

Business Insurance

Product
Disclosure
Statement
and Policy
Wording

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About this Product Disclosure Statement and Policy Wording

We are required to give you a Product Disclosure Statement (PDS) if you are insuring:

- a home building under policy sections:
 - a. 1. Fire and other damage
 - b. 3. Burglary; or
 - c. 5. Glass

This PDS and policy wording has 3 parts:

- Part A contains information about your rights and responsibilities, including how to contact us if you have a complaint. Part A applies to all policy sections and should be read by all persons who take out this policy.
- Part B contains information that only applies to some policyholders. Section 1 contains information for persons insuring a home building and Section 2 provides additional information for these policyholders about the cost of your policy.
- Part C contains your Business Insurance policy wording. It applies to all persons who take out this policy.

To understand the full terms and conditions of your policy you must read Part A and Part C.

If you are insuring a home building and are an individual or small business, you should also read Part B.

Who is the insurer

This insurance is issued by GIO General Limited ABN 22 002 861 583 AFSL 229873.

This product is distributed by Resilium Pty Ltd ABN 40 098 080 810 AFSL 232703.

Part A: Your rights and responsibilities

This part of your PDS applies to all policy sections described in Part C of your PDS. All policyholders need to read this Part A.

Your duty of disclosure

You must comply with your Duty of Disclosure when you apply for insurance with us and each time you renew or alter your cover.

You have a Duty of Disclosure to tell us everything you know or should know, that is relevant to our decision to insure anyone under the policy, including you, and on what terms. It includes matters we specifically ask about when you apply for a policy, or renew or alter your policy, and any other matters which might affect whether we insure you and on what terms.

The information you tell us can affect:

- a. the amount of your premium and your excess;
- b. if we will insure you; or
- c. if special conditions will apply to your policy.

You do not need to tell us of anything which:

- a. reduces the chances of you making a claim;
- b. we should know about because of the business you are in; or
- c. we tell you we do not want to know.

If you are unsure it is better to tell us. If you do not tell us something which you know or should know is relevant, we might reduce a claim, refuse to pay a claim, cancel your policy or, if fraud is involved, we can treat the policy as if it had never existed.

Not meeting your responsibilities

If you do not meet with your responsibilities outlined in your Business Insurance Policy, or if you do not tell us everything relevant to our decision whether or not to insure you, or if you mislead us, we can refuse to pay a claim or reduce the amount we pay or cancel your policy.

If fraud is involved, we can treat your policy as if it never existed.

Cooling off period

You have the right to cancel and return the insurance policy or a section of the policy by notifying us in writing within 30 days of the date it was issued to you (“cooling off period”).

If you cancel it in this time, we will return the amount you have paid.

In addition, if you vary your policy and add a section, you have the right to cancel that section within 30 days of the date it was added by notifying us in writing (“additional cooling off period”). If it is cancelled in this time, we will return the amount you have paid for that section.

You are not entitled to cancel or return the insurance policy or a section of the policy if you have made a claim during the cooling off period or additional cooling off period.

To cancel at other times, please see “Cancellations” on page 3.

The amount of your premium

The premium is the amount you pay us for this insurance. It includes stamp duty, GST, other government charges and the fire services levy (FSL) that applies. Your premium is shown on your schedule.

In addition to the factors we use to calculate your premium, the discounts you qualify for also affect your premium. Your premium includes any discounts you qualify for and these are applied before adding applicable government charges.

The premium does not include any service or administration fee charged to you by your insurance intermediary.

In addition to the factors we use to calculate your premium, the discounts you qualify for also affect your premium. Your premium includes any discounts you qualify for and these are applied before adding applicable government charges.

We might advertise special offers and benefits from time to time. If we have a special offer available that is not in this PDS, we can give you a separate terms and conditions brochure about the offer if you ask us. These offers might be short-term and we can withdraw them at anytime.

Paying your premiums

We will tell you how much you have to pay and how much time you have for payment. You must pay your premium by the due date. For the first period of insurance, if you do not pay the premium owing by the due date, we can cancel your policy as set out in 'Cancellations' below. For renewal policies, if you do not pay your premium by the due date, then the renewal policy will not commence and your cover will end at the expiry of the previous period of insurance.

Paying by monthly instalments

If you pay your premium by monthly instalments and your payment is overdue we can:

- a. refuse to pay a claim if payment is **14 days** (or more) late; and
- b. cancel your policy if payment is a **month** (or more) late.

Cancellations

You can cancel your policy at any time. The cancellation takes effect on the date we receive your request.

We can cancel your policy at any time according to law. If you pay by monthly instalments and an instalment is unpaid for more than 1 month, we can cancel your cover.

If your policy is cancelled we will refund the proportion of your premium for the unused period of insurance less any non-refundable government charges.

If we pay out a claim for the full **sum insured** on your building, that cover ends. Any policy section, Extra cover, Additional benefit or Optional cover for that cover also ends. If your policy ends for this reason, we do not refund any premium for an unexpired period of insurance. If you have been paying premiums by monthly direct debit instalments, we will deduct the remaining instalment premiums due for the unexpired period of insurance from the amount we pay for the claim.

Excess

This is the amount you have to pay if you suffer loss, damage or liability which leads to a claim under your policy.

The amount and type of excess that applies to your policy is shown either in Part C of this booklet or on your schedule.

If you claim under more than one policy section for one incident or event, then you only pay the largest excess that applies.

Fraudulent claims

If you or anyone acting on your behalf or with your knowledge, makes a claim that is false or causes loss or damage deliberately, we may do one or more of the following:

- a. refuse to pay a claim
- b. cancel your policy
- c. take legal action against you.

Other information

GST and your sum insured

You must inform us of the extent to which you are entitled to an input tax credit for that GST amount each time that you make a claim under this policy. No payment will be made to you for any GST liability that you may have on the settlement of a claim if you do not inform us of your entitlement or correct entitlement to an input tax credit.

If you are entitled to an input tax credit on any part of the policy premium you paid, the sums insured and limits of liability stated in your policy are exclusive of GST to the extent of your input tax credit entitlement.

The amount we pay you for any claim will be calculated taking into account any input tax credit to which you are entitled for any acquisition which is relevant to your claim, or which you would have been entitled were you to have made a relevant acquisition.

This outline of the effect of the GST on your policy is for general information only. You should not rely on this information without first seeking expert advice on the application of the GST to your particular circumstances.

Privacy statement

Your privacy is important to both Resilium and your insurer GIO General Limited (GIO) (“We/us/our” for the purpose of this statement, unless the context provides otherwise). GIO and Resilium are members of the Suncorp Group (the ‘Group’).

The Privacy Act 1988 (Cth) requires us to inform you that:

Purpose of collection

Resilium and GIO collect your personal information for the purposes of:

- establishing your requirements and providing the appropriate product or service;
- setting up, administering and managing our products and services; and
- understanding your needs and improving our financial products and services, including training and developing our staff and representatives.

GIO also collects your personal information for the purpose of assessing and investigating, and if accepted, managing a claim made by you under one of these products.

We may be required by Anti-Money Laundering/Counter Terrorism Financing legislation to collect your personal information.

Consequences if personal information is not provided

If we request personal information about you and you do not provide it, we may not be able to provide you with the insurance product or service you request, manage your insurance product or provide you with the full range of services we offer. As insurer, GIO may not be able to issue your insurance cover or manage or pay any claim under an insurance product.

Disclosure

We use and disclose your personal information for the purposes we collected it. We may also use and disclose your personal information for a secondary purpose related to the purpose for which we collected it, where you would reasonably expect us to use or disclose your personal information for that secondary purpose. In the case of sensitive information, any secondary purpose, use or disclosure will be directly related to the purpose of collection.

When necessary and in connection with purposes listed above, we may disclose your personal information to and/or collect your personal information from:

- other companies within the Group;
- information technology providers, including hardware and software vendors and consultants such as programmers;
- customer research and development organisations;
- intermediaries including your agent, adviser, a broker, a representative acting on your behalf, or our authorised representatives and our agents;
- government, law enforcement, regulatory or statutory bodies;
- other insurers, financial institutions, insurance and claims reference agencies, credit agencies, loss assessors, financiers or investigative service providers;
- hospitals, medical and health professionals;
- printers, mail service and delivery providers for the mailing of documents; and
- other service providers.

Disclosure overseas

There are also instances where we may have to send your personal information overseas or collect personal information from overseas. These instances include:

- sending to other companies in the Group;
- when you have asked us to do so;
- when we are authorised or required by law to do so;
- when we have outsourced a business activity or function to an overseas service provider with whom we have a contractual arrangement;
- certain electronic transactions; or
- when it is necessary in order to facilitate a transaction on your behalf.

We will only send your personal information overseas or collect personal information about you from overseas for the purposes in this statement and in compliance with the privacy regime.

Contact and Access

Please contact us to:

- request access to the personal information we hold about you; or
- obtain more information about our privacy practices by asking for a copy of our Privacy Policy;

You can contact us by calling 131 436.

GIO and Resilium both comply with the Suncorp Group Privacy Policy. This can be found at http://www.gio.com.au/gio/privacy_security.html

Complaints resolution

We are committed to:

- Listening to what you tell us;
- Being accurate and honest in telling you about our products and services;
- Communicating with you clearly; and
- Resolving any complaints or concerns you have in a fair, transparent and timely manner.

If you have a complaint concerning this product or our services, please tell the people who provided your initial service or you can:

- Phone us on 1800 689 762
- Write to us at Reply Paid 1453 Customer Relations Unit RE058
GPO Box 1453 BRISBANE QLD 4001 or
- Email us on customer.relations@suncorp.com.au

What we will do to resolve your complaint

When you first let us know about your complaint or concern, we will review your complaint, consider the facts and attempt to resolve your complaint by the end of the next working day.

If we cannot resolve your complaint to your satisfaction within 5 working days we will contact you to agree reasonable alternative timeframes. We will endeavour to send you our final decision within 15 working days from the date you first made your complaint, provided we have all necessary information and have completed any investigations required. If you are still unsatisfied with the final outcome at your request we can refer your complaint to our Internal Dispute Resolution (IDR) team. Our IDR team will review your dispute, and respond to the dispute within 15 working days of your complaint being referred to them provided they receive all necessary information and have completed any investigation required.

What if you are not satisfied with our final IDR decision?

