not apply to property damage to:

- (a) personal effects of your directors, employees and visitors;
- (b) premises leased or rented to you, but no cover is provided by this policy if you have assumed the responsibility to insure such premises;
- (c) premises (and their contents) where the premises are temporarily occupied by an insured person to carry out work;
- (d) any vehicle (including its contents, spare parts and accessories while they are in or on such vehicle) in a car park unless:
 - (i) the vehicle is used by or on behalf of the insured person; or
 - (ii) the car park is occupied or operated by an insured person for reward;
- (e) other property, not owned by you, but in your physical or legal control subject to a maximum of \$250,000 or the amount shown on the Policy Schedule for any one occurrence and in the aggregate during any one period of insurance.

4. Faulty workmanship

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

5. Damage to products

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

This Exclusion 5. is restricted to the defective or harmful or unsuitable part of a damaged product and does not apply to any resultant damage caused to the remainder of the product.

6. Recall of products

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

7. Products guarantee

Any products warranty or guarantee given by you or on your behalf.

Exclusion 7 shall not apply to the requirements of any Federal or State legislation as to product safety.

8. Professional liability

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

Exclusion 8 shall not apply in respect to:

- (a) personal injury or property damage arising therefrom providing such professional advice or service is given for no fee; or
- (b) the rendering of or the failure to render professional medical advice by medical persons employed by you to provide first aid or medical services on your premises; or
- (c) free advice provided by you in the course of the business; or
- (d) advice given in respect of the use or storage of your products.

9. Pollution

Any liability for:

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

Exclusion 9.(a) and (c) shall not apply where the claim arises from a sudden, identifiable, unintended and unexpected event which takes place in its entirety at a specific time and place and occurs outside of North America, however, the total aggregate limit of liability during any one (1) period of insurance shall not exceed the limit of liability stated in the Policy Schedule.

10. Watercraft, aircraft, hovercraft

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

- (a) the operation, ownership, possession or use by you of any watercraft or hovercraft exceeding 10 metres in length, while such watercraft or hovercraft is on, in or under water.

Provided that 10(a) shall not apply to claims arising out of:

- (i) watercraft used in operations carried out by any independent contractors for whose conduct you may be held liable;
- (ii) watercraft or hovercraft owned and operated by others and used by you for business entertainment;
- (b) the ownership, maintenance, operation, possession, or use by you of any aircraft, including any property used for the purpose of an airport or any aircraft landing strip.
- (c) Provided that 10(b) shall not apply to claims arising out of any model aircraft or tethered inflatable balloons used for advertising or promotional purposes;
- (d) your products that an insured person knew or had reasonable cause to believe would be, or are, installed as a critical part or become a component part of the hull, machinery or instruments used for navigation or maintaining an aircraft or hovercraft or any other aerial device in flight or in movement upon the ground.

11. Defamation, libel, slander

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

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

12. Advertising liability

Advertising liability for:

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

13. Contractual liability

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

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

14. Assault and battery

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

Exclusion 14 shall not apply when such assault and battery is committed for the purpose of preventing or eliminating danger to persons or property.

15. Intentional conduct

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

16. Loss of use

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

- (a) a delay in or lack of performance by or on behalf of an insured person in relation to any contract or agreement;
- (b) the failure of the products to meet the level of performance, quality, fitness or durability expressly or implied, warranted or represented by an insured person.
- (c) Proviso (b) does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the products after such products have been put to use by any person or organisation other than you.

17. Information technology hazards

Any liability caused or contributed by or arising directly or indirectly out of or in connection with:

- (a) total or partial destruction, distortion, erasure, corruption, alteration, misuse, misinterpretation, misappropriation or other use of electronic data and/or software;
- (b) error in creating, amending, entering, directing, deleting or using electronic data and/or software; or
- (c) total or partial inability or failure to receive, send, access or use electronic data and/or software for any time or at all, from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

Exclusion 17 does not apply to:

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

18. Territorial limits

Any liability:

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

Exclusion 18 shall not apply to:

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

19. Asbestos

Any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

Special conditions

1. Reasonable care and precautions

Notwithstanding condition '13. Precautions', noted in the General terms and conditions, the following is applicable for this cover section.

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

2. Liability not to be admitted

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

3. Cross liability

When an insured person consists of more than one (1) party, the insured person shall be considered as a separate insured person as though a separate Policy had been issued to each of the said parties.

Provided that our limits of liability and additional payments will apply as though there were not separate policies issued to each party.

Optional extensions of cover

1. Motor trades

When the optional extensions of cover titled:

- 'Motor Trade – Excluding testing and delivery'
- 'Motor Trade – Including testing and delivery'
- 'Motor Trade – Inspection reports and certificates (personal injury or property damage)'
- 'Motor Trade – Inspection reports and certificates (financial losses only)'
- 'Motor Trade – Faulty workmanship'

is shown in the Policy Schedule, the following variations to this cover section shall apply.

1.1 Motor trade - Excluding testing and delivery

- (a) Exclusion 3. Property in physical or legal control is amended to include the following additional clause (f):
 - (f). vehicles for repairs, servicing, maintenance or storage whilst within the confines of your premises or whilst left stationary in the immediate vicinity of your premises in any public or private road or thoroughfare.
- (b) Exclusion 2. Vehicles is amended to include the following additional clause (vii):

(vii). for property damage arising from or caused by the operation or use of any vehicle not owned by or leased to an insured person, whilst within the confines of your premises.

This extension of cover is subject to a limit of liability of \$100,000 for any one (1) occurrence and an excess of \$500 any one (1) event.

1.2 Motor trade - including testing and delivery

(a) Exclusion 3. 'Property in physical or legal control' is amended to include the following additional clauses (f) and (g):

(f). vehicles for repairs, servicing, maintenance or storage whilst within the confines of your premises or whilst left stationary in the immediate vicinity of your premises in any public or private road or thoroughfare subject to a limit of liability of \$100,000 for any one (1) occurrence and an excess of \$500 any one (1) event;

(g). any registered vehicle not owned or leased by an insured person but in your physical or legal control for the purpose of repairs, servicing or garaging whilst such vehicle is on any public roadway or thoroughfare whilst being tested and/or collected and/or delivered, subject to a limit of liability of \$100,000 any one (1) occurrence and an excess of \$500 any one (1) event.

(b) Circumstances where 'Exclusion 2. Vehicles' does not apply to claims is amended to include the following additional clauses (vii) and (viii);

(vii). property damage arising from or caused by the operation or use of any vehicle not owned by or leased to an insured person, whilst within the confines of your premises;

(viii). property damage to any other property not being your own or used by you or on your behalf caused by the vehicle as described and used as described in item 1.2(a)(g) above,

Our payment under clause 1.2(b) is subject to a limit of liability of \$100,000 any one (1) occurrence.

Exclusions applicable to optional extensions 1.1 and 1.2

The cover provided by either of the optional extensions of cover shall not apply to any property damage arising from:

(a) the use of any unsafe or unroadworthy vehicle unless such condition could not reasonably be detected by an insured person. This exclusion shall not apply if such property damage was not caused or contributed to by such unsafe or unroadworthy condition.

(b) the use of a vehicle by;

- (i) any person with your consent who is not licensed under any relevant law to drive such a vehicle; or
- (ii) anyone whose faculties are impaired by any drug or intoxicating liquor or by any person who is convicted of driving at the time of the property damage occurring being under the influence of intoxicating liquor; or
- (iii) anyone whose blood alcohol reading exceeds the legal limit (subject to any laws to the contrary); or
- (iv) anyone who refuses to provide or allow the taking of a sample of breath, blood or urine for testing or analysis as required by the law of any State or Territory where the property damage occurred.

However we will cover you if you have allowed a person to drive a vehicle in your physical or legal control and you can prove that you were not aware that the vehicle was being driven by or in charge of that person when they were so affected or unlicensed.

1.3 Motor trade – Inspection reports and certificates (personal injury or property damage)

Exclusion 8. 'Professional liability' of this cover section does not apply to:

- (a) your certification of road-worthiness or design compliance in respect of any motor vehicle, which is carried out by you or on your behalf under statutory authority or license and in such manner or form as required under the provisions of any Act or regulation relating to vehicle,
- (b) motor vehicle condition reports provided by you after inspection, whether such are commissioned for the purposes of sale or purchase or in connection with any servicing or maintenance carried out by you.

1.4 Motor trade – Inspection reports and certificates (financial losses only)

For the purposes of this optional extension only, occurrence and any reference to that defined term is deleted and replaced as follows.

'Wrongful act' – any actual or alleged breach of duty, neglect, error, omission, misstatement, misleading statement or other act committed or allegedly committed by you.

'Wrongful act' does not include any event which results in personal injury or property damage.

Exclusions:

- 8. Professional liability
- 13. Contractual liability, and
- 16. Loss of use

do not apply to:

- (a) your certification of road-worthiness or design compliance in respect of any motor vehicle, which is carried out by you or on your behalf under statutory authority or license and in such manner or form as required under the provisions of any Act or regulation relating to vehicle,
- (b) motor vehicle condition reports provided by you after inspection, whether such are commissioned for the purposes of sale or purchase or in connection with any servicing or maintenance carried out by you.

The maximum we will pay under this optional extension is \$100,000 in the aggregate for all claims in any one (1) period of insurance.

1.5 Motor trade – Faulty workmanship

Exclusion 4. 'Faulty workmanship' does not apply to the cost of performing, completing, correcting or improving any work that is undertaken by you provided that the work:

- (a) was undertaken on a motor vehicle, and
- (b) was carried out during the period of this insurance, or any earlier period during which this Policy, or any Policy that this Policy replaced had been held with us, and
- (c) has caused property damage to the motor vehicle.

The maximum we will pay under this optional extension is:

- (i) \$15,000 for any one (1) occurrence, net of any mark-up for parts, transport, labour and profit, and
- (ii) \$25,000 for all claims in any one (1) period of insurance.

Additional definitions applicable to optional extensions 1.3, 1.4 and 1.5

Motor vehicle' means any mechanically or electrically powered machine (including but not limited to automobiles, trucks and motorcycles) that does not run on rails and is legally allowed to transport persons or goods on public roads and highways.

'Motor vehicle' includes any trailer or caravan intended to be towed by such a machine, but not any;

- (a) aircraft, or
- (b) watercraft.

2. Consumer protection cover for Queensland electricians

This optional extension is only to apply in respect of electrical work performed in Queensland.

Definitions applying to this optional extension only

Word or term	Meaning
Broadform products liability	The Policy of insurance covering an occurrence which caused personal injury to a third party, or any loss or damage to the property of a third party other than the work itself, directly or indirectly arising from the activities as an electrical contractor directly or indirectly arising from the products or activities.
The Certificate of Test	The certificate required under Section 26 of the <i>Electrical Safety Regulations 2013</i> (Qld.).
Completed electrical work	<ul style="list-style-type: none"> (a) Electrical work for which the electrical contractor has issued a certificate of test, or (b) work the electrical contractor has connected to supply.
Consumer protection	<p>Any consequential financial loss reasonably incurred by the building owner as a result of any defects or non completion of the electrical work (as described in this optional extension) including but not limited to:</p> <ul style="list-style-type: none"> (a) any loss of any deposit or progress payments or any part of progress payments; (b) the cost of alternative accommodation, removal and storage costs that are reasonably and necessarily incurred; and (c) non completion of electrical work due to: <ul style="list-style-type: none"> (i) the death or legal incapacity of the electrical contractor; (ii) the disappearance of the electrical contractor; (iii) the electrical contractor becoming insolvent under administration; (iv) the cancellation or suspension of the electrical contractor's licence under the <i>Electrical Safety Regulation 2013</i> (Qld.);

Word or term	Meaning
	(v) the early termination of the contract by the building owner as a result of the electrical contractor's wrongful failure or refusal to complete the electrical work.
Contract	A written agreement to carry out electrical work and includes a domestic building contract or other building contract that includes electrical work.
Defects in domestic electrical work	<ul style="list-style-type: none"> (a) A failure to carry out electrical work consistent with current electricity legislation, industry practices and standards and in accordance with any plans and specifications set out in the contract; (b) a failure to use materials in the electrical work that are good and suitable for the purpose for which they are used; (c) the use of materials in the electrical work that are not new unless the contract expressly permits the use of materials that are not new; (d) a failure to carry out the electrical work in accordance with and in compliance with all laws and legal requirements or any applicable Australian or other relevant standard or code of practice including without limiting the generality of this paragraph, the <i>Electricity Safety Act 2002</i> (Qld.) with any amendments and regulations made under that Act; (e) a failure to carry out electrical work with due care or skill and in the case of domestic electrical work a failure to complete the electrical work: <ul style="list-style-type: none"> (i) by the date or within the period specified by the contract, (ii) within a reasonable time if no date or period is specified, (f) if the contract states the particular purpose for which the electrical work is required or the result which the building owner wishes the work to achieve so as to show that the building owner relies on the electrical contractor's skill and judgement, a failure to ensure that the electrical work and any materials used in carrying out the electrical work: <ul style="list-style-type: none"> (i) are fit for the purpose,

Word or term	Meaning
	<p>(ii) are of such a nature and quality that they will achieve that result, or</p> <p>(g) a failure to maintain a standard or quality of electrical work specified in the contract;</p> <p>(h) a reference to any material in sub-clause (c) (d) or (g) does not include any material that is supplied by the building owner or the owner's agent.</p>
Disappearance	Cannot be found after due search and enquiry.
Domestic dwelling	<p>any residential premises but other than:</p> <p>(a) any residence that is not intended for permanent habitation; or</p> <p>(b) a rooming house;</p> <p>(c) a motel, residential club, residential hotel, or residential part of licensed premises;</p> <p>(d) a nursing home, hospital, or accommodation associated with a hospital; or</p> <p>(e) the common areas under the control of the Body Corporate in residential villas, townhouses, duplex, triplex, quadruplex or home units which make up the body corporate;</p> <p>(f) any watercraft.</p>
Domestic electrical work	Work for a domestic dwelling proprietor or for individual proprietors of single domestic dwellings forming part of residential villas, townhouses, duplex, triplex, quadruplex or home units.
Electrical work	Defined in the <i>Electrical Safety Regulations 2013</i> (Qld.).
Insolvent under administration	<p>A person who is bankrupt in respect of a bankruptcy from which the person has not been discharged and includes a person:</p> <p>(a) who has executed a deed of arrangement under Part X of <i>The Bankruptcy Act</i> (Cwth), (or the corresponding provisions of the law of another jurisdiction) where the terms of the deed have not been fully complied with; and</p> <p>(b) whose creditors have accepted a composition under Part X of <i>The Bankruptcy Act</i> (Cwth), (or the corresponding provisions of the law of another Jurisdiction) where a final payment has not been made under that composition.</p>
Limit of liability	The limit of liability that is shown in the 'Certificate' and this wording.

Word or term	Meaning
Trade practices liability	Any liability that arises as a result of conduct by the electrical contractor that contravenes the <i>Competition and Consumer Act 2010</i> (Cth) other than any fine or penalty imposed by such contravention.

Cover

In our Liability cover section you will find cover for public liability and products liability. In this optional extension you will find cover for:

1. Defects in electrical works;
2. Trade practices liability;
3. Liability arising from the testing of your own work and the work of others;
4. Resultant personal injury, property damage or loss arising from incorrect advice or design;
5. Non-completion of of domestic electrical work;
6. Consumer protection.

Limit of liability

Our liability under this optional extension is limited to:

1. in respect of trade practices liability the maximum amount we will pay is the cost of rectifying the relevant electrical work.
2. for all other liability referred to in covers 1, 3, 4, 5 and 6 the maximum amount we will pay is:
 - (a) \$50,000 per any one (1) claim or service of claim in relation to a certificate of test or if the certificate of test relates to more than one (1) home
 - (b) \$50,000 in respect of each domestic installation.
3. for the reasonable legal costs and expenses associated with successful enforcement of a claim against you or us.

