

**motor trade
insurance
policy**

motor trade



Preparation date: 30/03/2004



Insurer
CGU Insurance Limited
ABN 27 004 478 371

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About CGU

CGU Insurance Limited is the underwriter of this insurance policy. Our Australian Business Number is 27 004 478 371. Our Australian Financial Services Licence Number is 238291.

CGU Insurance Limited pays remuneration to insurance intermediaries when we issue, renew or vary a policy the intermediary has arranged or referred to us. The type and amount of remuneration varies and may include commission and other payments. If you require more information about remuneration we may pay your intermediary, you should ask your intermediary.

About your Policy

Insurance can cover you against certain risks that may cause you a loss or result in you incurring a liability, but it is important to realise that no insurance can cover everything. You may suffer a loss or incur a liability that is not covered by this Policy. You should read this Policy carefully to ensure that you understand what it covers and what it does not cover, and that it meets your insurance needs.

This Policy has 10 Sections, each with a different type of cover available. The details of the types of cover available are set out in each Section of this Policy document. All of the covers in this Policy are subject to the General Provisions included in this Policy document.

There are four types of documents you need in order to understand your policy cover:

- ◆ This Policy document.
- ◆ The application document you completed and signed when you requested this Policy.
- ◆ Your current Policy Schedule.
- ◆ Any other document from CGU indicating a change to your cover.

Before you file your CGU Business Insurance Package, please check that the details of these documents are correct and that they meet your insurance needs. If you think anything should be changed, please inform your insurance adviser immediately.

Privacy

We collect personal information from you for the purpose of providing you with insurance products and services, and processing and assessing claims. You can choose not to provide this information, however, we may not be able to process your requests.

We treat your personal information with care. We will not release your personal information to anyone other than another insurer or an insurance reference service or as permitted or required by law. In the event of a

claim, we may disclose information to and/or collect additional information about you from investigators or legal advisers.

If you wish to update the information we hold about you, please contact your insurance adviser.

General Insurance Code of Practice

CGU Insurance proudly supports the General Insurance Code of Practice.

The purpose of the Code is to raise standards of practice and service in the general insurance industry.

The objectives of the Code are:

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

Brochures on the Code are available from your nearest CGU office.

Our service commitment

We have adopted and support the Code and are committed to complying with it.

Please contact us if you would like more information about the Code.

How to resolve a complaint or dispute

1. Talk to us first

If you have a complaint, the first thing you or your insurance adviser should do is speak to one of our staff. If your complaint relates specifically to a claim, speak with the claims officer managing your claim.

If the staff member or claims officer are unable to resolve the matter for you, you or your insurance adviser may speak to a manager. The manager will usually provide you with a response to your complaint within 15 days. If the timeframe is impractical for any reason such as the need for more information or further investigation, they will discuss with you alternative timeframes. If you are not satisfied with our response or we cannot agree with you on alternative timeframes, you can go to step 2.

2. Seek a review

If the matter is still not resolved the manager will refer you or your insurance adviser to the relevant dispute handling department or area who will conduct a review of your dispute and will usually provide you with a response to your dispute within 15 business days. If the timeframe is impractical, we will discuss with you alternative timeframes.

If you are still not satisfied with our response to your dispute or we cannot agree on alternative timeframes, you can go to step 3.

3. Seek an external review

You are entitled to seek an external review of our decision. We will provide you with information about options available to you, including, if appropriate, referring you to the external dispute resolution scheme administered by the Insurance Ombudsman Service Limited (IOS).

You will not be able to have your dispute resolved by the IOS if you are not eligible under the IOS's Terms of Reference.

Further information about our complaint and dispute resolution procedures is available by contacting us.

About the Motor Trade Policy

This policy document has been designed to meet the insurance needs of the motor trade, while offering the flexibility to provide for your specific insurance needs.

The policy document comprises 10 different areas of insurance cover, set out in sections, which your business may require. You should carefully read all the sections and select those which you believe will best suit your needs. If you are uncertain of any aspect, please do not hesitate to contact us.

We only insure you for those sections requested by you and specified in the Schedule.

Important Information

Extract from Insurance Contracts Act 1984

Under the terms of the Act, we must advise you about the following:

Your duty of disclosure

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

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance. Your duty however does not require disclosure of matter:

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

Non-disclosure

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

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

Important notices

1. Claims

In respect of all sections, other than Broadform Liability and Employee Dishonesty sections, this policy does not provide cover in relation to events that occurred before cover under the relevant section came into effect.

2. Broadform Liability claims - Section 5

This section only provides cover in relation to Personal Injury or Property Damage that occurs during the Period of Insurance for this section. This does not include Personal Injury or Property Damage that has already been discovered before, or is first discovered after, that Period of Insurance.

3. Employee Dishonesty claims - Section 6

This section only provides cover in respect of acts of fraud or dishonesty committed within the twelve (12) months prior to the date of discovery by you and discovered during the Period of Insurance for this section.

4. Excesses

An excess is an amount of money we will not pay in respect of a claim. The Schedule, policy and endorsements will detail the excesses which may be applicable. (Refer to 'General Definitions' page 3.)

5. Liability assumed under agreement

Liability cover provided by this policy does not cover liability which you have agreed to accept unless you would have been so liable in the absence of such agreement.

6. Acceptance of the application

This insurance will not be in force until the completed proposal has been received and the risk accepted by us. We reserve the right to decline any proposal.

7. Underinsurance/Average

Some sections of this policy include an 'Average' clause.

This means that if you under insure, you may not receive full compensation in the event of a loss occurring.

'Average' puts you in a position where you may be required to bear a proportion of the loss yourself.

8. Alterations to your business

To ensure continued cover under this policy, it is important that you advise us immediately of any changes to your business that may result in an increased chance of destruction, loss or damage to property insured or liability to third parties. Some examples of changes you should notify us of are:

- (a) Changes in your name or directors or partners.
- (b) Changes to the address or location of your business.
- (c) Changes in the nature of your business or trade or occupation.
- (d) Alterations in construction of the premises.
- (e) New business products not previously disclosed to us.

When we receive notification of a change, we may decide to either:

- 1. adjust the premium or terms of the policy, or
- 2. cancel the policy in accordance with the provisions of the Insurance Contracts Act 1984.

9. Workers' compensation

The insurances provided by this policy do not include workers' compensation. It is compulsory for all employees to be insured for workers' compensation and separate cover should be arranged.

10. Payments by instalment

Under General Condition (10), if payment is to be made by instalments, then failure to pay any instalment for a period of fourteen (14) days or longer may result in us refusing to meet any claim arising from an event occurring after the due date of the instalment. If the instalment is overdue for a period of one (1) month or longer, we may cancel your policy without notice.

Agreement

Our agreement with you	<ul style="list-style-type: none"> (a) As you have paid, or agreed to pay us the Premium, we will insure you in accordance with the sections selected by you and specified in the Schedule. (b) The insurance we provide in each section is subject to the terms, specific conditions, specific exclusions, and limits set out in that section as well as the General Exclusions in Section 11, the General Conditions in Section 12, and any endorsements shown on the Schedule. (c) You, or any other person insured under this policy, must comply with all such terms, conditions, and endorsements, otherwise you may not be able to claim under this policy.
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General Definitions

The intended meaning of some of the important words used throughout this policy are shown in the following table. At the beginning of each section, You will find further important definitions applicable only in that section.

Word	Meaning
Business	Your business, trade, or profession, as specified in the Schedule. Also refer to Section 5.1 for the definition applicable only to Section 5.
Computer Virus	Unauthorised intrusive codes, programming, or computer code segment that is self replicating, requires a host program or executable disk segment in which it can be contained, and which destroys or alters the host program, other computer code, or data causing undesired program or computer system operations.
Customers' Vehicles, Watercraft, and Property	Vehicles, Watercraft, and other property owned by Your customers and left in Your care, custody, or control for servicing, repair, road testing, or garaging, maintenance, alteration, inspection, valuation, testing, storage or delivery while held in the building or in the open air at the Situation.
Excess	The amount which You have to pay towards the cost of any claim under this policy.
Flood	Flood is when water from a river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified), overflows onto normally dry land. We also regard any Rainwater on Your property: <ul style="list-style-type: none"> (a) that cannot run off into a river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified) because it is overflowing in Flood; and/or (b) that mixes with the floodwater coming from the river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified); as water coming from a Flood.
Indemnify	<ul style="list-style-type: none"> (a) Where the Property is lost or destroyed: <ul style="list-style-type: none"> (i) in the case of a building, the rebuilding; or (ii) in the case of other Property, its replacement by similar Property; to a condition equal to but not better or more extensive than its condition at the time of loss or destruction. (b) Where the Property is damaged, the repair and/or restoration of the Property to a condition substantially the same as but not better or more extensive than its condition at the time of damage. <p>Also refer to Section 8.1 for the definition applicable only to Section 8.</p>
Market Value	The cash purchase price of a Vehicle or Watercraft identical to yours or that of Your Customer's Vehicle or Watercraft. It is the value at the time an accident or theft happens and is calculated by experienced motor vehicle assessors and with reference to trade publications and other market information. The age and condition of the Vehicle is taken into account.
Money	Current coins, bank notes, currency notes, cheques, postal orders, money orders, unused postage and revenue stamps, including the value of stamps contained in franking machines, credit cards, sales vouchers, instant lottery tickets, transport tickets, telephone cards, and any other negotiable instruments: <ul style="list-style-type: none"> (a) belonging to You; or (b) for which You are legally responsible.
Period of Insurance	The period specified in the Schedule.
Premium	The amount payable by You for the insurance provided by Us under this policy.
Property	The Property specified in the Schedule as being insured by this policy. Also refer to Sections 6.1 and 9.1 for definitions applicable only to those sections.
Proposal	The application form completed by You giving answers, particulars, and statements in respect of the insurance required by You.
Rainwater	Water falling from the atmosphere in the form of rain including rainwater run off over the surface of the land or which has escaped from public roadside gutters, but not inundation of normally dry land areas by the overflow of water:

General Definitions (continued)

Word	Meaning
Rainwater (continued)	<p>(a) that cannot run off into a river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified) because it is overflowing in Flood; and/or</p> <p>(b) that mixes with the floodwater coming from the river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified) as water coming from a Flood.</p>
Replacement Cost	<p>(a) Where the Property is lost or destroyed:</p> <p>(i) in the case of a building, the rebuilding; or</p> <p>(ii) in the case of other Property, the replacement by similar Property; to a condition equal to but not better or more extensive than its condition when new.</p> <p>(b) Where the Property is damaged, the repair and/or restoration of the Property to a condition substantially the same as but not better or more extensive than its condition when new; and</p> <p>(c) The extra cost, including demolition, incurred subsequent to the loss, destruction, or damage, needed to comply with the requirements at the time of reinstatement of:</p> <p>(i) any Act of Parliament or regulation made thereunder; or</p> <p>(ii) any bylaw or regulation of any municipal or other statutory authority; to the extent that the Sum Insured is not otherwise exhausted.</p>
Schedule	The schedule issued by Us which forms part of this policy and shows Your policy number, the Premium, the insurance cover selected by You, or any special terms, limits, conditions, exclusions, or endorsements.
Situation	The Business premises specified in the Schedule. Also refer to Sections 3A.1 for definitions applicable only to Section 3.
Stock of Petrol and other Fuel	Stock of petrol and other fuel, owned by You, or for which You are legally responsible, while held in storage tanks at the Situation.
Sum Insured or Limit of Liability	The amount specified in the Schedule.
Unspecified Vehicles	<p>Vehicles held for sale:</p> <p>(a) owned by You or for which You are legally responsible;</p> <p>(b) held on consignment; or</p> <p>(c) financed under a floor plan arrangement;</p> <p>while held in the building or in the open air at the Situation and not otherwise insured. The cover provided operates in excess of any other insurance policy issued in the name of the Vehicle owner.</p>
Unspecified Watercraft	<p>Watercraft held for sale:</p> <p>(a) owned by You or for which You are legally responsible;</p> <p>(b) held on consignment; or</p> <p>(c) financed under a floor plan arrangement;</p> <p>while held in the building or in the open air at the Situation and not otherwise insured. The cover provided operates in excess of any other insurance policy issued in the name of the Watercraft owner.</p>
Vehicle	Any mechanically propelled vehicle, designed for use on land only, including a motor car, motorcycle, goods carrying vehicle, trailer, caravan, mobile plant and equipment, tractor, self-propelled agricultural machine, or other vehicle specified in the Schedule and its accessories.
Watercraft	Any vessel, craft, or thing, designed to float or travel on, in, or through water and its accessories. Also refer to Section 5.1 for the definition applicable only to Section 5.
We, Us, Our	CGU Insurance Limited ABN 27 004 478 371.
Wholesale Market Value	<p>The wholesale cost to buy a Vehicle or Watercraft:</p> <p>(a) that is of the same age, condition, model, and make, but not including any retail price mark-up; and</p> <p>(b) the cost of reconditioning to such an extent that reconditioning has been undertaken in any way or in part prior to the loss, destruction, or damage; as assessed by Us.</p>
You or Your	Each person, company, or other entity specified in the Schedule as being insured under this policy.

Also refer to Section 7.1 for the definition applicable only to Section 7.

Section 1 - Property

1.1 Definitions

The intended meaning of some of the important words used in Section 1 only, are shown below.

Word	Meaning
Buildings	<p>Any buildings at the Situation, including:</p> <ul style="list-style-type: none"> (a) Awnings, signs, lettering, meters and switchboards, lifts, hoists and all their attachments, electrical installations, fire alarm systems, fire sprinkler installations, towers, tanks, power lines, poles, walls, gates and fences, plant and apparatus, forming part of the building owned by You or for which You are legally responsible. (b) All landlord's fixtures and fittings for which You are legally responsible.
Contents	<p>Plant and machinery including their foundations, settings and beddings, and all other contents of every description not more specifically insured by this policy, owned by You or for which You are legally responsible, while in the Building or open air at the Situation, but not:</p> <ul style="list-style-type: none"> (a) Customers' Vehicles, Watercraft, and Property. (b) Stock of Petrol and other Fuel. (c) Stock. (d) Money. (e) Vehicles. (f) Watercraft.
Stock	<p>Stock or merchandise, manufactured, unmanufactured, or in the course of manufacture, including:</p> <ul style="list-style-type: none"> (a) materials used in their packing; and (b) raw materials; <p>owned by You or for which You are legally responsible, while held in the Building or in the open air at the Situation, but not:</p> <ul style="list-style-type: none"> (i) Customers' Vehicles, Watercraft and Property. (ii) Stock of Petrol and other Fuel. (iii) Money. (iv) Vehicles. (v) Watercraft.
Vehicles and Watercraft Total Loss	<p>When the likely cost to repair the Vehicle plus the value of any salvage exceeds for:</p> <ul style="list-style-type: none"> (a) Unspecified Vehicles and Unspecified Watercraft, the Wholesale Market Value; or (b) Customers' Vehicles or Customers' Watercraft, the Market Value; <p>We will not use Wholesale Market Value if You are not a licensed motor dealer or a person engaged in buying or selling Vehicles or Watercraft as part of Your Business.</p>

Also refer to the General Definitions which are applicable to Section 1.

Section 1 - Property (continued)

1.2 Defined Events

If Your Schedule indicates that You have taken out insurance under Section 1, **We insure** You for loss, destruction, or damage to the Property at the Situation caused by any Defined Event listed below occurring during the Period of Insurance, except as stated under **We Will Not Pay**.

Defined Event	We Will Not Pay Refer also to the Specific Exclusions in Section 1.5 and the General Exclusions in Section 11
(1) Fire	We will not pay for loss, destruction, or damage: (a) To the Property, where the Property is undergoing any process involving the application of heat. (b) Caused by the Property's own spontaneous combustion, except for the spontaneous combustion of hay.
(2) Lightning or Thunderbolt	
(3) Explosion	We will not pay for loss, destruction, or damage to boilers and their contents, except for domestic boilers, domestic economisers, or domestic vessels under pressure that do not require a certificate to be issued under the terms of any statute or regulation.
(4) Earthquake, Subterranean Fire, or Volcanic Eruption	We will not pay the first 1% of the total Sum Insured or \$20,000 whichever is the lesser , subject to a minimum of \$250, for loss, destruction, or damage to the Property during any period of 72 consecutive hours.
(5) Riots, Strikes and Civil Commotion	
(6) Escape of Liquids resulting from bursting, leaking, discharging, or overflowing of fixed pipes, fixed tanks, room heating, or fixed water apparatus	We will not pay: (a) for loss, destruction, or damage to the fixed pipes, fixed tanks, fixed room heating, or fixed water apparatus themselves; or (b) more than \$25,000 for the cost of: (i) locating the cause of the loss, destruction, or damage; and (ii) rectification of paths or driveways immediately surrounding and adjoining the Buildings, if damaged while locating the cause.
(7) Impact by Vehicles or animals	We will not pay for loss, destruction, or damage to fencing or animals, caused by other animals.
(8) Impact by trees, Watercraft, or aircraft and other aerial devices, including space debris, whether artificially created or not, and articles dropped from them	We will not pay for loss, destruction, or damage caused by the impact of trees or parts thereof resulting from felling or lopping trees.
(9) Vandalism	We will not pay for loss, destruction or damage: (a) Caused by tenants. (b) Caused by burglary, housebreaking, larceny, or theft. (c) To glass. (d) To Unspecified Vehicles or Unspecified Watercraft or Customers' Vehicles or Customers' Watercraft.
(10) Storm, Tempest, Rainwater, or Hail	We will not pay for loss, destruction, or damage: (a) To gates, fences, retaining and free-standing walls whether or not forming part of the Building, textile awnings, shadecloth, hail nets, hail sails, blinds, signs, glasshouses, hot houses, igloos, flimsies, and the like. (b) To the Property in the open air unless that Property comprises or is part of a permanent structure designed to function without the protection of walls or a roof. (c) Caused by water seeping or percolating through a wall, roof, or floor. (d) Caused by hail to Unspecified Vehicles or Unspecified Watercraft or Customers' Vehicles or Customers' Watercraft.

Section 1 - Property (continued)

1.3 Settlement

If You have a valid claim under Section 1, **We will** at Our option pay for, reinstate, or repair the Property on the basis set out below.