We expect our procedures will deal fairly and promptly with your complaint. If however you are not satisfied with our final decision or if we have not been able to resolve the complaint to your satisfaction within 45 days you may be able to take the complaint to the Financial Ombudsman Service (“the FOS”).

The FOS is an independent external dispute resolution scheme and its service is free to our customers.

You can contact the FOS by:

- Telephone 1300 780 808
- Address Financial Ombudsman Service
GPO Box 3
Melbourne Victoria 3001.
- Email info@fos.org.au or
- Website www.fos.org.au

The FOS will tell you if they can help you, as their services are not available to all customers.

We agree to accept a FOS decision however you have the right to take legal action if you do not accept their decision.

If you want more information on the FOS, please ask us for a brochure.

Financial Claims Scheme

This policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA.

Information about the FCS can be obtained from APRA by:

- Telephone 1300 55 88 49 or
- Website www.apra.gov.au

General Insurance Code of Practice

We support and adhere to the General Insurance Code of Practice. A copy of the Code can be obtained from the Insurance Council of Australia by:

- Telephone (02) 9253 5100 or
- Website www.ica.com.au

Terrorism Insurance Act 2003

Some sections of this policy exclude cover for losses as a result of terrorism.

In the event that damage to property occurs and the cause of the damage is declared a terrorist incident by the responsible Minister, then you may be afforded protection within the limits of indemnity of this policy by virtue of the Terrorism Insurance Act 2003. The operation of this Act may also serve to reduce the settlement of your loss to a percentage of the otherwise recoverable loss. In the event that the settlement is reduced then this will be at the direction of the Minister.

A more detailed explanation of the operation of the Terrorism Insurance Act 2003 can be obtained at www.arpc.gov.au.

Updating information

The information in this PDS and policy wording was current at the date of preparation. GIO may update some of the information in the PDS and policy wording that is not materially adverse from time to time without needing to notify you. You can obtain a copy of updated information by contacting us on 13 14 36. We will give you a free paper copy of any updates if you request them. If it becomes necessary, we will issue a supplementary or replacement PDS.

Part B: Information for policyholders who are insuring a home building

This Part of your PDS only applies to those policyholders who are an individual or small business and are insuring a home building under one (or some) of the following policy sections described in Part C of your PDS:

- Fire and other damage (Policy Section 1)
- Burglary (Policy Section 3)
- Glass (Policy Section 5)

Only those policyholders need to read this section.

Home building means a building which is used or intended to be used principally and primarily as a place of residence.

An example of what is considered a home building is where the building is a commercial premise, but you may also live in the building, or you rent part of the building for residential use.

If the building is only used by you for residential purposes, it cannot be insured under this policy.

The types of cover you can choose to insure your home building

The tables below summarise the cover available under Policy Sections 1, 3 and 5 when you are insuring a home building.

For full details of the covers, options, conditions, limitations and exclusions and the amounts we will pay for any claim for loss or damage to your home building, please read the relevant policy sections in Part C of this PDS. The relevant policy sections also include examples designed to assist you in understanding the significant benefits of the section and how claims are calculated.

Policy Section 1: Fire and other damage

You may insure a **home building** under this policy section for **loss** or **damage** arising from an insured event during your **period of insurance**. If you lease out your **building** then your landlord's fixtures and fittings, including floor coverings, are insured as part of your **building**. You cannot insure a **home building** under this policy section unless you own the **building**.

Summary of insured events	Page
Fire	29
Escape of molten material from its intended confines or the situation	29
Lightning or thunderbolt	29
Explosion or implosion	29
Storm, wind or rain (including snow, sleet or hail)	30
Water damage	31
Impact	31
Riots or civil commotion	32
Malicious acts (including by vandals and thieves)	32
Earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these	33
Accidental damage	33
Summary of extra covers and additional benefits for buildings	Page
Reinstatement of sum insured	35
Removal of debris and temporary repairs	35
Professional fees	35
Seasonal increase period/s	36
Floating stock	36
Catastrophe inflation protection	37
Rewriting of records	37
Directors and employees tools of trade and personal effects	37
Capital additions	38
Loss of land value	38

Summary of extra covers and additional benefits for buildings	Page
Undamaged foundations	39
Additional costs of repairing electronic equipment	39
Prevention of loss or damage	40
Temporary removal of stock and business contents	40
Damage to business records away from the situation	41
Landscaping	41
Damage to glass in vacant buildings	42
Theft of external property	43
Limited transit cover	43
Temporary cover for new situations	44

Policy section 3: Burglary

If you insure **stock (including electronic equipment)** or **contents** (including **electronic equipment**) against burglary under this policy section we will also cover you for some **damage** that occurs to the **home building** as a result of the burglary. We will also cover you for **damage** to the **building** you rent, if the **building is damaged** as a result of a burglary during your **period of insurance**.

Summary of insured events	Page
Not Applicable	
Summary of extra covers and additional benefits for home buildings	Page
Reinstatement of sum insured	67
Damage to rented premises if legally liable	68
Temporary protection costs (up to \$5,000)	68
Replacement of locks and keys (up to \$5,000)	68
Directors and employees tools of trade and personal effects	68
Seasonal increase on stock	69
Rewriting of documents	69
Theft without forced entry	69
Theft of external property	69
Employee dishonesty	70
Developing security images	70
Funeral expenses	71

Policy section 5: Glass

Under this policy section you may insure against the breakage of **glass** which forms part of your **home building** during your **period of insurance**.

Please refer to page 24 for an explanation of what **glass** means.

Summary of insured events	Page
Breakage of glass that is fixed and forming part of or fixed to the exterior of the building including glass in fixed signs	83
Breakage of fixed internal glass including glass in furniture, counters, shelving, washbasins, sinks, toilet pans and cisterns in the building	83
Summary of additional features	Page
Costs related to the breakage of glass including temporary shuttering, stock spoilage and replacing sign writing	84
Broken signs costs	84

Information about the cost of insurance

If you are insuring a **home building** under sections 1, 3 or 5 we are required to provide you with information about the costs, fees and charges that you might have to pay for this insurance.

The premium payable for this insurance will be shown on your **schedule**. Premiums include applicable Commonwealth and State taxes and charges, such as GST and Stamp duty. The amount of taxes and charges will be shown on your **schedule**.

How we calculate premiums

We calculate the total premium to be collected from policyholders by considering:

- the total cost of current and future claims; and
- our business expenses, including administration costs, profit margins and payments we make to intermediaries.

The premium paid by you for policy sections 1, 3 and 5 is calculated using a wide range of factors called rating factors. Some of these are outlined below.

Information about the cost of the insurance for your home building

Rating factor	Lower premium	Higher premium
The amount of your sum insured	Lower sum insured	Higher sum insured
Post code	Low risk post code	High risk post code
Optional insurance	None taken	All taken
Voluntary excess	Voluntary excess	Low or no excess
Occupation/use	Low risk occupation/use	High risk occupation/use
Endorsements	Reduces our risk or your cover	Increases our risk or your cover
Building materials	More fire resistant materials (for example concrete)	Less fire resistant materials (for example wood)
Fire protection (Policy Section 1 Fire only)	More or better fire protection (for example sprinkler systems)	Less protection
The building location	Low risk location	High risk location
Number of situations	Fewer situations	More situations
Security measures	More effective security systems (for example alarms)	Less effective security systems
Our expenses of doing business with you including payments to intermediaries	Low expenses	High expenses

Why the cost of insurance can change

Your insurance premium can change during your policy period if the circumstances or risks covered by your policy change. For example, your premium will change if you change the use of your **situation** or add new covers to your policy. Also, each time you renew your insurance your premium is likely to change, even if your circumstances or the risks covered by your policy have not changed. This is because premiums are affected by:

- The total cost of current and future claims
- The cost of claims we expect to pay in the future
- Any changes in government taxes or charges
- Our expenses of doing business
- Whether indexation is shown on your schedule.

We may “cap” the amount of any increase on renewal, meaning we may pass only part of the increase on to you.

Premium discounts

At times, we may offer premium discounts to particular customers – for example, those who take out insurance within a specified period, or people who have multiple policies with us.

The amount and type of discounts can change over time. We can vary or withdraw a discount at any time. Changes will not affect the premium for an existing policy during its current **period of insurance**.

For details of any discounts that may be available and the dollar difference these would make to your premium, please ask us when you obtain a quote or before renewing your policy.

Other costs fees and charges

The costs, fees and charges that you might have to pay in connection with this insurance are listed in the table below.

Type of cost, fee or charge	Details
Pay by the month fees	The fee for paying by the month is \$2.75 per month, including GST and is included in your monthly payment.
Excess	The amount which is payable by you if you make a claim. The amount of excess for each policy section is shown on your schedule or within this PDS .
Non-refundable premium	If you cancel your policy we will refund the proportion of your premium for the unused period of insurance less any non-refundable government charges.

Part C: Your business insurance policy

Important information

1. Your policy

Based upon the information provided by you and subject to the premium being paid, we agree to insure you during the **period of insurance**. Your **period of insurance** starts on the date shown on your **schedule** and finishes at 4:00pm on the expiry date shown on your **schedule**.

Your policy is made up of this **PDS**, any applicable **SPDS**, the **schedule** and any **endorsements**. These should be read and kept together.

Your policy only includes cover under those policy sections that are shown as insured on the **schedule** and for those optional insurances that are shown on your **schedule**.

2. Who is insured?

You/your means the insureds named on the **schedule**. The policy provides insurance only for the parties shown on the **schedule** unless otherwise stated in individual policy sections.

3. Policy limits

We will not pay any more than the **sum insured** or **limit of liability** for each policy section, part of a policy section or individual item or cover that is shown on your **schedule**, unless we specifically state otherwise in your policy.

4. General provisions

The general conditions, general definitions, general claims conditions, and general exclusions form part of this policy. Unless otherwise expressly stated these apply to each of the policy sections, including any extra covers, additional benefits or optional insurances in those policy sections.

Specific conditions, definitions and exclusions also apply to individual policy sections and any extra covers, additional benefits or optional insurances in those policy sections.

Some words used in this policy have special meanings. These words are in **bold**. The words we have defined are listed in either the General Definitions section on pages 22 to 27 or the Definitions section in the applicable policy section.

General policy conditions

These conditions apply to all policy sections.