Exclusions applicable to this optional extension

1. We do not cover you for any loss damage or liability:
 - (a) resulting from a product defect provided that:
 - (i) we bear the onus of establishing that the claim (or part of a claim) is based on a product defect; and
 - (ii) we agree that nothing in this exclusion removes the cover given to you by this optional extension in relation to you supplying or using any appliance, material, substance or other thing that you were aware was defective, or that you should reasonably be aware was defective;
 - (b) resulting from:
 - (i) fair wear and tear or depreciation of electrical work or;
 - (ii) a failure by the building owner to reasonably maintain the electrical work;
2. for consequential financial loss resulting from non-domestic electrical work,
3. directly or indirectly caused by, contributed to, or arising from exposure to asbestos,
4. we do not cover you in respect of all legal costs of any person making a claim against you that are not directly or indirectly related to:
 - (a) the enforcement of this Policy; or

- (b) a liability in respect of which you are covered under this Policy;
5. we do not cover you for claims for liquidated damage for delay or damages for delay that may arise under contract provided that this exclusion does not apply to increases in rectification costs caused by a delay.

Conditions applicable to this optional extension

1. Period that insurance must cover:

- (a) for the liabilities referred to in covers 1, 2 and 4 of this optional extension, you are only covered in respect of electrical work of which a 'Certificate of test' is required from the time you agree to carry out that work until:
 - (i) seven (7) years after you last issued the compliance certificate in relation to that work; or
 - (ii) if you did not issue a compliance certificate in relation to the work, seven (7) years after you stopped carrying out that work.
- (b) you are covered in respect of electrical work for which a compliance certificate is required for completed work liability that arises from personal injury to a third party or loss or damage to the property of a third party (other than property that is part of the electrical work itself) that occurs during the Period of Insurance caused by an occurrence that happens in connection with the carrying out of the electrical work (regardless of when the electrical work was carried out).
- (c) The cover provided in covers 1, 2 and 4 of this optional extension continues to apply throughout the relevant period specified in condition 1(a) of this optional extension even if you cease to be a licensed or registered electrician before the end of that period and even if you cease to maintain this Policy.

2. Insurer to comply with court orders, etc.

We agree to comply with any order made against you by a court, the disputes or any other competent judicial body, in respect of any liability for which you are indemnified under this Policy (including any excess that you may be obliged to pay to us).

3. Limitation for common property

- (a) this clause applies if a claim is paid by us in relation to the common property of a building or complex or multiple homes and the property in which the building or complex stands, and on which electrical work is carried out, is subject to a subdivision.
- (b) we will reduce the amount we pay under this Policy in respect of any one (1) home in the building or complex by an amount calculated by dividing the amount of the claim paid by us by the number of homes in the building or complex.

4. Limitation concerning non-completion of work

If you fail to complete electrical work for any reason then this Policy does not cover you for claims for the whole or a specified part of any payment made under a contract that exceeds the value of the work completed at the time of payment.

5. Deemed acceptance of claims

- (a) this clause only applies in relation to domestic electrical work;
- (b) this clause does not apply in relation to completed electrical work liability;

- (c) we agree to accept liability for a claim in we do not notify the person making the claim within ninety (90) days from when we receive the claim in writing that we accept or dispute the claim, unless we obtain an extension of time from the person in writing or from the Disputes Tribunal.

6. Ministerial Order to prevail in the case of conflict with this Policy

We agree that if any term of this Policy conflicts, or is inconsistent with the 'Electrical contractors insurance requirements' which outlines the requirements for electrical contractors insurance required under Section 51 of the Electrical Safety Regulation 2013 (Qld) then this Policy is to be read and to be enforceable as if it complied with that document.

7. Claims not to be refused on the grounds that Policy obtained by fraud, etc.

- (a) this clause only applies in relation to domestic electrical work;
- (b) we agree that we will not refuse to pay a claim (other than a claim in respect of completed electrical work liability) under this Policy on the ground that this Policy was obtained by misrepresentation, fraud or nondisclosure by you or anyone acting on your behalf;
- (c) you agree that if we make a payment under this Policy to, or for the benefit of, a building owner under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.

8. Insurer must give effect to certificates

- (a) this clause only applies in relation to domestic electrical work
- (b) if we give you a certificate stating that you are covered by insurance, we agree that we will not refuse to pay a claim on that insurance (other than a claim in respect of completed electrical work liability) under this Policy on the ground that you have not paid the premium for the Insurance
- (c) you agree that if we make a payment under this Policy to, or for the benefit of, a building owner under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.

9. Deemed notice of defects

We agree that if a person gives notice of defects in writing to you or us, that person is to be taken for the purposes of this Policy to have given notice of all defects of which the defect notified are directly or indirectly related, whether or not the claim in respect of the defects that were actually notified has been settled.

10. Claimant may enforce this Policy directly in certain cases

We and you both agree:

- (a) that a person who is entitled to claim against you in respect of any liability for which you are indemnified under this Policy may enforce this Policy directly against us for the person's own benefit if:
 - (i) any event listed in Cover 4., of this optional extension occurs; or
 - (ii) you refuse to make a claim against us; or
 - (iii) there is an irretrievable breakdown of communication between you and us; and

- (b) that for the purpose of such enforcement the person has the same rights and entitlements as you would have had under any legislation applicable to you; and
- (c) that we will pay to the person the full amount of any liability for which you are indemnified under this Policy despite any failure by you to pay any excess that you are required to pay.

11. Section 54 of the *Insurance Contracts Act 1984* to apply

- (a) we acknowledge that Section 54 of the *Insurance Contracts Act 1984* (Cwth) applies to this Policy
- (b) despite condition 11(a), we agree that we will not rely on Section 54 to reduce our liability under this Policy or to reduce any amount that is otherwise payable in respect of a claim by reason only of a delay in a claim being notified to us if:
 - (i) the person who makes the claim notifies you, either orally or in writing; or
 - (ii) that person or you notifies us in writing within 180 days of the date when the person first became aware, or might reasonably be expected to have become aware, of some fact or circumstance that might give rise to the claim.

12. Notification concerning claims settled

We and you both agree that we will notify the Electrical Licensing Board in writing in the manner required by the Electrical Licensing Board of the settling of payment of any claim under this Policy.

13. Conflicting provisions

- (a) nothing in this optional extension should be read as limiting indemnity under this optional extension with respect of any defect as a result of any error in design, specification formula or pattern or the provision of advice that is incidental to any electrical work undertaken by the electrician;
- (b) to the extent that condition 13(a) is in conflict with any other provision in this optional extension, condition 13(a) will prevail.

14. Excess

You are liable to pay us in respect of each claim paid by us under this Policy the amount paid by us or the amount specified in the Policy Schedule as the excess. Provided you are not liable to pay an excess more than once in relation to any claim comprising more than one (1) defect or two or more claims that relate to the same defect.

15. You must co-operate with us

- (a) You agree in relation to a claim or prospective claim:
 - (i) to make reasonable efforts to assist and inform us or our agent; and
 - (ii) to attend the relevant building site for the purpose of inspecting, rectifying or completing electrical work (unless the building owner refuses you access to the site);
- (b) we may reduce the amount of a claim by a building owner by an amount that reasonably represents the cost resulting from an unreasonable refusal by the building owner to give you access to a building site if we have asked you to attend the site.

16. Provision concerning cancellation

We agree that the cancellation of this Policy:

- (a) will only take effect thirty (30) days after we give both the Electrical Licensing Board and you notice in writing of the cancellation; and
- (b) has no effect on any of our obligations under this Policy with respect to the liabilities referred to in covers 1, 2 and 4 of this optional extension in relation to electrical work that was carried out while this Policy was in force; and
- (c) has no effect on any of our obligations under this Policy with respect to the liabilities referred to in covers 3 and 4 of this optional extension in relation to any personal injury to a third party or loss or damage to the property of a third party (other than property that is part of the electrical work itself) that occurred while this Policy was in force.

3. Victorian plumbers liability

This optional extension is only to apply in respect of plumbing work performed in Victoria.

Definitions applicable to this optional extension only

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

Word or term	Meaning
Australian Consumer Law	Schedule 2 of the <i>Competition and Consumer Act 2010</i> (Cth) or its successor.
Building owner	The person for whom plumbing work has been, is being, or is about to be, carried out and includes: <ul style="list-style-type: none"> (a) any occupier of the land, building or home where the plumbing work is carried out; and (b) any person who is the owner for the time being of that land, building or home; and (c) if the plumbing work is carried out on land in a plan of subdivision containing common property, the body corporate for that land or a building on that land; and (d) any assignee of the building owner's rights under a contract; and (e) any person who has contracted with another person to provide the plumbing work.
Completed work liability	Any liability that arises as a result of any personal injury to a third party, or loss or damage to the property of a third party (other than property that is part of the plumbing work itself), directly or indirectly related to or arising from the plumbing work: <ul style="list-style-type: none"> (a) after the issue of the compliance certificate for the plumbing work; or (b) if you do not issue a compliance certificate for the plumbing work, plumbing work which you carried out but only after you stopped carrying out that work.

Word or term	Meaning
Compliance certificate	A certificate referred to in Section 221ZH of the <i>Building Act 1993</i> (Vic).
Contract	A contract to carry out plumbing work and includes a domestic building contract or other building contract that includes plumbing work.
Defect	<p>In relation to plumbing work includes:</p> <ul style="list-style-type: none"> (a) a failure to carry out the plumbing work in a proper and workmanlike manner and in accordance with any plans and specifications set out in the contract; (b) a failure to use materials in the plumbing work that are good and suitable for the purpose for which they are used; (c) the use of materials in the plumbing work that are not new (unless the contract permits use of materials that are not new); (d) a failure to carry out the plumbing work in accordance with, and in compliance with, all laws and legal requirements including, without limiting the generality of this clause, the <i>Building Act 1993</i> (Vic) and any regulations made under that Act; (e) a failure to carry out the plumbing work with reasonable care and skill and, in the case of domestic plumbing work, a failure to complete the work: <ul style="list-style-type: none"> (i) by the date (or within the period) specified by the contract; or (ii) within a reasonable time, if no date (or period) is specified; (f) if the contract states the particular purpose for which the plumbing work is required, or the result which the building owner wishes the plumbing work to achieve, so as to show that the building owner relies on your skill and judgement, a failure to ensure that the plumbing work and any material used in carrying out the plumbing work: <ul style="list-style-type: none"> (i) are reasonably fit for that purpose; or (ii) are of such a nature and quality that they might reasonably be expected to achieve that result; (g) a failure to maintain a standard or quality of plumbing work specified in the contract. <p>A reference to any material in sub-clause (b) or (f) does not include any material that is supplied by the building owner (or the building owner's agent).</p>

Word or term	Meaning
Defects liability	Liability to pay for the costs of rectifying any defect in your plumbing work carried out in Victoria.
Disappearance	Cannot be found after due search and inquiry
Domestic plumbing work	<p>Plumbing work performed or intended to be performed on or in relation to:</p> <ul style="list-style-type: none"> (a) a home; or (b) any building or structure on land on which a home is or is intended to be situated.
Home	<p>Any residential premises and includes any part of a commercial or industrial premises that is used as a residential premises and also includes any house boat that is less than 8 metres in length, but does not include:</p> <ul style="list-style-type: none"> (a) any residence that is not intended for permanent habitation; or (b) a rooming house within the meaning of the <i>Residential Tenancies Act 1997</i> (Vic); or (c) a motel, a residential club, a residential hotel or a residential part of licensed premises under the <i>Liquor Control Reform Act 1998</i> (Vic); or (d) a nursing home, a hospital or accommodation associated with a hospital; or (e) any residence that the regulations made under the <i>Domestic Buildings Contracts Act 1995</i> (Vic) state is not a home for the purposes of the definition of 'Home' in that Act.
Insolvent under administration	<p>A person who:</p> <ul style="list-style-type: none"> (a) under <i>The Bankruptcy Act 1966</i> (Cwth) or the law of an external Territory, is a bankrupt in respect of a bankruptcy from which the person has not been discharged; or (b) under the law of an external Territory or the law of a foreign country, has the status of an undischarged bankrupt; <p>and includes:</p> <ul style="list-style-type: none"> (c) a person any of whose property is subject to control under: <ul style="list-style-type: none"> (i) section 50 or Division 2 of Part X of <i>The Bankruptcy Act 1966</i> (Cwth); or (ii) a corresponding provision of the law of an external Territory or the law of a foreign country; or

Word or term	Meaning
	<p>(d) a person who has executed a personal insolvency agreement under:</p> <p>(i) Part X of <i>The Bankruptcy Act 1966</i> (Cwth); or</p> <p>(ii) the corresponding provisions of the law of an external Territory or the law of a foreign country;</p> <p>where the terms of the agreement have not been fully complied with.</p>
The Ministerial Order	The Licensed Plumbers General Insurance Order 2002 made under Section 221ZQ and 221ZT of the <i>Building Act 1993</i> (Vic).
Plumbing work	Has the same meaning as in Section 221C of the <i>Building Act 1993</i> (Vic).
Non-domestic plumbing work	Plumbing work that is not domestic plumbing work
Product defect	A defect in any appliance, material, substance or other thing that was supplied or used by you in connection with plumbing work
Trade Practices liability	Any liability for the cost of rectifying any defect in plumbing work carried out in Victoria that arises as a result of conduct by you in connection with the plumbing work that contravenes Section 18, 29, 34, 60 or 61 of the Australian Consumer Law or sections 9, 11 or 12 of the <i>Fair Trading Act 1999</i> (Vic).

Coverage

We will cover you under this optional extension for:

1. Defects liability
2. Trade practices liability
3. In respect of domestic plumbing work carried out in Victoria any liability arising from:
 - (a) any consequential financial loss reasonably incurred by the building owner as a result of any defects or non-completion of the plumbing work (as described in clause 3(b)), including but not limited to:
 - (i) the loss of any deposit or progress payment (or any part of any deposit or progress payment); and
 - (ii) the cost of alternative accommodation, removal and storage costs that are reasonably and necessarily incurred; and
 - (b) non-completion of the plumbing work due to:
 - (i) your death or legal incapacity
 - (ii) your disappearance
 - (iii) you becoming an insolvent under administration
 - (iv) the cancellation or suspension of your licence as a licensed plumber under the *Building Act 1993* (Vic); or
 - (v) the early termination of the contract by the building owner as a result of your wrongful failure or refusal to complete the plumbing work.

The cover provided under clause 3(b) also applies to any contract for both domestic plumbing work and non-domestic plumbing work in which the non-domestic Plumbing component does not exceed 20% of the total contract value.

Limit of liability

We will pay up to:

- \$50,000 for any one (1) claim or series of claims in relation to domestic plumbing work for which a compliance certificate is required, (or if a compliance certificate relates to more than one (1) Home, an amount not exceeding \$50,000 for each home).
- \$100,000 for any one (1) claim or series of claims in relation to a compliance certificate for non-domestic plumbing work.
- the reasonable cost of rectifying plumbing work under the Trade Practices liability cover.

The most we will pay under this optional extension in any one (1) Period of Insurance is \$5,000,000.

Defence of claims

In addition to the limit of liability we also pay the reasonable legal costs and expenses associated with the successful enforcement of a claim against you or us.

However, we will not pay the legal costs of any person making a claim against you that are not directly or indirectly related to:

1. the enforcement of this optional extension; or
2. a liability in respect of which you are covered under this optional extension.

Provided that:

- (i) we will not be obliged to pay any claim or judgement or to defend any claim or legal action after the limit of liability has been exhausted by payment of judgements or settlements;
- (ii) if a payment exceeding the limit of liability has to be made to dispose of a claim, our liability to pay any legal costs and expenses under this clause will be limited to that proportion of those legal costs and expenses as the limit of liability bears to the amount paid to dispose of the claim.

Exclusions applicable to this optional extension

We do not cover you for:

1. any defects liability resulting from a product defect provided that:
 - (a) we bear the onus of establishing that the claim (or part of the claim) is based on a product defect; and
 - (b) we agree that nothing in this exclusion removes the cover given to you by this optional extension in relation to you supplying or using an appliance, material, substance or other thing that you were unaware was defective or that you should not reasonably have been aware was defective.
2. any loss, injury or damage resulting from:
 - (a) fair wear, tear or depreciation of plumbing work; or
 - (b) a failure buy the building owner to reasonably maintain plumbing work.
3. any consequential financial loss in relation to non-domestic plumbing work.