	Settlement Basis
(1) Vehicles	<p>We will Indemnify You subject to the value of the Vehicle being established as follows:</p> <p>(a) For Your Vehicles, the Wholesale Market Value at the time of loss, destruction, or damage, plus the additional costs of repairs and detailing incurred prior to the loss, destruction, or damage.</p> <p>(b) For Customers' Vehicles, the Market Value at the time of loss, destruction, or damage.</p>
(2) Watercraft	<p>We will Indemnify You subject to the value of the Watercraft being established as follows:</p> <p>(a) For new Watercraft, the wholesale market value at the time of loss, destruction, or damage, plus the additional costs of repairs and detailing incurred prior to the loss, destruction, or damage.</p> <p>(b) For used Watercraft, the Wholesale Market Value at the time of loss, destruction, or damage, plus the additional costs of repairs and detailing incurred prior to the loss, destruction, or damage.</p>
(3) Buildings and Contents	<p>(a) For all Buildings and Contents, We will pay the Replacement Cost or reinstate the Property, but only if:</p> <p>(i) replacement, rebuilding, or repair is carried out within a reasonable time. This may be at another site providing the cost to Us is not thereby increased;</p> <p>(ii) any repair costs do not exceed the Replacement Cost had the Property been totally lost, destroyed, or damaged;</p> <p>(iii) a sum equal to the Replacement Cost has actually been incurred; and</p> <p>(iv) all other insurances in respect of the Property have the same Replacement Cost wording; otherwise We will Indemnify You.</p> <p>(b) We are not bound to reinstate exactly or completely but only as circumstances permit.</p> <p>(c) Where any state, local, or any other statutory authority, permits the reinstatement of a Building, but only subject to:</p> <p>(i) a reduced plot ratio; or</p> <p>(ii) the payment of certain fees, contributions, or impost;</p> <p>We will pay in addition to any amount payable for reinstatement of the Building:</p> <p>(iii) the difference between the actual cost of reinstatement incurred in accordance with the reduced plot ratio, and the cost of reinstatement which would have been incurred had a reduced plot ratio not been applicable.</p> <p>Any payment of the difference will be made as soon as the difference is ascertained and certified by the architect acting on Your behalf in the reinstatement of the Building; and</p> <p>(iv) the fee, contribution, or other impost payable to any state, local, or other statutory authority, where such fee, contribution, or impost is a condition precedent to the obtaining of consent to reinstate the Building.</p> <p>(d) The underinsurance provision in Section 1.3(9):</p> <p>(i) applies separately to each individual item of Property; and</p> <p>(ii) does not apply to the extra cost described in paragraph (c) of the General Definition 'Replacement Cost'.</p> <p>(e) If extra cost of replacement is specified in your Schedule, We will also pay the extra cost of replacement including any demolition or dismantling of the Buildings, Contents or specified items, incurred to comply with any lawful authority.</p> <p>(i) The work of reinstatement (which maybe carried out wholly or partially upon another site if the lawful authority so requires, but subject to Our liability not being thereby increased) must be commenced and carried out with due diligence, failing which We will not be liable to make any payment beyond the amount which would have been payable under clause (f).</p> <p>(ii) The amount recoverable will not include the additional cost incurred in complying with requirements of any lawful authority or requirements with which You had been duly required to comply prior to the happening of the event causing the Damage.</p>

Section 1 - Property (continued)

1.3 Settlement (continued)

<p>(3) Buildings and Contents (continued)</p>	<p>(iii) Underinsurance/Average will not be applied to the amount recoverable under the clause 1(b).</p> <p>(iv) If the damage is less than fifty (50) per cent of the Replacement Cost of the Buildings, Contents or specified items, the amount recoverable under this clause 1(b) is limited to the extra cost necessarily incurred in reinstating the damaged portion only.</p> <p>(f) Where the Schedule does not indicate that Replacement Cost or extra cost of replacement apply, We will at Our option:</p> <p>(i) reinstate, replace or repair Buildings, Contents or specified items insured or any part thereof subject to an allowance for age, condition and remaining useful life; or</p> <p>(ii) pay the cost of such reinstatement, replacement or repair of such Buildings, Contents or specified items to a condition substantially the same as but not better or more extensive than its condition at the time of the damage, taking into consideration age, condition and remaining useful life, but We will not be liable to make any payment until the cost of reinstatement, replacement or repair is actually incurred; or</p> <p>(iii) pay You the cost of such reinstatement, replacement or repair whichever is the lesser; or</p> <p>(iv) Indemnify You for such Buildings, Contents or specified items at the time of the damage.</p>
<p>(4) Stock, Stock of Petrol and other Fuel</p>	<p>For Stock and Stock of Petrol and other Fuel, We will Indemnify You.</p>
<p>(5) Patterns or Designs</p>	<p>We will not pay more than 5% of the Sum Insured on Contents for loss, destruction, or damage to patterns, models, moulds, plans, or designs.</p>
<p>(6) Work of Art</p>	<p>We will not pay more than \$1,000 for any one item for loss, destruction, or damage to a curiosity or work of art.</p>
<p>(7) Our Limit of Liability</p>	<p>Our liability is limited to the Sum Insured, less the stated Excess.</p>
<p>(8) Automatic Reinstatement of the Sum Insured</p>	<p>Following the occurrence of loss, destruction, or damage, the Sum Insured is reinstated to the full amount specified in the Schedule, provided that You pay any extra Premium required by us.</p>
<p>(9) Underinsurance</p>	<p>If the Property is insured for less than 80% of its value determined in accordance with the Property's settlement basis in Section 1.3(1), 1.3(2), 1.3(3), or 1.3(4), at the time the insurance under Section 1 was taken out, renewed, extended, or varied, We will only pay that portion of the claim which the Sum Insured bears to 80% of that value, in accordance with the formula:</p> $\frac{\text{The amount of the loss, destruction, or damage} \times \text{the Sum Insured}}{80\% \text{ of the value of the Property}}$ <p>Example: Where the Property is valued at \$200,000 but only insured for \$100,000 and a loss of \$50,000 occurs, We will pay:</p> $\frac{\$50,000 \times \$100,000}{(80\% \text{ of } \$200,000)} = \$31,250$ <p>We will not pay \$50,000, therefore You will bear the difference of the loss being \$18,750.</p>
<p>(10) Loss of Rent</p>	<p>We will pay for the:</p> <p>(a) loss of rent receivable; or</p> <p>(b) additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of rent receivable but not more than the amount saved under (a);</p> <p>while the premises are untenable as a result of the Property being lost, destroyed, or damaged by a Defined Event in Section 1.2 at the Situation during the Period of Insurance.</p>
<p>(11) Accidental Damage</p>	<p>(a) We insure You for unintentional and unexpected loss, destruction, or damage to the Property at the Situation caused by accidental damage during the Period of Insurance.</p> <p>(b) We will:</p> <p>(i) Indemnify You for:</p> <p>(A) Stock;</p> <p>(B) Stock of Petrol and other Fuel;</p> <p>(C) Customers' Property; or</p>

Section 1 - Property (continued)

1.3 Settlement (continued)

<p>(11) Accidental Damage (continued)</p>	<p>(ii) Reinstate all other Property, on the basis as set out in Section 1.3(3).</p> <p>(c) We will not pay for loss, destruction, or damage caused by, arising from or resulting from:</p> <ul style="list-style-type: none">(i) Any Defined Event in Section 1.2, or the Variations and Extensions in Section 1.6(1).(ii) Civil commotion or locked-out workers.(iii) The Property's own fermentation or heating.(iv) Burglary, theft, armed hold-up, kidnapping, bomb threat, sabotage, extortion, or any threat or attempt thereof.(v) Any fraudulent or dishonest acts by Your employees.(vi) Clerical or accounting errors, or unexplained inventory shortage or disappearance.(vii) Shortages in the supply or delivery of materials to, or by, You.(viii) The action of birds, moths, termites or other insects, vermin, rust or oxidation, mildew, mould, wet or dry rot, corrosion, dampness or dryness of atmosphere, or other variation in temperature, action of light, shrinkage, evaporation, contamination, disease, inherent vice or latent defect, adjusting or servicing operations, loss of weight, change in flavour, colour, texture, or finish.(ix) Smoke, smut, sludge, or chemicals from industrial or agricultural operations, but We will pay for sudden and unforeseen damage resulting therefrom.(x) Dust, sand, mud, or smog, but We will pay for sudden and unforeseen damage resulting therefrom.(xi) Wear, tear, fading, breakage of fragile articles, scratching or marring, gradual deterioration or continued developing flaws, cost of normal upkeep or making good.(xii) Failure of, error or omission in design, plan, specification, or testing.(xiii) Incorrect sitting of Buildings, as a result of incorrect design or specification.(xiv) Faulty materials or faulty workmanship.(xv) Normal settling, seepage, creeping, heaving, vibration, shrinkage or expansion in Buildings, foundations, walls, roofs, ceilings, floors, pavements, roads, and other structural improvements.(xvi) Electrical or magnetic injury, disturbance, or erasure of electronic recordings.(xvii) Computer Virus.(xviii) Data processing or media failure or breakdown, or malfunction of the processing system.(xix) Mechanical, electrical, or electronic breakdown, failure, or derangement, or boiler or pressure vessel explosion or implosion, but this exclusion is limited to the machine, equipment, boiler or pressure vessel immediately or directly affected.(xx) Failure of the supply of water, gas, electricity, or fuel.(xxi) Any order of any government or public or local authority including the confiscation, nationalisation, requisition, or damage of any Property.(xxii) Any other event more specifically excluded in Section 1 or in the General Exclusions in Section 11. <p>(d) We will not pay for loss, destruction, or damage to:</p> <ul style="list-style-type: none">(i) Money.(ii) Any Property in transit.(iii) Aircraft of every kind and description, or Property contained therein.(iv) Railways, locomotive or rolling stock, or Property contained therein.(v) Growing crops or standing timber, shrubs, or pastures.(vi) Animals, birds, fish, or any other living thing.(vii) The Property arising out of renovation, repair, installation, testing, alteration, or the property undergoing construction or erection.
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Section 1 - Property (continued)

1.3 Settlement (continued)

(11) Accidental Damage (continued)	<p>(viii) Land, dams, reservoirs, canals, tunnels, bridges, docks, piers or wharves not forming part of a Building.</p> <p>(ix) Property during the course of and as the result of its processing.</p> <p>(x) Glass.</p> <p>(xi) Vehicles or Watercraft.</p>
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1.4 Additional Benefits

(1) If You have a valid claim under Section 1, **We will** also insure You for the following additional benefits necessarily and reasonably incurred, **but You must** obtain Our consent prior to any of the costs being incurred.

Additional Benefit	Limits to Additional Benefits, in addition to the Sum Insured
(1) Professional Fees	<p>We will pay up to:</p> <p>(a) \$25,000; or</p> <p>(b) the amount specified in the Schedule;</p> <p>whichever is greater, for professional fees incurred in repairing or reinstating the Property but not for claims preparation.</p>
(2) Removal of Debris	<p>We will pay up to:</p> <p>(a) \$10,000; or</p> <p>(b) the amount specified in the Schedule;</p> <p>whichever is greater, for the cost of removal, storage, disposal, demolition, or dismantling of debris.</p>
(3) Temporary Repair	<p>We will pay up to:</p> <p>(a) \$25,000; or</p> <p>(b) the amount specified in the Schedule;</p> <p>whichever is greater, for the cost of shoring up, underpinning, propping, or other temporary repair of the Property.</p>

(2) If You are insured under Section 1, **We will** extend Your insurance to include the following additional benefits.

Additional Benefit	Limits to Additional Benefits, in addition to the Sum Insured
(1) Seasonal Increase in Sum Insured for Stock	<p>We will increase the Sum Insured for Stock by:</p> <p>(a) 30% for the 3 days prior to gazetted Monday Public Holidays and until the conclusion of the following trading day; and</p> <p>(b) 30% for the 90 days specified in the Schedule, or where no days are specified, by:</p> <p style="margin-left: 20px;">(i) 25% for the 60 days prior to Christmas Day and until the conclusion of the first trading day following New Year's Day; and</p> <p style="margin-left: 20px;">(ii) 35% for the 30 days immediately prior to Good Friday.</p>
(2) Stock whilst in transit	<p>If Stock is specified as insured in Your Schedule, We will pay up to 20% of the Sum Insured for Stock, or \$100,000, whichever is the lesser, for any one load of Stock lost, destroyed, or damaged:</p> <p>(a) while in transit, in the Commonwealth of Australia between a wholesaler's premises and Your Situation, in a Vehicle or trailer owned or driven by You, Your employee, or a member of Your immediate family working in the Business; and</p> <p>(b) caused by the Defined Event Fire in Section 1.2(1), Flood, or collision or overturning of the Vehicle or trailer.</p>
(3) Temporary Removal	<p>(a) If Stock or Contents are specified as insured in Your Schedule, We will pay up to 20% of the Sum Insured, or \$100,000, whichever is the lesser, for Stock and Contents lost, destroyed, or damaged:</p> <p style="margin-left: 20px;">(i) while temporarily removed from the Situation for up to 90 days to any other Situation in the Commonwealth of Australia, including while in transit; and</p> <p style="margin-left: 20px;">(ii) caused by a Defined Event in Section 1.2.</p> <p>(b) The Sum Insured for the Stock and Contents remaining at the Situation will be reduced accordingly for each item specified in the Schedule.</p>

Section 1 - Property (continued)

1.4 Additional Benefits (continued)

(4) Alterations and Additions	<p>If You make alterations or additions to the Property during the Period of Insurance, We will increase the Sum Insured, for all Property other than Stock, up to:</p> <p>(a) 20% of the Sum Insured; or</p> <p>(b) \$250,000;</p> <p>whichever is the lesser.</p>
(5) Fire Extinguishing Costs	<p>We will pay up to:</p> <p>(a) \$25,000; or</p> <p>(b) the amount specified in the Schedule;</p> <p>whichever is greater, for the cost of:</p> <p>(c) the wages of Your employees other than full-time members of a works fire brigade;</p> <p>(d) replenishment of fire fighting appliances; and</p> <p>(e) the destruction of or damage to materials including employees' clothing not more specifically insured under this policy or any other policy of insurance; resulting from fire at or within 20 kilometres of the Business which prevents or hinders access to or use of Your premises.</p>
(6) Rewriting of Records	<p>We will pay up to:</p> <p>(a) \$25,000; or</p> <p>(b) the amount specified in the Schedule;</p> <p>whichever is greater, for the cost of rewriting Your records and books of account lost, destroyed, or damaged as a result of a Defined Event in Section 1.2.</p>
(7) Directors' and Employees' Personal Property	<p>We will pay up to:</p> <p>(a) a total of \$3,000 per employee but limited to \$10,000 in total for any one Period of Insurance; or</p> <p>(b) the amount specified in the Schedule;</p> <p>whichever is greater, in total, during the Period of Insurance, for the cost of directors' and employees' tools of trade and personal property, other than Money:</p> <p>(c) at the Situation;</p> <p>(d) used in connection with the Business; and</p> <p>(e) lost, destroyed, or damaged as a result of a Defined Event in Section 1.2.</p>
(8) Loss to You as Owner or Landlord	<p>(a) We will pay up to the Sum Insured for any loss to You occurring during the Period of Insurance, as owner or landlord, arising from damage to the Building, caused by theft or attempted theft.</p> <p>(b) We will not pay for damage:</p> <p>(i) to glass; or</p> <p>(ii) that is covered under any other policy of insurance, or for burglary in Section 3A.</p>
(9) Landscaping	<p>We will pay up to \$10,000 for damage to landscaping caused by a Defined Event in Section 1.2 but we will not pay for any loss or damage arising out of storm, tempest, Rainwater or hail.</p>

Section 1 - Property (continued)

1.5 Specific Exclusions

We do not insure You under Section 1 for the following circumstances.

	Excluded Circumstances
(1) Sea	We will not pay for loss, destruction, or damage caused directly or indirectly by the action of the sea, tidal wave, or tsunami.
(2) Earth Movement	We will not pay for loss, destruction, or damage caused directly or indirectly by erosion, subsidence, landslide, or other earth movement.
(3) Flood	We will not pay for loss, destruction, or damage caused directly or indirectly by Flood, unless You have selected the Variation and Extension 1.6(1).
(4) Hazardous Goods	We will not pay for loss, destruction, or damage caused directly or indirectly from circumstances where You are in breach of any law, bylaw, municipal or other public body regulation dealing with the storage of hazardous goods at the Situation.
(5) Cessation of Work	We will not pay for loss, destruction, or damage caused directly or indirectly by cessation of work.
(6) Documents or Business Books	We will not pay for loss, destruction, or damage to documents, manuscripts, or Business books except for the cost of rewriting of records as provided for in Section 1.4(2)(6).
(7) Jewellery or Furs	We will not pay for loss, destruction, or damage to jewellery, precious stones, precious metals, bullion, furs, or stamps.
(8) Explosives	We will not pay for loss, destruction, or damage to explosives.
(9) Vehicles while being driven	We will not pay for loss, destruction, or damage to Vehicles while being driven.
(10) Watercraft in or on water	We will not pay for loss, destruction, or damage to Watercraft while in or on water.
(11) Vehicles/Watercraft	We will not pay for loss, destruction, or damage to Vehicles/Watercraft other than caused by fire, explosion, lightning and earthquake.

Also refer to the General Exclusions in Section 11 which are applicable to Section 1.

1.6 Variations and Extensions

If selected by You and specified in the Schedule, the Variations and Extensions as indicated below will apply.

	Details of Cover
(1) Flood	We insure You for loss, destruction, or damage to the Property other than Vehicles at the Situation caused by Flood during the Period of Insurance.

Section 2 - Business Interruption

2.1 Definitions

The intended meaning of some of the important words used in Section 2 only, are shown below.

Word	Meaning
Annual Income	The sum derived by adjusting the Income obtained in the Business during the 12 months immediately before the date of the damage to provide for trends, variations, or other circumstances: (a) affecting the Business, either before or after the damage; or (b) that would have affected the Business had the damage not occurred.
Boiler or Economiser	Boiler, pressure vessel, or economiser for which a certificate is required to be issued under the terms of any statute or regulation.
Charges	Fixed Business costs that do not vary in direct proportion to an increase or reduction in Income.
Closing Stock	The closing stock figures arrived at from Your normal account records, less an allowance for depreciation.
Collapse	The sudden and dangerous distortion of the furnace or firebox of an internally fired Boiler, or any part of a pressure vessel, caused by bending or crushing of the permanent structure by force of steam, gas, air, or other fluid pressure (other than the pressure of ignited flue gases).
Damage	Loss, destruction, or damage to Your Property or Property used by You, caused by a Defined Event insured by You under Section 1 Property, and for which We have admitted liability or would have paid for, or admitted liability, but for the operation of an Excess.
Documents	Written or printed: deeds, wills, agreements, manuscripts, maps, plans, drawings, records, computer data, designs, books of account, books, letters, certificates, and other documents or forms of any nature (excluding any bearer bonds or coupons, bank or currency notes, other negotiable instruments, books debts) all belonging to You or in Your custody or for which You are legally responsible or have assumed a responsibility to insure.
Explosion	The sudden and violent rending of the Boiler or Economiser by force of internal steam, gas or fluid pressure (including the pressure of ignited flue gases) causing bodily displacement of its structure together with forcible ejection of its contents.
Gross Income	The difference between: (a) the sum of Income and Closing Stock; and (b) the sum of Opening Stock and the Uninsured Working Expenses.
Gross Rentals	The amount receivable by You in accordance with a lease or agreement existing at the time of Damage to the building.
Indemnity Period	The period beginning with the occurrence of the Damage and ending not later than the number of months stated in the Schedule, during which period the Business is affected in consequence of the Damage.
Opening Stock	The opening stock figures arrived at from Your normal account records, less an allowance for depreciation.
Output	The sales value of goods manufactured, both at and away from the Situation, by You or on Your behalf, in the course of the Business.
Rate of Gross Income	The percentage representing the rate of Gross Income earned on the Income during the financial year before the date of the Damage, to which adjustments shall be made to provide for trends, variations, or other circumstances: (a) affecting the Business, either before or after the Damage; or (b) that would have affected the Business had the Damage not occurred.
Shortage in Income	The amount by which the Income falls short of the Standard Income during the Indemnity Period in consequence of the Damage.

Section 2 - Business Interruption (continued)

2.1 Definitions (continued)

Word	Meaning
Standard Income or Standard Gross Rentals	The sum representing the Income or Gross Rentals during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period, to which adjustments are made to provide for trends, variations, or other circumstances: (a) affecting the Business, either before or after the Damage; or (b) that would have affected the Business had the Damage not occurred.
Income	Money paid or payable to You for goods sold, delivered, and services rendered in the course of the Business at the Situation.
Uninsured Working Expenses	The items specified as "Uninsured Working Expenses" in the Schedule.

Also refer to the General Definitions which are applicable to Section 2.

2.2 Defined Event

If Your Schedule indicates that You have taken out insurance under Section 2, **We insure You for loss resulting from interruption of or interference with the Business due to Damage (occurring during the Period of Insurance) to:**

1. Property insured under Section 1 of this policy or the Variations and Extensions under Section 2.6.
2. Property insured under another insurance policy; and
 - (a) the insurer has paid or admitted liability under its policy or would have paid or admitted liability but for the application of an Excess; and
 - (b) the Damage would have been covered under Section 1 of this policy had You elected to take such cover.
3. Property used but not owned by You:
 - (a) for which You are not legally responsible; and
 - (b) have not assumed a liability to insure, at the Situation;
 - (c) and such Damage would have been insured under Section 1 of this policy.

We will not pay for any loss as set out in the Specific Exclusions in Section 2.5 or the General Exclusions in Section 11.

2.3 Settlement

If You have a valid claim under Section 2, **We will pay** You for Your loss of Income on the basis set out below.