1. Change to risk

Our decision to insure you, and the premium that we charge you, is based on information provided by you about your **business** and **property insured**. Your insurance, including the amount of premium, may be affected if any of the facts or circumstances that existed at the start of the policy change during the **period of insurance**, including, for example:

- a. the nature of or type of **business** carried on by you or your tenants. For tenanted **buildings** the occupation and activities carried on by the tenants is material to the premium that we charge you and our decision to insure you;
- b. other circumstances that affect the **situation** or the **property insured** in such a way as to increase the risk of **damage** or **losses**;

- c. your interest in the policy ceases, including by operation of law; and
- d. the **business** is wound up or carried on by an insolvency practitioner or permanently discontinued.

You must immediately notify us of any changes to a., b., c. or d. or any other changes that may increase the risk insured under your policy.

If you are a property owner insuring **buildings** that you lease, our decision to insure you and the premium we charge you will take into account information about your tenants and how the **building** is used that you tell us when you apply for a policy with us, during the **period of insurance** and at each renewal. For this reason it is important that you tell us as soon as these things change.

For example, if your **building** has three tenants (an accountant's office, a jeans retailer and a sandwich bar), we will calculate your fire premium on the sandwich bar, as it is more hazardous than either of the other two occupations. If during the **period of insurance** the sandwich bar closes down and a menswear shop opens, then you must notify us of the change and we will calculate your fire premium either using the jeans retailer or menswear occupation.

If we agree to continue to insure you after you have told us of the changes, we will confirm this in writing. In some cases, we may only agree to continue to insure you under this policy if you agree to pay us additional premium.

2. The amount of cover

If you are not entitled to an **input tax credit** on your policy premium, all **sums insured** and **limits of liability** stated in your policy are GST inclusive (unless your policy states otherwise).

If you are entitled to an **input tax credit** on any part of the policy premium, the **sums insured** and **limits of liability** stated in your policy and on your **schedule** are exclusive of any **input tax credit** which you are or would be entitled to claim.

3. Reasonable care and reducing risk

You must take all reasonable steps to ensure that you and your tenants:

- a. maintain **buildings**, structures, fixtures, fittings, furnishings, appliances, **machinery**, implements and plant in sound condition to minimise or avoid theft, **loss** or **damage**;
- b. ensure that only competent employees are employed;
- c. avoid or minimise **loss** of or **damage** to property or injury to other people;
- d. comply with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements;
- e. obtain certificates of inspection for all equipment required by any statute or regulations to be certified; and
- f. comply, at your expense, with all our recommendations to prevent or minimise theft, **loss** or **damage**.

4. Hazardous or dangerous goods

When hazardous or dangerous goods are used by the **business** or stored at any **situation** shown on the **schedule**, then such goods must be stored and used strictly in accordance with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements.

5. Other interests

You must tell us in writing of the interest of all third parties (for example, banks or lessors) when you want their interest in any item insured under any policy section in this policy covered. If a person is not named or noted on the policy, they are not insured and cannot make a claim.

This means we will need to record the interest of the third party for those interests to be covered.

The third parties must comply with all the terms and conditions of your policy, including without limitation, the obligation to notify us and give us details of any other insurance that insures any risk insured by this policy.

6. Transfer of interest

No interest in this policy can be transferred without our written consent.

7. Unoccupancy

You must ensure that any **building** at the **situation** does not stay unoccupied or, if you are the building owner, untenanted, for a continuous period of 60 days or more. To have been occupied, the **business situation** must have been used for **business** purposes for at least two consecutive days. You are not insured while the **building** is unoccupied for a period of 60 days or more, unless we agree to insure you. If any **building** will or is likely to be unoccupied or untenanted for such a period, you must notify us immediately. If you notify us that the **situation** will be unoccupied or untenanted for a continuous period of 60 days or more and we agree to continue to insure you under this policy during the period where the **building** is unoccupied or untenanted, we will tell you in writing. You may be required to pay an additional premium and we may apply different conditions and impose a higher **excess** if we agree to this.

8. Notification of other insurance

If there is any other insurance that insures any risk insured by this policy, you are required to notify us and give us details of the other insurance.

9. Changes in or waivers of the policy

No changes in the policy will be valid unless agreed in writing by us.

No waiver of any requirements of any policy section shall be valid unless it is given to you in writing.

10. Multiple insured parties

Except as otherwise expressly provided in Policy section 6 – Public and products liability, where there is more than one person or organisation insured under this policy:

- a. any notice given by us under this policy to any one of you shown on the **schedule** will be deemed to be notice given to all of you;
- b. any misrepresentation or fraudulent actions or statements made by any person or organisation will be deemed to be made by all of you; and
- c. any claim made by any person or organisation will be deemed to be a claim made by all of you.

General claims conditions

These conditions apply to all policy sections.

1. Claim notification

If any **event** occurs which gives rise or may give rise to a claim you are required to:

- a. take all reasonable precautions to minimise or prevent further **loss, damage**, injury or illness;
- b. notify us as soon as possible and give us all the known details of the **event**;
- c. immediately send us any legal document or other communication you receive about the claim, including any legal proceedings brought against you;
- d. take all reasonable steps to recover **lost** or stolen **property insured**;
- e. notify the police immediately following a theft or burglary or if any **property insured** is misappropriated, lost or maliciously damaged;
- f. supply us with all the information and documentation that we request. If we ask you for a statutory declaration verifying the details of your claim and any other matters connected with it, you must provide it;
- g. if you make a claim for property that is lost, stolen or damaged, you must supply proof of your ownership or legal responsibility for such **property insured** and evidence of its value, if we ask for it. We will decide what is acceptable proof of ownership and value for any **property insured** based on what **property insured** you are claiming for, how old the item is and its residual value. We understand you may not keep such information for every business item you own, especially if items are recorded in your books of account. You or your accountant may have records for tax purposes and these may be sufficient to prove ownership;
- h. supply us with details of any other insurance that insures or may insure the **event**;
- i. not authorise the repair or replacement of anything without our agreement;
- j. retain and preserve all damaged property for our inspection prior to authorisation of repairs unless alterations and repairs are immediately necessary, for safety reasons or to minimise or prevent further **loss, damage** or injury. If repairs are necessarily carried out without our prior approval, you are still required where reasonably practical, to retain and preserve all damaged property for our inspection;
- k. you are to use your best endeavours to preserve all property, products, plant and all other things that may assist us in investigating or defending a claim against you, including assisting in determining if there are rights of recovery against another entity or person; and
- l. co-operate with us fully in any investigation, negotiation, defence or settlement of any claim. This may include attending court to give evidence.

2. Admitting liability

You must not admit liability for any **loss, damage** or injury, or settle or attempt to settle or defend any claim without our written consent.

3. Conduct of claims

- a. We may appoint legal or other representatives to assist in the conduct of a claim.
- b. We shall have the right and full discretion to conduct claims.
- c. We reserve the right to negotiate and settle any claim on terms we consider appropriate.

4. Paying your excess

You must pay the **excess** that applies to claims under this policy. We have no liability to you under this policy until you have paid the **excess**. The **excess** that applies will depend on the circumstances of the claim. The amount of the **excesses** and the circumstances that each **excess** applies to are shown on the **schedule** or set out in the applicable policy section. We will tell you how to pay your **excess** and who to pay it to. In some cases, we will direct you to pay the **excess** directly to a supplier or repairer. Some Additional benefits or Optional insurances have their own **excesses** which are in addition to any other **excess** that may apply to a claim. Except as otherwise expressly provided, if more than one **excess** can be applied to one **event**, then you will only need to pay the highest **excess**.

5. ITC entitlement

If any event occurs which gives or may give rise to a claim you must tell us your entitlement to **input tax credits (ITC)** for your insurance premium if you are registered, or are required to be registered for GST purposes. If you do not inform us of your entitlement, or the information you give us is incorrect, we will not cover you for any resulting fines, penalties or tax liability you incur. When we calculate a payment to you for your claim, we can reduce it by any ITCs you are, or would be, entitled to receive.

6. Cash payments

Any cash payments made to you under this policy will be based on costs including GST. However, if you are, or would be, entitled to claim any **input tax credits** for the repair or replacement of the **property insured** or for other things insured by the policy we will reduce our payment to you by the amount of your **input tax credit** entitlement.

7. Rights of recovery

We have the right to take action or institute legal proceedings, in your name, for the recovery of payments made and expenses incurred in relation to any claim insured by this policy, against any person, company or entity legally liable to you in respect of that claim. You must provide us with full information and all reasonable assistance in the recovery of those payments or expenses.

You must not enter into any agreement or make any admissions that have the effect of limiting or excluding your rights and our rights to recover payments and expenses without first obtaining our approval in writing to do so.

8. Discharge of our liabilities

If, at any time, we pay you the **sum insured** or **limit of liability** for any claim under this policy, the future conduct of the claim then becomes your responsibility. We may also pay any extra covers, additional benefits or optional insurance that is in addition to the **sum insured** or **limit of liability**.

9. Our rights of possession

We, our employees or our agents have the right to enter any **building** or area where **loss** or **damage** has occurred and take possession of **property insured** or require the **property insured** to be delivered to us. We will deal with this property in a reasonable manner.

10. Salvage

After we have settled a claim by replacing a **damaged** item, if we so elect, the **damaged** or **lost property insured** (other than a **building**) becomes ours.

11. Claims preparation expenses

We will pay for accountant, claims consultants, surveyors, architects, engineers and other professional fees necessarily and reasonably incurred for the preparation of a valid claim made under this policy other than under policy section 2, policy section 8 or policy section 11.

The most we will pay is \$20,000 or 25% whichever is the lesser, of the total amount payable under the applicable section other than 2, 8 and 11 as a result of one **event**.

General exclusions

These exclusions apply to all policy sections unless specifically stated otherwise.

1. Conflict

This policy does not insure claims directly or indirectly caused by, or arising from, or in consequence of, or contributed to by:

- a. war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;
- b. expropriation including lawful seizure, resumption, confiscation, nationalisation, destruction or damage to property by or under the order of any government or public or local authority; or
- c. looting, sacking or pillaging following any of the events stated in (a) or (b) above

This exclusion does not apply to policy section 7 to the extent of any inconsistency.

2. Nuclear

This policy does not insure claims directly or indirectly caused by, or arising from, or in consequence of, or contributed to by:

- a. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion only, combustion shall include any self-sustaining process of nuclear fission and/or fusion; or
- b. nuclear weapons material.