4. claims for liquidated damages for delay, or damages for delay, that may arise under a contract provided that this exclusion does not apply to any increase in rectification costs caused by the delay.

Conditions applicable to this optional extension

1. Period of cover

For defects liability, 'Trade practices liability' and liabilities referred to in Coverage clause 3 of this optional extension, you are only covered in respect of plumbing work for which a compliance certificate is required from the time you agree to carry out that work until:

- (a) six (6) years after you last issued the compliance certificate in relation to that work; or
- (b) if you did not issue a compliance certificate in relation to the work, six (6) years after you stopped carrying out that work.

The cover provided for defects liability, 'Trade practices liability' and liabilities referred to in Coverage clause 3 of this optional extension continues to apply throughout the relevant period specified in this clause even if you cease to be a licensed plumber before the end of that period and even if you cease to maintain this optional extension.

2. We will comply with court orders

We agree to comply with any order made against you by a court, the Victorian Civil and Administrative Appeals Tribunal or any other competent judicial body, in respect of any liability for which you are indemnified under this optional extension, (including any excess that you may be obliged to pay to us).

3. Deemed acceptance of claims

This clause only applies in relation to domestic plumbing work.

We agree to accept liability for a claim if we do not notify the person making the claim within 90 days from when we receive the claim in writing that we accept or dispute the claim, unless we obtain an extension of time from the person in writing or from the Victorian Civil and Administrative Appeals tribunal.

4. Ministerial Order to prevail in the case of conflict

We agree that if any term of this optional extension conflicts, or is inconsistent, with the Ministerial Order, then this optional extension is to be read and to be enforceable as if it complied with that Order.

5. Claims not to be refused on the grounds that the Policy obtained by fraud, etc.

This clause only applies in relation to domestic plumbing work.

We agree that we will not refuse to pay a claim under this optional extension on the ground that this optional extension was obtained by misrepresentation, fraud or non-disclosure by you or anyone acting on your behalf.

You agree that if we make a payment under this optional extension to, or for the benefit of, any other person under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.

6. We give effect to certificates

This clause only applies in relation to domestic building work

If we give you a certificate stating that you are covered by insurance under this optional extension, we agree that we will not refuse to pay a claim on that insurance on the ground that you have not paid the premium for the insurance.

You agree that if we make a payment under this optional extension to, or for the benefit of, any other person under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.

7. Deemed notice of defects

We agree that if a person gives notice of a defect in writing to you or us, that person is to be taken for the purposes of this optional extension to have given notice of every defect of which the defect notified is directly or indirectly related, whether or not the claim in respect of the defect that was actually notified has been settled.

8. Claimant may enforce this optional extension direction in certain cases

We and you both agree that:

- (a) a person who is entitled to claim against you in respect of any liability for which you are indemnified under this optional extension may enforce this optional extension directly against us for the person's own benefit if:
 - (i) any event listed in Cover 3(b) of this optional extension occurs; or
 - (ii) you refuse to make a claim against us; or
 - (iii) there is an irretrievable breakdown of communication between you and us;
- (b) for the purpose of such enforcement the person has the same rights and entitlements as you would have had under any legislation applicable to you;
- (c) we will pay to the person the full amount of any liability for which you are indemnified under this optional extension despite any failure by you to pay any deductible that you are required to pay.

9. Section 54 of the *Insurance Contracts Act*

- (a) we acknowledge that Section 54 of the *Insurance Contracts Act 1984* (Cwth) applies to this Policy.
- (b) despite sub-clause 9(a), we agree that we will not rely on Section 54 to reduce our liability under this optional extension or to reduce any amount that is otherwise payable in respect of a claim by reason only of a delay in a claim being notified to us if:
 - (i) the person who makes the claim notifies you either orally or in writing; or
 - (ii) that person or you notifies us in writing;
 - (iii) within 180 days of the date when the person first became aware, or might reasonably be expected to have become aware, of some fact or circumstance that might give rise to a claim.
- (c) nothing in clause 9(b) restricts the operation of clause 1 of the conditions applicable to this optional extension.

10. Provision concerning cancellation

This clause only applies in relation to domestic building work.

We agree that the cancellation of this Policy:

- (a) will only take effect thirty (30) days after we give both the Plumbing Industry Commission and you notice in writing of the cancellation; and
- (b) has no effect on any of our obligations under the Policy with respect to the liabilities referred to under coverage of this optional extension in relation to plumbing work that was carried out while the optional extension was in force.

11. Notification of claims settled

We and you both agree that we will notify the Plumbing Industry Commission in writing in the manner required by the Minister of the settling or payment of any claim under this optional extension.

12. Limitation for common property

This clause applies if plumbing work is carried out on land in a plan of subdivision containing common property and a claim is paid by us in relation to the common property.

We will reduce the amount we will pay under this optional extension in respect of any one (1) home on land in the plan of subdivision by an amount calculated by dividing the amount of the claim paid by us in relation to the common property by the number of homes on land in the plan of the subdivision.

13. Limitation concerning non-completion of work

If you fail to complete plumbing work for any reason listed in Cover clause 3, then this optional extension does not cover you for claims for the whole or a specified part of any payment made under a contract that exceeds the value of the work completed at the time of payment.

14. You must co-operate with us

- (a) you agree in relation to a claim or prospective claim:
- (i) to make reasonable efforts to assist and inform us or our agent; and
 - (ii) to attend the relevant building site for the purpose of inspecting, rectifying or completing plumbing work (unless the building owner refuses you access to the site).
- (b) we may reduce the amount of a claim by a building owner by an amount that reasonably represents the cost resulting from an unreasonable refusal by the building owner to give you access to a building site if we asked you to attend the site under clause 14(a)(ii).

4. Electrical contractor occupational licensing for Tasmania

This optional extension only applies in respect of electrical work performed in Tasmania.

Definitions applying to this optional extension only

Word or term	Meaning
Administrator	The administrator appointed under section 10 of the <i>Occupational Licensing Act 2005</i> .
Australian Consumer Law	Schedule 2 of the <i>Competition and Consumer Act 2010</i> (Cth) or its successor.
Building owner	The person for whom prescribed work has been, is being, or is about to be, carried out and includes: <ol style="list-style-type: none"> (a) any occupier of the land, building or home where the prescribed work is carried out; and (b) any person who is the owner for the time being of that land, building or home; and (c) if the prescribed work is carried out on land in a plan of subdivision containing common property, the body corporate for that land or a building on that land; and

Word or term	Meaning
	<ol style="list-style-type: none"> (d) any assignee of the building owner's rights under a contract; and (e) any person who has contracted with another person to provide that prescribed work.
Certificate of compliance	The approved form referred to in Regulation 17(2) of the Occupational Licensing (electrical work) Regulations 2008.
Contract	A contract, whether in full or in part, to carry out prescribed work and includes a domestic building contract or other building contract that includes prescribed work;
Defects	<p>1. 'Defects' in prescribed work include:</p> <ol style="list-style-type: none"> (a) any work that is defective work in the terms of the <i>Occupational Licensing Act 2005</i>; (b) a failure to carry out the work in a proper and workmanlike manner and in accordance with any plans and specifications set out in the contract; (c) a failure to use materials in the work that are good and suitable for the purpose for which they are used; (d) the use of materials in the work that are not new (unless the contract permits use of materials that are not new); (e) a failure to carry out the work in accordance with, and in compliance with, all laws and legal requirements including, without limiting the generality of this paragraph, the <i>Occupational Licensing Act 2005</i> and any regulations made under that Act; (f) a failure to carry out the work with reasonable care and skill and, in the case of prescribed work, a failure to complete the work: <ol style="list-style-type: none"> (i) by the date (or within the period) specified by the contract; or (ii) within a reasonable time, if no date (or period) is specified; (g) if the contract states the particular purpose for which the work is required, or the result which the building owner wishes the work to achieve, so as to show that the building owner relies on the practitioner's skill and judgement, a failure to ensure that the work and any material used in carrying out the work: <ol style="list-style-type: none"> (i) are reasonably fit for that purpose; or (ii) are of such a nature and quality that they might reasonably be expected to achieve that result;

Word or term	Meaning
	<p>(h) a failure to maintain a standard or quality of prescribed work specified in the contract.</p> <p>2. A reference to any material in Sub-clause (1)(c) or (g) does not include any material that is supplied by the building owner (or the owner's agent).</p>
Disappearance	Cannot be found after due search and inquiry.
Domestic prescribed work	<p>Prescribed work performed or intended to be performed on or in relation to:</p> <p>(a) a home; or</p> <p>(b) any building or structure on land on which a home is or is intended to be situated.</p>
Home	<p>Any residential premises and includes any part of a commercial or industrial premises but does not include:</p> <p>(a) any residence whose primary purpose is not for permanent habitation; or</p> <p>any residential premises and includes any part of a commercial or industrial premises but does not include:</p> <p>(a) any residence whose primary purpose is not for permanent habitation; or</p> <p>(b) a building in which there is one (1) or more rooms available for occupancy on payment of rent in which the total number of people who may occupy those rooms is not less than four; or</p> <p>(c) a motel, club, or hotel used in whole or in part as a residence for temporary habitation; or</p> <p>(d) a nursing home, a hospital or accommodation associated with a nursing home hospital.</p>
Licence holder	A person holding a licence under the <i>Occupational Licensing Act 2005</i> .
Non-domestic prescribed work	Any prescribed work that is not domestic prescribed work.
The Notice	The General Insurance Notice 2008
Prescribed work	Any work that by virtue of the determination of the administrator may only be lawfully performed by the holder of a licence.
Policy	Contract of insurance
Trade practices liability	Any liability that arises as a result of conduct by the licence holder in connection with the prescribed work that contravenes sections 18, 29, 34, 60 or 61 of the Australian Consumer Law or sections 14, 16 or 21 of the <i>Fair Trading Act 1990</i> (Tasmania).

Cover

This optional extension in conjunction with this cover section of this Policy provides cover in accordance with the Occupational Licensing General Insurance Notice 2008 and includes:

- (a) any liability to pay for the cost of rectifying any prescribed work required because of defects in the prescribed work;
- (b) any Trade Practices liability;

We will also cover

- (c) any liability arising from any consequential financial loss reasonably incurred by the building owner as a result of any defects or non-completion of the domestic prescribed work (as described in paragraph (d)), including but not limited to:
 - (i) the loss of any deposit or progress payment (or any part of any deposit or progress payment); and
 - (ii) the cost of alternative accommodation, removal and storage costs that are reasonably and necessarily incurred; and
- (d) any liability arising from non-completion of the domestic prescribed work due to:
 - (i) his or her death or legal incapacity; or
 - (ii) his or her disappearance; or
 - (iii) his or her becoming an insolvent under administration as that expression is defined in the Corporations Act; or
 - (iv) the cancellation, suspension or non-renewal of his or her licence under the Occupational Licensing Act 2005; or
 - (v) the early termination of the contract by the building owner as a result of the licence holder's wrongful failure or refusal to complete the prescribed work;
- (e) non-completion of the domestic prescribed work (as described in (d) above) in the case of any contract for both domestic and non-domestic prescribed work in which the non-domestic prescribed work component does not exceed 20% of the total contract value,
- (f) any act or omission of any person engaged under a contract of services or a contract for services by the licence holder to carry out prescribed work,
- (g) any act or omission of any person engaged under a contract of services or a contract for services by you to carry out prescribed work.

Limit of liability

Our liability under this optional extension is limited to:

- (a) in respect of trade practices liability the maximum amount we will pay is the cost of rectifying the relevant electrical work.
- (b) in respect of domestic prescribed work an amount of \$50,000 for any one (1) claim or series of claims in relation to a certificate of compliance (or if the certificate of compliance relates to more than one (1) home, at least \$50,000 for each home); and
- (c) in respect of non-domestic prescribed work an amount of \$100,000 for any one (1) claim or series of claims in relation to a certificate of compliance; and
- (d) for the reasonable legal costs and expenses associated with the successful enforcement of a claim against you or us.

Exclusions applicable to this optional extension

6 year limitation on claims

We will not accept any claims including claims for prescribed work first notified to us after the expiration of six years from:

- (a) the date of a certificate of compliance; or
- (b) if you did not issue a certificate of compliance in relation to the work that is insured, six years after you stopped carrying out that work.

Non-completion of work

If you fail to complete prescribed work for any reason listed in Cover (a), then this Policy does not cover you for claims for the whole or a specified part of any payment made under a contract that exceeds the value of the work completed at the time of payment.

Product liability

- (a) In this clause 'Product defect' means a defect in any appliance, material, substance or other thing that was supplied or used by you in connection with prescribed work.
- (b) This Policy does not cover you for any loss or damage giving rise to a claim under Cover part (a) resulting from a product defect.
- (c) However, we agree that if we intend to rely on the fact this Policy does not cover you for product defects in relation to any claim (or part of a claim), we bear the onus of establishing that the claim (or part of the claim) is based on a product defect.
- (d) We agree that nothing in this clause removes the cover given to you by this Policy in relation to you supplying or using any appliances, material, substance or other thing that you were aware was defective, or that you should reasonably have been aware was defective.

Wear and tear

This Policy does not cover you for any injury, loss or damage resulting from:

- (a) fair wear, tear or depreciation of prescribed work; or
- (b) a failure by the building owner to reasonably maintain prescribed work.

Consequential loss for non-domestic prescribed work

In relation to non-domestic prescribed work, this Policy does not cover you for consequential financial loss.

Exposure to asbestos

This Policy does not cover you for any injury, loss or damage directly or indirectly caused by, contributed to, or arising from, exposure to asbestos.

Legal costs

This Policy does not cover you in respect of the legal costs of any person making a claim against you that are not directly or indirectly related to:

- (a) the enforcement of the Policy; or
- (b) a liability in respect of which you are covered under this Policy.

Liquidated damages for delay

- (a) This Policy does not cover you for claims for liquidated damages for delay, or damages for delay, that may arise under a contract.

- (b) However, we agree that nothing in this clause removes the cover given to you by this Policy in relation to any increase in rectification costs caused by a delay.

Conditions applicable to this optional extension

The Notice to prevail in the case of conflict with Policy

We agree that if any term of this Policy conflicts, or is inconsistent, with the notice, then this Policy is to be read and to be enforceable as if it complied with that notice.

Insurer to comply with court notices etc.

We agree to comply with any notice made against you by a court of competent jurisdiction.

Deemed acceptance of claims

- (a) This clause only applies to domestic prescribed work.
- (b) We agree to accept liability for a claim if we do not notify the person making the claim within 90 days from when we receive the claim in writing that we accept or dispute the claim, unless we obtain an extension of time from the person in writing.

Claims not to be refused on the grounds that the Policy obtained by fraud etc.

- (a) This clause only applies in relation to domestic prescribed work.
- (b) We agree that we will not refuse to pay a claim under this optional extension on the ground that this Policy was obtained by misrepresentation, fraud or non-disclosure by you or anyone acting on your behalf.
- (c) You agree that if we make a payment under this Policy to, or for the benefit of, a building owner under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.

Insurer must give effect to certificates

- (a) This clause only applies in relation to domestic prescribed work.
- (b) If we give you a certificate stating that you are covered by insurance, we agree that we will not refuse to pay a claim on that insurance under this optional extension on the ground that you have not paid the premium for the insurance.
- (c) You agree that if we make a payment under this Policy to, or for the benefit of, a building owner under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.

Deemed notice of defects

We agree that if a person gives notice of a defect in writing to you or us, that person is to be taken for the purposes of this Policy to have given notice of every defect of which the defect notified is directly or indirectly related, whether or not the claim in respect of the defect that was actually notified has been settled.