	Settlement Basis
(1) Book Debts	<p>We will:</p> <p>(a) pay You for Your customers' outstanding debts, being Money owed for goods purchased from You or services rendered by You on credit, which You would normally have collected and You are unable to recover directly due to the loss, destruction, or damage to Your books of account by a Defined Event insured for:</p> <ol style="list-style-type: none"> (i) in Section 1 Property; or (ii) Burglary in Section 3A; <p>occurring at the Situation and during the Period of Insurance;</p> <p>(b) pay for the cost of reasonable accountant's fees; and</p> <p>(c) make allowance for demonstrable trends of the Business at the time of the loss, destruction, or damage to Your books of account.</p>
(2) Accountants' Fees	<p>We will pay up to:</p> <p>(a) \$5,000; or</p> <p>(b) the amount specified in the Schedule;</p> <p>whichever is greater, for the reasonable costs of Your auditors or accountants for producing and certifying any particular, detail, information, proof, or evidence required for the preparation of a:</p> <p>(c) claim under Business Interruption in Section 2; or</p> <p>(d) combined claim in Section 1 Property and Business Interruption in Section 2.</p>

Section 2 - Business Interruption (continued)

2.3 Settlement (continued)

	Settlement Basis
(3) Increased Cost of Working	<p>We will pay the additional expenditure incurred during the Indemnity Period in consequence of the Damage, in excess of the amount payable under Section 2.3(4)(a)(ii), for the purpose of:</p> <p>(a) resuming or maintaining normal Business operations or administrative facilities; and</p> <p>(b) minimising any interruption of or interference with the Business;</p> <p>whether there is a Shortage in Income or not.</p>
(4) Loss of Income	<p>(a) We will pay:</p> <p>(i) the product of the Rate of Gross Income and the Shortage in Income; and</p> <p>(ii) the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Shortage in Income which, but for that expenditure, would have occurred during the Indemnity Period in consequence of the Damage, but only if the additional expenditure does not exceed the product of the Rate of Gross Income and the amount avoided or diminished.</p> <p>(b) We will deduct, from any amount payable under (a) above, any savings during the Indemnity Period in respect of Charges and expenses payable out of Gross Income as may cease, or be reduced, in consequence of the Damage.</p>
(5) Income elsewhere after Damage	If Income is being derived from goods sold or services rendered elsewhere than at the Situation, then this Income must be included in calculating the Income during the Indemnity Period.
(6) Accumulated Stocks	If Income is being temporarily maintained from accumulated stock of finished goods, then an allowance will be made in the amount recoverable for loss of Income in Section 2.3(4) to reflect the depletion of accumulated stock.
(7) Departmental Clause	If the Business is conducted in departments which have individual trading results, then in calculating the amount recoverable, You may at Your option separately apply the formula for loss of Income in Section 2.3(4) to each department affected by the Damage, however , if the Limit of Liability for loss of Income in Section 2.3(4) is less than the sum of the product of the Rate of Gross Income and Annual Income for each department, including those not affected by the Damage, then the amount payable will be adjusted as set out in Underinsurance in Section 2.3(11).
(8) Salvage Sale	If You hold a salvage sale during the Indemnity Period, the Income resulting from the salvage sale will not be taken into account when calculating the Shortage in Income.
(9) New Business	<p>If Damage occurs at the Situation before the completion of the first year's trading of the Business, the definitions in Section 2.1 for:</p> <p>(a) Annual Income;</p> <p>(b) Rate of Gross Income; and</p> <p>(c) Standard Income;</p> <p>will be adjusted to reflect the proportional equivalent of the respective periods.</p>
(10) Our Limit of Liability	Our liability is limited to the Sum Insured, less the stated Excess.
(11) Underinsurance	<p>If Your Gross Income is insured for less than 80% of its value at the time the insurance under Section 2 was taken out, renewed, extended, or varied, We will only pay that portion of the claim which the Sum Insured bears to 80% of that value, in accordance with the formula:</p> $\frac{\text{Loss of Gross Income} \times \text{Sum Insured}}{80\% \text{ of the product of the Rate of Gross Income and the Annual Income}}$ <p>Example: Where the Gross Income is \$200,000 but only insured for \$100,000, and a loss of \$50,000 occurs, We will pay:</p> $\frac{\$50,000 \times \$100,000}{(80\% \text{ of } \$200,000)} = \$31,250$ <p>We will not pay \$50,000, therefore You will bear the difference of the loss being \$18,750.</p>
(12) Gross Rentals	<p>We will pay:</p> <p>(a) You the amount by which the Gross Rentals earned during the Indemnity Period fall short of the Standard Gross Rentals.</p> <p>(b) Any additional expenditure necessarily and reasonably incurred by You for the sole purpose of minimising the loss suffered during the Indemnity Period, but not exceeding the reduction in Gross Rentals thereby avoided.</p>
(13) Reinstatement of Documents	<p>We will pay:</p> <p>The necessary and reasonable cost of legal, clerical and other charges actually incurred in reinstating Documents.</p>

Section 2 - Business Interruption (continued)

2.4 Additional Benefits

(1) If You are insured under Section 2, **We will** extend Your insurance to include the following additional benefits.

Additional Benefit	Limits to Additional Benefits
(1) Government Incentives	In calculating the amount of loss of Income in Section 2.3(4), We will include the loss of any Government-approved incentives, subsidies, or market development allowances to which You may have been entitled.
(2) Explosion or Collapse of Boilers or Economisers	<p>(a) We will pay for loss of income following loss, destruction, or Damage to any Buildings or Property used by You at the Situation directly caused by Explosion or Collapse of:</p> <ul style="list-style-type: none"> (i) Steam pipes. (ii) Vessels under steam, gas, air, or other fluid pressure. (iii) Boilers or Economisers. <p>(b) We will not pay for loss of income following loss, destruction, or Damage caused by, or resulting from:</p> <ul style="list-style-type: none"> (i) Wearing away or wasting of the material of any plant whether caused by leakage, corrosion, action of fuel, or otherwise. (ii) Slowly developing deformation or distortion of any part of any plant. (iii) Cracks, fractures, blisters, laminations, flaws, or grooving even when accompanied by leakage, or Damage to tubes, headers, or other parts of the plant caused by overheating or leakage at seams, tubes, or other parts of any plant. (iv) Failure of joints.
(3) Prevention of Access	<p>If loss results from the interruption or interference to the Business due to Damage to Property within 20 kilometres of the Business which prevents or hinders access to or use of the Situation which:</p> <ul style="list-style-type: none"> (a) could have been insured under Section 1 Property, if owned by You; and (b) prevents or hinders the use of, or access to, the Situation; <p>then that loss will be deemed to be in consequence of the Damage.</p>
4) Murder, Suicide, Poisoning, Disease or Defective Sanitary Arrangement	<p>If loss results from interruption or interference to the Business due to:</p> <ul style="list-style-type: none"> (a) murder or suicide occurring at the Situation (b) injury, illness or disease caused by the consumption of food or drink provided and consumed at the Situation (c) the outbreak of a human infectious or contagious disease occurring within a 20 kilometre radius of the Situation (d) closure or evacuation of the Situation by order of a government, public or statutory authority consequent upon: <ul style="list-style-type: none"> (i) the discovery of an organism likely to result in a human infectious or contagious disease at the Situation (ii) vermin or pests at the Situation (iii) defects in the drains or other sanitary arrangements at the Situation <p>then that loss will be deemed to be in consequence of the Damage.</p> <p>We will not cover interruption or interference to the Business under Additional Benefits 4(c) and 4(d) (i) in respect of Highly Pathogenic Avian Influenza in Humans or any other diseases declared to be quarantinable diseases under the Quarantine Act 1908 and subsequent amendments.</p>
(5) Public Utilities	<p>If loss results from the interruption or interference to the Business due to Damage to any Property belonging to or under control of:</p> <ul style="list-style-type: none"> (a) suppliers or electric power, gas communications, water or sewerage reticulation control systems from which You obtain services; or (b) computer installations, including ancillary equipment, data processing media utilised by You which: <ul style="list-style-type: none"> (i) could have been insured under Section 1 Property if owned by You; and (ii) is situated within Australia; <p>then that loss will be deemed to be in consequence of the Damage.</p>
(6) Income/Output	If selected by You, Output may be used instead of Income in order to calculate loss, but only one meaning may be operative in connection with any one occurrence of the Damage.

Section 2 - Business Interruption (continued)

(7) Owner's Premises	<p>If loss results from the interruption or interference to the Business due to Damage to any Buildings at the Situation, for which:</p> <ul style="list-style-type: none"> (a) You are a tenant under a current tenancy agreement; (b) the Damage to the Buildings could have been insured under Section 1 Property of this policy if owned by You; (c) the owner of the Buildings has in force a policy of insurance in respect of such Damage to the Buildings; and (d) the insurer of the policy described in paragraph (c) has admitted liability or would have paid for, or admitted liability, but for the operation of an Excess, for such Damage to the Buildings; then that loss will be deemed to be in consequence of the Damage.
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2.5 Specific Exclusions

We do not insure You under Section 2 for the following circumstances.

	Excluded Circumstances
(1) Business Ceases	We will not pay for loss of any kind if the Business is wound up, carried on by a liquidator or receiver, or Your interest ceases, other than by death.
(2) Delay or Loss of Contract	We will not pay for loss of any kind due to delay, lack of performance, loss of contracts, or depreciation in the value of land or stock, except as otherwise provided for under Section 2.
(3) Underinsurance	We will not pay for loss of any kind due to underinsurance under any section or any other policy of insurance.
(4) Public Utilities	We will not pay for loss of any kind due to the failure of a public utility to supply services, except as provided in Section 2.4(1)(5).
(5) Hail Damage to Vehicles	We will not pay for loss of any kind as a result of hail damage to Vehicles.

Also refer to the General Exclusions in Section 11 which are applicable to Section 2.

2.6 Variations and Extensions

If selected by You and specified in the Schedule, the Variations and Extensions as indicated below will apply.

	Details of Cover
(1) Suppliers' Premises or Customers' Premises	<ul style="list-style-type: none"> (a) If the Business is interrupted or interfered with in consequence of Damage to the premises of a supplier or customer, which: <ul style="list-style-type: none"> (i) if owned by You; could have been insured under Section 1 Property; (ii) is in the Commonwealth of Australia; and (iii) is specified in the Schedule; then that loss will be deemed to be in consequence of the Damage. (b) We will pay up to: <ul style="list-style-type: none"> (i) 20% of the Sum Insured or the amount specified in the Schedule for Section 2.3(4), regardless of the number of suppliers' or customers' premises; or (ii) the percentage, specified in the Schedule, of the Sum Insured for Section 2.3(4), for each supplier or customer.
(2) Burglary	<p>If the Business is interrupted or interfered in consequence of burglary and We have accepted Your claim;</p> <p>We will pay the lesser of:</p> <ul style="list-style-type: none"> (a) 10% of the Sum Insured specified in the Schedule for Contents; or (b) \$10,000. <p>We will not pay for any loss arising out of burglary or theft of Vehicles.</p>

Section 3A - Theft

3A.1 Definitions

The intended meaning of some of the important words used in Section 3A only, are shown below.

Word	Meaning
Building	Any building at the situation, including: <ul style="list-style-type: none"> (a) awnings, signs, lettering, meters and switchboards, lifts, hoists and all their attachments, electrical installations, fire or security alarm systems, fire sprinkler installations, towers, tanks, power lines, poles, walls, gates and fences, plant and apparatus, forming part of the building owned by You or for which You are legally responsible; and (b) all landlord's fixtures and fittings for which You are legally responsible.
Burglary	<ul style="list-style-type: none"> (a) Stealing as a result of visible, forcible and violent entry into the Situation; or (b) Stealing or any attempted stealing by any person feloniously concealed at the Situation after Business Hours provided that there is evidence of visible, forcible and violent exit from the Situation; or (c) Stealing as a result of threat of immediate violence or violent intimidation.
Contents	All contents at the Situation, including the value of work done, containers, and packing materials owned by You or for which You are legally responsible, but not including : <ul style="list-style-type: none"> (a) Customers' Vehicles, Watercraft, and Property. (b) Stock of Petrol and other Fuel. (c) Stock. (d) Money. (e) Vehicles. (f) Watercraft.
Stock	Stock or merchandise, manufactured, unmanufactured, or in the course of manufacture, including: <ul style="list-style-type: none"> (a) materials used in their packing; and (b) raw materials; owned by You or for which You are legally responsible, while held in the Building or in the open air at the Situation, but not : <ul style="list-style-type: none"> (c) Vehicles.
Tobacco, Cigars and Cigarettes	Tobacco, cigars and cigarettes owned or held in trust or on commission for which You are legally responsible or have assumed a responsibility to insure.
Situation	The situation specified in the Schedule but not including any garden, yard, open verandah, open Building, or other open areas other than for Vehicles, Watercraft, tyres, tubes, and batteries on display in the open air, where You have specified that cover as being required in the Schedule.
Protection Device	The alarm or other device specified in the Schedule as being installed at the Situation.
Theft	Stealing without visible, forcible or violent entry.
Vehicles and Watercraft Total Loss	When: <ul style="list-style-type: none"> (a) The likely cost to repair the Vehicle plus the value of any salvage exceeds for: <ul style="list-style-type: none"> (i) Unspecified Vehicles and Unspecified Watercraft; the Wholesale Market Value; or (ii) Customers' Vehicles or Customers' Watercraft; the Market Value. (b) The Vehicle or Watercraft is stolen and not recovered within a reasonable period of time as determined by Us. (c) The Vehicle or Watercraft is destroyed. <p>We will not use Wholesale Market Value if You are not a licensed motor dealer or a person engaged in buying or selling Vehicles or Watercraft as part of Your Business.</p>
Business Hours	Your normal trading hours or whilst You or employees authorised by You are at the Situation for the purposes of the Business.

Also refer to the General Definitions which are applicable in Section 3.

Section 3A - Theft (continued)

3A.2 Defined Event

If Your Schedule indicates that You have taken out insurance under Section 3A, **We insure** You for loss, destruction, or damage to the Property at the Situation caused by **Burglary** during the Period of Insurance.

We will not pay for any loss, destruction, or damage as set out in the Specific Exclusions in Section 3A.5 or the General Exclusions in Section 11.

3A.3 Settlement

If You have a valid claim under Section 3A, **We will** at Our option pay for, reinstate, or repair the Property on the basis set out below.

	Settlement Basis
(1) Contents	<p>(a) Where the item of Contents is:</p> <ul style="list-style-type: none"> (i) lost or destroyed, its replacement by a similar item, to a condition equal to but not better or more extensive than its condition when new; and (ii) damaged, the repair or restoration of the item to a condition substantially the same as but not better or more extensive than its condition when new; <p>but only if:</p> <ul style="list-style-type: none"> (iii) the replacing or repair is carried out within a reasonable time; (iv) the repair cost does not exceed Replacement Cost had the Property been totally lost or destroyed; (v) a sum equal to the cost of reinstatement has actually been incurred; and (vi) all other insurances in respect of the Property have the same Replacement Cost wording; <p>otherwise We will Indemnify You.</p> <p>(b) We are not bound to replace, restore or repair exactly or completely but only as circumstances permit.</p>
(2) Vehicles	<p>(a) We will Indemnify You subject to the value of the Vehicle being established as follows:</p> <ul style="list-style-type: none"> (i) Unspecified Vehicles, the Wholesale Market Value at the time of loss, destruction, or damage, plus the additional costs of repairs and detailing incurred prior to the loss, destruction, or damage. (ii) Customers' Vehicles, the Market Value, at the time of loss, destruction, or damage. <p>(b) We will not pay more than the Wholesale Market Value if you are licensed motor dealer or a person engaged in buying or selling Vehicles as part of the insured Business.</p>
(3) Watercraft	<p>(a) We will Indemnify You subject to the value of the Watercraft being established as follows:</p> <ul style="list-style-type: none"> (i) Unspecified Watercraft, the Wholesale Market Value at the time of loss, destruction, or damage, plus the additional costs of repairs and detailing incurred prior to the loss, destruction, or damage. (ii) Customers' Watercraft, the Market Value, at the time of loss, destruction, or damage. <p>(b) We will not pay more than the Wholesale Market Value if you are licensed motor dealer or a person engaged in buying or selling Vehicles as part of the insured Business.</p>
(4) All other Property	For all other Property, We will Indemnify You.
(5) Our Limit of Liability	Our liability is limited to the Sum Insured, less the stated Excess.
(6) Automatic Reinstatement of the Sum Insured	Following the occurrence of loss, destruction, or damage, We will Reinstatement the Sum Insured from the date of loss provided You pay any additional Premium that may be required by Us. Such reinstatement will be automatic only once during any one Period of Insurance.
(7) Stock, Stock of Petrol and other Fuel	For Stock and Stock of Petrol and other Fuel, We will Indemnify You.

Section 3A - Theft (continued)

3A.4 Additional Benefits

(1) If You have a valid claim under Section 3A, **We will** also insure You for the following additional benefits necessarily and reasonably incurred **but You must** obtain Our consent prior to any of the costs being incurred.

Additional Benefit	Limits to Additional Benefits, in addition to the Sum Insured
(1) Temporary Protection	<p>We will pay up to:</p> <p>(a) \$3,000; or</p> <p>(b) the amount specified in the Schedule;</p> <p>whichever is greater, in total, during the Period of Insurance, for the cost of temporary protection for the safety of the Property pending repair of the damage.</p>
(2) Locks or Keys	<p>We will pay up to \$3,000 in total during the Period of Insurance for the cost of recoding or, if necessary, replacing locks or keys, if keys are stolen, or there are reasonable grounds to believe that the keys have been stolen and duplicated.</p>

(2) If You are insured under Section 3A, **We will** extend Your insurance to include the following additional benefits.

Additional Benefit	Limits to Additional Benefits, in addition to the Sum Insured
(1) Directors' and Employees' Personal Property	<p>We will pay up to:</p> <p>(a) a total of \$3,000; or</p> <p>(b) the amount specified in the Schedule;</p> <p>whichever is greater, in total, during the Period of Insurance, for the cost of directors' and employees' tools of trade and personal property, other than Money:</p> <p>(c) at the Situation;</p> <p>(d) used in connection with the Business; and</p> <p>(e) lost, destroyed, or damaged as a result of a Defined Event in Section 3A.2.</p>
(2) Repairing Damage to Building	<p>We will pay up to:</p> <p>(a) \$3,000; or</p> <p>(b) the amount specified in the Schedule;</p> <p>whichever is greater, in total, during the Period of Insurance, for repairing damage to the Building arising from Burglary or attempted Burglary, but only if You are the owner, landlord, or a tenant and are liable under the terms of a lease for damage to the Building.</p>
(3) Rewriting of Records	<p>We will pay up to:</p> <p>(a) \$3,000 or 10% of the Sum Insured for Contents;</p> <p>whichever is greater, in total, during the insurance period, for the reasonable costs associated with the rewriting, reconstruction, and restamping of Your records and books of account.</p>
(4) Seasonal Increase Stock	<p>We will increase the Sum Insured specified in the Schedule for Stock by 25% for the 30 days specified in the Schedule.</p>

Section 3A - Theft (continued)

3A.5 Specific Exclusions

We do not insure You under Section 3A, for the following circumstances.

	Excluded Circumstances
(1) Money	We will not pay for loss, destruction, or damage of Money.
(2) Tobacco	We will not pay for loss, destruction, or damage of tobacco, cigars, or cigarettes, unless You have selected the cover and it is specified in the Schedule.
(3) Vehicles, Aircraft, or Watercraft	We will not pay for loss, destruction, or damage to Vehicles, Watercraft, or aircraft or its accessories, unless You have selected the cover and it is specified in the Schedule.
(4) Plans or Designs	We will not pay for loss, destruction, or damage of patterns, models, moulds, plans, or designs.
(5) Glass	We will not pay for breakage of glass.
(6) Personal Property and Household Property	We will not pay for loss, destruction, or damage of personal valuables, clothing and personal effects, and all other household Property that may be more specifically insured under this policy or any other policy of insurance.
(7) During or following Fire	We will not pay for loss, destruction, or damage resulting from Burglary, or attempted Burglary during or following a fire at the Situation.
(8) Unexplained Shortages	We will not pay for loss, destruction, or damage in the form of unexplained shortages and/or disappearance.
(9) Connivance, Family or Employees	We will not pay for loss, destruction, or damage resulting from Your connivance, or caused by any of Your family or Your employees, or a person lawfully on the Situation.
(10) Theft	We will not pay for loss, destruction, or damage resulting from Theft except as provided for under: <ul style="list-style-type: none"> (a) Theft of Unspecified Vehicles during Business Hours in Section 3A.6(1); or (b) Theft of Unspecified Watercraft during Business Hours in Section 3A.6(2); or (c) Theft of tyres, tubes, and batteries in Section 3A.6(3); or (d) Theft of parts or accessories from Vehicles or Watercraft in Section 3A.6(4); or (e) Theft of Contents from open space areas and open-sided Building in Section 3A.6(5). if You have selected the Variations and Extensions.
(11) Protection Device	We will not pay for loss, destruction, or damage if You do not at all times maintain the Protection Device in good condition and efficient working order, and make it operative whenever the Situation is left unoccupied.
(12) Use of Key	We will not pay for loss, destruction, or damage resulting from entry to the Building or Situation gained by the use of a key or security code.
(13) Use of Vehicle's Own Key	We will not pay for loss, destruction, or damage where access to the Vehicle has been obtained through the use of the Vehicle's own key, unless the key was stolen from a securely locked safe, strongroom, or key cabinet approved by Us and access was gained into such safe, strongroom, or approved key cabinet by the use of visible force and violence.
(14) Watercraft while in or on water	We will not pay for loss, destruction, or damage of Watercraft while in or on water.
(15) Credit Card Fraud, Dishonoured Cheques, Unpaid Monies	We will not pay for loss arising out of credit card fraud, dishonoured cheques or unpaid monies.
(16) Theft of Vehicles entrusted	We will not pay for loss or damage resulting from Theft or attempted Theft of Vehicles by any person to whom you have entrusted the Vehicle for any purpose.
(17) Trickery	We will not pay for loss, destruction, or damage resulting from trickery or for: <ul style="list-style-type: none"> (a) the sale or delivery of Property; or (b) the payment of Money, consideration of a cheque or negotiable instrument which is subsequently dishonoured.

Also refer to the General Exclusions in Section 11 which are applicable to Section 3.

Section 3A - Theft (continued)

3A.6 Variations and Extensions

If selected by You and specified in the Schedule, the Variations and Extensions as indicated below will apply.