3. Non-compliance

This policy does not insure **loss** or **damage** or liability caused by or as a result of your failure to comply with any relevant statutory obligations, by-laws, regulations, public authority requirements or safety requirements.

4. GST, fines or penalties

This policy does not insure any GST, fine, penalty or charge that you are liable for because you did not tell us your entitlement to **input tax credits** on the premium for this policy, or the entitlement you told us was incorrect.

5. Intentional acts

This policy does not insure:

- a. any intentional or willful act or omission by you, your **family** members or your employees with your connivance; or
- b. fraudulent or dishonest acts committed by you, your **family** members or your employees acting alone or in collusion with others.

6. Terrorism

This policy does not insure:

- a. personal injury, **damage** to property, legal liability, **loss, damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of **terrorism**

regardless of any other cause or event contributing concurrently or in any other sequence to the personal injury, **damage** to property, legal liability, **loss, damage**, cost or expense; or

- b. personal injury, **damage** to property, legal liability, **loss, damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

However, this exclusion does not apply to policy sections:

- a. 3. Burglary;
- b. 4. Money;
- c. 5. Glass;
- d. 10. General Property.

7. Electronic data exclusion

- a. This policy does not cover:
 - i. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **data**;
 - ii. error in creating, amending, entering, deleting or using **data**; or
 - iii. total or partial inability or failure to receive, send, access or use **data** for any time or at all from any cause whatsoever, regardless of any other contributing cause or **event** whenever it may occur.
- b. We will not cover legal liability for communication, display, distribution or publication of **data**. However, this exclusion (b) does not apply to bodily injury, death, sickness, disease, disability, shock, fright, mental injury, mental anguish or loss of consortium resulting from any of them.
- c. Where an **event** listed below (being an **event** covered in Policy Section 1. Fire and other damage, or Policy Section 10. General Property of this policy but for this exclusion) is caused by any of the matters described in paragraph (a) above, this policy, subject to all its provisions, will insure:
 - i. **loss** of or **damage to property insured** directly caused by the **event**, or
 - ii. consequential loss insured by this policy.

This exclusion does not apply where an **event** listed below (being an **event** covered under Policy Section 1 Fire and other damage or Policy Section 10. General Property of this policy but for this exclusion) caused any of the matters described in paragraph (a) above.

- i. Fire;
- ii. Lightning or thunderbolt;
- iii. Explosion or implosion;
- iv. Storm and wind;
- v. Water damage;
- vi. Impact;
- vii. Earthquake, tsunami, subterranean fire, or volcanic eruption, or fire resulting from any of these; and

- viii. Theft of **data** solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such **data**.
- d. For the purposes of the “We cover” provision in this policy, computer systems records includes electronic **data**.
- e. Where damage to property or **property insured** are used in this policy, they do not include **data**.

General definitions

Unless defined differently in individual policy sections, these definitions apply to all policy sections.

Accidental

Unexpected and unintended from your standpoint.

Aircraft

Anything made or intended to fly or move in or through the air or space other than model aircraft. Aircraft includes **hovercraft**.

Animal(s)

Any living creature including but not limited to livestock, birds, fish, vermin, insects.

Building(s)

The **building(s)** at the **situation**.

Building(s) includes:

- a. sheds with a concrete floor and fixed to foundations at the **situation**;
- b. customised and modified shipping containers or transportable buildings permanently located at the **situation** used as workshops, lunchrooms or storage which are permanently fixed to the ground with electrical or plumbing services as necessary at the **situation**;
- c. shipping containers in which the **stock** your **business** distributes is delivered to your **situation** and from which merchandise is either being loaded into, unloaded from or stored in before dispatch, provided the container doors are secured when unattended with padlocks with a security rating under AS 4145.4 (or any subsequent amendment) of 6 or above and the padlocked container is fully enclosed by a cyclone fence with locked gates at the **situation** after hours;
- d. walls, foundations, storage tanks, awnings, exterior lights, masts, antennae and aerials, fixed external signs, walls, gates, fencing, pavements, roads and other structural improvements pertaining to the building(s); or
- e. property owner’s fixtures and fittings, floor coverings, plant, plumbing or wiring services that are within the **building**.

Building(s) do not include land, including topsoil and fill and dams, landscaping, reservoirs or canals.

Business

The business(es) shown and described on the **schedule**.

Computer virus

A corrupting, harmful, or otherwise unauthorised piece of code that infiltrates your computer equipment, including a set of unauthorised instructions, programmatic or otherwise, that propagates itself through your computer equipment. Computer virus includes “trojan horses”, “worms” and “time or logic bombs”.

Customers' goods

Goods that do not belong to you, but:

- a. belong to your customers and are in your physical or legal control because the **business** repairs, services, maintains, or stores those goods before or after it repairs, services or maintains the goods;
 - b. have been purchased by your customers and are in your physical or legal control awaiting delivery;
 - c. items at the **situation** that you have accepted responsibility to insure under a formal consignment agreement.
-

Damage or Damaged

Sudden and unforeseen physical damage or destruction.

Data

Facts, concepts and information converted to a form usable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.

Electronic equipment

Any electronic equipment including, but not limited to mobile phones, laptops, palm pilots, computers, scanners, printers, word processors, electronic processing systems, photocopiers, facsimile machines, electronic cash registers, electronic scales and electronic testing or analysing equipment used by you in the **business**.

Electronic equipment does not include electronic equipment that is **stock**.

Endorsement

Documentary evidence of an alteration to the policy which forms part of the policy.

Event or events

One incident or all incidents of a series consequent on, or attributable to, one source or original cause.

Excess

The amount which is payable by you for each claim made under this policy.

Family

- your spouse, your partner or your de facto who lives with you,
- your parents and parents-in-law,
- your children and children of your spouse, partner or defacto (not being your children) who live with you,
- your brothers and sisters.

For the purposes of this definition “you” and “your” refers to the directors, owners and officers of the **insured**.

Flood

The covering of normally dry land by water that has escaped or been released from the normal confines of any:

- a. lake river, creek or other natural watercourse (whether or not any of them are altered or modified); or
 - b. reservoir, canal or dam.
-

Fungus/Fungi

Fungi are a group of simple plants that have no chlorophyll. They include but are not limited to mould, mildew, and yeast. Fungi also include spores.

Glass

- a. fixed glass forming part of or fixed to the exterior of the **building** including glass in fixed signs; or
 - b. fixed internal glass including fixed glass in furniture, counters, shelving and showcases, fixed and hanging mirrors, fixed washbasins, sinks, toilet pans and cisterns, contained within the **building**.
-

Home building

A **building** which is used or intended to be used, principally and primarily as a place of residence.

Hovercraft

Any vessel craft or thing made or intended to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.

Input tax credit

The amount you are entitled to claim as a credit against GST that you have paid.

Insured/you/your

Any person, company or legal entity shown on the **schedule** as the insured.

Loss/losses/lost

Sudden or unforeseen physical loss.

Machinery

Any mechanical or **electrical equipment**, that generates, transmits or utilises mechanical or electrical power, any electronic machine, device or instrument, but not including:

- a. any vehicle or mobile equipment;
 - b. any **watercraft** or **aircraft**;
 - c. any elevator or escalator but not excluding any electrical or **electronic equipment** used with such apparatus; or,
 - d. any buried piping, any drainage piping, any sprinkler piping and its accessory equipment
-

Media

Material on which **data** is recorded or stored, such as magnetic tapes, hard drives, cartridges, dongles, CD's, DVD's, USB's, flash drives, memory cards or floppy disks.

Money

Cash, bank notes, currency notes, negotiable cheques, negotiable securities, traveler's cheques, debit and credit card vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines.

Money does not include collectable items (for example coin or stamp collections) or anticipated revenue.

Obsolete stock

Stock (as defined in the applicable section of the policy) which can no longer be sold for its full value, for example **stock** which is out-of-season fashion, superseded computers or perishable goods beyond their used by date.

Period of insurance

The period of time shown on the **schedule** during which insurance is provided under this policy.

Pollutants

Any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste materials. Waste includes material to be recycled, reconditioned or reclaimed.

Product Disclosure Statement (PDS)

PDS is the name of this document and it contains the terms of your insurance cover. It tells you what cover we provide, details of costs and **excesses** and other important information. It should be read together with your **schedule**, any **endorsements** and any **SPDS** that we may give you.

Property insured

The property as described on the **schedule** in respect of each policy section.

Road

Any surveyed or unsurveyed land dedicated to public use, according to law, as a road (including a footpath or median strip). It also includes a toll road or a bridge which is open to the public and used as a road.

Safe or strong room

A container or structure which has been specifically designed for the safe storage of **money** or valuables and is designed to resist unauthorised opening by hand-held or power operated tools.

A safe is not:

- a. an ATM;
 - b. a cash tin;
 - c. a locked drawer in a filing cabinet or desk; or
 - d. a burglary resistant container weighing less than 20 kilograms that is not fixed by dynabolts to the wall or floor of the situation.
-

Schedule

The record of the particulars of your insurance which forms part of this policy. The schedule is issued when we have accepted your insurance.

At each renewal of your policy, the renewal schedule becomes your current schedule. Updated schedules or **endorsements** may also be sent to you showing alterations to your policy.

Situation

The places listed in the **schedule** at which and from which you operate your **business**. The situation includes **buildings** and land within the legal boundaries.

Stock in trade

Merchandise and **customers' goods** for which you are legally responsible including the value of the work done and containers or packaging materials used in connection with the **business**.

Supplementary Product Disclosure Statement (SPDS)

An SPDS updates or adds to the information in the PDS.

Sum insured or limit of liability

The amount shown as the sum insured or limit of liability on the **schedule** for a policy section, part of a policy section or individual item or cover. The sum insured and limit of liability include GST.

Terrorism

An act, including but not limited to the use of force or violence (or threat of force or violence) by any person or group of people acting alone, or on behalf of or in connection with any organisation or government, that from its nature or context are done for, or in connection with, political, religious, ideological ethnic or similar reasons with the intention to influence any government or put the public or any section of the public in fear.

Vehicle

Any type of machine on wheels or on caterpillar tracks (including any trailer, caravan or other apparatus attached to the machine) made or intended to be propelled other than by manual or **animal** power.

Watercraft

Anything made or intended to float or travel on or through water other than model boats.