Claimant may enforce Policy direction in certain cases

We and you both agree:

- (a) that a person who is entitled to claim against you in respect of any liability for which you are indemnified under this Policy may enforce this Policy directly against us for the person's own benefit if:
 - (i) any event under Cover (c) or (d) occurs; or
 - (ii) you refuse to make a claim against us; or

- (iii) there is an irretrievable breakdown of communication between you and us; and
- (b) that for the purpose of that enforcement the person has the same rights and entitlements as you would have had under any legislation applicable to you; and
- (c) that we will pay to the person the full amount of any liability for which you are indemnified under this Policy despite any failure by you to pay any excess that you are required to pay.

Section 54 of the *Insurance Contracts Act 1984* to apply

- (a) We acknowledge that section 54 of the *Insurance Contracts Act 1984* of the Commonwealth applies to this Policy.
- (b) Despite sub-clause (a), we agree that we will not rely on Section 54 to reduce our liability under this Policy or to reduce any amount that is otherwise payable in respect of a claim by reason only of a delay in a claim being notified to us if:
 - (i) the person who makes the claim notifies you either orally, or in writing; or
 - (ii) that person or you notifies us in writing;
 - within 180 days of the date when the person first became aware, or might reasonably be expected to have become aware, of some fact or circumstance that might give rise to the claim.

Notification concerning claims settled

We and you both agree that we will notify the administrator in writing in the manner required by the administrator of the settling or payment of any claim under the Act.

You must co-operate with us

- (a) You agree, in relation to a claim or prospective claim, to:
 - (i) make reasonable efforts to assist and inform us or our agent; and
 - (ii) to attend the relevant site for the purpose of inspecting, rectifying or completing prescribed work (unless the building owner refuses you access to the site).
- (b) We may reduce the amount of a claim by a building owner by an amount that reasonably represents the cost resulting from an unreasonable refusal by the owner to give you access to a building site if we have asked you to attend the site under part (a)(ii).

Provision concerning cancellation

We agree that the cancellation of this Policy:

- (a) will only take effect thirty (30) days after we give both the administrator and you notice in writing of the cancellation; and
- (b) has no effect on any of our obligations under the Policy with respect to the liabilities referred to in Cover (a)'defects', (b)'trade practices liability', (c)'consequential financial loss' and (d)'non-completion' in relation to prescribed work that was carried out while the Policy was in force; and
- (c) has no effect on any of our obligations under the Policy with respect to the liabilities referred to in this cover section of this Policy in relation to any personal injury to a third party or loss or damage to the property of a third party (other than property that is part of the prescribed work itself) that occurred while the Policy was in force.

Period that insurance must cover

You must have insurance that indemnifies you in respect of prescribed work for which a certificate of compliance is required:

- (a) for the liabilities referred to in Cover; (a)'Defects', (b)'Trade practices liability', (c)'Consequential financial loss', and (d)'Non-completion', from the time you agree to carry out that work until:
 - (i) six (6) years after you last issued a certificate of compliance in relation to that work; or
 - (ii) if you do not issue a certificate of compliance in relation to the work, six (6) years after the date you stopped carrying out the work;

The indemnity provided by the insurance for the liabilities referred to in Cover (c), (d) and (e) will continue to apply throughout the relevant period specified in sub-clause (a), even if you cease to be a licence holder before the end of that period and even if you cease to maintain the Policy under which the insurance is provided.

Contrary provisions

Any provision that limits the indemnity provided under the Policy with respect to any defect as a result of:

- (a) any loss or damage to that part of the property on which the licence holder is working and which arises out of that prescribed work;
- (b) any error in design, specification, formula or pattern or the provision of advice that is incidental to any prescribed work undertaken by the licence holder;
- (c) the cost of inspecting, repairing or replacing component parts of prescribed work, and
- (d) any provision that excludes personal injury, loss or damage arising directly or indirectly out of, or in connection with or caused by, the erection, demolition, alteration or addition to buildings by or on behalf of the licence holder, does not apply.

Common property

If:

- (a) prescribed work is carried out on land in a plan of subdivision containing common property; and
- (b) a claim is paid by us in relation to the common property,

We will reduce the amount we will pay under this Policy in respect of any one (1) home on land in the plan of subdivision by an amount calculated by dividing the amount of the claim paid by us in relation to the common property by the number of homes on land in the plan of subdivision.

Burglary

Introduction

This cover section only forms part of your Policy when 'Burglary' section is shown in the Policy Schedule and is limited to the period of insurance indicated.

Definitions

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

Word or term	Meaning
Category and categories	<p>The category into which property can be designated from the following:</p> <ol style="list-style-type: none"> 1. all contents; 2. all contents excluding stock; 3. stock including goods for which you are responsible but excluding cigarettes and tobacco goods; 4. cigarettes and tobacco goods; or 5. specified Items listed in the Policy Schedule. <p>Provided that when property is being designated to these categories we agree to accept the designation used by you in your records. Categories shall have a corresponding meaning to category.</p>
Property	The property shown in the Policy Schedule as insured property.
Safe	A burglar-resistant container that has been designed to resist fire and attack by hand-held or power-operated tools which has been specifically designed for the storage of money and valuables.
Strongroom	A burglar resistant structure constructed of masonry and steel that has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of money and valuables.
Theft	Theft or attempted theft.

Cover

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

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

Provided that the theft happens during the period of insurance.

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

Basis of Settlement

At our option, we will:

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

Limitations of cover

1. Categories of property

We will only pay for property that can be correctly designated to one (1) of the categories that are shown as insured in the Policy Schedule.

2. Excess

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

3. Sum insured and reinstatement of sum insured

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

Provided that:

- (i) the maximum amount we will pay in any one (1) period of insurance is limited to twice the sum insured; and
- (ii) you pay or agree to pay the additional premium we require.

Exclusions

We will not pay for:

1. theft from any open-sided structure such as, but not limited to, verandas, yards or other open spaces whether they are partially or fully enclosed by a building or not;
2. theft when entry has been made using keys or security codes;
3. theft of money or negotiable instruments such as but not limited to cheques, stamps, money orders, vouchers and tickets exceeding \$500 in total;
4. theft of motorised vehicles (other than unregistered fork lifts or similar mobile lifting plant, not otherwise insured) and/or watercraft, unless motorised vehicles and/or watercraft are specifically shown as insured in the Policy Schedule for this cover section;

5. unexplained disappearances or unexplained shortages whether resulting from clerical or accounting errors or shortages in the supply of materials to or by you;
6. consequential loss of any kind; and
7. the dishonest manipulation of any database or computer system.

Extensions of cover

1. Damage to premises

We will pay in addition to the sum insured the cost of repairing buildings that are physically damaged during a theft at that premises.

Provided that the maximum amount we will pay is limited to \$10,000 in total any one event.

2. New premises – Temporary cover

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

Provided that:

- (a) this temporary cover is limited to a period of ninety (90) consecutive days from the day that you first use the new premises;
- (b) this temporary cover is not available to property that cannot be correctly designated to one (1) of the categories that are shown as insured in the Policy Schedule;
- (c) this temporary cover is only available to property that is of a similar type to that insured by this cover section;
- (d) for each specific category of property shown in the Policy Schedule this temporary cover is limited to 50% of the sum insured for that category; or
- (e) if more than one (1) premises are shown in the Policy Schedule then this 50% limitation will apply to the lowest sum insured that applies to a specific category of property;
- (f) the new premises have building and security features that are similar to those at one (1) of the premises shown in the Policy Schedule, having the same occupation.

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

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

3. Seasonal increase

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

4. Locks and keys

If during the period of insurance any locks, keys, magnetic keys or cards or similar devices and combinations used at the premises are accidentally lost, stolen or there are reasonable grounds to believe these have been duplicated, we will pay in addition to the sum insured:

- (a) the cost incurred to replace the locks, keys, magnetic keys or cards or similar devices;
- (b) the cost incurred to replace the sequence of numbers of letters become known by any unauthorised person;
- (c) circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices;

- (d) other costs that are necessarily incurred to restore the security of the premises to the same level of security that existed prior to the loss of these keys.

Provided that the maximum amount that we will pay is limited to \$10,000 in total, any one event.

If you are also insured under the Money cover section, the benefits payable under Extension of Cover, 3(c) 'Keys, locks and combinations' shall not be cumulative.

5. Temporary protection and watchmen

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

Provided that the maximum amount that we will pay is limited to \$10,000 in total, any one event.

If you are also insured under the Money cover section, the benefits payable under Extension of Cover, 3(f) 'Temporary protection and watchmen' shall not be cumulative.

6. Security

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

Provided that the maximum amount we will pay is limited to \$10,000 in total, any one event.

If you are also insured under the Money cover section, the benefits payable under Extension of Cover, 3(g) 'Security' shall not be cumulative.

7. Death following assault

If any person is injured while protecting or attempting to protect the property from theft and death results from this injury within twelve (12) months, we will pay \$10,000 in addition to the sum insured, to the estate of that person.

If you are also insured under the Money cover section, the benefits payable under Extension of Cover, 3(e) 'Death following assault' shall not be cumulative.

8. Clothing and personal effects

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

Provided that the total amount payable under this extension is limited to \$10,000 in total, any one event. If you are also insured under the Money cover section, the benefits payable under Extension of Cover, 3(b) 'Clothing and personal effects' shall not be cumulative.

9. Business records

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

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

10. Employee dishonesty

We will pay you for loss of property arising from employee dishonesty, occurring during the period of insurance, which is discovered within forty five (45) days of its occurrence. Exclusion 7, the dishonest manipulation of any database or computer system, and Extension of cover, 11. Theft without forcible entry, proviso (b) 'theft by you or any of your employees', do not apply to this extension.

Provided our liability under this extension is limited to \$5,000 for any one (1) event.

If you are also insured under the Money cover section, the benefits payable for employee dishonesty shall not be cumulative. This extension shall not apply if you are also insured under the Employee fraud cover section.

11. Theft without forcible entry

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

Provided that we will not pay for:

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

Exclusion 1, theft from any open-sided structure, does not apply to this extension.

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

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

unless noted otherwise in the Policy Schedule.

12. Illegal use of corporate financial transaction card

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

Provided that we will not pay:

- (a) any financial loss arising from the misuse or illegal use of corporate credit cards by your employees or any other person acting in collusion with an employee of yours; or
- (b) more than \$5,000 in total for any one (1) loss or event.

13. Disposal of damaged property

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

Provided the maximum we will pay is limited to \$5,000 in total any one (1) event.

14. Property temporarily removed

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

Provided that:

- (a) we will not cover tobacco, tobacco products, cigars, cigarettes or alcoholic beverages;
- (b) we will not cover property that is on consignment to other parties unless it is owned by you or is property for which you are responsible;
- (c) the maximum amount we will pay for this additional benefit will be 20% of the sum insured; and

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

15. Tenanted premises

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

Provided that the maximum amount we will pay is limited to \$10,000 in total, any one (1) event.

16. Water authority charges

The costs levied on you by a water company or authority for water usage arising from the theft of property or water at the premises.

Provided that the maximum amount we will pay is limited to \$10,000 in total any one event. If you are also insured under the Fire – Gold cover section, the benefits payable under Extension of Cover A – 13. 'Water authority charges' shall not be cumulative.

Optional extensions of cover

1. Additional damage to premises cover

If 'Additional damage to premises' is shown in the Policy Schedule then in addition to the cover provided under Extension of cover, 1. Damage to premises, we will pay up to the amount shown in the Policy Schedule for the cost of repairing buildings at the premises that are physically damaged during a theft.

2. Additional theft without forcible entry cover

If 'Theft without forcible entry' is shown in the Policy Schedule then in addition to the cover provided under Extension of cover, 11. Theft without forcible entry, and subject to the same Policy conditions, we will pay an increased amount up to the amount shown in the Policy Schedule for damage to property caused by theft from the premises where there is no visible forcible and violent entry.

Money

Introduction

This cover section only forms part of your Policy when 'Money' section is shown in the Policy Schedule and is limited to the period of insurance indicated.

Definitions

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

Word or term	Meaning
Business hours	Your business and office hours including overtime hours when you or your employees are on the premises for business purposes.
Financial service provider	A bank, building society or credit union or an agency for any of these that is in the business of providing banking services to the public.
Locked	To engage locking mechanisms and activate all security features of a device so that the maximum level of security obtainable by the device is achieved.
Loss and lost	Accidental loss, damage or destruction.
Money	For the purpose of this cover section only, is extended to include money held in trust or for which you are responsible and which is not otherwise insured and shall also include any cash carrying bag used with the transit.
Safe	A burglar-resistant container that has been designed to resist fire and attack by hand-held or power-operated tools which has been specifically designed for the storage of money and valuables.
Strongroom	A burglar resistant structure constructed of masonry and steel that has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of money and valuables.
Transit	<p>Money in your personal custody or in the custody of persons authorised by you whilst in transit within Australia. The transit shall be deemed to have commenced immediately the safe or strongroom is unlocked for the purpose of removing and immediately transporting the money from the premises. Money in transit includes money while contained in the night safe, night depository chute or automatic teller machine of any financial services provider. Our liability ceases at the time your financial service provider ceases trading on the next business day following the deposit therein.</p> <p>Wages and salaries collected from the bank but not paid to employees is in 'transit' until it is physically in the control of employees.</p>

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

Cover

1. Blanket cover

When blanket cover is shown in the Policy Schedule, cover is provided in all of the circumstances described below, as if all of the specified covers were shown in the Policy Schedule.

2. Specified cover

When specified cover is shown in the Policy Schedule, we will pay up to the sum insured shown in the Policy Schedule for loss of money during the period of insurance for the following categories of money:

(a) Money in transit

Money in transit or in a night safe or automatic teller machine until removed by a bank employee.

Provided that this cover is only provided up until the close of business on the next bank trading day from the time the transit commenced.

(b) Money on the premises

Money on the premises during business hours when not contained in a locked safe or locked strongroom.

Provided that cover during non business hours is limited to \$1,000.

(c) Money in a locked safe or locked strongroom

Money in a locked safe or locked strongroom.

(d) Money in your custody

Money in your personal custody or the personal custody of an authorised person while in a private residence.

Basis of Settlement

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

1. money in transit at the time of the loss is the money in transit sum insured;
2. money on the premises during business hours at the time of the loss is the money on the premises during business hours sum insured. The maximum we will pay for money at the premises outside business hours is \$2,000, unless the money is contained in 3. below;
3. money on the premises in a securely locked safe or strongroom at the time of the loss is the money at the premises in securely locked safe or strongroom sum insured; or
4. money in your personal custody or the personal custody of an authorised person while in a private residence at the time of the loss is the money in your custody sum insured.

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

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

5. if the securities can with our approval be replaced, the cost of replacement paid or payable by you; or
6. otherwise, the greater of:
 - (a) the price for which you purchased them; or
 - (b) the closing market value on the last business day prior to the date of discovery by you of the loss or destruction of the securities; or
 - (c) if the time of discovery by you is after the close of the market, their closing market value on the day of discovery by you.

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

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

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

When Extension of cover, 3(a) 'Damage to safes or strongrooms' applies, we will, at our option:

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

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

Limitation of cover

1. Excess

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

Exclusions

We will not pay for:

1. theft from an unattended vehicle that is not locked;
2. theft from a safe or strongroom when the locking device is opened by:
 - (a) a key, a magnetic key or card, or similar device;
 - (b) a sequence of numbers or letters, or numbers and letters; or
 - (c) any combination of the security devices shown in 2(a) and 2(b) above, when these security devices are left unsecured on the premises;
3. theft from a safe or strongroom that is not locked during non business hours;
4. shortage due to error or omission;

5. loss due to fraudulent or dishonest acts by you. Provided that this does not apply to theft by your employees following visible, forcible and violent entry;
6. loss due to the dishonest manipulation of any database or computer system;
7. loss of money while professional money carriers, professional carriers or common carriers are carrying it; or
8. consequential loss of any kind.

Extensions of cover

1. Reinstatement of sum insured

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

Provided that:

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

2. Seasonal increase

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

3. Additional covers

In addition to the sum insured:

(a) Damage to safes or strongrooms

If blanket cover or money in safes or strongrooms is shown in the Policy Schedule, then we will pay up to \$10,000 for damage to safes and strongrooms following theft or an attempted theft of money.