	Details of Cover
(1) Theft of Unspecified Vehicles during Business Hours	<p>(a) We will pay for loss, destruction, or damage to Unspecified Vehicles resulting from Theft or attempted Theft, provided that:</p> <ul style="list-style-type: none"> (i) such theft occurred during Business Hours; and (ii) did not involve the use of the Vehicle key; and (iii) You pass to Us all keys for the stolen Vehicle that are in Your possession prior to the Theft. <p>(b) You must pay the Excess specified in the Schedule for each and every Vehicle.</p>
(2) Theft of Unspecified Watercraft during Business Hours	<p>(a) We will pay for loss, destruction, or damage to Unspecified Watercraft resulting from Theft or attempted Theft, provided that such Theft occurred during Business Hours.</p> <p>(b) You must pay the Excess specified in the Schedule for each and every Watercraft.</p>
(3) Theft of Tyres, Tubes, and Batteries	<p>(a) We will pay up to the amount specified in the Schedule for loss, destruction, or damage resulting from Theft of:</p> <ul style="list-style-type: none"> (i) tyres and tubes that are securely locked and chained to display racks; and (ii) batteries; <p>while in the open air during Business Hours.</p> <p>(b) You must pay an Excess of:</p> <ul style="list-style-type: none"> (i) \$500; or (ii) the amount specified in the Schedule; <p>whichever is the greater.</p>
(4) Theft of Parts or Accessories from Vehicles or Watercraft	<p>(a) We will pay up to the amount specified in the Schedule for loss, destruction, or damage resulting from Theft or attempted Theft of parts or accessories from Vehicles or Watercraft.</p> <p>(b) You must pay the Excess specified in the Schedule for each and every Vehicle or Watercraft.</p>
(5) Theft of Contents from Open Space Areas and Open-Sided Building	<p>We will pay up to \$10,000 or the amount specified in the Schedule whichever is the lesser, for loss or damage to securely fixed Contents from open space areas or an open-sided Building at the Situation arising out of Theft or attempted Theft provided that such Theft followed visible, forcible and violent entry into the Situation.</p>

Section 3B - Money

3B.1 Definitions

The intended meaning of some of the important words used in Section 3B only, are shown below.

Word	Meaning
Money In Transit	<p>(a) Money:</p> <ul style="list-style-type: none"> (i) in transit to and from the Situation, while in Your personal custody, or in the custody of persons authorised by You; or (ii) while contained in the night safe of any bank where You transact business. <p>(b) Money drawn as wages or salaries up to an amount not exceeding 40% of the particular withdrawal but only where it is not paid out on the same day, and is kept in a securely locked safe, or securely locked strongroom at the Situation during non-Business Hours.</p> <p>(c) Money in transit does not include Money at the Situation or in a private residence except as provided in (b) above.</p>
Protection Device	The alarm or other device specified in the Schedule as being installed at the Situation.

Also refer to the General Definitions which are applicable to Section 3.

3B.2 Defined Events

If Your Schedule indicates that You have taken out insurance under Section 3B, **We insure** You for loss, destruction, or damage to Money caused by any Defined Event listed below occurring during the Period of Insurance **except** as stated under **We Will Not Pay**.

The Defined Event must be individually selected by You and specified in the Schedule.

Defined Event	We Will Not Pay
	Refer also to the Specific Exclusions in Section 3B.5 and the General Exclusions in Section 11
(1) Loss, Destruction, or Damage to Money In Transit	<p>We will not pay for loss, destruction, or damage:</p> <ul style="list-style-type: none"> (a) to Money at the Situation drawn as wages and salaries more than 24 hours after the withdrawal; (b) to Money in the night safe of a bank after closing time on the next bank business day following the deposit into the night safe; or (c) that did not occur in the Commonwealth of Australia.
(2) Loss, Destruction, or Damage to Money at the Situation during Business Hours	
(3) Loss, Destruction, or Damage to Money at the Situation outside Business Hours	We will not pay for any loss, destruction, or damage to Money at the Situation greater than \$2,000 or the amount specified in the Schedule unless it was contained in a securely locked safe or strongroom.
(4) Loss, Destruction, or Damage to Money at the Situation while in a securely locked safe or strongroom, or when removed from the safe or strongroom for preparation for banking but only up to the time transit to Your bank begins	<p>We will not pay for any loss, destruction, or damage to Money:</p> <ul style="list-style-type: none"> (a) from a safe or strongroom opened by a key or by combination details, either of which has been left at the Situation outside Your Business Hours; or (b) which did not occur at the Situation; or (c) if the Money is not immediately returned to a securely locked safe or securely locked strongroom; or (d) should any interruption occur during preparation for banking; or (e) while awaiting transit to Your bank.
(5) Loss, Destruction, or Damage to Money in Your personal custody or in the custody of persons authorised by You, while contained in Your, or their, private residence	<p>We will not pay for any loss, destruction, or damage:</p> <ul style="list-style-type: none"> (a) which did not occur in the Commonwealth of Australia; or (b) after the bank closing time on the next bank business day following the completion of the transit of the Money to the private residence.

Section 3B - Money (continued)

3B.3 Settlement

If You have a valid claim under Section 3B, **We will pay** You on the basis set out below.

	Settlement Basis
(1) Our Limit of Liability	Our liability is limited to the Sum Insured, less the stated Excess.
(2) Automatic Reinstatement of the Sum Insured	Following the occurrence of loss, destruction, or damage, the Sum Insured is reinstated to the full amount specified in the Schedule, provided that You pay any additional Premium required by Us.

3B.4 Additional Benefits

(1) If You have a valid claim under Section 3B.2(3) and 3B.2(4), **We will** also insure You for the following additional benefit, **but You must** obtain Our consent prior to any of the costs being incurred.

Additional Benefit	Limits to Additional Benefit, in addition to the Sum Insured
(1) Safes and Strongrooms	We will pay up to a total of \$3,000 during the Period of Insurance for loss, destruction, or damage to the safe or strongroom caused by any person, not authorised by You, attempting to effect entry.

(2) If You are insured under Section 3B, **We will** extend Your insurance to include the following additional benefits.

Additional Benefit	Limits to Additional Benefit, in addition to the Sum Insured
(1) Seasonal Increase in Sum Insured	<p>We will increase the Sum Insured specified in the Schedule by:</p> <p>(a) 30% for the 3 days prior to gazetted Monday Public Holidays and until the conclusion of the following trading day; and</p> <p>(b) 30% for the 90 days specified in the Schedule, or where no days are specified, by:</p> <p>(i) 50% for the 60 days prior to Christmas Day and until the conclusion of the first trading day following New Year's Day; and</p> <p>(ii) 35% for the 30 days immediately prior to Good Friday.</p>
(2) Theft by Employees	<p>We will pay up to a total of \$1,000 during the Period of Insurance for loss, destruction, or damage from acts of fraud, or dishonesty, committed during the Period of Insurance by an employee or group of employees acting in collusion, provided that:</p> <p>(a) The employee or employees are charged in connection with the loss.</p> <p>(b) No cover is provided for loss arising from an act of fraud or dishonesty committed by an employee after You have knowledge of, or reasonable cause to suspect, the commission by the employee of an act of fraud or dishonesty, unless when You first obtained knowledge or reasonable cause for suspicion, the Money, the subject of the loss, was in the possession of the employee.</p> <p>(c) You must, immediately when You discover a loss, take all steps to regain possession of the Money.</p>

Section 3B - Money (continued)

3B.5 Specific Exclusions

We do not insure You under Section 3B for the following circumstances.

	Excluded Circumstances
(1) Shortages	We will not pay for shortages resulting from clerical or accounting errors or errors in receiving or paying out Money.
(2) Discovery Period	We will not pay for loss, destruction, or damage not discovered within three (3) working days of its occurrence.
(3) Family or Employee	We will not pay for loss, destruction, or damage resulting from collusion, embezzlement, or misappropriation by You, any member of Your family, directors, partners, or employees.
(4) Carriers	We will not pay for loss, destruction, or damage to Money carried by professional Money carriers, professional carriers, or common carriers.
(5) Unattended Vehicle	We will not pay for loss, destruction, or damage from or whilst in an unattended Vehicle.
(6) Ransom or Extortion	We will not pay for loss, destruction, or damage resulting from ransom or extortion, other than actual assault or the threat of immediate violence to any person at the Situation.
(7) Protection Device	We will not pay for loss, destruction, or damage if You do not at all times maintain the Protection Device in good condition and efficient working order, and make the Protection Device operative whenever the Situation is left unoccupied.

Also refer to the General Exclusions in Section 11 which are applicable to Section 3.

3B.6 Variations and Extensions

If selected by You and specified in the Schedule, the Variations and Extensions as indicated below will apply.

	Details of Cover
(1) Increased Sum Insured for Weekends and Long Weekends	We will increase the Sum Insured specified in the Schedule by 50%: (a) for the Saturday and Sunday of each week and until the conclusion of the following trading day; and (b) for the 3 days immediately prior to gazetted Monday Public Holidays and until the conclusion of the following trading day.

Section 4 - Glass

4.1 Definitions

The intended meaning of some of the important words used in Section 4 only, are shown below.

Word	Meaning
Signs	Glass or plastic that forms part of a sign.
Breakage	A fracture extending through the entire thickness of the External Glass, Internal Glass, or Specified Glass and lamination but not scratching or any other damage to, or imperfection of the External Glass, Internal Glass, or Specified Glass.
External Glass	(a) Fixed glass in windows or doors including window film, fanlights, and skylights; and (b) ceramic-tiled shop fronts; all forming part of the building, which You own or for which You are legally responsible.
Internal Glass	(a) Fixed glass in cabinets, table tops, shelves, showcases, internal doors or partitions. (b) vitreous china urinals, toilet pans, and hand basins; and (c) fixed mirrors; which You own or for which You are legally responsible.
Specified Glass	Glass specifically described in the Schedule under Specified Glass.

Also refer to the General Definitions which are applicable to Section 4.

4.2 Defined Events

If Your Schedule indicates that You have taken out insurance under Section 4, **We insure** You for the Breakage of:

- (1) External Glass;
- (2) Internal Glass; or
- (3) Specified Glass;

occurring during the Period of Insurance at the Situation, **but only if** individually selected by You and specified in the Schedule.

We will not pay for any loss, destruction, or damage as set out in the Specific Exclusions in Section 4.5 or the General Exclusions in Section 11.

4.3 Settlement

If You have a valid claim under Section 4, **We will** at Our option pay for, reinstate, or repair the Property on the basis set out below.

	Settlement Basis
(1) External Glass, Internal Glass or Specified Glass	We will supply and fix in its frame replacement glass: (a) of the same type and quality as the broken glass; or (b) as required by Australian Standard AS1283 - 1989 Glass Code.
(2) Our Limit of Liability	Our liability is limited to the: (a) Replacement value for External Glass or Internal Glass; or (b) Sum Insured for Specified Glass; less the stated Excess.
(3) Automatic Reinstatement of the Sum Insured	Following the occurrence of loss, destruction, or damage, the Sum Insured is reinstated to the full amount specified in the Schedule, provided that You pay any additional Premium required by Us.
(4) Salvage	(a) You must carefully preserve all glass. (b) Glass salvaged from any Breakage becomes Our Property.

Section 4 - Glass (continued)

4.4 Additional Benefit

If You have a valid claim under Section 4, **We will** also insure You for the following additional benefit necessarily and reasonably incurred **but You must** obtain Our consent prior to any of the costs being incurred.

Additional Benefit	Limits to Additional Benefit, in addition to the replacement value or the Sum Insured
(1) Signwriting and Repairs	<p>We will pay up to:</p> <ul style="list-style-type: none"> (a) \$3,000; or (b) the amount specified in the Schedule; <p>whichever is greater, for the cost of each of the following:</p> <ul style="list-style-type: none"> (i) signwriting or lettering; (ii) temporary shuttering; (iii) repairing damage to window frames, door frames, showcase frames, display cabinets and counter frames and burglar alarm tapes or wiring; and (iv) replacing at cost price only, Property spoiled by broken glass; <p>less the stated Excess.</p>

4.5 Specific Exclusions

We do not insure You under Section 4, for the following circumstances.

	Excluded Circumstances
(1) Transit	We will not pay for Breakage during transit of any glass.
(2) Removal or Alteration	We will not pay for Breakage during the removal or alteration of any glass.
(3) Framework, Beadings, or Fittings	We will not pay for Breakage during the removal or alterations of the framework, beadings, or other fittings.
(4) Fire	We will not pay for Breakage caused by fire or artificial heat.
(5) Unattended Situation	We will not pay for Breakage where the Situation becomes unattended and remains so for any period of more than sixty (60) consecutive days, unless Our written agreement to continue cover has been obtained.

Also refer to the General Exclusions in Section 11 which are applicable to Section 4.

Section 5 - Broadform Liability

5.1 Definitions

The intended meaning of some of the important words used in Section 5 only, are shown below.

Word	Meaning
Aircraft	Any vessel, craft, aerial device, or thing, designed to fly in or through the atmosphere or space, including air cushion Vehicles.
Business	The Business, trade, or profession specified in the Schedule including: <ul style="list-style-type: none"> (a) the provision and management by You of: <ul style="list-style-type: none"> (i) canteen, social or sports facilities, for Your employees' benefit; and (ii) first aid, medical, fire, and ambulance services; and (b) Your ownership or occupation of Premises.
Faulty Workmanship	A breach of duty by You arising out of any act, error or omission in relation to: <ul style="list-style-type: none"> (a) work undertaken by You; or (b) work which You fail, omit or neglect to undertake; or (c) advice which You provide or fail, omit or neglect to provide in relation to work which is, should be or could be undertaken, on Property entrusted to You for repair, servicing, refuelling, maintenance, alteration, inspection, valuation, testing, cleaning, painting, storage, delivery, sale or display.
Fuel Pumps	Liability for Property Damage to fuel supply pumps not belonging to You but in Your physical or legal control while at the Situation.
Manufacturer	A Business which: <ul style="list-style-type: none"> (a) manufactures goods; or (b) is deemed to be a manufacturer under the Trade Practices Act 1974, because it: <ul style="list-style-type: none"> (i) holds itself out to the public as a manufacturer; (ii) has its own brand name on the goods; (iii) permits another person to promote the goods manufactured by the Business; or (iv) imports the goods.
North America	<ul style="list-style-type: none"> (a) The United States of America and Canada; and (b) Any State or Territory incorporated in, or administered by, or from, either the United States of America or Canada.
Occurrence	Any: <ul style="list-style-type: none"> (a) event, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury or Property Damage neither expected nor intended by You; or (b) intentional act, by You or at Your direction, resulting in Personal Injury but only if such Personal Injury arises solely from the use of reasonable force for the purpose of protecting persons or Property.
Personal Injury	<ul style="list-style-type: none"> (a) Bodily injury, sickness, or disease including death, shock, fright, mental anguish, mental injury, or disability. (b) Unlawful arrest, wrongful detention, or false imprisonment. (c) Wrongful entry or eviction or other invasion of privacy. (d) A publication of a libel or utterance of a slander or other defamatory material.
Products	Any thing, (including any packaging, containers, directions, markings, instructions, warnings, or specifications) manufactured, deemed manufactured, grown, extracted, produced, processed, assembled, constructed, erected, installed, repaired, serviced, treated, sold, supplied, re-supplied, or distributed by You or for You, in the course of the Business after physical possession has been passed to others.
Products Liability	Legal liability for Personal Injury or Property Damage caused by an Unknown Defect in Your Product but only if Personal Injury or Property Damage occurs away from the Situation and after physical possession of Your Product has been passed to others.

Section 5 - Broadform Liability (continued)

5.1 Definitions (continued)

Word	Meaning
Property Damage	<p>(a) Physical loss, destruction, or damage to tangible Property; or</p> <p>(b) Loss of use of tangible Property resulting from physical loss, destruction, or damage to tangible Property.</p>
Public Liability	<p>Your legal liability to pay damages for an Occurrence in the course of Your Business, but excludes Products Liability.</p> <p>If Products Liability is not insured, Public Liability includes liability to pay damages for an Occurrence caused by a defect, unknown to You, in food or drink sold or supplied from Your staff canteen.</p>
Territorial Limit	<p>Anywhere in the world but excludes North America for occurrences in connection with:</p> <p>(a) the performance of manual work;</p> <p>(b) the ownership, occupancy or tenancy of any building, land or structure;</p> <p>(c) an unknown defect in Your Products, exported to, sold in or supplied in North America, by You or on Your behalf.</p>
Unknown Defects	<p>Unknown Defects in Your Products means:</p> <p>(a) a defect in, or the harmful nature of, Products;</p> <p>(b) a defect or deficiency in any direction or advice provided by You concerning the use or storage of products; or</p> <p>(c) a failure by You to provide direction or advice concerning the use or storage or Products; that was not known to, or reasonable suspected by, You or Your directors, partners or senior executives, before Your Products left Your possession or control.</p>
Vehicle	<p>Any machine on wheels or self-laid tracks, designed to be propelled by other than manual or animal power, and any trailer or other attachment designed to be drawn by any such machine, but does not include Aircraft or Watercraft.</p>
Watercraft	<p>Any vessel, craft, or thing, designed to float or travel on, in, or through water.</p>
You and Your	<p>Each person, company, or other entity specified in the Schedule as being insured under this policy and includes:</p> <p>(a) All subsidiary companies:</p> <p>(i) incorporated or acquired in the Territorial Limit;</p> <p>(ii) existing before the inception date of Section 5; and</p> <p>(iii) declared in the Proposal.</p> <p>(b) All companies incorporated or acquired, in the Territorial Limit, during the Period of Insurance and relating to the Business, where the incorporation or acquisition is notified to Us in writing within 60 days of the incorporation or acquisition.</p> <p>(c) Any:</p> <p>(i) director, executive, officer, employee, partner, or shareholder of the Business;</p> <p>(ii) office bearer or member of a canteen, social or sports facility, provided by the Business for employees' benefit;</p> <p>(iii) member of a first aid, medical, fire, or ambulance service provided by the Business; and</p> <p>(iv) voluntary worker;</p> <p>while acting in such capacity.</p>

Also refer to the General Definitions which are applicable to Section 5.

5.2 Defined Events

If Your Schedule indicates that You have taken out insurance under Section 5, **We insure** You for all sums which You become **legally liable** to pay as compensation in respect of:

- (1) Personal Injury; or
- (2) Property Damage;

arising out of an Occurrence during the Period of Insurance in the Territorial Limit and in connection with Your Business.

We do not insure You for the incurring of a liability as set out in the Specific Exclusions in Section 5.5 or the General Exclusions in Section 11.

Section 5 - Broadform Liability (continued)

5.3 Settlement

If You have a valid claim under Section 5, **We will** settle Your claim on the basis as set out below.

	Settlement Basis
(1) Our Limit of Indemnity	<p>(a) We will pay up to the limit of indemnity, less the stated Excess, for all compensation and supplementary payments in respect of any one Occurrence.</p> <p>(b) Except for supplementary payments as provided in Section 5.3(3)(b), We will not pay more than the limit of indemnity regardless of the number of:</p> <ul style="list-style-type: none"> (i) legal entities comprised under the definition of 'You' in Section 5.1; (ii) persons or organisations who sustain Personal Injury or Property Damage; or (iii) claims made or suits brought on account of Personal Injury or Property Damage.
(2) Products Liability	Our total liability for all claims arising out of the Products Liability during the Period of Insurance is limited to the limit of indemnity, less the stated Excess.
(3) Supplementary Payments	<p>(a) Where indemnity is, or would be, available under this policy, We will pay:</p> <ul style="list-style-type: none"> (i) legal costs and expenses incurred by You with Our written consent for representation in any court, or in the settlement or defence of any claim; (ii) legal costs and expenses recoverable from You by any claimants; and (iii) first aid costs incurred by You for first aid rendered to others at the time of an Occurrence of Personal Injury. <p>(b) In relation to Public Liability or Products Liability subject to or determined by:</p> <ul style="list-style-type: none"> (i) The law outside North America, the indemnity for Your legal costs shall not be limited by any limit of indemnity. (ii) The law in North America, the indemnity for Your legal costs shall be limited to the amount by which the applicable limit of indemnity is not exhausted by the indemnity for the Public Liability or Products Liability.
(4) Resultant Damage due to Faulty Workmanship	<p>We will pay up to the limit of indemnity, less the stated Excess, for all compensation and supplementary payments in respect of any one Occurrence, arising from the resultant damage caused by or brought about through Faulty Workmanship, but We will not pay for:</p> <ul style="list-style-type: none"> (a) The cost of rectifying, performing, re-performing, completing or improving any work undertaken by You if such rectification, performance, re-performance, completion or improvement is a consequence of Faulty Workmanship. (b) The cost of performing or re-performing (in whole or in part) work on Property which You, prior to the Property Damage occurring, had agreed to perform.
(5) Discharge of Liabilities	<p>(a) We may at any time pay to You, in respect of all claims:</p> <ul style="list-style-type: none"> (i) the amount of the limit of indemnity; or (ii) any lesser sum for which the claims can be settled; <p>after deduction of any sum already paid as compensation in respect of the claims.</p> <p>(b) Upon the payment set out in paragraph (a), We will relinquish control of, and be under no further liability under the policy in connection with the claims except for costs, charges, and expenses:</p> <ul style="list-style-type: none"> (i) recoverable from You in respect of the period prior to the date of the payment, whether or not pursuant to an order made subsequently; and (ii) incurred by Us or incurred by You with Our written consent prior to the date of the payment. <p>(c) We will not pay for any claim or judgement or defend any suit after Our limit of indemnity has been exhausted.</p>
(6) Cross Liability	Each of the parties comprising 'You' are considered as a separate legal entity and the 'You' or 'Your' will apply to each party as if a separate policy had been issued to each of the parties. Our aggregate liability is limited to the limit of indemnity, less the stated Excess.