We/us/our

GIO General Limited ABN 22 002 861 583 AFSL 229873.

Policy Section 1: Fire and other damage

Please note that if you are insuring a **home building** under this policy section you should also read Part B of this PDS.

About this policy section

This section of the policy covers physical **loss** of or **damage** to your **property** from insured events listed in this section, including but not limited to **events** such as fire, lightning and explosion. We do not cover the theft or breakdown of your **property** under this section.

Your insurance under this policy section

We cover	Provided 'Fire and other damage' is shown under 'Sections Insured' in the schedule , we will insure you for loss of or damage occurring during the period of insurance to buildings, business contents, stock or specified items , arising from an insured event specified below occurring at the situation .
We do not cover	<p>This policy section (including the extra covers and additional benefits) does not insure:</p> <p>1. Power Surge Loss or damage to any electrical appliance or device (including wiring) caused by power surge, failure or fluctuation unless caused by lightning. If fire occurs as a result of this destruction or damage, this exclusion will not apply to that portion of the damage directly caused by the ensuing fire.</p> <p>2. Maintenance or defects Loss or damage caused by or arising out of:</p> <ul style="list-style-type: none">a. rust or corrosion;b. inherent or structural defects;c. faulty design, materials or workmanship; ord. developing flaws, gradual deterioration, normal upkeep of property, or existing defects or lack of maintenance to property, unless you can show you did not know about the deterioration, defect or lack of maintenance. You cannot claim for repairing the deterioration or defect or the maintenance. <p>3. Consequential loss loss of use, loss of earning capacity or any other consequential loss.</p>

Insured events

1. a. Fire

We do not cover	We will not cover loss or damage : a. to any stock or business contents caused by: i. spontaneous combustion or fermentation of that stock or business contents ; ii. the direct application of heat to that stock or business contents ; or iii. any business process involving the direct application of heat to that stock or business contents . b. occurring within 72 hours from the commencement or modifications to (including increasing sums insured) of this policy caused by a bushfire; or c. caused by smog, soot, ash or heat damage where there has been no flame at the situation or at adjacent properties.
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1. b. Escape of molten material from its intended confines at the situation

We cover	This is limited to loss or damage caused by the escape of molten material from its intended confines on, or at, the situation .
We do not cover	a. the cost of repairing any fault which permitted the escape of molten material; b. the cost of retrieving or removing escaped material from any escape channel or catchment; c. any loss of or damage to the material that has escaped; or d. any loss of or damage to furnace linings, crucibles, moulds, other containers or ladles from which molten material escaped.

2. Lightning or thunderbolt

We do not cover	We will not cover loss or damage where you are unable to provide: a. evidence that lightning caused the loss or damage ; or b. meteorological evidence that lightning struck in your area at the time the loss or damage occurred. We will not cover loss or damage to any electrical appliance or device (including wiring) caused by power surge, failure or fluctuation unless caused by lightning.
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3. Explosion or implosion

We do not cover	We will not cover loss or damage to pressure vessels or their contents which require certification under any statutory obligations, by-laws and regulations.
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4. Storm, wind and rain (including snow, sleet or hail)

We cover	<p>This is limited to:</p> <ul style="list-style-type: none">a. storm;b. wind;c. rainwater;d. cyclones or tornadoes;e. snow or sleet;f. hail; andg. run-off of rainwater that accumulates directly on and flows across normally dry ground or that overflows from public roadside gutters, channels and drains that are normally dry or swimming pools, spas or saunas.
We do not cover	<p>We will not cover you for more than \$20,000 in respect of any one insured event for loss or damage to gates, fences, retaining walls, shade-cloth, hail nets, exterior textile awnings or blinds, shade houses, fibreglass houses or glass houses.</p> <p>We will not cover loss or damage caused by:</p> <ul style="list-style-type: none">a. flood;b. the sea, including tidal wave, tsunami, storm surge or high-water;c. erosion, landslide, mud slide, subsidence or any earth movement;d. steam or condensation;e. water seeping or percolating the building from outside;f. a named cyclone named by the Bureau of Meteorology where the damage occurs within 72 hours from the commencement of this policy; org. water entering a building or structure as a result of structural defects, faulty design, faulty workmanship or lack of maintenance. <p>We will not cover loss or damage to:</p> <ul style="list-style-type: none">a. property in the open air, unless the property comprises or forms part of a permanent structure designed to function without the protection of walls or roof;b. any building (or its contents) in the course of construction or reconstruction, unless the building is enclosed and under roof with all outside doors and windows permanently in place; orc. loose or compacted soil, earth, gravel, pebbles, rocks or granular rubber, gravel or pebble driveway, but we will pay the cost to restore soil or earth to the extent that it is necessary to repair insured damage to your building.

5. Water damage

We cover	<p>This is limited to loss or damage caused directly or indirectly by:</p> <ol style="list-style-type: none">the discharge or leaking of water from any damaged pipe, water system (including a fire protection system such as a sprinkler system), tanks or drains installed in and servicing the building; orwater from a damaged water main in the immediate vicinity of the building. <p>But we will also pay:</p> <ol style="list-style-type: none">the reasonable exploratory costs incurred in locating the source of the destruction or damage, provided it is your responsibility to pay for these costs. We will pay no more than \$25,000 for all exploratory costs incurred during any one period of insurance;the reasonable costs of removing water and any incidental cleaning operations; andif water is discharged from a fire protection system, any expenses incurred by you for the attendance of the fire brigade for the purpose of shutting off the water supply following an accidental discharge of water from a fire protection system.
We do not cover	We will not cover the cost of repair, replacement or re-routing of the defective part or parts of the pipe or water system that caused the damage.

6. Impact

We cover	<p>We cover loss or damage caused by impact from:</p> <ol style="list-style-type: none">vehicles designed primarily for use on land or their load;watercraft or hovercraft;animals;a falling building or part of a building other than due to intentional demolition of buildings that are at the situation or belong to you;aircraft or other aerial devices or articles dropped from them and satellites, space debris or meteorites; orfalling trees or branches, masts, satellite dishes, antennae and aerials; but, excluding the loss or damage to those objects unless caused by another insured event.
We do not cover	<p>We will not cover loss or damage caused by:</p> <ol style="list-style-type: none">any tree lopping or removal or demolition activity arranged or agreed to by you at the situation;eating, chewing, clawing or pecking by animals;any animals kept at the situation; orany impact resulting from the action of water.

7. Riot or civil commotion

We cover	This is limited to acts of: a. strikers, locked-out workers, persons taking part in labour disturbances and persons of malicious intent acting on behalf of or in connection with any political organisation; or b. any lawful authority in connection with the strike, lockout, labour disturbance or political violence.
We do not cover	We will not cover loss of or damage caused by total or partial cessation of work or the retarding or interruption or cessation of any process or operation.

8. Malicious acts (including by vandals and thieves)

We do not cover	Under this insured event we will not cover any: a. loss or damage caused by your family ; b. loss or damage caused by persons rioting or participating in civil commotion; c. property that is stolen from the situation . However we will cover resultant physical damage to buildings, business contents, stock or specified items at the situation as a result of theft or attempted theft; d. loss or damage to any gaming, amusement or vending machines or any business contents or stock contained within such machines where they are not located within a building ; e. breakage of glass , washbasins, sinks, toilet pans or cisterns or for the cost of replacing signwriting, ornamentation, reflective materials and burglar alarm tapes attached to broken glass ; or f. the costs of cleaning, repairing or restoring the situation due to the neglect, or untidy, unclean or unhygienic habits of tenants or their guests. We will not cover more than \$10,000 during any one period of insurance for malicious acts committed by your tenants.
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9. Earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these, during any period of 72 consecutive hours following the insured event

We do not cover	<p>a. We will not cover the first \$20,000 or 1% of the total declared value specified in the schedule that relate to the damaged property at the situation whichever is the lower for each claim under the event.</p> <p>For example, if the sum insured in the schedule for 'Building(s)' is \$1,000,000 and for 'Business Contents' is \$500,000 and the earthquake causes damage to the buildings and business contents, you will be required to contribute the first \$15,000 (1% of \$1,500,000) of a claim as this amount is less than \$20,000.</p> <p>b. You will only be required to pay one excess for damage that results from an event during any period of 72 consecutive hours.</p> <p>c. Damage arising from an insured event that occurs more than 72 hours after the event will be considered to be a separate event in which case an additional excess will be required.</p>
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10. Accidental damage

We cover	We will pay up to \$250,000 or the total of the sums insured for buildings, business contents, stock and specified items whichever is the lesser, unless your schedule shows that you have chosen accidental damage for total declared value, in which case the maximum we will pay for any one claim is the total declared value .
We do not cover	<p>We will not cover you for loss or damage caused by:</p> <ol style="list-style-type: none">any of the insured events 1 to 9 of this policy section. To avoid doubt, this includes any of the insured events' related exclusions;mechanical, hydraulic, electrical breakdown or electronic failure, or malfunction;wear and tear, gradual deterioration, scratching, marring, developing flaws, normal upkeep or any gradual cause;animals;corrosion, rust, oxidation, any form of fungus, wet or dry rot, contamination or pollution, dampness of atmosphere, variation in temperature, evaporation, disease, shrinkage;change in colour, flavour, texture or finish;inherent vice or latent defect;loss of weight or exposure to light;creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in buildings, pavements, roads, car parks and the like;error or omission in design, plan, or specification, or failure of design, or failure during testing;faulty materials or workmanship;

We do not cover

- l. any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;
- m. **data** processing or **media** failure or breakdown or malfunction of a processing system including operator error or omission;
- n. loading or unloading;
- o. failure of the supply of water, gas, electricity or fuel;
- p. infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by you or any **employee**;
- q. erosion, subsidence, landslip or mudslide or any other earth movement;
- r. improper packing or storage;
- s. incorrect siting of buildings;
- t. demolitions ordered by government or public or local authorities;
- u. any person deliberately switching off, disconnecting or load shedding the power supply;
- v. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **data**;
- w. total or partial inability or failure to receive, send, access or use **data** for any time or at all; or
- x. smoke or soot.

We will not cover **loss** of or **damage** to:

- a. **animals**, plants, landscaping or growing crops;
- b. any electrical device (including wiring) caused by a surge in electrical current;
- c. **glass** or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to broken **glass**;
- d. any **property** where the **loss** or **damage** was caused during the course of its processing or manufacture; or
- e. **property** that is or could have been insured under any other policy section, even if you have not selected the other policy section or have had cover under the other policy section excluded or otherwise denied by us.