(b) Clothing and personal effects

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

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

If you are also insured under the Burglary cover section, the benefits payable under Extension of Cover 8. 'Clothing and Personal Effects' shall not be cumulative.

(c) Keys, locks and combinations

If blanket cover or money in locked safes or locked strongrooms is shown in the Policy Schedule and Exclusion 2(c) does not apply, then:

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

- (ii) we will also pay the cost of opening safes and strongrooms following loss of keys, magnetic keys or cards or similar devices.

Provided that the total amount payable under this extension is limited to \$10,000 in total, any one (1) event.

If you are also insured under the Burglary cover section, the benefits payable under Extension of Cover 4. 'Locks and Keys' shall not be cumulative.

(d) Travellers money

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

Provided that the total amount payable under this extension is limited to \$10,000 in total, any one (1) event.

(e) Death following assault

If any person is injured while protecting or attempting to protect money from theft or attempted theft and death results from this injury within twelve (12) months we will pay \$10,000 to the estate of that person.

If you are also insured under the Burglary cover section, the benefits payable under Extension of Cover 7. 'Death following assault' shall not be cumulative.

(f) Temporary protection and watchmen

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

Provided that the total amount payable under your Policy is limited to \$10,000 in total, any one (1) event.

If you are also insured under the Burglary cover section, the benefits payable under Extension of Cover 5. 'Temporary protection and Watchmen' shall not be cumulative.

(g) Security

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

Provided that the maximum amount we will pay is limited to \$10,000 in total any one (1) event.

If you are also insured under the Burglary cover section, the benefits payable under Extension of Cover 6. 'Security' shall not be cumulative.

4. Bank or public holiday increase

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

Provided that this extension of cover does not apply to:

- (a) damage to safes and strongrooms; and
- (b) money on premises outside business hours; and
- (c) is not cumulative with Extension of cover, 2. Seasonal increase.

5. Employee dishonesty

We will pay you for loss of money by theft or dishonesty by any of your employees occurring during the period of insurance, which is discovered within forty five (45) days of its occurrence. Exclusions 5 and 6, so far as they relate to loss due to fraudulent or dishonest acts by you and loss due to the dishonest manipulation of any database or computer system, do not apply to this extension.

Provided our liability under this extension is limited to \$5,000 for any one (1) event.

If you are also insured under the Burglary cover section, the benefits payable for employee dishonesty shall not be cumulative.

This extension shall not apply if you are also insured under the Employee fraud cover section.

6. Counterfeit currency

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

Provided that the total amount payable under this extension is limited to \$500 in total, any one (1) period of insurance.

7. New premises - temporary cover

We will cover you for loss of money as insured by this cover section for a period of ninety (90) days from the date you first occupy new premises.

Provided that;

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

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

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

Optional extensions of cover

1. Additional damage to safes and strongrooms

When 'Additional damage to safes and strongrooms' is shown in the Policy Schedule then the \$10,000 limit for extension of cover, 3(a) Damage to safes and strongrooms is increased to the limit shown in the Policy Schedule.

Glass

Introduction

This cover section only forms part of your Policy when 'Glass' section is shown in the Policy Schedule and is limited to the period of insurance indicated.

Cover

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

We will pay any additional costs incurred by you:

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

Limitations of cover

1. Types of glass

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

2. Excess

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

Exclusions

We will not pay for damage to:

1. property during installation or removal of glass;
2. glass that is stock in trade or merchandise; or
3. glass that is only scratched, chipped or discoloured.

Extensions of cover

1. Additional benefits

If glass shown in the Policy Schedule is broken during the period of insurance then we will pay the costs that are necessarily incurred by you to:

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

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

2. Reinstatement of additional benefits

Following a claim under 'Extension of cover - Additional benefit', if you pay or agree to pay an additional premium, we will return the limit to the full \$10,000.

3. Advertising (or identification) signs

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

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

4. Damaged stock

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

Provided this extension of cover is limited to \$10,000 during the period of insurance.

5. Malicious damage

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

Provided that this extension of cover is limited to \$10,000 during the period of insurance.

Optional extensions of cover

1. Increased cover on Advertising (or identification) signs

If 'Increased cover on Advertising (or identification) signs' is shown in the Policy Schedule then the total for all payments provided under 'Extensions of cover – 3. Advertising (or identification) signs' is increased to the limit shown in the Policy Schedule.

2. Increased cover on Damaged stock

If 'Increased cover on damaged stock' is shown in the Policy Schedule then the total for all payments provided under 'Extensions of cover – 4. Damaged stock' is increased to the limit shown in the Policy Schedule.

3. Increased Additional benefits

If increased additional benefits are shown in the Policy Schedule then the total for all payments provided under 'Extensions of cover – 1. Additional benefits' is increased to the limit shown in the Policy Schedule.

Business Special Risks

Introduction

This cover section only forms part of your Policy when 'Business special risks' section is shown in the Policy Schedule and is limited to the period of insurance indicated.

Definitions

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

Word or term	Meaning
Damage or damaged	Accidental physical damage, destruction or loss.
Item or Items	An Item or Items which is part of a group or class of property that are shown in the Policy Schedule. The group or class described may include hand tools and hand held power tools.
Stock	For the purpose of this cover section only, is extended to include any materials owned by you and stored on your premises, at contract sites, or during transit.

Cover

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

Limitations of cover

1. Geographical limits

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

2. Excess

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

3. Obsolete items or improvements

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

4. Unspecified items

When cover is shown in the Policy Schedule for unspecified items, cover is limited to a maximum amount of \$2,500 for any one (1) item.

Provided that we will not pay for excluded items.

5. Reduced sum insured

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

6. Stock

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

Exclusions

1. Excluded causes

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

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

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

2. Excluded items

We will not pay for the following items unless they are specified in the Policy Schedule:

- mobile plant, motorised vehicles, watercraft, aerial devices, sporting equipment, firearms;
- stock including consumable items;
- money.

3. Consequential loss

We will not pay for consequential loss of any kind.

Extensions of Cover

1. Automatic reinstatement

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

2. Theft of property of others

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

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

- in a securely locked vehicle and the theft was consequent upon forcible and violent entry to the vehicle;
- securely and permanently affixed to a building or vehicle and theft is consequent upon forcible and violent removal of the item or items;
- in a vehicle and was securely chained to that vehicle by a steel chain having a link diameter of 10mm or greater and a padlock with a security rating under AS 4145.4 Locksets - padlocks (or any subsequent amendment) of 6 (or its equivalent) or above;
- in your private residence or the private residence of your employee who has been authorised by you to have the custody and control of the item. However we will not cover any theft by a tenant;

- (e) securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building.

We will not cover any theft:

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

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

Optional limitations

1. Restricted cover

If 'Restricted cover' is shown in the Policy Schedule then cover is limited to loss or damage caused by:

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

2. Fire excluded

If the peril of fire is shown as being excluded in the Policy Schedule then damage due to fire is not covered by this cover section.

Engineering Plant

Introduction

This cover section only forms part of your Policy when 'Engineering plant' section is shown in the Policy Schedule and is limited to the period of insurance indicated.

Definitions

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

Word or term	Meaning
Boilers and unfired pressure plant	<p>Any structure that is subject to internal steam, gas or other fluid pressure other than normal atmospheric pressure and shall include:</p> <ol style="list-style-type: none"> 1. fittings and direct attachments that are connected to the structure without any intervening valve, cock or tap; and 2. supports for the structure and operating equipment such as furnace doors, access doors, combustion chambers, smoke boxes and casings. <p>Provided that this does not include:</p> <ol style="list-style-type: none"> (a) internal combustion engines; (b) rotating, reciprocating or electrical devices; and (c) pressure pipe systems.
Damage or damaged	<p>Any sudden unforeseen physical damage to or destruction of any part of the plant that prevents the plant from operating normally and requires repair or replacement of the plant before normal operation can be resumed.</p>
Electrical, electronic and mechanical plant	<p>All integral parts of the plant that are not boilers and unfired pressure plant or pressure pipe systems.</p>
Excluded plant	<ol style="list-style-type: none"> 1. Computers, electronic data processing equipment; 2. communications equipment including, but not limited to, telecommunication transmitting and receiving equipment; 3. audio visual, amplification, burglar alarms, monitoring systems and surveillance equipment; 4. lighting facilities; 5. research, diagnostic and electro-medical-equipment; 6. lifts, escalators, office machines; 7. coin or card-operated machines; 8. storage tanks and vats; 9. any container used to contain explosive or flammable gases and liquids; 10. mobile machinery; 11. building ducts, reticulating electrical wiring, water and gas piping;

Word or term	Meaning
	<p>12. hot water systems used for heating up to 500 litres of water to a temperature below one hundred degrees Celsius (100°C); and</p> <p>13. property not owned by you or not at the premises.</p>
Expendable items	<p>Items and parts that are not normally re-used or repaired or any item or part that requires periodic or frequent replacement including but not limited to:</p> <ol style="list-style-type: none"> 1. electrical and electronic glass bulbs, tubes, x-ray tubes; 2. electrical contacts, heating elements, batteries; 3. wear plates, cutting edges, tools, dies, moulds, patterns, impression rollers, engraved cylinders; 4. fuses, shear pins and other safety or protective devices that require a replacement after they have performed or attempted to perform their designed function; 5. tyres, tracks, conveyer belts, ropes; and 6. glass and ceramic components.
Explosion	The sudden, unforeseen and violent rending of any boiler and unfired pressure plant or pressure pipe systems by force of internal steam gas or fluid pressure or the pressure of ignited flue gases.
Plant	<p>The following defined types of plant:</p> <ol style="list-style-type: none"> 1. electrical, electronic and mechanical plant; 2. boilers and unfired pressure plant; and 3. pressure pipe systems. <p>The word plant shall apply to any or all items shown in the Policy Schedule as well as any or all components or parts of these items.</p> <p>Unless specifically shown in the Policy Schedule, plant does not include excluded plant.</p>
Pressure pipe systems	<p>For:</p> <ol style="list-style-type: none"> 1. boilers and unfired pressure plant, any pipe systems with valves, fittings, traps and separators that contain steam, condensate, gas or other fluids that are pressurised by the plant, including any piping between the boilers and feed water pumps or injectors; and 2. refrigeration and air-conditioning equipment specified in the Policy Schedule, the interconnecting pipes and coils that contain a heat transfer medium.
UNEP	United Nations Environment Policy Montreal Protocol with respect to substances which deplete the ozone layer.

Word or term	Meaning
Wear or gradual deterioration	<ol style="list-style-type: none"> 1. The wearing or wearing out of plant or property as a result of its normal operation; 2. the wearing or wasting away of material as a result of the normal operation of plant or property; 3. mildew, disease, fading, erosion, corrosion, rust or other forms of oxidisation; 4. damage resulting from atmospheric conditions; or 5. slowly developing deformation or distortion.

Cover

We will pay for the cost of repairing or, at our option, replacing:

1. plant that is damaged; and
2. property that is hit by flying fragments of plant that has disintegrated following damage to that plant, provided that you are responsible for the property that is hit and this property is owned by you or in your custody or control.

Provided that the damage to the plant occurs during the period of insurance.

Limitations of cover

1. Excess

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

2. Maintenance agreements

We will not pay for the repair or replacement of plant and other property when any party other than you has responsibility to repair or replace such plant or other property.

3. Part Immediately affected

Where damage is confined to a part of the plant or other property, we will pay the cost of repairing or, at our option, replacing that part plus the dismantling or rebuilding costs that are necessarily incurred to repair or replace that part.

4. Sum insured

We will not pay more than the applicable sum insured for any one (1) event, apart from where we expressly state the sum insured is in addition in some extensions of cover.

5. Improvements

If an item of plant or property cannot be repaired without improving the output, capacity or efficiency of that item, then our payment will be limited to the cost of replacing that item less an amount equal to the value of any such improvement(s).

6. Conversion to non CFC refrigerant operation

We will not pay for any costs that are associated with the conversion or alteration of plant or property that is undertaken to assist the plant to operate with a non CFC (Chlorofluorocarbon) type of refrigerant.

7. Obsolete items

If it is necessary to replace parts of plant which have become unavailable or obsolete we will not pay more than the estimated cost of replacing those parts with similar parts for similar types of plant which are currently available.

Exclusions

Other than where specifically provided for in the Policy Schedule:

1. You are not insured for the cost of repair or replacement of expendable items.
2. Except where the repair or replacement is made necessary by damage to other parts of the plant:
 - (a) we will not pay for the repair or replacement of joints, gaskets or seams, drive belts, filters, chains, brickwork, foundations or refractories, seals, shaft seals, flexible drives or flexible pipes, soft rollers, replacement of refrigerant, brine or any transfer media;
 - (b) we will not pay for repair of any crack, fracture, blister, lamination, flaw or grooving which has not penetrated completely through the entire thickness of the material of the plant, even though repair or renewal of the part affected may be necessary either immediately or at some future time.
3. We will not pay for the costs incurred in repairing wear or gradual deterioration including:
 - (a) damage to a safety or protective device caused by its own operation;
 - (b) the chipping or scratching of painted or polished surfaces.
4. We will not pay for the cost of the carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments.
5. We will not pay for damage to any item of plant which was known to be defective before the damage occurred.
6. We will not pay any loss of use or consequential loss of any kind.
7. We will not pay for damage caused directly or indirectly by:
 - (a) fire, smoke or soot, extinguishing of a fire or subsequent demolition, lightning, hail, wind, rain, storm, flood, impact by land-borne vehicles or waterborne craft, aircraft or other aerial devices or pressure waves created by their travelling at sonic or supersonic speed, theft or attempted theft, malicious damage, earthquake, subsidence, rock slide, mudslide, landslide, earth movement, subterranean fire, volcanic eruption;
 - (b) explosion other than as defined;
 - (c) the use or application of any tool or process to the plant in the course of maintenance, inspection, repair, alteration, modification or overhaul (including but not limited to damage caused while machining a crankshaft or while applying heat to case harden or weld an item);
 - (d) or occurring during installation, building or erection of plant unless this follows dismantling of plant for the purpose of cleaning, inspecting, repairing or movement within the premises;
 - (e) loss or damage arising out of:
 - (i) the plant being subjected to tests involving abnormal stresses or arising out of the plant being intentionally overloaded or operated in excess of its normal designed operating specifications;
 - (ii) any raising or lowering operation in which a single load is shared between more than one (1) item of

plant(including but not limited to cranes), whether such item is insured under this cover section or not;

- (f) any deliberate act or negligence by you or on your behalf;

8. In the event of loss or damage to the plant giving rise to a claim under this cover section, we will not be liable for any costs associated with altering or modifying the plant to enable it to operate with a more ozone-friendly refrigerant gas as required by the UNEP.

Extensions of cover

1. Additional extra costs of reinstatement

Where you incur extra expense, in complying 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, in the course of effecting repair or replacement of the plant, we will indemnify you for such extra expense in addition to the sum insured.

Provided that the amount so recoverable hereunder shall not include the additional cost in complying with any such Act, Regulation, By-law or requirement with which you had been required to comply with prior to the damage.

2. Consultants fees

Following damage covered by this cover section we will also pay engineering or other professional consultant's fees necessarily incurred by you to ascertain the cause of the damage and to specify the scope of works necessary to reinstate the damage to comply with all legislative requirements and regulations governing the operation and use of the plant.

Our payment will be in addition to the sum insured and limited to \$10,000 any one event.

3. Hire of temporary plant and costs of temporary repairs

Following damage that is covered by this cover section we will pay up to an additional 50% of the normal repair costs for:

- (a) the cost of hiring temporary plant;
- (b) the cost of temporary repairs;
- (c) the extra cost of expediting permanent repairs including:
 - (i) charges for overtime and work on public holidays where necessary and reasonably incurred;
 - (ii) freight within Australia by any recognised scheduled service;
 - (iii) overseas airfreight by any recognised scheduled service and/or overseas labour.

Provided our written approval for all these additional costs has first been obtained. We will not pay more than the sum insured shown in the Policy Schedule.

4. Removal of debris

Following accidental damage to plant that is covered by this cover section and including any optional extension of cover, we will additionally pay for the costs of cleaning up and removing, storing or disposing of debris.