Section 5 - Broadform Liability (continued)

5.4 Additional Benefits

If You are insured under Section 5, **We will** extend Your insurance to include the following additional benefits.

Additional Benefit	Limits to Additional Benefits, not in addition to the limit of indemnity
(1) Principals Indemnity	<p>We insure You for liability to indemnify any principal with whom You have entered into a contract or agreement for the performance of work, and the terms of the contract or agreement requires that You must indemnify the principal, but only:</p> <ul style="list-style-type: none"> (a) in relation to work carried out by You; and (b) if the liability would have been implied by law in the absence of the contract or agreement and in respect of claims for which You would be entitled to indemnity under Section 5 if the claim was made against You.
(2) Fuel Pumps	<ul style="list-style-type: none"> (a) We will pay up to the limit of indemnity for claims in respect of damage to fuel pumps. (b) The specific exclusion, Property in Your Physical or Legal Control, in Section 5.5(6), does not apply to this additional benefit.

5.5 Specific Exclusions

We do not insure You under Section 5, for the following circumstances.

	Excluded Circumstances
(1) Vehicles	<p>We will not pay for:</p> <ul style="list-style-type: none"> (a) Liability for Personal Injury: <ul style="list-style-type: none"> (i) where such liability arises out of, or caused by, or is in connection with, Your ownership, operation or use of a Vehicle; and; (ii) where the event that causes the Occurrence happens in circumstances in which that Vehicle is required by law to have compulsory insurance against that Occurrence, or when such insurance cover is in force. (b) Liability for damage to Property, where such liability arises out of, is caused by, or is in connection with, Your ownership, possession, operation, maintenance or use of a Vehicle that is registered, except as provided in Section 5.7(1) if You have selected the Variations and Extensions. (c) The loading or unloading from any Vehicle which is registered or in respect of which registration is required by any legislation.
(2) Aircraft	<p>We will not pay for claims arising directly or indirectly out of, caused by, or in connection with:</p> <ul style="list-style-type: none"> (a) The ownership, possession, use, existence, working, navigation, or operation by You or on Your behalf, of any Aircraft. (b) The repair, maintenance, servicing, or installation work in or on any Aircraft. (c) The use of any of Your Products with Your knowledge in the construction of any Aircraft. (d) Your Products manufactured specifically for and installed in an Aircraft, or arising out of Your Products which You knew would be so installed.
(3) Watercraft	<p>We will not pay for claims arising directly or indirectly out of, caused by, or in connection with:</p> <ul style="list-style-type: none"> (a) the ownership, possession, use, existence, working, navigation, or operation, by You or on Your behalf, of any Watercraft while afloat, except where the Watercraft is less than eight metres in length; (b) the repair, maintenance, servicing, or installation work in or on any Watercraft; (c) shipbreaking or shipbuilding; <p>except as provided in Section 5.7(1) if You have selected the Variations and Extensions.</p>
(4) Pollution	<p>We will not pay for:</p> <ul style="list-style-type: none"> (a) Claims arising directly or indirectly out of, caused by, or in connection with actual, alleged, or threatened seepage, discharge, dispersal, emission, release, or escape of pollutants being any solid, liquid, gaseous, or thermal irritant or contaminant including, but not limited to: <ul style="list-style-type: none"> (i) smoke, vapour, soot, or fumes; or (ii) acids, alkalis, or chemicals; or (iii) waste, including material to be recycled, reconditioned, or reclaimed.

Section 5 - Broadform Liability (continued)

5.5 Specific Exclusions (continued)

	Excluded Circumstances
(4) Pollution (continued)	<p>(b) Any costs of removing, nullifying, or cleaning up pollutants unless caused by a sudden, identifiable, unintended, and unexpected happening which takes place in its entirety at a specific time and place, provided that:</p> <p>(i) if such seepage, discharge, dispersal, emission, release, or escape extends beyond more than one Period of Insurance, We will not pay more than the limit of indemnity stated in the Schedule; and</p> <p>(ii) Our total liability for claims during the Period of Insurance is limited to the limit of indemnity, less the stated Excess.</p>
(5) Employers' Liability	<p>(a) We will not pay for claims in respect of Personal Injury to any person:</p> <p>(i) To whom benefits are payable by You under any workers' or workmen's compensation legislation.</p> <p>(ii) Engaged under a contract of service or apprenticeship with You.</p> <p>(iii) Arising from a liability imposed by any industrial award, agreement, or determination.</p> <p>(b) We will pay for:</p> <p>(i) Claims for Personal Injury to any person who, while engaged under a contract of service or apprenticeship with You, is not a 'worker' as defined in the Work Health Act 1986 (NT) or the Workcover Queensland Act 1996 (Qld).</p> <p>(ii) Common law claims for Personal Injury to any person who is deemed to be employed by You under section 175 of the Workers' Compensation and Rehabilitation Act 1981(WA) or deemed a 'worker' pursuant to any other section of the Act, other than those persons excluded by (a) (ii) above.</p>
(6) Property in Your Physical or Legal Control	<p>(a) We will not pay for claims in respect of Property Damage to Property owned by You, leased or rented to You, or in Your physical or legal control, except as provided in section 5.7(1) or 5.7(2) if you have selected either of these Variations and Extensions.</p> <p>(b) We will pay for Property Damage to premises that are leased or rented to You caused by fire, explosion, water discharging or leaking from any pipe or water system, or impact caused by any Vehicle.</p> <p>(c) You must pay the first Excess specified in the Schedule in respect of Property Damage.</p>
(7) Rectification of Faulty Workmanship	<p>We will not pay for claims in respect of rectification of faulty workmanship, except as provided in Section 5.7(3) if You have selected the Variations and Extensions.</p>
(8) Contractual Liabilities	<p>We will not pay for claims arising out of a liability assumed by You under any contract or agreement, except where:</p> <p>(a) the liability would have been implied by law in the absence of the contract or agreement; or</p> <p>(b) the contract or agreement is specified in the Schedule, as insured under 'Contractual Liability'; or</p> <p>(c) the liability is in respect of a claim made by a lessor or landlord for indemnity for:</p> <p>(i) Personal Injury; or</p> <p>(ii) Property Damage;</p> <p>under the provisions of a lease or agreement for tenancy of the Situation occupied by You in connection with the Business, but not in respect of Property Damage to buildings, occupied in whole or in part by You, or their contents.</p>
(9) Libel or Slander	<p>We will not pay for claims arising out of publication of a libel, utterance of a slander, or defamation:</p> <p>(a) if the first injurious publication or utterance of the same or similar material by You or on Your behalf was made prior to the inception date of Section 5; or</p> <p>(b) if the publication, utterance, or defamation was:</p> <p>(i) made by You or at Your direction with knowledge of the falsity thereof; or</p> <p>(ii) in the course of or related to advertising, broadcasting, publishing, or telecasting activities conducted by You or on Your behalf.</p>

Section 5 - Broadform Liability (continued)

5.5 Specific Exclusions (continued)

	Excluded Circumstances
(10) Asbestos	We will not pay for claims directly or indirectly caused by or arising out of, or in connection with, the use or presence of asbestos, its removal, dispersal, cleanup or disposal.
(11) Loss of Use	<p>We will not pay for claims arising from loss of use of tangible Property which has not been physically lost, destroyed, or damaged, resulting from:</p> <p>(a) delay or lack of performance by You or on Your behalf under any contract or agreement; or</p> <p>(b) the failure of Your Products to meet the level of performance, quality, fitness, or durability expressly or impliedly warranted or represented by You;</p> <p>except for loss of use of other tangible Property resulting from the sudden and accidental physical loss, destruction, or damage to Your Products after Your Products have been put to use by any person or organisation other than You.</p>
(12) Faulty Design	We will not pay for claims caused by or arising out of the harmful nature, condition, or quality of any of Your Products, which nature, condition, or quality results from the use of any design, formula, specification, plan, or pattern intended to be used by You.
(13) Product Defect	We will not pay for claims in respect of Property Damage to Your Products if such Property Damage is attributable to any defect in Your Products or the harmful nature or unsuitability of Your Products.
(14) Product Recall	<p>We will not pay for claims arising from the cost of withdrawal, inspection, removal, reinstallation, repair, replacement, or loss of use of:</p> <p>(a) Your Products; or</p> <p>(b) any property of which Your Products forms a part;</p> <p>if Your Products are recalled from the market or from use because of any known or suspected defect or deficiency in it.</p>
(15) Professional Liability	<p>We will not pay for claims against You arising out of any negligent act, error, or omission:</p> <p>(a) in Your professional conduct; or</p> <p>(b) in the professional conduct of any person for whom You may be legally liable;</p> <p>except for liability of members of Your first aid, medical, fire, or ambulance services arising in connection with such activities, other than where Your Business involves the provision of professional medical, fire, or ambulance services.</p>
(16) Advice for a Fee	We will not pay for claims caused by or arising out of Your rendering or failure to render advice (other than advice in respect of the use or storage of Your Products), for a fee, but only where the fee is directly payable for the advice (whether written or verbal).
(17) Cutting, Heating, Welding or Grinding	<p>We will not pay for claims arising directly or indirectly out of, caused by, or in connection with:</p> <p>(a) cutting;</p> <p>(b) heating;</p> <p>(c) welding; or</p> <p>(d) grinding;</p> <p>except where You have complied with the current Australian Standard AS1674.1 Safety in Welding and Allied Processes - Fire Precautions, as set out in the Australian Standard.</p>
(18) Underground Cables, Pipes and Services	<p>(a) We will not pay for claims in respect of Property Damage to underground cables, wires, pipes, or other services caused by or arising out of the use of any mechanical digging, scraping, grading drilling, or levelling apparatus affixed to or forming part of any Vehicle, except where:</p> <p>(i) such apparatus is affixed to or forms part of any unregistered Vehicle;</p> <p>(ii) the appropriate authority has been contacted to verify the existence and location of such underground services and fittings; and</p> <p>(iii) a plan detailing the location of such services and fittings is obtained from the relevant authority prior to the commencement of the work.</p> <p>(b) You must pay the Excess specified in the Schedule in respect of Property Damage to underground cables, wires, pipes, or other services including their supports and fittings.</p>

Section 5 - Broadform Liability (continued)

5.5 Specific Exclusions (continued)

	Excluded Circumstances
(19) Discrimination	We will not pay for claims arising out of the breach of any legal obligation relating to the prohibition of discrimination referred to in any anti-discrimination legislation.
(20) Child Molestation	We will not pay for claims arising out of, or resulting from, the molesting of minors.
(21) Contract Works	We will not pay for claims arising directly or indirectly out of, or caused by, or in connection with: <ul style="list-style-type: none"> (a) The erection of any new buildings or demolition of any buildings. (b) The alteration of or addition to existing buildings that are not owned or occupied by You. (c) The alteration of or addition to existing buildings that are owned or occupied by You where the total cost of the alteration or addition exceeds \$100,000.
(22) Jurisdiction Outside Territorial Limit	We will not pay for claims: <ul style="list-style-type: none"> (a) brought against You in the United States of America, Canada, their Territories, Protectorates, or Dependencies; or (b) arising as a consequence of: <ul style="list-style-type: none"> (i) You entering into contractual obligations subscribing to the jurisdiction of a court of the United States of America, Canada, their Territories, Protectorates, or Dependencies; or (ii) any agreement by You to indemnify any other party in respect of an award, judgement, or settlement made under the jurisdiction of a court in the United States of America, Canada, their Territories, Protectorates, or Dependencies.
(23) Fines or Penalties	We will not pay or be liable for fines or penalties.
(24) Punitive Damages	We will not pay or be liable for aggravated, punitive, or exemplary damages.
(25) Cranes	We will not pay for claims in connection with an operation of the crane in an unsafe condition, or where all laws, bylaws, regulations and recognised standards for the operation of the crane or for the safety of persons or Property in the state or territory in which the event occurred, are not observed.
(26) Negligence by Contractor or Subcontractor	We will not pay for claims caused by or arising from any act of negligence by your contractor or subcontractor. If you require cover for contractors' or subcontractors' negligence, there is a variation or extension that may be available to you.
(27) Theft of Vehicles or Watercraft from Unattended Premises	We will not pay for claims arising from Theft of any Vehicle or Watercraft from the Insured's premises while the premises are unattended, unless the Vehicle or Watercraft: <ul style="list-style-type: none"> (a) was contained in a securely locked building and theft followed visible, forcible and violent entry into or exit from building; (b) was contained in an area enclosed by a security fence with a securely locked gate and the theft followed visible, forcible and violent entry into or exit from the area; or (c) was stolen by a person unlawfully concealed on the premises.

Also refer to the General Exclusions in Section 11 which are applicable to Section 5.

Section 5 - Broadform Liability (continued)

5.6 Specific Conditions

If You are insured under Section 5, **You must** follow the specific conditions noted below, otherwise We may deny liability to pay any claim under Section 5.

	Specific Conditions
(1) Claims Procedures and Requirements	<p>You must:</p> <ul style="list-style-type: none"> (a) Immediately notify Us in writing of the Occurrence of any Personal Injury or Property Damage. (b) Provide Us with all reasonable particulars and information that We may require. (c) Immediately, on receipt, forward to Us every letter, writ, summons, and process. (d) Give all information and assistance We may require in the prosecution, defence, or settlement of any claim. (e) Use best endeavours to preserve any damaged, defective, or other appliances, plant, or things which might prove necessary or useful by way of evidence in connection with any claim.
(2) Alteration or Repair	<p>You must not alter or repair any building, appliance, plant, or thing relevant to any claim, until We have been given the opportunity to undertake an inspection, unless necessary for practical or safety reasons.</p>
(3) No Admission of Liability	<p>You must not make any admission of liability, offer, promise, or payment without Our prior written consent.</p>
(4) Premium Adjustment	<ul style="list-style-type: none"> (a) Unless otherwise indicated, the Premium for Your insurance under Section 5 is adjustable. (b) If the first or renewal Premium for Section 5, or any part of it, is calculated on statements and estimates furnished by You, You must: <ul style="list-style-type: none"> (i) Keep an accurate record containing all relevant particular. (ii) Within two months of the end of each Period of Insurance furnish them to Us. (iii) At all times allow Us to inspect Your records.
(5) Notice	<p>Every notice or communication to Us must be in writing.</p>
(6) Inspection	<ul style="list-style-type: none"> (a) If required by Us, You must allow Us: <ul style="list-style-type: none"> (i) at any time to inspect Your Property and operations; and (ii) to examine and audit Your books and records at any time during the Period of Insurance and within three years of the final termination of cover under Section 5. (b) Neither Our inspection nor any report constitutes an undertaking to determine or warrant that such Property or operations are: <ul style="list-style-type: none"> (i) safe; (ii) healthful; or (iii) in compliance with any law, rule, or regulation.
(7) Product Recall	<p>You must at Your own expense take reasonable action to trace, recall, or modify any of the Products containing any defect or deficiency which You have knowledge of, or have reason to suspect contain any defect or deficiency.</p>
(8) Reasonable Care	<p>You must:</p> <ul style="list-style-type: none"> (a) take all reasonable precautions to prevent Personal Injury and Property Damage and comply with all statutory obligations for the safety of persons or Property; (b) in the event of an Occurrence, promptly take at Your own expense, all reasonable steps to prevent other Personal Injury or Property Damage from arising out of the same or similar circumstances; and (c) comply with all statutory obligations concerning the inspection of passenger lifts, Vehicle hoists or cranes and steam pressure apparatus.

Section 5 - Broadform Liability (continued)

5.6 Specific Conditions (continued)

	Specific Conditions
(9) Maintenance of Product Records	<p>You must keep and maintain the following records for at least 12 years after the date upon which such records are brought into existence:</p> <ul style="list-style-type: none"> (a) Research and development documents. (b) Design and manufacturing specifications. (c) Documents made or received by You showing the source and quality of components received by You. (d) Lists of Businesses in the distribution chain. (e) Sales records of goods, including batch and model numbers, by destination and date. (f) Records or documents containing details of all of Your quality control measures, inspections, testing, repairs, replacements, and recalls.
(10) Your Responsibility to Identify the Manufacturer/Supplier	<p>You must:</p> <ul style="list-style-type: none"> (a) supply within 30 days, following receipt of a written request from any person, to that person, particulars identifying: <ul style="list-style-type: none"> (i) the Manufacturer of the Products; or (ii) the supplier of the Product to You; in respect of any Products sold or supplied by You to that person; and (b) retain proof that the person received notification in writing within the 30 day period.
(11) Waiver of Subrogation	<ul style="list-style-type: none"> (a) We will not exercise Our rights of subrogation under Section 5 against: <ul style="list-style-type: none"> (i) any corporation, the majority of whose capital stock is owned or controlled by You; or (ii) any corporation, firm, or individual who owns or controls the majority of Your capital stock; or (iii) any corporation, firm, or individual to which, or to whom, protection is afforded under Section 5. (b) We will however exercise Our rights of subrogation if such corporation, firm, or individual is protected from such loss by any other insurance, but only to the extent and up to the Sum Insured or limit of indemnity of the other insurance.

Also refer to the General Conditions in Section 12.

Section 5 - Broadform Liability (continued)

5.7 Variations and Extensions

If selected by You and specified in the Schedule, the Variations and Extensions as indicated below will apply.

	Details of Cover
(1) Vehicles or Watercraft in Your Physical or Legal Control	<p>(a) We will pay You for claims in respect of Property Damage to Vehicles or Watercraft, not owned by You, or used by You or on Your behalf, while in Your physical or legal control while:</p> <ul style="list-style-type: none"> (i) left at the Situation; or (ii) left stationary in the immediate vicinity of the Business; <p>for repair, servicing, maintenance, testing, storage, or sale, provided that:</p> <p>if the Vehicle or Watercraft is stolen and the theft occurred during business hours and involved the use of the Vehicle or Watercraft's own key, You shall pay an Excess \$2,000 or 10% of the Market Value of the Vehicle or Watercraft, whichever is the greater.</p> <p>This Excess clause will not apply if:</p> <ul style="list-style-type: none"> (A) the key was stolen from a securely locked safe, strongroom, or key cabinet approved by Us and access was gained into the safe, strongroom, or approved key cabinet by use of visible force or violence; or (B) the Vehicle or Watercraft was stolen as a result of actual or threatened assault; or (C) the Vehicle or Watercraft was stolen from within a building at the Situation. <p>(b) We will not pay for the theft of a Vehicle that occurs after business hours if the theft of the Vehicle involved the use of its own key unless the Vehicle's key was stolen from a securely locked safe, strongroom, or key cabinet approved by us, and access was gained into such safe, strongroom, or approved key cabinet, by the use of visible force or violence.</p>
(2) Property (other than Vehicles or Watercraft) in Your Physical or Legal Control	<p>(a) We will pay for claims in respect of Property not belonging to You, but in Your physical or legal control up to the amount specified in the Schedule, for any one Occurrence.</p> <p>(b) We will not pay for Money, securities, negotiable instruments, Vehicles, or Watercraft.</p>
(3) Rectification of Faulty Workmanship	<p>(a) We will pay for claims in respect to the cost of rectifying, performing, re-performing, completing or improving any work undertaken by You notwithstanding that such rectification, performance, re-performance, completion or improvement is consequent upon Faulty Workmanship;</p> <p>provided that:</p> <ul style="list-style-type: none"> (i) the Faulty Workmanship was performed during the Period of Insurance or at a time when You held a policy of insurance that provided similar cover as this policy section, but only after such original work has caused resultant damages; and (ii) Our liability shall be limited to the lowest of the following amounts: <ul style="list-style-type: none"> (A) an amount equal to the wholesale price of parts, freight costs and net labour costs necessarily and reasonably incurred to rectify, perform, re-perform, complete or improve the work undertaken by You; or (B) Our total liability for all claims arising from rectification of Faulty Workmanship is limited to \$10,000 any one Occurrence and \$20,000 in the aggregate during the Period of Insurance.
(4) Contractors and Subcontractors	<p>We will pay for claims in respect to Personal Injury or Property Damage arising directly or indirectly out of contractors or subcontractors negligence in respect to work undertaken under a contract with You and which is incidental to Your Business.</p>

Section 5 - Broadform Liability (continued)

5.7 Variations and Extensions (continued)

<p>(5) Vehicle Inspection and Evaluation - Property Damage or Personal Injury</p>	<p>We will indemnify You for claims in respect of your legal liability resulting from Personal Injury or Property Damage arising from Your assessment or evaluation of a Vehicle where You provide a:</p> <ul style="list-style-type: none"> (a) vehicle roadworthy certificate, vehicle condition report or vehicle compliance report issued by You when duly authorised to do so by a statutory body, or (b) vehicle pre-purchase inspection report, or a (c) vehicle safety report. <p>For the purposes of this Variation and Extension, a vehicle is defined as any machine on wheels or self-laid tracks, designed to be propelled by other than manual or animal power, and any trailer or other attachment designed to be drawn by any such machine. Provided that such machine has been designed specifically for:</p> <ul style="list-style-type: none"> (i) the carriage of passengers, or (ii) use as a forklift with a lifting capacity not exceeding five tonnes, or (iii) transporting goods or towing loads of weight of less than 40 tonnes. <p>But does not include:</p> <ul style="list-style-type: none"> (iv) aircraft, (v) watercraft, (vi) locomotives or railway rolling stock, or (vii) vehicles used for underground mining.
<p>(6) Vehicle Workmanship, Inspection and Evaluation - No Property Damage or Personal Injury</p>	<p>We will indemnify You in respect of Your liability for claims, other than Personal Injury or Property Damage, caused by or arising from:</p> <ul style="list-style-type: none"> (a) Faulty Workmanship, or (b) Your assessment or evaluation of a Vehicle where You provide a: <ul style="list-style-type: none"> (i) vehicle roadworthy certificate, vehicle condition report or vehicle compliance report issued by You when duly authorised to do so by a statutory body, or a (ii) vehicle pre-purchase inspection report, or a (ii) vehicle safety report. <p>For the purposes of this Variation and Extension, a vehicle is defined as any machine on wheels or self-laid tracks, designed to be propelled by other than manual or animal power, and any trailer or other attachment designed to be drawn by any such machine. Provided that such machine has been designed specifically for:</p> <ul style="list-style-type: none"> (i) the carriage of passengers, or (ii) use as a forklift with a lifting capacity not exceeding five tonnes, or (iii) transporting goods or towing loads of weight of less than 40 tonnes. <p>But does not include:</p> <ul style="list-style-type: none"> (iv) aircraft, (v) watercraft, (vi) locomotives or railway rolling stock, or (vii) vehicles used for underground mining. <p>Our total liability for all claims under this Variation and Extension is limited to \$50,000 or the amount specified in the Schedule (whichever is the lesser) any one Occurrence, and \$100,000 in the aggregate during the Period of Insurance.</p>

Section 6 - Employee Dishonesty

6.1 Definitions

The intended meaning of the important words used in Section 6 only, are shown below.