We will not cover loss or **damage** to **property**

- a. caused by or arising out of its undergoing any process involving the application of heat;
- b. undergoing construction, erection, alteration, addition, demolition, repair or maintenance; or
- c. whilst in transit other than during the incidental movement of that **property** within the boundaries of the **situation(s)**.

Extra covers

If we agree to pay a claim under this section for **loss** or **damage** arising from any insured event we will also provide the following extra covers. Unless stated otherwise below, any amounts payable under these extra covers apply in addition to the **sum insured**.

1. Reinstatement of sum insured

We cover	<p>If we pay an amount for a claim under this policy section we will automatically reinstate the sum insured to the amount shown on the schedule. You will not have to pay any additional premium.</p> <p>This Extra Cover does not apply if we pay the total declared value or full 'Building' sum insured in respect of a single claim under this policy section. If we pay the total declared value or full 'Building' sum insured in respect of a single claim, then cover under this policy section ends.</p>
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2. Removal of debris and temporary repairs

We cover	We will pay the reasonable costs of removal, storage and disposal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs incurred by you.
We do not cover	<p>We will not pay more than \$25,000 for any one insured event. Additionally if the total sums insured for buildings, business contents, stock and specified items has not been otherwise exhausted, we will pay up to the remainder of the unexhausted amount, subject to the condition 1 Under-insurance provision in this section.</p> <p>We will not pay for the costs of removing debris if:</p> <ol style="list-style-type: none">the liability to remove, store or dispose of debris has arisen as a result of any agreement made by you, unless liability would have attached in the absence of such agreement; orthe debris is itself a contaminant or pollutant that does not form part of the construction material of the building.

3. Professional fees

We cover	We will pay the reasonable cost of surveyors' architects' and other professional fees for estimates, plans, specifications, quantities, tenders and supervision, incurred in the repair or replacement of lost or damaged buildings .
We do not cover	<p>We will not pay more than \$5,000 or the unexhausted portion of the sum insured relating to the damaged buildings whichever is higher, for any one insured event, subject to condition 1 – Under-insurance.</p> <p>We will not pay any claim under this extra cover if your schedule shows the building as being insured for 'Indemnity'.</p>

4. Seasonal increase period/s

<p>We cover</p>	<p>We will automatically increase the sum insured in respect of stock by 35% or such other amount as is specified in the schedule during the seasonal increase period.</p> <p>You can nominate different stock increase period(s) or higher percentage increases of stock. If you do they will be shown on your schedule and you must pay any additional premium that applies.</p>
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5. Floating stock

<p>We cover</p>	<p>Where we pay a claim for loss or damage of stock at a situation we will pay more than the 'Stock' sum insured at that situation to account for the temporary transfer of stock between situations provided that:</p> <ol style="list-style-type: none">there are at least two situations on the schedule and a sum insured has been separately specified on the schedule for stock at each situation insured under this section, including the affected situation; andyou transfer the stock between situations as a usual business practice.
<p>We do not cover</p>	<p>We will not pay a claim under this extra cover where stock levels in excess of the sum insured at a situation have been temporarily located at that situation for a period exceeding 90 days and where we have not agreed in writing to an extended period.</p> <p>We will not pay more than the total of the 'Stock' sum insured for all situations.</p>

6. Catastrophe inflation protection

<p>We cover</p>	<p>If we agree to pay a claim for damage to your building that is a direct result of a catastrophe we will pay up to an additional 20% of the sum insured for buildings for any additional costs incurred in rebuilding that can be directly attributed to increases in the price of services and materials as a direct result of the catastrophe.</p> <p>For example, if your sum insured for buildings was \$1,000,000 we would pay up to an extra \$200,000 (20% of \$1,000,000).</p> <p>However, this extra cover does not operate to increase the total declared value for the purposes of calculating the application of any extra cover or additional benefits or Condition 1 – Underinsurance.</p>
<p>We do not cover</p>	<p>We will not pay more than the increased building costs which are actually incurred by you as a direct result of the catastrophe.</p> <p>We will not pay any claim under this extra cover if you choose not to rebuild the buildings (or any part of them) at the situation shown on your schedule.</p> <p>We will not increase the sum insured to pay for damage to any property other than buildings.</p> <p>We will not pay any claim under this extra cover if your schedule shows the building as being insured for 'Indemnity'.</p>

7. Rewriting of records

<p>We cover</p>	<p>We will pay the reasonable costs of restoring the data stored on media or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the business's records.</p> <p>We will pay</p> <ol style="list-style-type: none">up to the maximum of \$50,000; orthe unexhausted portion of your 'Business contents' sum insured, which ever is the greater.
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8. Directors and employees tools of trade and personal effects

<p>We cover</p>	<p>We will pay for loss of or damage to directors' and employees' tools of trade and personal effects caused by an insured event as if they were business contents.</p>
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We do not cover	<p>If such tools of trade or personal effects are covered under another insurance policy, we will only pay for loss or damage not otherwise covered by that other policy.</p> <p>We will not pay more than \$5,000 for any one person for any one insured event. Any amount we pay for this extra cover will not be in addition to the 'Business contents' sum insured.</p> <p>We will not pay for loss or damage to laptop computers, mobile phones, digital media players, electronic diaries, non-fixed GPS units, musical instruments, curios, works of art, money, credit cards or medical devices.</p>
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9. Capital additions

We cover	<p>If buildings or business contents are insured and:</p> <ol style="list-style-type: none"> a. buildings, or part of them, are in the process of being constructed, erected, altered or added to; or b. business contents are in the process of being installed or modified; <p>we will pay up to an additional 20% of the sum insured for buildings and business contents for loss or damage to the new additions or installations.</p>
We do not cover	<p>We will not cover you for any loss or damage caused by or arising out of the following insured event – 4. Storm, wind and rain (including snow, sleet and hail) in Section 1 – Fire and other damage.</p> <p>For a building, we will pay no more than:</p> <ol style="list-style-type: none"> a. \$500,000; or b. 20% of the 'Building' sum insured; <p>whichever is the lesser amount.</p> <p>For business contents, we will pay no more than:</p> <ol style="list-style-type: none"> a. \$100,000; or b. 20% of 'Business contents' sum insured; <p>whichever is the lesser amount.</p> <p>For example, in the case of buildings at the situation that are insured for \$1,100,000 and the building is being altered, we will not pay more than \$220,000 (20% of \$1,100,000) as this amount is less than \$500,000.</p> <p>If your business is retailing, and the business contents of your rented shop are insured for \$150,000 and your are refitting the shop shelving and service counters, we will not pay more than \$30,000 (20% of \$150,000), as this amount is less than \$100,000.</p>

10. Loss of land value

We cover	If we pay for a claim for loss or damage to a building at a situation , we will pay for any reduction in land value that results from the decision by any legal authority not to allow rebuilding or only to allow partial rebuilding of a building at the situation .
We do not cover	We will not pay more than: <ol style="list-style-type: none">10% of the 'Building' sum insured shown on the schedule; or\$100,000; whichever is the lesser. For example, if the sum insured for the building is \$900,000, we will not pay more than \$90,000 (10% of \$900,000), as this amount is less than \$100,000.

11. Undamaged foundations

We cover	If the building foundations at the situation are not damaged by an insured event that causes other damage to the building but a government or statutory authority requires reinstatement of the building to be carried out on another site, the foundations will be considered as destroyed.
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12. Additional costs of repairing electronic equipment

We cover	When we have agreed to pay any amount for damage to electronic equipment , we will also pay the following reasonable costs incurred by you and directly arising from the damage : <ol style="list-style-type: none">the cost of locating the damage;freight charges up to 5% of the value of the damaged item of property; andcharges for overtime and work on public holidays needed to return the property to normal working condition.
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Additional benefits

We will also provide the following additional benefits in this section subject to both the General and Policy Section Exclusions.

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

1. Prevention of loss or damage

We cover	We will cover you for the necessary costs that you incur: <ul style="list-style-type: none">a. to extinguish a fire occurring during the period of insurance on or in the vicinity of the situation which causes or threatens loss or damage to your property;b. to prevent or diminish imminent damage to your property by any other insured event occurring during the period of insurance; or for the temporary protection and safety of your property at the situation necessitated by damage from an insured event occurring during the period of insurance , including the employment of security services.
We do not cover	We will not pay more than \$25,000 for all claims under this additional benefit during any one period of insurance . If you are insured under Section 3 – Burglary or Section 4 – Money, the benefits payable under this additional benefit shall not be cumulative with the temporary protection cover contained in those sections and shall be \$25,000 for all claims under this additional benefit during any one period of insurance . We will not pay for: <ul style="list-style-type: none">a. any fines penalties, or liability incurred by you; orb. for any loss or damage to your property under this Additional Benefit.

2. Temporary removal of stock and business contents

We cover	We will pay up to 20% of the sum insured for loss or damage to stock or business contents during the period of insurance caused by an insured event if the stock or business contents have been temporarily removed from the situation and in a temporary storage facility, self storage unit or bulk storage facility as if it were at the situation but still within the Commonwealth of Australia.
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We do not cover	<p>We will not pay more than 20% of the sum insured of the applicable stock or business contents for any insured event.</p> <p>For example, if the sum insured for stock or business contents is \$100,000 and there is loss or damage to stock that has been temporarily removed from the situation as a result of an insured event, we will pay up to \$20,000 (20% of \$100,000).</p> <p>We will not pay for loss of or damage to:</p> <ol style="list-style-type: none"> directors' and employees' tools of trade and personal effects; motor vehicles, except for fork lift trucks and similar appliances that are used for hauling or conveying goods at the situation; stock that you have consigned to another person for sale; stock or business contents whilst in transit or in the open air; or stock or business contents that have been removed from the situation in excess of 90 days at the time of the loss or damage.
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3. Damage to business records away from the situation

We cover	<p>We will cover you for loss or damage to computer system records, documents, manuscripts, plans, drawings, designs and business books of every description used for the purposes of your business if they are lost or damaged in a motor vehicle accident or stolen from a locked vehicle in the period of insurance.</p>
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4. Landscaping

We cover	<p>We will pay for loss of or damage to landscaping at the situation, during the period of insurance arising from an insured event.</p> <p>Landscaping includes trees, shrubs, plants and lawns.</p>
We do not cover	<p>We will not pay more than \$10,000 for any one insured event.</p> <p>We will not pay for any loss of or damage to landscaping which occurs as a result of insured events:</p> <ol style="list-style-type: none"> 4. Storm and wind (including snow, sleet or hail); or 8. Malicious Acts (including by vandals and thieves).