Our payment will be in addition to the sum insured and limited to \$25,000 any one event.

5. Temporary cover

We will provide temporary cover for a period of up to ninety (90) days for additional plant that, during the period of insurance, is installed, or items on hire, brought into use.

Provided that:

- (a) you must give us notice in writing within the ninety (90) days of it coming into your possession;
- (b) we will not cover damage resulting from existing defects in such additional plant at the time when it comes into your possession;
- (c) this temporary cover shall not commence until the additional plant has worked satisfactorily for eight (8) hours and has been handed over after commissioning;
- (d) this temporary cover shall only apply to plant which is of a similar kind to the plant which is insured under this cover section;
- (e) the sum insured and excess for the additional plant will be that specified for a similar item or group of items of plant in the Policy Schedule; and
- (f) you pay the premium that we require for this additional plant calculated from the date of installation or bringing into use.

Special condition

1. Examinations

You will permit our representatives to inspect the plant at any reasonable time during the period of insurance and you will properly prepare the plant at your expense for such inspection.

Provided that any inspection by us is for our purposes only and does not warrant that the plant is safe or that it is free from defects.

Optional extension of cover A – Deterioration of stock

1. Cover

If 'Deterioration of stock' is shown in the Policy Schedule then we will pay for deterioration or putrefaction of goods in cold storage which are cooled by:

- (a) refrigeration plant shown in the Policy Schedule, or
- (b) temporary plant at the premises not exceeding sixty (60) days.

Provided this deterioration or putrefaction occurs during the period of insurance and results from:

- (c) a change in temperature solely caused by:
 - (i) damage that is covered by this cover section;
 - (ii) operation or failure of thermostats, pressure controls or limiting devices, that is not due to an error when operating or setting these items;
 - (iii) the accidental failure of the public electricity supply service; or
 - (iv) the public electricity supply service intentionally interfering with the service, but only to the extent that this is necessary to safeguard life or any part of the supply and the supply authority's interference is not caused directly or indirectly by fire, flood, storm or any other natural cause; or
 - (v) sudden leakage of refrigerant from the plant; or
- (d) contamination of the goods directly caused by sudden leakage of refrigerant from the plant.

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

Provided that, we will not pay for any goods which have passed their use by date, nor will we pay for the disposal costs of these goods.

2. Extension of cover

Seasonal increase

During the seasonal increase periods, we will increase the sum insured shown in the Policy Schedule for Deterioration of stock by 50%.

3. Exclusions

The following exclusions shall apply to this Optional extension of cover A – Deterioration of stock.

We will not pay for deterioration or putrefaction caused by:

- (a) inappropriate or improper storage, damage to packing materials or inadequate air circulation;
- (b) damage to goods due to any rationing of the electricity supply other than accidental damage to the generation equipment; and
- (c) damage to goods which are alive or are of a bacterial nature.

Optional extension of cover B – Increase in cost of working

Cover

If 'Increase in cost of working' is shown in the Policy Schedule then we will pay for costs that are incurred by you for the sole purpose of avoiding or diminishing a reduction in income from your business during the period that the plant is damaged.

Provided that:

1. these costs are additional to your normal operating costs;
2. these costs are incurred because of an interruption of your normal operations that directly results from damage to plant that is covered by this cover section;
3. you receive our prior written approval to incur these costs;
4. we will not pay more than the limit of liability shown in the Policy Schedule for Increase in cost of working; and
5. we will not pay for any costs incurred during the excess period shown in the Policy Schedule for Increase in cost of working.

Electronic Equipment

Introduction

This cover section only forms part of your Policy when 'Electronic equipment' section is shown in the Policy Schedule and is limited to the period of insurance indicated.

Definitions

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

Word or term	Meaning
Breakdown	The actual breaking, seizing, deformation or melting of any part of the insured property while that insured property is in use that is caused by mechanical, electrical or electronic defect within the insured property that causes sudden malfunction that requires repair or replacement before the insured property can resume normal operation.
Computer	Any electronic device that is used to: <ol style="list-style-type: none"> store or process data; or control machinery.
Computer virus	An executable program or computer code segment that is self-replicating, requires a host program or executable segment in which it can be contained, and which destroys or alters the host, program or other computer code or data, causing undesired program or computer system operation.
Damage or damaged	Physical damage, destruction or loss and in relation to data, software and media material includes corruption of data or software.
Data	Any facts, information or records that are stored on media material.
Expendable items	Items and parts that are normally not re-used and require frequent or periodic replacement.
Insured damage	Any sudden or unforeseen physical damage or destruction to any part of the insured plant, resulting directly from breakdown, which requires repair or replacement before normal operation can be resumed.
Insured plant	Plant that is shown in the Policy Schedule.
Insured property	The Insured Property that is shown in the Policy Schedule.
Media material	Any optical discs or any magnetic medium that can be used to store data or software such as, but not limited to, tapes, discs or cards.
Software	Any instructions used to control the operation of a computer provided that these instructions are recorded on media material.

Cover

We will pay up to the sum insured for the cost of repairing or, at our option, replacing insured property as a result of breakdown, which occurs during the period of insurance.

Where you incur extra expense, in complying 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, in the course of effecting repair or replacement of the insured property, we will indemnify you for such extra expense.

Provided that the amount so recoverable hereunder shall not include the additional cost in complying with any such Act, Regulation, By-law or requirement with which you had been required to comply with prior to the breakdown.

Limitations of cover

- All insured property that can be repaired must be repaired, however, where the cost of repair is deemed to be uneconomical due to the extent of insured damage, settlement shall be as follows:

We will at our option:

- supply a replacement of the same type model capacity and condition to replace the damaged item as it was immediately before the insured damage; or
- if such a replacement item is not available we will supply a similar item of no lesser capacity than the damaged item; or
- if the item was manufactured more than six (6) years prior to the date of loss, we will pay no more than the estimated cost of similar parts for similar type of plant currently available in addition to estimated labour costs to effect the repair.

- We will not pay more than the sum insured for any one (1) event.
- You are liable for the excess for each and every event that results in damage.
- Where insured damage is confined to a part of the plant or other property, we will pay the cost of repairing or, at our option, replacing that part plus the dismantling or rebuilding costs that are necessarily incurred to repair or replace that part.
- If an item of insured property cannot be repaired without improving the output capacity or efficiency of that item then our payment will be limited to the cost of replacing that item less an amount equal to the value of such improvement(s).
- If it is necessary to replace parts that are unavailable or obsolete we will not pay more than the estimated cost of similar parts for similar type of plant currently available.
- Underinsurance

In the event of damage, we will not be liable for more than the proportion of the damage which the sum insured bears to 80% of the total new replacement value of the insured property at the commencement date of the period of insurance.

Provided that this will not apply if your claim is less than 10% of the sum insured.

Exclusions

1. We will not pay for the repair or replacement of:
 - (a) glass or ceramic components other than when used as electrical insulation;
 - (b) the chipping or scratching of painted or polished surfaces or other aesthetic defects that do not affect the function of the insured property;
 - (c) fuses and other devices designed for safety or protection that are damaged through their normal operation;
 - (d) the wearing or wasting away of material caused by normal wear and tear, atmospheric conditions, mildew, fading, rust, corrosion or other forms of oxidation;
 - (e) any alterations, additions, cleaning, adjustments, inspections or maintenance of insured property;
 - (f) electrical and electronic glass bulbs, tubes, X-ray tubes, laser tubes, heating elements, lighting facilities and electrical contacts;
 - (g) expendable items such as, but not limited to, belts, batteries, photosensitive cartridges, print heads, tapes, ribbons;
 - (h) coin or card-operated machines, portable equipment such as, but not limited to, computers, communication equipment;
 - (i) plant not owned by you or used at the premises.
2. We will not pay for damage caused directly or indirectly by:
 - (a) fire, smoke, soot, extinguishing of a fire or subsequent demolition;
 - (b) lightning, hail, wind, rain, flood, snow, storm, earthquake, subsidence, landslip, earth movement, subterranean fire and volcanic eruption;
 - (c) impact by:
 - (i) aircraft or other aerial devices or pressure waves created by their travelling at sonic or supersonic speed,
 - (ii) impact by land-borne vehicles or waterborne craft,
 - (d) malicious damage, theft or attempted theft;
 - (e) the application of any tool or process to the plant in the course of maintenance, inspection, repair, alteration, modification or overhaul;
 - (f) the installation, construction or erection of insured plant other than dismantling movement and re-erection for the purpose of cleaning, inspection and repair;
 - (g) the insured plant being subject to testing or intentionally overloaded or operated in excess of its normal designed operating specification; or
 - (h) a deliberate act or omission or neglect on your part.

Optional extensions of cover

1. The cost of restoring data

If 'Cost of restoring data' is shown in the Policy Schedule then we will pay the costs incurred by you in restoring data and software that are damaged as a result of insured damage, up to the amount shown in the Policy Schedule for this optional extension.

Provided that we will not pay for damage:

- (a) to data, software or media material caused by a failure or defect in the media material;
- (b) to data that was generated, altered or processed more than five (5) working days prior to the date of damage;

- (c) caused by an error in processing data or error in the use of software;
- (d) caused by erasure, deletion or overwriting of any data or software;
- (e) caused by unauthorised access being gained to any operating system that is used by any part of the insured property via any communications system; or
- (f) caused by the operation or presence of a computer virus that alters or erases data or software in a manner that is undesired by you.

2. Increase in cost of working

If Increase in 'Cost of working' is shown in the Policy Schedule, then we will pay for the costs that are in excess of your normal total computer operating costs.

Provided that:

- (a) these costs are incurred as a result of insured damage to insured property;
- (b) these costs were reasonably incurred in order that your business may operate in a manner that is as close as possible to your normal business operations;
- (c) these costs are limited to the amount shown in the Policy Schedule for this optional extension;
- (d) we will not pay for any expenditure incurred:
 - (i) after a period of ninety (90) days following the damage; and
 - (ii) during the first twenty four (24) hours immediately following the damage; and
 - (iii) resulting from, or caused by the operation or presence of a computer virus that alters or erases data or software in a manner that is undesired by you.

Special condition

1. Examinations

You will permit our representatives to inspect the insured plant at any reasonable time during the period of insurance and you will prepare the insured plant at your expense for such an inspection.

Provided that any inspection by us is for our purposes only and does not warrant that the insured plant is safe or that it is free of defects.

Additional benefits applying to this cover section

1. Additional repair costs

Following insured damage to insured plant that is covered by this cover section, we will reimburse you for reasonable costs of the following items if necessarily incurred:

- (a) the cost of hiring temporary plant;
- (b) the cost of temporary repairs;
- (c) the extra cost of expediting permanent repairs including:
 - (i) charges for overtime and work on public holidays where necessary and reasonably incurred,
 - (ii) freight within Australia by any recognised scheduled service, and
 - (iii) overseas airfreight by any recognised scheduled service and/or overseas labour.

Provided that the total additional cost for any one (1) breakdown does not exceed 50% of the normal cost of repair. We will not pay more than the sum insured shown in the Policy Schedule.

2. Temporary cover

We will provide temporary cover for a period of up to ninety (90) days for additional plant which is installed or items on hire and brought into use during the period of insurance.

Provided that:

- (a) this plant is of a similar type to the plant that is shown in the Policy Schedule;
- (b) we will not cover insured damage resulting from existing defects in such additional plant at the time when it comes into your possession;
- (c) the additional plant will not be covered until it has worked satisfactorily for eight (8) hours and has become your responsibility;
- (d) you supply details of any additional plant to us in writing within ninety (90) days of it coming into your possession;
- (e) the sum insured and excess for the additional plant will be that specified for a similar item or group of items of plant in the Policy Schedule; and
- (f) you pay the premium that we require for this additional plant.

3. Temporary removal

We will pay for damage to insured property whilst it is temporarily removed from the premises to anywhere in Australia.

Provided that cover is not extended for insured property:

- (a) whilst in storage or whilst being transported for storage or during permanent removal from the premises;
- (b) if stolen from any unlocked vehicle;
- (c) whilst left unattended in the open air; or
- (d) whilst in transit as checked baggage or cargo on aircraft or public transport.

4. Consultants fees

Following insured damage covered by this cover section we will also pay professional consultant's fees necessarily incurred by you to ascertain the cause of the insured damage and to specify the scope of works necessary to reinstate the insured damage to comply with all legislative requirements and regulations governing the operation and use of the insured plant.

Our payment will be in addition to the sum insured and limited to \$10,000 any one event.

Employee Fraud

Introduction

This cover section only forms part of your Policy when 'Employee fraud' section is shown in the Policy Schedule and is limited to the period of insurance indicated.

Definitions

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

Word or term	Meaning
Employee	Any person that you have the right to direct during your business activities who is: <ol style="list-style-type: none"> 1. employed by you; 2. apprenticed to you; 3. hired or seconded from another party by you; 4. an executive, director or officer of your business whilst performing acts falling within the scope of the usual duties of an employee; or 5. a voluntary worker.
Employee fraud	The unlawful taking of property by your employee, whether acting alone or in collusion with others, with the intent to: <ol style="list-style-type: none"> (a) cause loss to you; or (b) benefit any person or organisation other than you.
Event	Employee fraud by your employee by a single act or series of related acts.
Property	Any property, including money, that belongs to you or which you are legally responsible for.
You or your	For the purpose of this cover section only, is extended to include: <ol style="list-style-type: none"> (a) 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; and (b) any welfare, social or sporting club formed with your knowledge and consent exclusively for the benefit of employees and their families.

Cover

We will pay up to the sum insured for the value of property that is lost as a direct result of employee fraud that occurs during the period of insurance.

Provided that:

1. you are able to identify which of your employees are responsible; and
2. the employee fraud is discovered:
 - (a) during the period of insurance; or

- (b) within one (1) year that follows the period of insurance or within one (1) year of the date upon which your employee committing the employee fraud ceased to be in your employment, whichever occurs first.

Limitations of cover

1. Excess

You are liable for the excess for each and every claim resulting from an event.

2. Discovery

We will not pay for any loss caused by a particular employee that occurs after:

- (a) you become aware of an act of employee fraud by that particular employee; or
- (b) you suspect that an employee has committed an act of employee fraud.

3. Reduced sum insured

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

Exclusions

We will not pay for:

1. any loss resulting directly or indirectly from trading in securities or derivatives whether or not in your name and whether or not in a genuine or fictitious account; or
2. loss where proof of its existence or amount depends on any comparison of inventory records with a physical count or a profit and loss computation.

Extensions of cover

1. Cost of recovery

When you sustain a loss that is greater than the sum insured paid for this cover section, we will pay up to an additional 20% of the sum insured for costs and expenses you have reasonably incurred in an attempt to recover lost property.

2. Auditors and accountants

We will accept as proof of your loss, a certified statement from your auditors or accountants that shows the value of the property that is lost.

3. Unidentifiable employee

If you suffer employee fraud, but are unable to identify the specific employee whose conduct has given rise to the loss, we will pay for the loss.

Provided that:

- (a) you have insured for the conduct of all employees; and
- (b) you can satisfactorily demonstrate that the loss was caused by the dishonest conduct of one (1) or more employees.

4. Continuity of cover

If this cover section has been taken up in substitution for any prior employee fraud/fidelity policy/coverage held by you with any other insurer and cover under this cover section commences immediately after cover under the prior policy/coverage ends, then this cover section extends to cover any employee fraud discovered during the period of insurance where that employee fraud is not covered by the previous policy/coverage solely because it was not discovered during the period of insurance of the previous policy/coverage or any applicable extended reporting period.

Provided that:

- (a) the amount of the loss shall form part of and will not be in addition to the sum insured;
- (b) the property lost would have been covered under this cover section if this cover section had been in force when the employee fraud causing the loss was committed; and
- (c) we will pay the lesser of:
 - (i) the amount which would have been payable under the prior policy/coverage if the prior policy/coverage had continued in force or had applied at the date of discovery of the employee fraud; or
 - (ii) the sum insured at the date of substitution.

5. Automatic reinstatement

When the sum insured is reduced following the discovery of employee fraud covered by this cover section, we will automatically increase the reduced amount to the sum insured shown in the Policy Schedule.