Word	Meaning
Employee	Any person who is engaged by You to work in Your service in the ordinary course of Your Business: <ul style="list-style-type: none"> (a) whom You remunerate by salary, wages, or commission; and (b) whom You have the right to control and direct in the performance of such work; but not including a director, partner, or trustee of Your Business, or any broker, commission merchant, consignee, contractor, or agent, or a person who is a member of any committee which examines or audits or has custody of or access to Your Money negotiable instruments or goods.
Property	Money, negotiable instruments, or goods belonging to You or for which You are legally liable.

Also refer to the General Definitions which are applicable to Section 6.

6.2 Defined Events

If Your Schedule indicates that You have taken out insurance under Section 6, **We insure** You for loss of Property caused by any:

- (1) **fraudulent; or**
- (2) **dishonest;**

act by an identified Employee with the clear intent of making improper personal financial gain, occurring in the Commonwealth of Australia and during the Period of Insurance.

We will not pay for any loss as set out in the Specific Exclusions in Section 6 or the General Exclusions in Section 11.

6.3 Settlement

If You have a valid claim under Section 6, **We will pay** You on the basis set out below.

	Settlement Basis
(1) Our Limit of Indemnity	Our liability is limited to the Sum Insured, less the stated Excess, for: <ul style="list-style-type: none"> (a) any one Employee; or (b) any number of Employees acting in collusion in respect of: <ul style="list-style-type: none"> (i) the one event; or (ii) series of events arising from the one source, which constitute an ongoing course of similar conduct; irrespective of whether the acts of fraud or dishonesty were committed during more than one Period of Insurance.
(2) Employee's Money or Assets	Any Money or assets payable by You to the Employee or in Your possession will, to the extent allowed by law, be deducted from the amount payable under Section 6. If Your loss exceeds the amount recoverable under Section 6, the retained amounts will be applied first to the uninsured portion of the loss.

6.4 Additional Benefits

(1) If You have a valid claim under Section 6, **We will** also insure You for the following additional benefits if necessarily and reasonably incurred, but **You must** obtain Our consent prior to any of the costs being incurred.

Additional Benefit	Limits to Additional Benefit, in addition to the Sum Insured
(1) External Auditors	We will pay up to: <ul style="list-style-type: none"> (a) 5% of a loss payable; or (b) \$10,000; whichever is the lesser , for the reasonable cost of external auditors, incurred to substantiate a valid claim.
(2) Unidentified Employee	We will pay up to \$2,000 less the stated Excess for loss of Property caused by any fraudulent or dishonest act or omission of an unidentifiable Employee.

Section 6 - Employee Dishonesty (continued)

Additional Benefits (continued)

(2) If You are insured under Section 6, **We will** extend Your insurance to include the following additional benefit.

Additional Benefit	Limits to Additional Benefit, not in addition to the Sum Insured
(1) Continuity of Insurance	<p>(a) If Section 6 replaces any prior policy of insurance and there is unbroken continuity of cover, then Section 6 will apply to any loss which is discovered within the Period of Insurance, but We will only pay if this loss would have been reimbursed:</p> <ul style="list-style-type: none"> (i) under the prior policy except for the fact that the time limitation within which to discover such loss had expired; and (ii) under Section 6 had this policy been in force when the acts of fraud or dishonesty were committed. <p>(b) We will pay up to:</p> <ul style="list-style-type: none"> (i) the limit of indemnity of the previous policy; or (ii) the Sum Insured for Section 6; <p>whichever is the lesser.</p> <p>(c) You must pay:</p> <ul style="list-style-type: none"> (i) the Excess shown in the previous policy; or (ii) the Excess applicable to Section 6; <p>whichever is the greater.</p>

6.5 Specific Exclusions

We do not insure You under Section 6, for the following circumstances.

	Excluded Circumstances
(1) After Discovery	We will not pay for loss arising from any act of fraud or dishonesty committed by an Employee after discovery by You of any act of fraud or dishonesty on the part of that Employee.
(2) Check or Precaution	We will not pay if You fail to perform or observe any check or take any precaution requested by Us.
(3) Time Limitation	<p>We will not pay for loss discovered after twelve (12) months following the termination of:</p> <ul style="list-style-type: none"> (a) this section; or (b) the employment of the responsible Employee; <p>whichever occurs first.</p>

Also refer to the General Exclusions in Section 11 which are applicable to Section 6.

6.6 Specific Conditions

If You are insured under Section 6, You must follow the specific conditions noted below otherwise We may deny any liability to pay any claim under Section 6.

	Specific Conditions
(1) Change of Ownership	You must notify Us in writing within 30 days if Your Business is merged, amalgamated, or consolidated with another Business, and pay any adjusted Premium as required by us.
(2) Discovery of Fraud or Dishonesty	You must notify Us immediately upon the discovery of any act or reasonable cause of suspicion of fraud or dishonesty by any Employee whether giving rise to a claim under this section or not.
(3) Claims Procedures	<p>You must upon discovery of any circumstances giving rise to or likely to give rise to a claim under section 6:</p> <ul style="list-style-type: none"> (a) Immediately notify Us in writing and fully explain all circumstances. (b) Immediately notify the police. (c) Deliver to Us a detailed statement within 14 days. (d) Permit Us, or Our agents, to inquire into, investigate, and examine the circumstances of the loss. (e) At Your expense, produce and supply copies of all books, vouchers, correspondence, documents, receipts, and all entries, in Your possession or control, relating to the loss. (f) Give all possible assistance, as may be required by Us, relating to the claim, the correctness of the loss, and Our liability under Section 6.

Also refer to the General Conditions in Section 12.

Section 7 - Machinery

7.1 Definitions

The intended meaning of some of the important words used in Section 7 only, are shown below.

Word	Meaning
Boiler Explosion	The sudden and violent rending of the Boiler or Pressure Vessel by force of internal steam, gas, or fluid pressure (including the pressure of ignited flue gases) causing bodily displacement of its structure together with forcible ejection of its contents.
Boiler or Pressure Vessel	Those parts of the permanent structure of a boiler, pressure vessel, economiser, or superheater and attaching pipe systems, specified in the Schedule, which are subject to internal steam, gas, or fluid pressure.
Breakdown	Sudden and unforeseen physical damage which requires immediate repairs or any part to be replaced in order to make the Machinery operate in the same manner and condition as before the sudden and unforeseen physical damage.
Collapse	The sudden and dangerous distortion of a Boiler or Pressure Vessel caused by bending or crushing of the permanent structure by force of steam, gas, or fluid pressure (other than the pressure of ignited flue gases) including damage caused by overheating resulting from deficiency of water.
Machinery	The electrical or mechanical machinery specified in the Schedule.

Also refer to the General Definitions which are applicable to Section 7.

7.2 Defined Events

If Your Schedule indicates that You have taken out insurance under Section 11, **We insure** You for:

- (1) **Breakdown of the Machinery;** or
- (2) **Boiler Explosion or Collapse of the Boiler or Pressure Vessel;** or
- (3) **Goods in Cold Chambers, against deterioration;**

occurring at the Situation during the Period of Insurance.

We will not pay for any loss, destruction, or damage as set out in the Specific Exclusions in Section 7.5 or the General Exclusions in Section 11.

Section 7 - Machinery (continued)

7.3 Settlement

If You have a valid claim under Section 7, **We will** at Our option pay for, reinstate, or repair the Machinery or Boiler or Pressure Vessel on the basis set out below.

	Settlement Basis
(1) Machinery	<p>(a) Where the Machinery is:</p> <ul style="list-style-type: none"> (i) lost or destroyed, its replacement by similar Machinery to a condition equal to but not better or more extensive than its condition at the time of loss or destruction; or (ii) damaged, the repair and/or restoration of the Machinery without deduction for depreciation. <p>(b) We are not bound to replace, restore, or repair exactly or completely but only as circumstances permit and in a reasonably sufficient manner.</p> <p>(c) If the Machinery or its component can be repaired then it must be repaired unless the cost of repair exceeds the Replacement Cost, in which case the Machinery or its component will be replaced without deduction for depreciation.</p>
(2) Boiler or Pressure Vessel	<p>(a) Where the Boiler or Pressure Vessel is:</p> <ul style="list-style-type: none"> (i) lost or destroyed, its replacement by similar Property, to a condition equal to but not better or more extensive than its condition when new; or (ii) damaged, the repair or restoration of the Boiler or Pressure Vessel to a condition substantially the same as but not better or more extensive than its condition when new. <p>(b) We are not bound to replace, restore or repair exactly or completely but only as circumstances permit.</p> <p>(c) If the Boiler or Pressure Vessel can be repaired then it must be repaired unless the cost of repair exceeds the Replacement Cost, in which case the Boiler or Pressure Vessel will be replaced without deduction for depreciation.</p>
(3) Salvage	The agreed value of any salvage will be deducted from any claim and the salvage will remain Your Property.
(4) Our Limit of Indemnity	Our liability is limited to the Sum Insured, less the stated Excess.
(5) Goods in Cold Chamber	<p>(a) We will pay for loss, destruction, or damage to perishable goods, including their packaging, belonging to You or for which You are responsible or have assumed a responsibility to insure, held in a refrigerated compartment, arising from deterioration or putrefaction caused by:</p> <ul style="list-style-type: none"> (i) a Breakdown payable under Section 7 or which would have been payable but for the application of any Excess; or (ii) a Breakdown of the public electricity supplier's system which would have been payable if insured under Section 7, but We will not pay for a deliberate act of the supplier, unless performed for the sole purpose of safeguarding life, or protecting a part of the supplier's system; or (iii) the operation or failure of the Machinery's protective devices or thermostats, but We will not pay for loss, destruction, or damage caused by the manual operation or manual setting of switches or controls.

Section 7 - Machinery (continued)

7.3 Settlement (continued)

(5) Goods in Cold Chamber (continued)	<p>(b) We will pay for the reasonable expenses incurred to minimise and prevent further loss, provided the expenses do not exceed the loss avoided.</p> <p>(c) Our liability is limited to:</p> <p>(i) the Sum Insured; or</p> <p>(ii) the purchase cost of the lost, destroyed, or damaged goods plus the additional expenses incurred;</p> <p>whichever is the lesser, less the stated Excess.</p> <p>(d) Following the occurrence of loss, destruction, or damage, the Sum Insured is reinstated to the full amount specified in the Schedule.</p> <p>You must pay the appropriate extra Premium if required by Us.</p> <p>(e) We will not pay for loss, destruction, or damage resulting from:</p> <p>(i) The inefficiency of the refrigeration system to hold the refrigerated compartment containing the refrigerated goods at the required temperature.</p> <p>(ii) The accidental or deliberate switching off of the refrigeration system controlling the refrigerated compartment containing the refrigerated goods.</p> <p>(iii) Shrinkage, inherent defects, or diseases.</p> <p>(iv) Improper storage or stowage or Collapse of packing materials.</p> <p>(v) Refrigerated goods that have passed their use by dates.</p> <p>(vi) Damage to goods which are alive or of a bacterial nature.</p> <p>(f) Unless We have authorised otherwise, any damaged refrigerated goods must be retained for Our inspection before disposal.</p>
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7.4 Additional Benefits

(1) If You have a valid claim under Section 7, **We will** also insure You for the following additional benefits necessarily and reasonably incurred, **but You must** obtain Our consent prior to any of the costs being incurred.

Additional Benefit	Limits to Additional Benefits, in addition to the Sum Insured
(1) Increased cost of working	<p>We will pay up to a total of 20% of the Sum Insured specified in the Schedule or \$5,000 whichever is the lesser for:</p> <p>(a) extra charges for overtime, night work, or work on public holidays;</p> <p>(b) express freight in the Commonwealth of Australia other than specifically chartered air freight;</p> <p>(c) the cost of hiring of temporary Machinery; and</p> <p>(d) the cost of effecting temporary repair.</p>
(2) Overseas Air Freight	If You have a valid claim under Section 7, or would have had, but for the application of an Excess, We will also insure You for the cost of air freight necessarily and reasonably incurred from anywhere in the world to obtain replacement parts.

(2) If You are insured under Section 7, **We will** extend Your insurance to include the following additional benefit.

Additional Benefit	Limits to Additional Benefit, not in addition to the Sum Insured
(1) Automatic Inclusion of Similar Items	<p>We will insure, for a period not exceeding three (3) months, any additional Machinery, Boiler or Pressure Vessel which is installed, tested, and commissioned for commercial use and which is of a similar category to any Machinery, Boiler or Pressure Vessel previously declared to Us, but:</p> <p>(a) the value of the additional Machinery, Boiler or Pressure Vessel must not exceed the current Sum Insured;</p> <p>(b) the additional Machinery, Boiler or Pressure Vessel must be free from material defects known to You and must comply with any statutory obligation concerning its examination and certification;</p> <p>(c) You must inform Us within three (3) months of the installation of such additional Machinery, Boiler or Pressure Vessel and pay the appropriate extra Premium as required by Us; and</p>

Section 7 - Machinery (continued)

7.4 Additional Benefits (continued)

(1) Automatic Inclusion of Similar Items (continued)	(d) if following any examination an additional Machinery, Boiler or Pressure Vessel proves to be unacceptable to Us, You will be notified in writing and the insurance on that additional Machinery, Boiler or Pressure Vessel will be cancelled.
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7.5 Specific Exclusions

We do not insure You under Section 7 for the following circumstances.

	Excluded Circumstances
(1) Maintenance	We will not pay for maintaining, cleaning, adjusting, overhauling, or making improvements to the Machinery, Boiler or Pressure Vessel.
(2) Wear, Tear and Leakage	<p>We will not pay for the cost of rectifying:</p> <ul style="list-style-type: none"> (a) Wear, tear, or gradual deterioration. (b) Scratching or other marking of painted or polished surfaces. (c) Wearing away or wasting of the material of the Machinery, Boiler or Pressure Vessel by atmospheric conditions, rust, erosion, oxidation, leakage, corrosion, or ordinary use. (d) Slowly developing deformation or distortion of any part of the Machinery, Boiler or Pressure Vessel. (e) Cracks, fractures, blisters, laminations, flaws, or grooving even if accompanied by leakage or damage to tubes, heaters, or other parts of the Boiler or Pressure Vessel caused by overheating or leakage at seams, tubes, or other parts of the Boiler or Pressure Vessel. (f) Failure of joints.
(3) Hydraulic or Hydrostatic Test	We will not pay for the cost of rectifying damage arising during the application of, or resulting from, any hydraulic or hydrostatic test of the Boiler or Pressure Vessel.
(4) Perils	<p>We will not pay for loss, destruction, or damage caused by or arising from:</p> <ul style="list-style-type: none"> (a) Fire, attempts to prevent the spread of fire, extinguishing of a fire, or subsequent demolition. (b) Smoke or soot. (c) Lightning. (d) Explosion, other than Boiler Explosion. (e) Impact of landborne Vehicles or Watercraft. (f) Earthquake, subterranean fire, or volcanic eruption. (g) Landslip, subsidence, or erosion. (h) Riot, strike, lockout, civil commotion, persons acting maliciously on behalf of or in connection with any political organisation, or cessation of work whether total or partial. (i) Aircraft or other aerial devices or articles dropped therefrom. (j) Storm, tempest, windstorm, hurricane, or cyclone. (k) Rainwater or Flood. (l) Liquid or substance discharging or leaking from any apparatus, appliance, pipe, or other system, unless the apparatus, appliance, pipe, or other system forms part of the Machinery. (m) Theft or attempted theft. (n) Vandalism.
(5) Existing Faults	We will not pay for faults or defects known to You or Your employees and not disclosed to Us at the time this insurance was entered into.
(6) Unsafe or Unlawful Operation	<p>We will not pay:</p> <ul style="list-style-type: none"> (a) If at the time of loss, destruction, or damage: <ul style="list-style-type: none"> (i) the setting of any safety device was in excess of the limit imposed by any applicable regulation or the limit recommended by the manufacturer; or (ii) any safety device was removed or rendered inoperative; or (iii) the Boiler or Pressure Vessel was not the subject of a current certificate of inspection as required by any regulation.

Section 7 - Machinery (continued)

7.5 Specific Exclusions (continued)

	Excluded Circumstances
(6) Unsafe or Unlawful Operation (continued)	<p>(b) Where the Boiler or Pressure Vessel:</p> <p>(i) does not conform with all applicable Australian standards or Codes; or</p> <p>(ii) is operating in an unsafe condition.</p> <p>(c) Where an inspection by a competent person has not been carried out at intervals specified in Australian Standard AS/NZS 3788 1996.</p>
(7) Fitting of Automatic Devices to Unattended Combustion Engines	We will not pay for loss, destruction, or damage to an unattended combustion engine as a result of the combustion engine not being fitted with an effective operational engine monitoring device which will stop the combustion engine in the event of a lubricating or cooling fault or failure.
(8) Fitting of Flow/Pressure Switch to Submersible or Turbine Pump	We will not pay for loss, destruction, or damage, to a submersible or turbine pump as a result of it not being fitted with an effective operational water flow or pressure switch that is capable of stopping the submersible or turbine pump in the event of:
	<p>(a) water pressure drop; or</p> <p>(b) insufficient water flow.</p>
(9) Modifications, Alterations, Additions, Improvements or Overhauls	We will not pay for the cost of any modifications, alterations, additions, improvements, or overhauls of the Machinery, Boiler or Pressure Vessel.
(10) Liability	We will not pay for legal liability of any kind.
(11) Replacement of Machinery	We will not pay for the cost of replacement of:
	<p>(a) Heating or defrosting elements, brushes, batteries, screens, sieves, belts, ropes, wires, chains, felts, fabrics, packing, exchangeable tools, dryers, cutting blades, seals, fuses, filters, glass or ceramic components, electric contacts, filaments, tyres, rails, wear plates, dies, engraved cylinders, moulds, patterns, or other parts which by their use and nature suffer a high rate of wear or depreciation.</p> <p>(b) Refrigerant or transformer oils due to defective glands, seals, valves, gauges or loose connections.</p> <p>(c) Fuels, chemicals, filter substances, heat transfer media, cleaning agents, lubricants, oil, catalysts, or other operating material.</p> <p>(d) Concrete, brickwork, or refractories.</p> <p>(e) Materials in the course of or undergoing processing.</p>
(12) Statutory Regulations	We will not pay for the cost of replacement or exchange of:
	<p>(a) Parts, equipment, or apparatus;</p> <p>(b) Liquids; or</p> <p>(c) Refrigerant gases;</p> <p>to meet or comply with any statute or regulation in relation to substitution of refrigerant gas requirements whether carried out in the course of payable repairs or as a separate operation.</p>
(13) Testing	We will not pay for damage arising from the Machinery, Boiler or Pressure Vessel being:
	<p>(a) subjected to tests involving abnormal stresses; or</p> <p>(b) intentionally overloaded.</p>
(14) Damage to Machinery, Boiler or Pressure Vessel	We will not pay for loss, destruction, or damage to:
	<p>(a) Computers, telephone and closed circuit television installations, and other office electronic equipment.</p> <p>(b) Gaming, gambling, amusement, vending machinery, audio, or visual entertaining equipment.</p> <p>(c) Any Vehicle, caravan, trailer, or cycle.</p> <p>(d) Lifts, escalators, or elevators.</p> <p>(e) Reticulating electrical wiring or lighting equipment.</p> <p>(f) Water and gas piping.</p> <p>(g) Storage tanks and vats.</p> <p>(h) Watercraft.</p> <p>(i) Aircraft.</p>

Section 7 - Machinery (continued)

7.5 Specific Exclusions (continued)

(15) Warranty or Guarantee	We will not pay for replacement parts, labour cost, or travelling cost recoverable under any supplier's, manufacturer's, or repairer's warranty or guarantee, or which would have been covered but for a breach of Your obligations under the terms of the warranty or guarantee.
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Also refer to the General Exclusions in Section 11 which are applicable to Section 7.