5. Damage to glass in vacant buildings

<p>We cover</p>	<p>If you own but do not occupy any buildings shown as insured under this policy section at a situation we will cover you for the following costs directly related to the breakage of glass in the period of insurance in a rentable area of the building that is vacant at the time of the breakage:</p> <ol style="list-style-type: none">the cost of temporary shuttering necessary pending replacement of the broken glass;the costs incurred in replacing reflective materials and burglar alarm tapes and connections attached to the glass;the cost incurred in repairing or replacing damage to window, door or showcase frames and their fittings, but not to bars, grilles or shutters; orthe cost incurred in repairing or replacing tiles on shop and office fronts and around the glass.
<p>We do not cover</p>	<p>We will not pay more than \$5,000 during any one period of insurance for all claims under this additional benefit.</p> <p>We will not cover you for any breakage:</p> <ol style="list-style-type: none">of glass caused by or arising out of fire or the application of heat;of glass:<ol style="list-style-type: none">when in transit or whilst being fitted into position or removed from its fitting;in light fittings;that is cracked or imperfect prior to breakage;that is not fit for the purpose intended; orthat is in a glasshouse. <p>We will not pay for the breakage of:</p> <ol style="list-style-type: none">tiles on shopfronts and office fronts, other than around the broken glass; orplastic or perspex signs. <p>We will not cover any claims under this additional benefit if:</p> <ol style="list-style-type: none">you have selected policy Section 5 - Glass;your insured building is leased to a tenant; orthe situation has remained unoccupied or untenanted for a continuous period longer than 60 days and we have not agreed to an extended period in writing. <p>The excess that applies to this additional benefit is:</p> <ol style="list-style-type: none">the excess shown on the schedule; or\$500; <p>whichever is the higher.</p>

6. Theft of external property

We cover	If you own but do not occupy a building shown as insured under this section at a situation we will cover you for the theft in the period of insurance of plant, plumbing or wiring services that are not part of that building but which are securely attached (by means other than the connection to a power point) to the building structure.
We do not cover	We will not cover you for more than \$5,000 in the aggregate during the period of insurance for all claims under this additional benefit. We will not pay for any loss or damage caused by your family or your tenants. We will not pay any claims under this additional benefit if you have selected policy section 3 – Burglary.

7. Limited transit cover

We cover	We will cover you for loss of or damage to stock or business contents during the period of insurance which are in transit in any vehicle anywhere in The Commonwealth of Australia and away from the situation , caused by a collision or overturning of the vehicle or an incident covered under the following: a. Insured Event 1 (a & b); b. Insured Event 2; c. Insured Event 3; d. Insured Event 7; e. Insured Event 8; or f. Insured Event 9.
We do not cover	We will not cover you for more than: a. \$25,000; or b. 10% of the highest sum insured for business contents or stock at any one situation ; for each incident, whichever is the lesser. We will not cover you for any claims under this additional benefit if you have selected policy section 7 – Goods in Transit.

8. Temporary cover for new situations

<p>We cover</p>	<p>We will cover you for loss or damage occurring during the period of insurance to property at any new situation arising from any of insured events 1 – 10 inclusive that are not at a situation provided that:</p> <ul style="list-style-type: none">a. you first occupy the new situation during the period of insurance;b. the business carried on at or from the new situation is the same as shown on the schedule;c. the property at the new situation is of the same nature as the buildings, business contents and stock located at a situation and would have been covered if they were located at a situation; andd. the buildings at the new situation are constructed of the same materials as the buildings at any situation, and has the same or superior protection systems as those at that situation.
<p>We do not cover</p>	<p>We will not cover you for more than 20% of the highest total declared value for any situation shown on the schedule.</p> <p>For example, if you insure two existing situations, one which has a total declared value for all property totalling \$1,000,000 and the other which has a total declared value for all property totalling \$2,000,000, then any new situation will be covered for up to \$400,000 (20% of \$2,000,000, being the higher of the two total declared values for all property at a situation).</p> <p>We will not cover you under this additional benefit for any loss or damage at the new situation that occurs more than 30 days after you first occupy the new situation.</p>

What we pay

The maximum we will pay for any one claim, other than a claim for a **specified item**, under this policy section is the **total declared value** as shown on the **schedule** or adjusted in accordance with this policy section, whichever is the higher.

The maximum amount we will pay in respect of a **specified item** is the **sum insured** noted for that item under the heading 'Other Property' on the **schedule**.

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

For any item of **business contents** or for any **specified item** that is part of a pair or set we will pay the relevant limit that applies to the pair or set.

1. Building(s), specified items or business contents

Reinstatement or replacement

Unless the **schedule** shows you are insured for 'Indemnity' then, when **buildings, specified items** or **business contents** are lost or destroyed we will, at our option:

- a. rebuild the **buildings** at the **situation** shown on your **schedule** or at another site;
- b. replace **business contents** or **specified items** with similar **property**;
- c. pay you the amount shown on the proof of purchase for **specified items**;
- d. pay you the amount of a valuation by the Auctioneers and Valuers Association of Australia for **specified items** of works of art, antiques and curios; or
- e. pay the cost of rebuilding or replacing the **buildings, specified items** or **business contents**.

If the **buildings, specified items** or **business contents** are **damaged**, then we will, at our option:

- a. repair or replace the **buildings, specified items** or **business contents**; or
- b. pay the cost of repairing or replacing the **buildings, specified items** or **business contents**.

Reinstatement or replacement is subject to the following conditions:

- a. the work of rebuilding, replacing or repairing must be commenced and completed by you within a reasonable time otherwise the amount we pay will be the indemnity value of the **property**. This means we will reduce the amount we pay you to take into account age, wear, tear and depreciation.
- b. when rebuilding at another site, we will not pay more than we would pay to rebuild at the **situation**.
- c. when any **property** is **damaged**, but not destroyed, we will not pay more than the amount that we could have been called upon to pay for if that **property** had been destroyed.
- d. we will only pay to return the **property** to a condition substantially the same as, but not better or more extensive than, its condition when new, using building materials readily available and in common use in The Commonwealth of Australia.

Indemnity

If your **schedule** shows you are insured for 'Indemnity' then, for any **loss** or **damage** to **building** or **business contents** we will, at our option:

- a. repair, reinstate or replace the **building** or **business contents**;
- b. pay you the market value of the **building** or **business contents** at the time of its **loss** or **damage**; or
- c. pay the cost of repair or replacement.

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

Extra costs of reinstatement: Building is not a heritage building

If you are insured under this policy section on a reinstatement or replacement basis, we will also pay the extra cost of reinstatement or replacement of **buildings** which are necessarily incurred to comply with the requirements of any Act of Parliament or any by-law or regulation of any Municipal or other statutory authority, other than those relating to heritage status of the **building**.

The following conditions apply:

- a. the work of reinstatement must be commenced and completed within a reasonable time; and
- b. the amount payable will not include any additional costs in complying with any requirement that you had been required to comply with before the **loss** or **damage** occurred.

If the cost of reinstatement of the **building** is less than 50% of what would have been the cost of reinstatement if that **building** had been totally destroyed, then the amount we will pay will

- a. be limited to the extra cost necessarily incurred in reinstating the **damaged** portion of the **building** only;
- b. not include any extra cost in relation to any portion of the **building** which is not **damaged**; and
- c. will not exceed, in any event, the amount that we would have paid if that **building** had been totally destroyed.

Extra costs of reinstatement: Heritage building

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

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

The following conditions apply:

- a. the work of reinstatement must be commenced and completed within a reasonable time; and
- b. the amount payable will not include any additional costs in complying with any requirement that you had been required to comply with before the **loss** or **damage** occurred.

2. Loss of floor space

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

- a. an Act of Parliament or regulations; or
- b. a by-law or regulation of any Municipal or other statutory authority;

we will, in addition to reinstating or replacing the **building** on the basis set out above for the **building** with a reduced floor space, pay you the difference between:

- a. the actual cost of rebuilding the **building** with the reduced floor space; and
- b. the estimated cost of rebuilding the **building** with the floor space it had at the time of its destruction.

3. Stock and customers' goods

If **stock** or **customers' goods** are **lost** or **damaged**, we will, at our option:

- a. pay the market value of the **stock** or **customers' goods** at the time of the **loss** or **damage** up to but not exceeding the **sum insured** for **stock** under the Fire and other damage section in the **schedule**;
- b. pay you the market value of **obsolete stock** or its purchase price (net of GST), whichever is the lesser, but no more than the original cost to you;
- c. replace or repair the **stock** or **customers' goods** with property or materials equal to or of a similar standard and specification as the **stock** or **customers' goods** at the time it was **lost** or **damaged**; or
- d. pay the cost of repair or replacement of the **lost** or **damaged stock** or **customers' goods**.

Branded stock

We will not sell branded **stock** as salvage without your consent.

If you do not agree to us selling the branded **stock** as salvage, we will pay the market value of the **stock** after brands, labels or names have been removed.

4. Electronic equipment

For valves, tubes and light sources in **electronic equipment** we will, at our option:

- a. replace or repair the valves, tubes or light sources as far as possible to the condition they were at the time of **loss** or **damage**; or
- b. pay the cost of repair or replacement.

In either case, for valves, tubes and light sources we will reduce what we pay you to take into account wear and tear, depreciation and betterment.

Excess

You must pay the **excess** shown on the **schedule** that applies to a claim under this section.

If you are making a claim for **loss** or **damage**:

- i. covered under insured event 8 – Malicious Acts where such **damage** is caused by an act committed by your tenants, the **excess** for each claim is \$500 or the **excess** shown on the **schedule** (whichever is higher);
- ii. covered under insured event 9 – Earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these during any period of 72 consecutive hours, the **excess** for each claim is 1% of the total **sums insured** specified in the **schedule** that relate to the **damaged property** at the **situation** or \$20,000 whichever is the lesser, for each claim;
- iii. covered under additional benefit 5 – Damage to glass in vacant buildings, the **excess** for each claim is \$500 or the **excess** shown on the **schedule** (whichever is higher).