Provided that:

- (a) you pay the additional premium that we require;
- (b) the maximum amount we will pay for all acts of employee fraud involving a specific employee remains limited in the aggregate to the sum insured; and
- (c) such reinstatement shall occur only once.

Special condition

1. Recoveries

Following a loss, you must retain, to the extent allowed by law, all monies and other assets that are due to any of your employees involved in the loss as we will treat these monies or assets as a deduction from the amount of the loss.

Optional extension of cover

1. Additional audit and claims preparation costs

We will pay costs incurred with our approval for reasonable professional fees and such other expenses for processing and certifying details of a claim under this cover section up to an amount equal to the sum insured for 'Additional Audit and claims preparation costs'.

This amount is in addition to the benefit available for 'Approved claim preparation costs' that form part of your Policy.

Tax audit

Introduction

This cover section only forms part of your Policy when 'Tax audit' section is shown in the Policy Schedule and is limited to the period of insurance indicated.

Definitions

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

Word or term	Meaning
Accountant's fees	Fees, charges, expenses and disbursements rendered by any accountant, assessor, consultant, investigator or by any mediator appointed by any alternative dispute resolution centre which are reasonably and properly incurred in relation to any statutory tax audit.
Business	The business of the insured as described in the Policy Schedule, including personal taxation returns of the insured and spouse.
Culpability component	A determination by a relevant statutory authority signifying circumstances consequent to which the Insured incurs a culpability component signifying, or which has been imposed on the basis of, reckless or deliberate tax evasion or similar offence by the insured.
Occurrence	Any occurrence which may give rise to a statutory tax audit.
Statutory tax audit	An official examination and verification of accounts and records from a relevant statutory body related to statutory tax audit which arises from a Tax Act and incurs accounting costs arising in the course of and in the normal conduct of its business.
Tax Act	An Act of any Australian Parliament which was enacted pursuant to a taxation power.

Cover

We agree to indemnify you up to the sum insured specified on your Policy Schedule less the amount of the excess shown on your Policy Schedule in respect of your liability to pay accountant's fees in connection with an audit of your business conducted pursuant to a statutory tax audit, where notification of the audit:

- (a) occurred during the period of insurance, and
- (b) is given to us during the period of insurance.

Basis of settlement

Our aggregate limit of liability in any one period of insurance for all claims arising out of the one occurrence will not exceed the sum insured specified in your Policy Schedule.

Exclusions

We will not pay accountant's fees:

- (a) unless we are satisfied that the applicable culpability component has not been, or is not likely to be imposed in excess of 50% assessable related to the culpability scale imposed pursuant to the relevant Tax Act;
- (b) incurred in the defence of any statutory tax audit arising out of any directorship or the holding of any other position or office with any corporation;
- (c) arising out of an audit commenced outside the period of insurance;
- (d) in respect of work undertaken by you or income derived by you outside Australia;
- (e) arising out of any delay in the submission of an income tax return;
- (f) in circumstances where you, in respect of a final assessment of taxable income and/or income tax payable, incur a culpability component signifying, or which has been imposed on the basis of, recklessness or deliberate tax evasion or similar offence by you;
- (g) arising out of the failure of a third party to submit an income tax return;
- (h) in respect of an audit where the returns for the period in question were not prepared by or approved by an independent accountant or registered tax agent prior to lodgment with the Australian Taxation Office.

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

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

Conditions

The following conditions apply to this section of the Policy.

There are also general conditions which apply to all sections of this Policy.

1. Our consent

We will be under no liability to make any payment in relation to accountant's fees incurred unless our prior written consent has been obtained in accordance with the terms and conditions of this Policy.

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

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

2. Substantiation of claim

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

3. Your obligations

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

4. Notification of occurrences and claims

- (a) If, during the period of insurance, you become aware of any occurrence which may give rise to a claim under this Policy, you must give us immediate notice in writing. Any subsequent tax audit arising out of such occurrence will be deemed to have been commenced during the period of insurance;
- (b) you must, upon receipt of any notice, whether written or oral, of any intention to make a claim or demand or issue a writ or summons against you or upon becoming aware of any allegation which may give rise to any such claim, demand, writ or summons or upon the discovery of any occurrence, immediately notify us in writing as soon as practicable during the period of insurance and shall provide full information in respect thereof. Notwithstanding anything to the contrary in this Policy, the accountant shall be appointed by and on your behalf and you shall be primarily liable for the payment of accountant's fees incurred by that accountant;
- (c) you must authorise and instruct the accountant:
 - (i) to disclose to us all such information and documentation as we may require from time to time;
 - (ii) to keep us fully and continually informed of all material developments in the tax audit and of the completion of the statutory tax audit;
 - (iii) to advise us immediately of any offers or compromise proposals or recommendations to make offers or compromise proposals; and
 - (iv) to advise us if, in the accountant's opinion, there is no longer any reasonable prospect of success or if the prospects for success materially alter.
- (d) you must not unreasonably refuse to follow the advice of the accountant as to the conduct of the statutory tax audit including advice relating to the making or accepting of any offer to settle or the discontinuance of the statutory tax audit;
- (e) you must afford the accountant full co-operation in the pursuit or defence of the statutory tax audit.

5. Taxation of costs

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

6. Recovery of costs

- (a) You must pay to us any and all costs, up to the amount of the accountant's fees incurred by us, which are recovered by you in connection with the statutory tax audit, and you will take, at our expense, every measure to recover such accountant's fees from any third party.
- (b) We will not exercise any rights of subrogation that may accrue as a consequence of any payment made under this Policy against any director, partner or subcontractor of yours, unless such payment has been brought about or contributed to by the dishonest, fraudulent or criminal act of such director, partner or subcontractor.
- (c) We may limit or exclude our liability in relation to any accountant's fees if you, without our prior written consent, which consent, may be withheld, in our absolute discretion, enter into any agreement or other arrangement of understanding which has the effect of limiting or denying our rights of subrogation in relation to such accountant's fees.

7. Failure to comply with conditions

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

8. Recovery

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

Optional Cover

Director(s) personal tax audit

If you are a company and the director(s) work full time in the business, we will also pay for accountant's fees reasonably and necessarily incurred in connection with a Statutory tax audit of the personal income tax returns of the directors that is notified to the director and commenced during the period of insurance. The maximum amount we will pay for accountant's fees incurred in the period of Insurance for tax audit(s) of the personal income tax return(s) of directors in the period of Insurance is \$5,000.

Transit

Introduction

This cover section only forms part of your Policy when 'Transit' section is shown in the Policy Schedule and is limited to the period of insurance indicated.

Cover

We will cover you up to the limit specified in the Policy Schedule for loss or damage to goods belonging to you or for which you are legally responsible, whilst in the normal course of transit by road, anywhere in Australia, on a vehicle owned or operated by you, caused by:

- (a) collision, overturning or jack-knifing of the conveying vehicle;
- (b) fire, flood, lightning or explosion;
- (c) theft resulting from forcible and violent entry evidenced by visible damage to the securely locked portion of a vehicle containing your goods;
- (d) malicious damage;
- (e) impact to the goods with any external object except when that object is on or part of the conveying vehicle.

Limitations of cover

1. Excess

You are liable for the excess for each and every claim.

Basis of settlement

When property covered by this cover section is lost or damaged, the following basis of settlement will apply to each item of property:

- (a) for goods sold, your invoice value.
- (b) for goods purchased, the purchase price as shown on the invoice.
- (c) for all other goods, including plant transfers, market value

Additional benefits

1. Removal of debris

This Policy section covers all reasonable costs and expenses incurred in unloading, removing and/or disposing of damaged goods and cleanup of an accident site incurred as a direct result of an insured event.

2. Packaging

This Policy section covers accidental loss or damage to packaging while carried in transit caused by an insured event.

'Packaging' means packing materials, shipping containers, crates, pallets, or similar receptacles belonging to you or for which you are responsible.

The maximum we will pay under 'Additional benefits 1. and 2.' in the aggregate in any one (1) period of insurance is 20% of the sum insured or \$5,000, whichever is the lesser.

Exclusions

We will not pay for loss or damage to the following property:

- (a) money;
- (b) jewellery, watches, furs, antiques, paintings, works of art, precious metals or precious stones or articles composed of any of them;
- (c) explosives, petroleum products in bulk or gas in bulk;
- (d) livestock;
- (e) cigarettes, tobacco, wines, spirits or other alcoholic beverages unless specified in the Policy Schedule; or
- (f) personal property of directors, partners and employees of your business.

We will also not pay for loss or damage caused by, arising from or due to:

- (g) dislodgement of goods as a result of contact by the conveying vehicle with roadway curbing, road humps, traffic islands and similar protuberances or uneven road surfaces;
- (h) theft by or in collusion with any of your employees;
- (i) electrical or mechanical derangement unless damage is visible to the exterior of the machine; or
- (j) delay, loss of market, consequential loss of any kind, depreciation or deterioration.

Employment Practices

Introduction

This cover section only forms part of your Policy when 'Employment practices' section is shown in the Policy Schedule and is limited to the period of insurance indicated.

Basis of operation - claims made and notified

This cover section operates on a 'Claims made and notified' basis. This means that we cover you for claims made against you and notified to us during the period of insurance.

We do not provide cover in relation to:

- (a) acts, errors or omissions actually or allegedly committed prior to the retroactive date applicable to this cover section,
- (b) claims made, threatened or intimated against you prior to the commencement of the period of insurance,
- (c) facts or circumstances of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this cover section.

Definitions

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

Word or term	Meaning
Bodily injury	Physical injury, sickness, disease, or death of any person but does not include mental injury, mental anguish, nervous shock, or emotional distress not associated with bodily injury.
Back pay	Back pay arising from an order of reinstatement or re-employment but shall be limited to the amount you are legally obliged to pay a claimant for the period between the time of termination of employment and the time such claimant is reinstated or re-employed.
Claim	A written demand for compensation or non-pecuniary relief, a criminal charge, a written or other notice or demand by a regulatory authority in connection with any investigation or penalty proceedings, arbitration, mediation or other dispute resolution process.
Defence costs	Reasonable costs, charges, and expenses (other than regular or overtime wages, salaries or fees of any insured person) incurred by us or by you with our prior written consent (and such consent will not be unreasonably withheld) in defending, investigating or monitoring any claim, or proceedings and appeals from them, together with costs of the proceedings and appeal. Where you are not indemnified under this cover section, only those costs, charges and expenses incurred solely and exclusively for the benefit, and on behalf, of an insured person will constitute defence costs.

Word or term	Meaning
	Defence costs in this cover section are part of, and not in addition to, the aggregate limit of liability applicable to this cover section and payment by us of defence costs reduces the aggregate limit of liability by the amount of any such payment.
Employee	Any person employed by you under a contract of service or apprenticeship during the period of insurance. Does not include any person employed under such contract who is excluded from the definition of 'Worker' under any workers' compensation legislation.
Insured person	Includes only: <ul style="list-style-type: none"> (a) the named insured specified in the Policy Schedule, and (b) every past, present or future director, partner, proprietor, officer, executive or employee of the named insured while such persons are acting for or on behalf of the named insured and/or within the scope of their duties in such capacities.
Limit of liability	The maximum amount payable by us under this section of the Policy inclusive of defence costs for any one claim and in the aggregate during the period of insurance will be the amount set out on your Policy Schedule, irrespective of the number of: <ul style="list-style-type: none"> (a) claims, and/or (b) locations, premises, situations, and/or (c) insured persons.
Loss	The total amount which you become legally obligated to pay in respect of a claim made against you and will include damages, judgements, settlements, legal costs and expenses awarded against you to any claimant and defence costs.
Penalty	Any monetary sum payable by you to any regulatory authority pursuant to a wrongful breach by you but excluding: <ul style="list-style-type: none"> (a) any amounts payable as compensation, (b) any compliance, remedial, reparation or restitution costs, (c) any damages, including but not limited to any exemplary or punitive damages, (d) any consequential economic loss, (e) any amounts uninsurable under the law pursuant to which this cover section is construed, (f) any legal costs and associated expenses of the regulatory authority

Word or term	Meaning
Senior Counsel	Entitled to use the letters 'QC' or 'SC' in any one (1) or more superior court in Australia or New Zealand.
Territorial limits	Anywhere in the Commonwealth of Australia and its protectorates and Territories.
Wrongful act	Means any of the following actual or alleged conduct by an insured person in the course of their duties to you, or by you: <ul style="list-style-type: none"> (a) discharge or termination, either actual or constructive, of an employment relationship, (b) breach of any oral or written, express or implied, employment contract or quasi-employment contract, (c) misleading representation or advertising relating to employment, (d) failure to employ or promote, (e) unfair deprivation of a career opportunity, (f) unfair discipline, (g) failure to grant tenure, (h) negligent employee evaluation, (i) workplace harassment of any kind (whether sexual or otherwise), including the alleged creation or permission of a harassing workplace environment, (j) employment-related: <ul style="list-style-type: none"> (i) denial of natural justice; (ii) invasion of privacy; (iii) defamation; (iv) infliction of emotional distress; (v) discrimination on any legally prohibited basis.
You	Includes only: <ul style="list-style-type: none"> (a) the named insured specified on your Policy Schedule, and (b) every past, present or future director, partner, proprietor, officer, executive or employee of the named insured while such persons are acting for, or on behalf of, the named insured and/or within the scope of their duties in such capacities.

Cover

We agree to pay all loss arising from a claim against you alleging a wrongful act where the claim is first made and notified to us during the period of insurance.

Additional benefits

1. Retroactive date

We will only provide indemnity in relation to conduct and wrongful acts committed or alleged to have been committed after the earliest commencement date of uninterrupted Employment Practices insurance cover that you have held with us.

2. Extended reporting period

Where you become aware of a claim, fact or circumstance, during the period of insurance and with reasonable cause cannot provide notice to us before expiry of the period of insurance, you may provide this notice in an extended period of insurance of forty five (45) days, immediately following the period of insurance. Such notice is deemed to have been provided during the period of insurance.

3. Continuous cover

If you knew or ought reasonably to have known prior to the commencement date of the period of insurance of any claim, fact or circumstance ('circumstance') that might give rise to a claim and had not notified us of such circumstance prior to expiration of the 'Extended reporting period' attaching to the relevant period of insurance during which that knowledge was or should have been acquired, exclusions (b) and (c) of clause 'Basis of cover – Claims made' will not apply to the notification of a circumstance.

Provided always that:

- (a) your failure to notify was not fraudulent, and
- (b) we have continued as the insurer of your 'Employment practices' Policy in uninterrupted succession between the date when the circumstance should have been notified and the date the claim was actually notified, and
- (c) any such indemnity will be subject to the terms, conditions, limits of indemnity and excess applicable to the period of insurance during which the circumstance should have been notified.

Exclusions

There are also general exclusions which apply to all sections of this Policy.

We do not cover loss arising from any claim against you directly or indirectly based upon, attributable to, or in consequence of any:

1. Benefits

Your actual or alleged obligation:

- (a) pursuant to any Workers' Compensation, disability benefits, redundancy or unemployment benefits or compensation, unemployment insurance, superannuation, retirement benefits, social security benefits, or similar law;
- (b) for or in respect of employment entitlements such as but not limited to employee share or equity plans, bonuses or incentives of any kind, leave or similar entitlements, severance or redundancy, superannuation contributions and similar alleged entitlements or amounts.

2. Bodily injury

Directly or indirectly based upon, attributable to or in consequence of bodily injury.

3. Building modifications

Costs incurred by you to modify any building or property in order to make such building or property more accessible or accommodating to any disabled person.

4. Continuity of employment benefits

Employment-related benefits (other than back pay) to which the claimant would have been entitled as an employee had you provided the claimant with a continuance, reinstatement or commencement of employment. This exclusion does not apply to defence costs.

5. Criminal proceedings

Criminal, administrative or other disciplinary proceeding against you.