7.6 Specific Conditions

If You are insured under Section 7, You must follow the Specific Conditions noted below, otherwise We may deny liability to pay any claim under Section 7.

Specific Conditions	
(1) Notice of Alterations and Additions	<p>(a) You must notify Us within 30 days of changes in work conditions, removal, alterations, or additions to the Machinery, Boiler or Pressure Vessel.</p> <p>(b) If We do not approve of such changes, We may cancel the insurance in respect of the Machinery, Boiler or Pressure Vessel and return to You a proportion of the Premium for the unexpired Period of Insurance.</p>
(2) Claims Procedures and Requirements	<p>(a) You must notify Us prior to commencement of any repairs in excess of \$500 to ensure repairs are acceptable to Us; and</p> <p>(b) Your repairer must leave at the Situation, for Our inspection, all parts which have been replaced.</p>
(3) Inspection	You must at all reasonable times permit Our representative to inspect the Machinery, Boiler or Pressure Vessel.

Also refer to the General Conditions in Section 12.

Section 8 - Computer Systems and Electronic Equipment

8.1 Definitions

The intended meaning of some of the important words used in Section 8 only, are shown below.

Word	Meaning
Breakdown	Physical loss, destruction, or damage resulting from the electronic, electrical, or mechanical failure of the Electronic Equipment arising from internal defects causing sudden stoppage of the function and requiring the repair or replacement of the Electronic Equipment.
Electronic Equipment	The computers, word processors, electronic data processing equipment, systems, or other electronic equipment, specified in the Schedule.
Indemnify	(a) Where the Electronic Equipment is lost or destroyed, its replacement by similar Electronic Equipment to a condition equal to but not better or more extensive than its condition at the time of loss or destruction ; or (b) Where the Electronic Equipment is damaged, the repair or restoration of the Electronic Equipment without deduction for depreciation .
Indemnity Period	The period specified in the Schedule beginning with the use of a Substitute System and ending not more than the specified number of months later, during which the results of the Business are affected as a result of loss, destruction, or damage payable under Section 8.
Maintenance Agreement	Any agreement that provides for the remedial repair of any fault or Breakdown that occurs in the course of the normal operation of the Electronic Equipment, including the costs of all parts and labour.
Power Surge Protection Device	A device which will protect the Electronic Equipment from loss, destruction, or damage resulting from electrical power supply: (a) Surge, interference, or overload; or (b) Transient surge spikes.
Substitute System	Any reasonable process undertaken to maintain the normal operation of the Business.

Also refer to the General Definitions which are applicable to Section 8.

8.2 Defined Events

If Your Schedule indicates that You have taken out insurance under Section 8, **We insure** You for sudden unforeseen physical loss, destruction, or damage of the Electronic Equipment, **but only**:

- (1) while at the Situation;
- (2) after the completion of successful initial commissioning; and
- (3) during the Period of Insurance.

We will not pay for any loss, destruction, or damage as set out in the Specific Exclusions in Section 8.5 or the General Exclusions in Section 11.

Section 8 - Computer Systems and Electronic Equipment (continued)

8.3 Settlement

If You have a valid claim under Section 8, **We will** at Our option pay for, reinstate, or repair the Electronic Equipment on the basis set out below.

	Settlement Basis
(1) Electronic Equipment	<p>(a) Where the Electronic Equipment is:</p> <ul style="list-style-type: none"> (i) lost or destroyed, its replacement by similar Electronic Equipment, to a condition equal to but not better or more extensive than its condition when new; or (ii) damaged, the repair or restoration of the Electronic Equipment to a condition substantially the same as but not better or more extensive than its condition when new; <p>provided that a sum equal to the cost of reinstatement has actually been incurred, otherwise We will Indemnify You.</p> <p>(b) We are not bound to reinstate exactly or completely but only as circumstances permit.</p> <p>(c) If the Electronic Equipment can be repaired, then it must be repaired unless the cost of repair exceeds the Replacement Cost, in which case the Electronic Equipment will be replaced.</p> <p>(d) No deductions will be made for depreciation in respect of parts replaced, except that We will deduct from the Replacement Cost of valves, tubes (including picture tubes), and light sources the percentage which the use, up to the time of failure, bears to the expected life as quoted by the manufacturer or supplier.</p>
(2) Expenses	<p>We will pay for all reasonable expenses incurred to return the damaged Electronic Equipment to its former state of serviceability, including:</p> <ul style="list-style-type: none"> (a) Labour, travel, and call out costs. (b) Cost of dismantling, re-erection, and removal of debris. (c) Charges for overtime and work on public holidays. (d) Freight in the Commonwealth of Australia including transportation, as freight, by any recognised airline's scheduled service.
(3) Salvage	The agreed value of any salvage will be deducted from any claim and the salvage will remain Your Property.
(4) Our Limit of Indemnity	Our total liability is limited to the Sum Insured, less the stated Excess.
(5) Automatic Reinstatement of the Sum Insured	Following the occurrence of loss, destruction, or damage, the Sum Insured is reinstated to the full amount specified in the Schedule, provided that You pay any additional Premium as required by Us.
(6) Underinsurance	<p>If Your Property is insured for less than 80% of its reinstatement value at the time the insurance under Section 8 was taken out, renewed, extended, or varied, We will only pay that portion of the claim which the Sum Insured bears to 80% of that value, in accordance with the formula:</p> $\frac{\text{The amount of the loss, destruction, or damage} \times \text{the Sum Insured}}{80\% \text{ of the value of the Property}}$ <p>Example: Where the Property is valued at \$20,000 but only insured for \$10,000 and a loss of \$5,000 occurs, We will pay:</p> $\frac{\$5,000 \times \$10,000}{(80\% \text{ of } \$20,000)} = \$3,125$ <p>We will not pay \$5,000, therefore You will bear the difference of the loss being \$1,875.</p>
(7) Reinstatement of Data	<p>(a) If the electronic data processing media (data media) is lost, destroyed, or damaged as a result of a defined event in Section 8.2, We will pay:</p> <ul style="list-style-type: none"> (i) the reasonable cost of replacement of the lost, destroyed, or damaged data media by new unused materials; (ii) all reasonable expenses incurred by You strictly for the purpose of restoring the data media by reproduction of the data or information to a condition equivalent to that existing prior to the occurrence of loss, destruction, or damage; (iii) for lost data or information to be reproduced in an updated form, if the cost of doing so is no greater than that of reinstatement to a condition existing prior to the occurrence of loss, destruction, or damage; and (iv) the cost of extra charges incurred for overtime work.

Section 8 - Computer Systems and Electronic Equipment (continued)

8.3 Settlement (continued)

	Settlement Basis
(7) Reinstatement of Data (continued)	<p>(b) Our liability is limited to the Sum Insured, less the stated Excess.</p> <p>(c) We will not pay for:</p> <ul style="list-style-type: none"> (i) Costs and expenses incurred more than twelve (12) months after the occurrence of physical loss, destruction, or damage insured under Section 8. (ii) Loss or distortion (of data information or records) which does not arise from physical damage to the data media material. (iii) Wasting, wearing away or wearing out, caused by or naturally resulting from ordinary use, working, or gradual deterioration. (iv) Faults or defects known to You or Your employees and not disclosed to Us at the time this insurance was arranged. (v) Loss, destruction, or damage caused by atmospheric moisture, or temperature, but not if directly resulting from damage to air-conditioning Equipment essential for controlling the working or storage environment of the Electronic Equipment.
(8) Increased Cost of Working	<p>(a) We will pay for all additional expenditure necessarily and reasonably incurred for the use of a Substitute System during the Indemnity Period:</p> <ul style="list-style-type: none"> (i) to maintain normal Business operation during the interruption following loss, destruction, or damage insured under Section 8; or (ii) if the normal operation of the Electronic Equipment is interrupted as a direct result of Breakdown, at the Situation and during the Period of Insurance, for which remedial service is provided under a manufacturer's or supplier's Maintenance Agreement. <p>(b) Our liability is limited to the Sum Insured for:</p> <ul style="list-style-type: none"> (i) the Indemnity Period; (ii) the aggregate of all interruptions during the Period of Insurance; or (iii) any one interruption, the pro-rata proportion of the Sum Insured corresponding to the actual duration of the interruption; <p>whichever is the lesser, less the stated Excess.</p> <p>(c) The Excess is the first two (2) working days or the number of working days specified in the Schedule, whichever is greater, of each and every loss.</p> <p>(d) We will not pay for:</p> <ul style="list-style-type: none"> (i) The normal expenses which You would have incurred in the operation of the Electronic Equipment. (ii) The number of days specified in the Schedule. (iii) More than four (4) weeks of the Indemnity Period, due to delay in the repair or restoration of Property of foreign manufacture where such delays result from: <ul style="list-style-type: none"> (A) Measures, restrictions, or regulations imposed by any government, public, or local authority. (B) The time required to procure replacement components, parts, or complete Electronic Equipment in overseas markets. (C) The time required to transport or ship component parts or complete Electronic Equipment between the Situation and the overseas place of repair or restoration. (D) The time required to engage and transport overseas specialists or consultants to assist in or supervise local repairs. (iv) Any expenses incurred during any period where inability to resume normal operation of the Electronic Equipment arises solely by reason of the discontinuance of manufacture or obsolescence of the system or any component part of the system. (v) Business interruption periods due to alterations or improvements to the Electronic Equipment, or solely due to the need for cleaning, adjustment, inspection, or maintenance.

Section 8 - Computer Systems and Electronic Equipment (continued)

8.4 Additional Benefits

If You are insured under Section 8, **We will** extend Your insurance to include the following additional benefit.

Additional Benefit	Limits to Additional Benefits, not in addition to the Sum Insured unless otherwise stated
(1) Newly Installed or Replaced Items	<p>(a) We will pay, in addition to the Sum Insured, up to:</p> <ul style="list-style-type: none"> (i) 10% of the total Sum Insured for Electronic Equipment; or (ii) \$10,000; <p>whichever is the lesser, for successfully tested and commissioned additional Electronic Equipment, newly installed at the Situation during the Period of Insurance.</p> <p>(b) You must at the end of the Period of Insurance forward to Us:</p> <ul style="list-style-type: none"> (i) details of the Electronic Equipment newly installed or deleted during the Period of Insurance; and (ii) copies of all guarantees/warranties being in effect pertaining to that Electronic Equipment. <p>(c) Any additional or return Premium will be calculated corresponding to the type and value of the Electronic Equipment and the period during which it was insured.</p>
(2) Temporary Removal	<p>(a) We will pay for loss, destruction, or damage to normally static Electronic Equipment while it is being transported away from the Situation to anywhere in the Commonwealth of Australia, for the purpose of repair, alteration, or modification.</p> <p>(b) We will pay up to:</p> <ul style="list-style-type: none"> (i) \$5,000; or (ii) the amount specified in the Schedule; <p>whichever is the greater, for each item, less any Excess specified in the Schedule, for any one accident.</p> <p>(c) We will not pay for loss, destruction, or damage:</p> <ul style="list-style-type: none"> (i) due to theft or attempted theft while the Electronic Equipment is unattended unless inside a: <ul style="list-style-type: none"> (A) locked building; or (B) securely locked Vehicle; or (ii) unless packed in the original manufacturer's shipment container and packing or equivalent purpose-built transportation container.

8.5 Specific Exclusions

We do not insure You under Section 8, for the following circumstances.

	Excluded Circumstances
(1) Maintenance and Alterations	<p>We will not pay for the cost of:</p> <ul style="list-style-type: none"> (a) maintenance work; or (b) alterations, additions, improvements, or overhauls whether carried out in the course of payable repairs or as a separate operation.
(2) Wear and Tear	<p>We will not pay for the cost of replacement or restoration resulting from gradual deterioration, wear and tear, rust, corrosion, erosion, oxidation, or scale formation.</p>
(3) Temporary Repairs	<p>We will not pay for the cost of temporary repairs except where such repairs constitute part of the final repairs and do not increase the total repair costs.</p>
(4) Hire, Rental, Lease, or Loan	<p>We will not pay for loss, destruction, or damage, occurring to Electronic Equipment during any period when it is out of Your possession on hire, rental, lease, or loan.</p>
(5) Atmospheric Moisture or Fluctuation in Temperature	<p>We will not pay for loss, destruction, or damage caused by or arising from atmospheric moisture or fluctuation in temperature.</p>
(6) Scratching of Painted or Polished Surfaces	<p>We will not pay for loss, destruction, or damage caused by or arising from scratching of painted or polished surfaces.</p>
(7) Maintenance Agreement	<p>We will not pay for any loss, destruction, or damage covered under any Maintenance Agreement or which would have been covered but for a breach of Your obligations under the terms of the Maintenance Agreement.</p>

Section 8 - Computer Systems and Electronic Equipment (continued)

8.5 Specific Exclusions (continued)

	Excluded Circumstances
(8) Manufacturers' or Suppliers' Guarantee/Warranty	We will not pay for loss, destruction, or damage covered under any manufacturers' or suppliers' guarantee/warranty or which would have been covered but for a breach of Your obligations under the terms of the guarantee/warranty.
(9) Reinstatement of Data	We will not pay for loss, destruction, or damage to electronic data processing media unless You have selected the cover and it is specified in the Schedule.
(10) Computer Virus	We will not pay for loss, destruction, or damage caused by or arising from Computer Virus.
(11) Valves, Tubes and Batteries	We will not pay for the cost of replacement of: <ul style="list-style-type: none"> (a) Valves, tubes (including picture tubes), and light sources which are components of the Electronic Equipment which: <ul style="list-style-type: none"> (i) have reached the end of their normal working life; or (ii) are being replaced because of damage, which in the opinion of the manufacturer or supplier of the Electronic Equipment affected, was caused by wearing out resulting from ordinary use or working; (b) Damaged, worn, or spent batteries, belts, chains, tapes, ribbons, films, filters, fuses, electric heating elements, glass components, or lubricants; or (c) Component parts worn or deteriorated through normal operation.

Also refer to the General Exclusions in Section 11 which are applicable to Section 8.

8.6 Specific Conditions

If You are insured under Section 8, You must follow the Specific Conditions noted below, otherwise We may deny liability to pay any claim under Section 8.

	Specific Conditions
(1) Claims Procedures and Requirements	<ul style="list-style-type: none"> (a) You must notify Us prior to commencement of any repairs in excess of \$500 to ensure repairs are acceptable to Us. (b) Your repairer must leave at the Situation, for Our inspection, all parts that have been replaced.
(2) Power Surge Protection Device	Where a Power Surge Protection Device has been installed, You must ensure that it is maintained in good working condition and activated at all times when the Electronic Equipment is connected to the electric power supply.
(3) Manufacturers' or Suppliers' Guarantee/Warranty	You must: <ul style="list-style-type: none"> (a) Lodge with Us prior to inception of this insurance, a copy of all guarantees/warranties being in effect pertaining to the Electronic Equipment; and (b) Give Us thirty (30) days prior notice in writing of any alteration, cancellation, or termination of the guarantee/warranty.

Also refer to the General Conditions in Section 12.

8.7 Variations and Extensions

If selected by You and specified in the Schedule, the Variations and Extensions as indicated below will apply.

	Details of Cover
(1) Transit and Temporary Removal	<ul style="list-style-type: none"> (a) We will pay for loss, destruction, or damage to Electronic Equipment specifically designed to be carried by hand or on the person when away from the Situation, and while located (including in transit) in the Commonwealth of Australia. (b) We will not pay for loss, destruction, or damage: <ul style="list-style-type: none"> (i) due to theft or attempted theft while the Electronic Equipment is unattended unless inside a: <ul style="list-style-type: none"> (A) locked building; or (B) securely locked motor Vehicle; or (ii) from any cause whatsoever while installed or carried in or on an aircraft, aerial device, train, bus, watercraft, unless carried as personal baggage, and not contained or transported in cargo holds. (c) Our liability is limited to the Sum Insured, less the stated Excess.

Section 9 - General Property

9.1 Definitions

The intended meaning of some of the important words used in Section 9 only, are shown below.

Word	Meaning
Burglary	Stealing as a result of visible, forcible and violent entry.
In Transit	From the time the Property commences to be loaded at the place of dispatch and continues during the normal course of transit, until delivered and unloaded at the place of destination.
Motor Vehicle	Any Vehicle owned or leased by You and including any attached trailer.
Property	<p>(a) Stock, tools of trade, Contents which You own or for which You are legally responsible; or</p> <p>(b) Customer's Property for which You are legally responsible; or</p> <p>(c) Items as specified in the Schedule.</p>

Also refer to the General Definitions which are applicable to Section 9.

9.2 Defined Events

If Your Schedule indicates that You have taken out insurance under Section 9, **We insure** You for loss, destruction, or damage to the Property:

- (1) While In Transit as a result of **fire, Flood, earthquake, explosion, collision, or overturning** of the Motor Vehicle in which the Property is being carried; or
- (2) As a result of **Burglary** from:
 - (a) your private residence;
 - (b) an authorised person's private residence;
 - (c) the Situation shown in the Schedule, or
 - (d) a securely locked Motor Vehicle;

occurring in the Commonwealth of Australia and during the Period of Insurance.

We will not pay for any loss, destruction, or damage as set out in the Specific Exclusions in Section 9.4 or the General Exclusions in Section 11.

9.3 Settlement

If You have a valid claim under Section 9, **We will** at Our option pay for, reinstate, or repair the Property on the basis set out below.

	Settlement Basis
(1) Property	<p>(a) Where Property is:</p> <ol style="list-style-type: none"> (i) lost or destroyed, its replacement by similar Property to a condition equal to but not better or more extensive than its condition at the time of loss or destruction; and (ii) damaged, the repair and/or restoration of the Property without deduction for depreciation. <p>(b) We are not bound to replace, restore or repair exactly or completely but only as circumstances permit and in a reasonably sufficient manner.</p> <p>(c) If the Property or its component can be repaired, then it must be repaired unless the cost of repair exceeds the replacement cost as set out in Section 9.3(1)(a)(i), in which case the Property or its component will be replaced without deduction for depreciation.</p>
(2) Our Limit of Indemnity	Our liability is limited to the Sum Insured, less the stated Excess.

Section 9 - General Property (continued)

9.4 Specific Exclusions

We do not insure You under Section 9 for the following circumstances.

	Excluded Circumstances
(1) Jewellery	We will not pay for loss, destruction, or damage to jewellery, precious stones, precious metals, or bullion.
(2) Furs or Leather	We will not pay for loss, destruction, or damage to furs or leather apparel.
(3) Electronic Equipment	We will not pay for loss, destruction, or damage to computers and other electronic equipment.
(4) Mobile Phones	We will not pay for loss, destruction, or damage to mobile phones.
(5) Vehicles or Watercraft	We will not pay for loss, destruction, or damage to Vehicles or Watercraft.
(6) Family or Employee	We will not pay for loss, destruction, or damage resulting from collusion, embezzlement or misappropriation by You or any member of Your family, directors, partners or employees.
(7) Shortages	We will not pay for loss, destruction, or damage resulting from clerical or accounting errors, shortages or disappearances resulting from clerical or accounting errors, shortages in the supply or delivery of materials to or from You.
(8) Trickery	We will not pay for loss, destruction, or damage resulting from trickery or for: (a) the sale or delivery of Property; or (b) the payment of Money, consideration of a cheque or negotiable instrument which is subsequently dishonoured.

Also refer to the General Exclusions in Section 11 which are applicable to Section 9.

Section 10 - Taxation Investigation

10.1 Definitions

The intended meaning of some of the important words used in Section 10 only, are shown below.

Word	Meaning
Accountant or Registered Tax Agent	A person recognised by either the Institute of Chartered Accountants or the Australian Society of Accountants.
Audit	The conduct of a taxation audit by the Australian Taxation Office of Your liability to pay a Designated Tax, including the amount of such tax.
Designated Tax	Any tax assessable in accordance with the provisions of the Income Tax Assessment Act, Fringe Benefits Tax Assessment Act, or Sales Tax Assessment Act, Superannuation Contributors Tax (Assessment and Collection Act), A New Tax System (Goods and Services Tax) or Termination Payments Tax (Assessment and Collection) Act.
Investigation	A detailed and in-depth investigation by the Australian Taxation Office of Your liability to pay a Designated Tax, including the amount of such tax.
Professional Fees	The fees and costs reasonably and necessarily incurred by You to Your Accountant, Registered Tax Agent, or lawyer for work carried out in respect of the Audit or Investigation, but not including: <ul style="list-style-type: none"> (a) Your employees' salaries; or (b) amounts paid to other outside professional persons or consultants, unless We have agreed to pay the amounts prior to appointment.
Registered Tax Agent	Your Registered Tax Agent named in the Proposal.
Return	The documentation required to be lodged with the Australian Taxation Office as Your annual income tax return.

Also refer to the General Definitions which are applicable to Section 10.

10.2 Defined Events

If Your Schedule indicates that You have taken out insurance under Section 10, **We insure** You for the cost of Professional Fees as a result of an:

(1) Audit; or

(2) Investigation;

occurring in the Commonwealth of Australia and during the Period of Insurance relating to Your liability to pay a Designated Tax.

We will not pay for any loss as set out in the Specific Exclusions in Section 10.4 and the General Exclusions in Section 11.

10.3 Settlement

If You have a valid claim under Section 10, **We will pay** the professional fees on the basis set out below.

	Settlement Basis
(1) Professional Fees	<p>We will pay for Professional Fees:</p> <ul style="list-style-type: none"> (a) From when notification of the Audit or Investigation is first received from the Australian Taxation Office; and (b) Until: <ul style="list-style-type: none"> (i) written advice from the Australian Taxation Office is given that the Audit or Investigation is completed; (ii) the issue, from the Australian Taxation Office, of an assessment or amended assessment of Your tax liability following the Audit or Investigation; or (iii) 6 months after commencement of the Audit or Investigation; <p>whichever occurs first.</p>
(2) Our Limit of Indemnity	Our total liability during the Period of Insurance for all claims is limited to the Sum Insured, less the stated Excess.

Section 10 - Taxation Investigation (continued)

10.4 Specific Exclusions

We do not insure You under Section 10 for the following circumstances.

	Excluded Circumstances
(1) Self-Employment, Company, or Business	We will not pay for any claim in respect of, or arising from, or relating to Your self-employment, company, or Business, unless specified as such in the Schedule.
(2) Preparation of Return	We will not pay for any claim in respect of any Audit or Investigation into any Return that was not prepared by Your Accountant or Registered Tax Agent.
(3) Routine Inquiries	We will not pay for routine inquiries from the Australian Taxation Office.
(4) Fraud	We will not pay for any fraudulent act or omission committed by You or on Your behalf, or any statement made which is false or misleading in a material particular and where the reason for such statement can be attributed to deliberate evasion, recklessness or carelessness by You or on Your behalf. This exclusion will not apply where a false or misleading statement results from You being misled by the Australian Taxation Office, and where You did not and could not be expected to know that a statement was false or misleading.
(5) Fines or Penalties	We will not pay for any tax, penalty, levy, cost, interest, or fine.
(6) Customs	We will not pay for any matters arising under any Customs statute or regulation.
(7) Previous Knowledge	We will not pay for any claim in respect of an Audit or Investigation, notice of which or information of the likelihood of such Audit or Investigation taking place was received by You or by any person acting on Your behalf, prior to the Period of Insurance.
(8) Income sourced from outside Australia	We will not pay for any claim in respect of an Audit or Investigation concerning income sourced or earned outside the Commonwealth of Australia.
(9) Failure to Comply	We will not pay for any claim in respect of, or arising from, or relating to any improper, unwarranted or unjustified refusal or failure to comply with any request made by or on behalf of the Australian Taxation Office for the production of documents or the furnishing of information.
(10) Documents	We will not pay for any claim in respect of an Audit or Investigation unless it relates to a Designated Tax.

Also refer to the General Exclusions in Section 11 which are applicable to Section 10.

Section 10 - Taxation Investigation (continued)

10.5 Specific Conditions

If You are insured under Section 10, **You must** follow the specific conditions noted below, otherwise We may deny any liability to pay any claim under Section 10.

	Specific Conditions
(1) Taxation Department Matters	<p>(a) All Returns or other documentation required must be submitted within the prescribed time limits set by any relevant statute, regulation, or the Australian Taxation Office, unless You can demonstrate that any failure to comply was not the result of deliberate delay.</p> <p>(b) You must:</p> <p>(i) Maintain proper records sufficient to enable complete and correct Returns to be compiled.</p> <p>(ii) Make a full and complete disclosure of all income as required by any relevant legislation.</p> <p>(iii) Deal with all correspondence, requests, and inquiries from the Australian Taxation Office within a reasonable time.</p> <p>(iv) Pay all taxes by the due date or within any extension granted by the Australian Taxation Office.</p> <p>(v) Notify the Australian Taxation Office without delay upon You or any person acting on Your behalf becoming aware of any error or deficiency in any information, Return, or other documentation furnished to them.</p>
(2) Professional Fees	All accounts for professional fees payable under Section 10 must be submitted to Us immediately upon receipt.
(3) Claims Procedures	<p>You must:</p> <p>(a) Notify Us in writing immediately of any circumstances which give rise or are likely to give rise to a claim.</p> <p>(b) At all times keep Us fully and continually informed of all material developments in relation to the claim and in relation to any Audit or Investigation.</p> <p>(c) Take all steps as are necessary and reasonable to minimise any delays and the amount of any fees or costs incurred or likely to be incurred in connection with any Audit or Investigation.</p> <p>(d) At Our request, instruct Your Accountant, Registered Tax Agent, lawyer, or any other person or organisation, to produce to Us without delay any documents, information, or advice in Your possession which We may require in connection with any claim.</p>
(4) Investigation	We may make Our own investigation into any matter which is or may be the subject of a claim under Section 10.
(5) Authority for Inquiry	You must allow Us to make inquiries directly with the Australian Taxation Office as to any matter that is or may be the subject of a claim under Section 10.
(6) Access to Your Accountant and others	<p>You must:</p> <p>(a) allow Us to have direct access to Your Accountant, Registered Tax Agent, lawyer, or any other person or organisation as to any matter which is or may be the subject of a claim under Section 10; and</p> <p>(b) co-operate fully with Us.</p>

Also refer to the General Conditions in Section 12.

Section 11 - General Exclusions

	Excluded Circumstances
(1) Consequential Loss	We will not pay for any loss, destruction, damage, or liability directly or indirectly caused by or contributed to through consequential loss of any description to the Business.
(2) Date Recognition	<p>(a) We will not pay under this policy in respect of any claim of whatsoever nature which consists of or arises directly or indirectly out of or in connection with the failure or inability of any:</p> <p>(i) electronic circuit, microchip, integrated circuit, microprocessor, embedded system, BIOS or other instruction set, hardware, software, firmware, program, computer, data processing equipment, telecommunication equipment or systems, or any similar device; or any</p> <p>(ii) media or systems used in connection with any of the foregoing, whether the Property of the insured or not, at any time to achieve fully and successfully, any or all, of the purposes and consequential effects intended by the use of any number, symbol or word to denote, represent or express a date;</p> <p>including, but without being limited to, any failure or inability to recognise, capture, save, retain or restore and/or correctly to manipulate, interpret, transmit, return, calculate or process any date, data, information, command, logic or instruction as a result of or in connection with:</p> <p>(A) anything referred to in (i) or (ii) recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time, or</p> <p>(B) the operation of any command or logic which has been programmed or incorporated into anything referred to in (i) or (ii) above.</p> <p>Exception to Date Recognition Special Exclusion</p> <p>However, this special exclusion will not exclude any claim for subsequent loss or destruction of or damage to any Property or consequential loss which is solely and directly caused by a defined contingency (as defined hereunder), arising under any of the sections listed hereunder, but only to the extent that such claim would otherwise be insured under those sections.</p> <p>Section 1 - Property</p> <p>Section 2 - Business Interruption</p> <p>Section 3 - Part B - Money</p> <p>Section 4 - Glass</p> <p>Section 8 - Computer Systems and Electronic Equipment</p> <p>Section 9 - General Property</p> <p>This special exclusion does not apply in respect of the following sections, if provided by this policy.</p> <p>Section 3 - Part A - Theft</p> <p>Definition</p> <p>For the purposes of this special exclusion only, 'defined contingency' shall mean fire, lightning, explosion (other than loss or destruction of or damage to boilers and pressure vessels), aircraft and other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, Flood, escape of water from any tank or apparatus or pipe, impact by any road Vehicle or animal, or theft (other than theft by employees).</p>
(3) Electronic Data and Software	<p>(a) There is no insurance under this policy in respect of any claim of whatsoever nature which consists of or arises directly or indirectly out of or in connection with:</p> <p>(i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of electronic data and/or software;</p> <p>(ii) error in creating, amending, entering, deleting or using electronic data and/or software; or</p> <p>(iii) 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.</p> <p>Electronic Data means facts, concepts and information converted to a form usable for communications, display, distribution, interpretation, or processing by electronic or electromechanical data processing or electronically controlled equipment.</p>

Section 11 - General Exclusions (continued)

	Excluded Circumstances
(3) Electronic Data and Software (continued)	<p>Software means programs, procedures and routines associated with the operation of electronic or electromechanical data processing or electronically controlled equipment, including any operating system.</p> <p>(b) However, for all sections of the policy or policies except those dealing specifically with public liability and/or products liability and/or machinery, in the event that a peril listed below (being a peril insured by this policy but for this exclusion) is caused by any of the matters described in paragraph (a) above, this policy, subject to all provisions will insure:</p> <p>(i) physical loss of or damage or destruction to Property insured directly caused by such listed peril and/or,</p> <p>(ii) consequential loss insured by this policy.</p> <p>Further, this exclusion does not apply in the event that a peril listed below (being a peril insured by this policy but for this exclusion) causes any of the matters described in paragraph (a) above:</p> <p>Fire, lightning, thunderbolt, aircraft or other aerial devices or articles dropped therefrom, earthquake, subterranean fire, volcanic eruption, storm, tempest, Rainwater, snow, sleet, wind, hail, water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other systems, riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances, explosions, impact by Vehicles, animals or trees or branches of trees, communication masts, towers, antennae, satellite dishes, Watercraft, meteorites, or theft of electronic data and/or software solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such electronic data and/or software.</p> <p>However, this exclusion does not apply to any section of the policy specifically dealing with glass.</p>
(4) Fraudulent Claims	<p>We will not pay if You, or anyone acting on Your behalf or with Your knowledge or connivance, should make a claim knowing or reasonably suspecting the same to be false or fraudulent. Making a fraudulent claim is a criminal offence. We may report to the police any person who lodges a fraudulent claim.</p>
(5) Goods and Services Tax	<p>Where We make a payment under this policy for the acquisition of goods, services or other supply, 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.</p> <p>Where We make a payment under this policy as compensation instead of payment for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit that You 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 other supply.</p>
(6) Intentional Act	<p>We will not pay a claim if You or someone else with Your knowledge deliberately caused any part of the loss, destruction, damage, or liability.</p>
(7) War, Terrorism and Nuclear Material	<p>We will not pay for any loss, destruction, damage, or liability directly or indirectly caused by or contributed to through consequential loss of any description to the Business as a result of:</p> <p>(a) Any consequence of war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, conspiracy, rebellion, revolution, insurrection, mutiny, military or usurped power.</p> <p>(b) Any act/s of terrorism.</p> <p>For the purpose of this exclusion, an act of terrorism means an act, which may include but is not limited to an act involving the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological, or ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.</p> <p>In accordance with the Terrorism Act 2003, the above Terrorism General Exclusion will not apply in respect of an act deemed by the Federal Treasurer to be a "declared terrorist incident".</p> <p>Provided that, General Exclusion 7 (b) will not apply to Section 3a – Theft, Section 3b – Money, Section 4 – Glass and Section 9 – General Property.</p>

Section 11 - General Exclusions (continued)

	Excluded Circumstances
(7) War, Terrorism and Nuclear Material (continued)	<p>(c) Confiscation or nationalisation, or requisition or destruction of or damage to Property by or under the orders of any government or public or local authority. However, We will pay for damage which occurs as a result of such an order if it prevents or attempts to prevent fire or other damage covered by this policy.</p> <p>(d) Any loss or destruction of or damage to Property, personal injury, consequential loss, liability of any nature, directly or indirectly caused by, contributed to, by or arising from, ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste.</p> <p>(e) Loss, destruction, damage or liability directly or indirectly caused by or contributed to, by or arising from, nuclear weapons or nuclear material.</p> <p>Furthermore, any loss, destruction, damage, cost or expense of any nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 7(a), 7(b), 7(d), and 7(e) above, is also excluded from the policy.</p>

Also refer to Specific Exclusions in each Section which are applicable to this policy.

Section 12 - General Conditions

The general conditions set out below apply to all the sections. You must comply with all the general conditions otherwise We may be entitled to refuse to pay a claim, or to reduce the amount You are entitled to receive.

	General Conditions Refer also to the Specific Conditions in each section
(1) Claims Procedures	<p>If something happens which gives rise or may give rise to a claim under this policy:</p> <p>(a) You must:</p> <ul style="list-style-type: none"> (i) Notify Us as soon as possible giving full particulars of the facts and circumstances, including loss, damage, injuries, illness, or notice of a claim against You, and details of any proceedings instituted against You. (ii) Take all reasonable precautions to prevent or minimise further loss, damage, or liability. (iii) Take all reasonable steps to recover any lost or stolen Property. (iv) Immediately notify the police in the event of a burglary or if any Property is stolen, lost, or maliciously damaged. (v) Supply Us with details of any other insurances which insure or may insure the event. (vi) Provide all reasonable information and assistance as We may require. (vii) Use Your best endeavours to preserve any damaged or defective Property or other Property which might provide evidence in connection with any claim. <p>(b) You must not:</p> <ul style="list-style-type: none"> (i) admit liability for any event, loss, damage, or injury or settle or attempt to settle or defend any claim without Our written consent; or (ii) alter or repair any building, appliance, plant, or thing until We have had the opportunity of an inspection, unless such alteration or repair is necessary for safety reasons. <p>(c) You are not entitled to abandon any Property to Us.</p> <p>(d) We will have full discretion in the conduct of any negotiations and the settlement of any claims.</p> <p>(e) After payment for or replacement of any Property (other than a building) lost or damaged, the Property so lost or damaged becomes ours subject to Your right to reclaim it on repayment to Us of the amount paid by Us in respect of such Property.</p> <p>(f) More specific claims procedures are noted under specific conditions in:</p> <ul style="list-style-type: none"> (i) Broadform Liability in Section 5.6. (ii) Employee Dishonesty in Section 6.6. (iii) Machinery in Section 7.6. (iv) Computer Systems and Electronic Equipment in Section 8.6. (v) Taxation Investigation in Section 10.5.
(2) Alteration of Risk	<p>(a) You must immediately notify Us in writing of any changes You know of which materially alter any of the facts or circumstances that existed at the commencement of this policy, or increase the risk of injury, loss or damage.</p> <p>(b) Until:</p> <ul style="list-style-type: none"> (i) we agree in writing to the terms of insurance of the altered risk; and (ii) you pay any additional Premium requested by Us; <p>We will not be liable for any loss, destruction, or damage caused by or attributable to such alteration.</p>
(3) Reasonable Care	<p>You must at all times take reasonable care:</p> <ul style="list-style-type: none"> (a) For the safety of the Property. (b) To ensure that only competent employees are employed. (c) To maintain the Situation, structures, fittings, fixtures, furnishings, appliances, machinery, implements, contents, and Property in sound condition. (d) To prevent personal injury or damage to Property. (e) To comply with all statutory obligations, bylaws, and regulations imposed by any public authority. (f) To prevent personal injury or damage to Property due to manufacture, sale, or supply of defective goods.

Section 12 - General Conditions (continued)

	General Conditions Refer also to the Specific Conditions in each section
(4) Joint Insureds	<p>Where You comprise more than one party:</p> <p>(a) the Proposal is deemed to have been furnished by and on behalf of all parties, and any information supplied to Us, or any omission or non-disclosure in relation to any renewal or extension is likewise deemed to have been furnished, omitted, or withheld, (as the case may be) on behalf of all parties; and</p> <p>(b) if one or more of You (or persons acting on behalf of, or with the knowledge or connivance of, one or more of You) should engage in a deliberate act which results in loss, destruction, or damage to the Property, We will not pay any claims at all arising out of such loss, destruction, or damage, whether those claims are brought by the party or parties which engage in the deliberate act or by anyone else.</p>
(5) Unoccupancy	<p>Cover under this policy will be entirely suspended where the Situation is not occupied for a period in excess of thirty (30) consecutive days unless Our written consent has been obtained before the Situation is left so unoccupied.</p>
(6) Contractual Agreements	<p>(a) We will not pay for, or Our liability may be reduced, if You enter or have entered (even before You entered into this contract of insurance) into an agreement, release, or undertaking which limits or excludes Your rights of recovery against, or contribution from, a person or organisation. We will pay if such agreement, release, or undertaking has been allowed in this policy or by specific mention in Your Schedule.</p> <p>(b) We will reduce Our liability by the same amount that the agreement, release, or undertaking has prevented You from recovering from that person or organisation.</p>
(7) Named Insureds	<p>We do not insure any person or organisation that is not named in the Schedule.</p>
(8) Subrogation	<p>(a) We are entitled to use Your name in any proceedings to enforce for Our benefit any rights, remedies, or orders in respect of any claim for:</p> <p>(i) injury;</p> <p>(ii) damage to the Property; or</p> <p>(iii) costs or otherwise; and</p> <p>subject to the provisions of any statute which may apply, We have the right of subrogation in respect of all rights which You may have against any person, company, or other body who may be legally liable to You or otherwise in respect of any such claim.</p> <p>(b) Any claimant under this policy must, at Our request and expense, give information and assistance as may reasonably be required for enforcing any rights, remedies, obtaining relief, or indemnity from other parties to which We may be entitled or subrogated upon payment of any claims under this policy.</p>
(9) Cancellation	<p>(a) This policy may be cancelled by:</p> <p>(i) You at any time notifying Us in writing, in which case:</p> <p>(A) cancellation takes place when We receive the notice;</p> <p>(B) We will retain or be entitled to Premium for the period during which the policy has been in force based on Our normal short period rates; and</p> <p>(C) you are not entitled to a refund of Premium for Section 10 Taxation investigation; or</p> <p>(ii) Us on any grounds set out in the Insurance Contracts Act 1984, by giving You notice in writing, in which case:</p> <p>(A) cancellation takes place at the time You enter into another contract of insurance intended to replace this policy, or at 4.00pm on the 30th day after delivery of the notice to You, whichever is earlier; and</p> <p>(B) We will refund the Premium paid for the unexpired Period of Insurance.</p> <p>(b) You must supply Us with such particulars as We may require for the adjustment of the Premium following any cancellation.</p>

Section 12 - General Conditions (continued)

	General Conditions Refer also to the specific conditions in each section
(10) Payments by Instalment	<p>(a) If you are paying Us by instalments for Your insurance, and one instalment of Premium remains unpaid for fourteen (14) days, We may refuse to pay a claim.</p> <p>(b) If one instalment of the Premium is unpaid for one (1) month, We may give You written notice of cancellation and then cancel the policy.</p> <p>(c) If a claim requires the Sum Insured or limit of indemnity to be paid in total under any section, then the balance of the Premium relating to that section for the full Period of Insurance will be deducted from the amount of the claim settlement.</p>
(11) Premium Adjustment	You must furnish all information We may require for the adjustments of the Premium in accordance with the provisions of each section.
(12) Consequences of Non-disclosure	<p>If you do not comply with Your duty of disclosure, We may be entitled to:</p> <p>(a) Reduce Our liability for any claim;</p> <p>(b) Cancel the contract; or</p> <p>(c) Avoid the contract from its beginning, if Your non-disclosure was fraudulent.</p>
(13) Excess	<p>We will deduct from the amount to be paid to you the amount of the Excess stated in the Schedule or in the policy, however:</p> <p>(a) If more than one Excess is applicable under one or more policy sections in respect of such event, the Excess applied shall be the highest of such Excesses.</p> <p>(b) The Excess will apply only once in respect of all loss, damage, injury, liability, costs, disbursements and expenses resulting from one event.</p> <p>(c) Voluntary Excess and/or additional Excess are in addition to any basic Excess.</p>
(14) Conditions, Exclusions and Definitions	Where a specific condition, specific exclusion, or definition is in conflict with a general condition, general exclusion, or general definition, the specific condition, specific exclusion, or definition will apply.
(15) Other Insurance	You must advise Us in writing of any insurance already effected or which may subsequently be effected covering whether in total or in part, and whether absolutely or contingently, the insurance provided under this policy.
(16) Disputes	All disputes arising out of or under this policy will be subject to determination by any court of competent jurisdiction in the Commonwealth of Australia.
(17) Governing Legislation	This policy is governed by the Insurance Contracts Act 1984. This policy and any person's rights pursuant to this policy will be read subject to this Act as it applies at the time of any claim or exercise of any right pursuant to this policy.

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