6. Fraud and dishonesty

Any claims made against you which are directly or indirectly based upon, attributable to or in consequence of:

- (a) your actual or alleged dishonest, fraudulent, criminal or malicious act or omission or those of your consultants, sub-contractors or agents, or
- (b) your actual or alleged act or omission or those of your consultants, sub-contractors or agents with a reckless disregard for the consequences of the acts or omissions, or
- (c) wilful violation or wilful breach of any statute or regulation, or any wilful breach of any contract.

7. Non-pecuniary relief

Cost of compliance with any order for, grant of, or agreement to provide injunctive or non pecuniary relief. This exclusion does not apply to defence costs.

8. Prior or pending

Arising directly or indirectly from or in consequence of a claim:

- (a) made, threatened or intimated against you prior to the period of insurance, or
- (b) directly or indirectly based upon, attributable to or in consequence of any fact or circumstance:
 - (i) of which written notice has been given, or ought reasonably to have been given, under any previous cover section, or
 - (ii) of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had potential to give rise to a claim.

9. Property damage

Directly or indirectly based upon, attributable to or in consequence of physical loss of, damage to or destruction of any tangible property, including loss of use of the tangible property or any consequential loss.

10. Territorial limits

Any claim made against you:

- (a) pursuant to the law of any country, state or territory outside the territorial limits, or
- (b) committed or allegedly committed outside the territorial limits applicable to this cover section.

11. Unfair contract

Actual or alleged unfair contract of employment, including but not limited to any claim or proceeding brought under Section 106 of the *Industrial Relations Act (NSW) 1996* or Section 276 of the *Industrial Relations Act (Queensland) 1999* or similar legislation in any other state, territory, or jurisdiction.

12. Unrelated proceedings

Any defence costs in respect of that part of any proceedings which

do not directly relate to the coverage items insured by this cover section.

Conditions

1. Allocation

- (a) If both loss covered by this cover section and loss not covered by this cover section are incurred, either because:
 - (i) a claim against you includes both covered and uncovered matters, or
 - (ii) a claim is made against you and there are others who are party to the proceedings or demand to which the claim relates but who are not insured under the cover section,

then we will use our best efforts to agree with you upon a fair and proper allocation of such amount between covered loss and uncovered loss, having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties. We are only liable under this cover section for amounts attributable to covered matters and parties, and our liability for loss, including defence costs, otherwise payable by us will be reduced to reflect such fair and proper allocation.

- (b) if we cannot agree with you on an allocation of defence costs then we will advance defence costs which we believe to be covered under this cover section until a different allocation is negotiated, arbitrated or judicially or otherwise determined.
- (c) we will, if requested by you, submit the dispute to a Senior Counsel to be mutually agreed or, in default of agreement, to be appointed by the President of the Bar Association in the relevant State or Territory, on the basis that the Senior Counsel will determine the allocation of loss according to his view of the fair and proper allocation, but having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties, and the overriding intention in (a) above.
- (d) any negotiated, arbitrated or judicially or otherwise determined allocation of defence costs on account of a claim will be applied retrospectively to all defence costs on account of such claim.

2. Jurisdiction

All disputes arising out of or under this cover section will be subject to determination by any court of competent jurisdiction within Australia according to the law applicable to the jurisdiction.

3. Your right to contest

If we recommend a settlement in respect of any claim and you do not agree that the claim should be settled, then you may elect to contest the claim. Our liability in connection with that claim will not exceed the amount for which we believe the claim could have been settled, plus the defence costs incurred with our written consent up to the date of your election.

4. Senior Counsel

We will not require you to contest any claim unless a senior counsel (to be mutually agreed upon by you and us) advises that the claim should be contested.

In formulating their advice, Senior Counsel will take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely defence costs and your prospects of successfully defending the claim.

The cost of the Senior Counsel's opinion will be regarded as part of the defence costs.

Statutory Liability

Introduction

This cover section only forms part of your Policy when 'Statutory liability' section is shown in the Policy Schedule and is limited to the period of insurance indicated.

Basis of operation - claims made and notified

The cover provided operates on a 'Claims made and notified' basis. This means that we cover you for claims made against you and notified to us during the period of insurance.

We do not provide cover in relation to:

- (a) acts, errors or omissions actually or allegedly committed prior to the retroactive date applicable to this cover section,
- (b) claims made, threatened or intimated against you prior to the commencement of the period of insurance,
- (c) facts or circumstances of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this cover section.

Definitions

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

Word or term	Meaning
Claim	A written or other notice by a regulatory authority in connection with any claim, official investigation or inquiry, or penalty proceedings.
Defence costs	Reasonable costs, charges, and expenses (other than regular or overtime wages, salaries or fees of any insured person) incurred by us or by you with our prior written consent (and such consent will not be unreasonably withheld) in defending, investigating or monitoring any claim, or proceedings and appeals from them, together with costs of the proceedings and appeal. Where you are not indemnified under this The following definitions shall apply to the words used in this cover section, only those costs, charges and expenses incurred solely and exclusively for the benefit, and on behalf, of an insured person will constitute defence costs. Defence costs in this cover section are part of, and not in addition to, the aggregate limit of liability applicable to this cover section and payment by us of defence costs reduces the aggregate limit of liability by the amount of any such payment.
Employee	Any person employed by you under a contract of service or apprenticeship during the period of insurance, but does not include any person employed under such contract who is excluded from the definition of 'Worker' under any Workers' Compensation legislation.

Word or term	Meaning
Environmental legislation	Any Commonwealth, State or Territory statute, regulation, by-law or local law prohibiting, controlling or regulating the discharge, release, escape or disposal of pollutants into or upon land, the atmosphere or any watercourse or body of water.
Insured person	Includes only: <ul style="list-style-type: none"> (a) the named insured specified in the Policy Schedule, and (b) every past, present or future director, partner, proprietor, officer, executive or employee of the named insured while such persons are acting for or on behalf of the named insured and/or within the scope of their duties in such capacities.
Investigation costs and expenses	Reasonable legal costs and other expenses incurred by you or on your behalf with our consent, or by us, resulting from any legally compellable attendance by you at any official investigation or inquiry. But 'investigation costs and expenses' does not include any fine, penalty or order for the payment of monetary compensation.
Joint venture	Any enterprise undertaken jointly by you with a third party or parties.
Limit of liability	The maximum amount payable by us under this section of the Policy inclusive of investigation costs and expenses and defence costs for any one claim and in the aggregate during the period of insurance will be the amount set out on your Policy Schedule, irrespective of the number of: <ul style="list-style-type: none"> (a) claims, and/or (b) locations, premises, situations and/or (c) persons/entities insured.
Official investigation or inquiry	An official investigation, examination or inquiry in relation to the conduct of your business where such official investigation or inquiry may lead to a recommendation in respect of civil or criminal liability, or civil or criminal proceedings, and which would be the subject of a claim or defence costs covered by this cover section, including an investigation, examination or inquiry by way of Royal Commission or Coronial inquiry or conducted by a regulatory authority. However, 'Official investigation or inquiry' does not include any investigation, examination or inquiry conducted by a parliament, or any committee of a parliament, or any disciplinary committee of any association or professional body of which you are a member.
Penalty	Any monetary sum payable by you to any regulatory authority pursuant to a wrongful breach by you but excluding:

Word or term	Meaning
	<ul style="list-style-type: none"> (a) any amounts payable as compensation, (b) any compliance, remedial, reparation or restitution costs, (c) any damages, including but not limited to any exemplary or punitive damages, (d) any consequential economic loss, (e) any amounts uninsurable under the law pursuant to which this cover section is construed, (f) any legal costs and associated expenses of the regulatory authority.
Regulatory authority	A person or entity appointed, constituted or acting under a delegation pursuant to any Act for the purposes of enforcement of such Act or another Act.
Senior counsel	Entitled to use the letters 'QC' or 'SC' in any one (1) or more superior court in Australia or New Zealand.
Territorial limits	Anywhere in the Commonwealth of Australia and its protectorates and Territories.
Wrongful breach	<p>Any conduct by you which results in a contravention of:</p> <ul style="list-style-type: none"> (a) any occupational, health, or safety legislation enacted by the Commonwealth of Australia or any State or Territory of Australia, (b) any environmental legislation.
You	<p>Includes only:</p> <ul style="list-style-type: none"> (a) the named insured specified on your Policy Schedule, and (b) every past, present or future director, partner, proprietor, officer, executive or employee of the named insured while such persons are acting for or on behalf of the named insured and/or within the scope of their duties in such capacities.

Cover

We will cover you in accordance with the terms of this section, for coverage items:

A. Official investigations and inquiries – costs and expenses

We agree to pay investigation costs and expenses in relation to any official investigation or inquiry commenced during the period of insurance and which is notified to us during the period of insurance.

In relation to any cover afforded under this cover section:

- (a) we will be entitled, at our discretion, to appoint legal representation to represent you in the official investigation or inquiry; and
- (b) in the event that a claim for payment of investigation costs and expenses is subsequently withdrawn or denied, we will cease to advance investigation costs and expenses and you or any person named as an insured (for your respective rights and interests) will refund any investigation costs and expenses advanced by us, unless we agree in writing to waive recovery of the investigation costs and expenses.

B. Fines and penalties

We will indemnify you against any penalty and defence costs resulting from a claim by a regulatory authority for a wrongful breach which would otherwise be excluded by reason of exclusion 'Fines and penalties' where the claim is first made on you and notified in writing to us in the period of insurance. Provided always that we will not be liable to indemnify you in respect of any penalty or defence costs in respect of any such claim arising directly or indirectly from or which is based upon, attributable to, or in consequence of any:

- (a) dishonest, wilful, intentional or deliberate wrongful breach; or
- (b) wilful, intentional or deliberate failure to comply with any lawful notice, direction, enforcement action or proceeding under any Act; or
- (c) Your gross negligence or recklessness; or
- (d) requirement to pay taxes, rates, duties, levies, charges, fees or any other revenue or impost.

C. Pollution liability defence costs

We will indemnify you for defence costs in respect of any claim brought or maintained by a regulatory authority, which would otherwise be excluded by reason of exclusion 'Pollutants' where the claim alleges a breach of environmental legislation.

Provided that we will not be liable to indemnify you for defence costs relating to any claim brought by a regulatory authority on behalf of, in the name of or as a representative of any other person(s), corporation or other entity.

Additional benefits

1. Retroactive date

We will only provide indemnity in relation to conduct and wrongful acts committed or alleged to have been committed after the earliest commencement date of uninterrupted statutory liability insurance cover that you have held with us.

2. Extended reporting period – claims or facts and circumstances

Where you become aware of a claim, fact or circumstance during the period of insurance and with reasonable cause cannot provide notice to us before expiry of the period of cover, you may provide this notice in an extended period of insurance of forty five (45) days immediately following the period of insurance. Such notice is deemed to have been provided during the period of insurance.

3. Continuous cover

If you knew or ought reasonably to have known prior to the commencement date of the period of insurance of any claim, fact or circumstance ("circumstance") that might give rise to a claim and had not notified us of such circumstance prior to expiration of the 'Extended reporting period – claims or facts and circumstances' attaching to the relevant period of insurance during which that knowledge was or should have been acquired, exclusions (b) and (c) of clause 'Basis of cover – Claims made' will not apply to the notification of a circumstance.

Provided always that:

- (a) Your failure to notify was not fraudulent, and
- (b) we have continued as the insurer of your 'Statutory liability' Policy in uninterrupted succession between the date when the circumstance should have been notified and the date the claim was actually notified, and
- (c) any such indemnity shall be subject to the terms, conditions, limits of indemnity and excess applicable to the period of insurance during which the circumstance should have been notified.

Exclusions

This cover section does not cover loss arising from any claim against you:

1. Aircraft, watercraft and vehicles

Any claim arising out of a wrongful breach relating to the regulation of air, marine or motor traffic.

2. Asbestos

Any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

3. Bodily injury

Directly or indirectly based upon, attributable to or in consequence of bodily injury. However, this exclusion will not apply to:

- (d) penalties and defence costs resulting from a claim by a regulatory authority, or
- (e) investigation costs and expenses,

as a result of an alleged contravention of any Commonwealth, State or Territory occupational or workplace health and safety legislation, provided always that cover will not extend to defence costs incurred in relation to any civil proceeding or claim seeking damages or compensation in connection with such alleged contravention.

4. Fines and penalties

Punitive, aggravated, exemplary damages or fines or penalties imposed by law other than provided under coverage item B. Fines and penalties.

5. Fraud and dishonesty

Any claims made against you which are directly or indirectly based upon, attributable to or in consequence of:

- (a) your actual or alleged dishonest, fraudulent, criminal or malicious act or omission or those of your consultants, sub-contractors or agents, or
- (b) your actual or alleged act or omission or those of your consultants, sub-contractors or agents with a reckless disregard for the consequences of the acts or omissions, or
- (c) wilful violation or wilful breach of any statute or regulation, or any wilful breach of any contract.

6. Joint venture

Arising from or attributable to any joint venture partners of your business.

7. Pollutants

Other than as provided under coverage item C. Pollution liability defence costs, directly or indirectly based upon, attributable to or in consequence of:

- (a) the actual, alleged or threatened discharge, release, escape, containment or disposal of pollutants into or upon land, the atmosphere, or any watercourse or body of water, or
- (b) any enforcement action or proceeding in connection with the containment, clean up, removal, or treatment of such pollutants, or
- (c) asbestos or asbestos products in any form or quantity.

8. Prior or pending

Arising directly or indirectly from or in consequence of a claim:

- (a) made, threatened or intimated against you prior to the period of insurance, or
- (b) directly or indirectly based upon, attributable to or in consequence of any fact or circumstance:
 - (i) of which written notice has been given, or ought reasonably to have been given, under any previous cover section, or
 - (ii) of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had potential to give rise to a claim.

9. Property damage

Directly or indirectly based upon, attributable to or in consequence of physical loss of, damage to or destruction of any tangible property, including loss of use of the tangible property or any consequential loss.

10. Territorial limits

Any claim made against you:

- (a) pursuant to the law of any Country, State or Territory outside the Territorial limits, or
- (b) committed or allegedly committed outside the Territorial limits applicable to this cover section.

11. Unrelated proceedings

Any defence costs in respect of that part of any proceedings which do not directly relate to the coverage items insured by this cover section.

Conditions

1. Allocation

- (a) if both loss covered by this cover section and loss not covered by this cover section are incurred, either because:
 - (i) a claim against you includes both covered and uncovered matters, or
 - (ii) a claim is made against you and there are others who are party to the proceedings or demand to which the claim relates but who are not insured under the Policy,

then we will use our best efforts to agree with you upon a fair and proper allocation of such amount between covered loss and uncovered loss, having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties. We are only liable under this cover section for amounts attributable to covered matters and parties, and our liability for loss, including defence costs, otherwise payable by us will be reduced to reflect such fair and proper allocation.

- (b) if we cannot agree with you on an allocation of defence costs then we will advance defence costs which we believe to be covered under this cover section until a different allocation is negotiated, arbitrated or judicially or otherwise determined.
- (c) we will, if requested by you, submit the dispute to a senior counsel to be mutually agreed or, in default of agreement, to be appointed by the President of the Bar Association in the relevant State or Territory, on the basis that the senior counsel will determine the allocation of loss according to his view of the fair and proper allocation, but having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties, and the overriding intention in (a) above.
- (d) any negotiated, arbitrated or judicially or otherwise determined allocation of defence costs on account of a claim will be applied retrospectively to all defence costs on account of such claim.

2. Jurisdiction

All disputes arising out of or under this cover section will be subject to determination by any court of competent jurisdiction within Australia according to the law applicable to the jurisdiction.

3. Your right to contest

If we recommend a settlement in respect of any claim and you do not agree that the claim should be settled, then you may elect to contest the claim. Our liability in connection with that claim will not exceed the amount for which we believe the claim could have been settled, plus the defence costs incurred with our written consent up to the date of your election.

4. Senior Counsel

We will not require you to contest any claim unless a senior counsel (to be mutually agreed upon by you and us) advises that the claim should be contested. In formulating their advice, Senior Counsel will take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely defence costs and your prospects of successfully defending the claim. The cost of the Senior Counsel's opinion will be regarded as part of the defence costs.