Policy section conditions

These conditions apply to all covers and claims under section 1- Fire and other damage.

1. Under-insurance

In the event of **loss** or **damage** covered under this section:

- a. for claims settled on a reinstatement or replacement basis, we will be liable for no greater proportion of the **loss** or **damage** than the **total declared value** specified in the **schedule** for all **property** at the **situation** where the **loss** or **damage** occurs, bears to 80% of the cost (net of any **input tax credit** that you could claim) which would have been incurred in reinstatement at the time when the policy was entered into, if the whole of the **property** had been destroyed at that time; or
- b. for claims settled on an indemnity basis, we will be liable for no greater proportion of the **loss** or **damage** than the **total declared value** specified on the **schedule** for all **property** at the **situation** where the **loss** or **damage** occurs, bears to 80% of the indemnity value (less any Goods and Services Tax component of that value) of the **property** at the time when the policy was entered into.

This condition does not apply if the amount of any **loss** or **damage** (net of any **input tax credit** that you could claim) is less than 5% of the **total declared value** specified on the **schedule** for all **property** at the **situation** where the **loss** or **damage** occurs.

2. Sprinklers and fire alarm systems

All fire protection systems (either manual or automatic sprinkler or alarm systems) in the **building(s)** and which you own or have responsibility for maintaining must be maintained in accordance with the Australian Standards Maintenance Series (A.S. 1851 or any subsequent amendments).

3. Indexation

If shown on the **schedule** or Business Insurance Application that indexation applies, we will automatically adjust the **total declared value**, shown on the **schedule**, each year according to the most appropriate price index (as determined by us) and any other relevant indices published by the Australian Bureau of Statistics.

The premium you pay will be based on the adjusted **total declared value** shown on the **schedule**.

Worked dollar examples

The following worked dollar examples are designed to assist you in the understanding some of the important benefits in this policy section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. The following examples should be used for general guidance only.

You have cover for a building that is used as both a hairdressing salon and your residence. For this reason it is a **home building**. Indemnity is not shown on your **schedule**, so you have cover on a replacement value basis. The **total declared value** on the **schedule** is shown as \$400,000 (the total of the **sum insured** shown on your **schedule** for the **building** of \$380,000, **business contents** of \$10,000 and **stock** of \$10,000) and the **excess** shown on the **schedule** is \$250. When setting the 'Building' **sum insured**, you must consider the costs to remove debris and payment of any architect fees. The **building** is **damaged** in a storm and we assess the cost of repairs to be \$50,000.

How much we pay		Further information
Cost of repairing the storm damage to your building	\$50,000	We normally decide the building is repairable if the cost of repairing the building is less than the sum insured (in this example the sum insured is \$380,000).
Removal of debris	+\$30,000	In addition to the damage to the building , the storm has created building debris that requires cleaning up and removal. The most we will pay under the removal of debris benefit is \$25,000 in addition to the total declared value . However, as the total declared value has not been exhausted, we will pay up to any unexhausted amount remaining from the total declared value , which in this case is \$30,000.
Less excess	-\$250	We deduct this from the amount we pay. We may require you to pay this amount directly to the repairer.
Total claim	\$79,750	We normally pay this amount directly to the repairer.

Underinsurance on a partial **loss**

In the above example, if the actual replacement value of the **building** at the time the policy was entered into was \$580,000 but you had only insured the **building, business contents** and **stock** for \$400,000 the amount we pay will be reduced in accordance with the underinsurance condition in this policy section.

The amount we would pay before we deduct the **excess** will be calculated as follows:

$$\begin{array}{rcl} \text{Total claim of} & & \\ \$80,000 \text{ x} & \frac{\$400,000}{(80\% \times \$580,000)} & = \$68,966 \end{array}$$

You have cover for a **building** that is used as both a cafe and your residence. For this reason it is a **home building**. Indemnity is not shown on your **schedule** so you have cover on a replacement value basis. The **sum insured** on the **schedule** is shown as \$2,500,000 and the **excess** shown on your **schedule** is \$250. The **building** is **damaged** in an earthquake and we assess the cost of repairs to be \$1,000,000.

How much we pay		Further information
Cost of repairing the damage to your building that arose from the earthquake	\$1,000,000	We normally decide the building is repairable if the cost of repairing the building is less than the sum insured (in this example the sum insured is \$2,500,000).
Removal of debris	\$40,000	In addition to the damage to the building , the earthquake has created building debris that requires cleaning up and removal. The most we will pay under the removal of debris benefit is \$25,000 in addition to the total declared value . However, as the total declared value has not been exhausted, we will pay up to any unexhausted amount remaining from the total declared value .
Less excess	-\$20,000	Because the damage is caused by an earthquake an excess of 1% of the sum insured (up to a maximum of \$20,000) applies. In this example 1% of the sum insured is \$25,000 so the maximum \$20,000 excess applies.
Total claim	\$1,020,000	We normally pay this amount directly to the repairers.

Definitions

The following words have the following meanings for this policy section only. You should also refer to the General Definitions section starting on page 22.

Business contents

Business and office furniture, tools of trade and equipment used by you in the **business**.

Business contents includes:

- a. unused stationery and printed books;
- b. where you are a tenant of a leased or rented **situation**:
 - i. property owner's fixtures and fittings, window blinds and floor coverings for which you are liable under the terms of a lease or similar agreement;
 - ii. fixtures and fittings installed by you for your use in the **business**; and
 - iii. installed fixtures and fittings, window blinds, cool rooms, awnings, CCTV and other security systems, exterior lights, masts, antennae and aerials, fixed external signs and air conditioning units including external compressors and pipes at your **situation**;
- c. **money** up to \$500;
- d. plant and **machinery**, unregistered forklifts and hoists, communications systems, fixtures and fittings, signs and awnings;
- e. computers, word processors, printers, scanners and other peripheral equipment and other **electronic equipment** or electronic data processing systems;
- f. digital or analogue telecommunication transmission and receiving equipment, lighting facilities, televisions, audio visual amplification or surveillance equipment and office machines;
- g. **data, media**, records, documents, manuscripts, plans, drawings, designs and business books, but only for the value of these materials in their unused or uninstalled state or as blank stationery; or
- h. current patterns, models, moulds, dies and lasts used in the **business** but limited, unless repaired or replaced, to the value stated in your financial records at the time of **damage**; or
- i. works of art, antiques or curios.

Business Contents does not include:

- a. **stock**;
 - b. **specified items**;
 - c. directors' and **employees'** tools of trade and personal effects;
 - d. jewellery, precious metals or stones, bullion or furs;
 - e. **vehicles** registered for **road** use, caravans, trailers, **watercraft, aircraft, hovercraft**, rolling stock and locomotives or their accessories;
 - f. live **animals**;
 - g. plants, shrubs, lawns, growing crops, pastures and standing timber; or
 - h. **customers' goods** other than customer's records and documents held or created by you as part of your **business**.
-

Catastrophe

A large scale destructive **event**, in the area where the **situation** is located, which either:

- a. the Insurance Council of Australia has declared to be an 'insurance catastrophe event'; or
 - b. as a consequence of the **event**, the relevant government authority has declared a state of emergency.
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Employee

Any person while employed by you in the **business** who you compensate by salary, wages or commission and have the right at all times to govern, control and direct in the performance of their work.

Employee does not include:

- a. Any broker, factor, consignee or contractor;
 - b. Any member of your **family**; or
 - c. Any partner, director or trustee unless that person is also your employee.
-

Property

The property means **Buildings, Business Contents, Stock** and **Specified Items** at the **situation**.

Seasonal increase period

Any period of time during the **period of insurance** that has **stock** levels at least 35% higher than **stock** levels at other times during the **period of insurance**.

The total number of days we will allow as seasonal increase periods is 120 days during any one **period of insurance** unless a different period is shown in the **schedule**. You do not have to tell us what the dates of the periods are, but, if you make a claim under this section then your financial records over at least the previous 2 years must substantiate the period as a seasonal increase period. If the **business** is less than 2 years old, you can use the financial records of your **business** from the date of commencement until the date of the **loss** or damage to substantiate your claim.

Specified items

Each item of property that is specifically described under 'Other Property' on the **schedule**.

Stock

Merchandise, **stock in trade**, raw materials or work in progress and packing materials used by you in the **business**.

Stock also includes **customers' goods**.

Stock includes items of **property** at your **situation** under a 'sales or return' consignment agreement.

Stock does not include consigned items of property under an 'agency' arrangement where you make a commission on a sale.

Stock in trade

Merchandise and **customers' goods** for which you are legally responsible including the value of the work done and any containers or packaging materials used in connection with the **business**, but excluding bullion.

Total declared value

The total declared value shown on your **schedule**, or adjusted in accordance with this policy section, whichever is the higher. The total declared value does not include any amount for **specified items**.

Policy Section 2: Business interruption

About this policy section

This section of the policy covers a reduction in your **business** income as a result of **damage** referred to in this policy section.

Your insurance under this policy section

We cover	<p>Provided 'Business Interruption' is shown under 'Sections Insured' in the schedule, we will insure you for:</p> <ul style="list-style-type: none">● a reduction in your:<ul style="list-style-type: none">● gross profit, if 'Gross Profit' is shown in the schedule; or● gross rentals, if 'Gross Rentals' is shown in the schedule; or● your increased costs of working only if 'Increased Costs of Working Only' is shown in the schedule, <p>arising from the business being interrupted directly by sudden and unforeseen physical loss or damage for which you are covered by us (or would have been but for the application of the excess, but not where you are only covered by an Additional Benefit under those sections) under:</p> <ol style="list-style-type: none">a. Policy Section 1: Fire and other damage;b. Policy Section 3 Burglary;c. Policy Section 4: Money;d. Policy Section 5: Glass;e. Policy Section 7: Goods in Transit;f. Policy Section 10: General Property; org. any other policy insuring the events in (a) to (g) and for which the insurers have admitted liability, or would have admitted liability if it was not for the application of an excess, <p>which occurs during the period of insurance.</p> <p>For any optional insurance, you can only claim for loss, damage or expense covered by the benefit or option. However, the general exclusions shown on pages 20 to 22 also apply.</p>
We do not cover	<p>Change in or sale of business</p> <p>This policy section does not insure you if, during the period of insurance, any of the following happen:</p> <ol style="list-style-type: none">a. you form the intention of ceasing to carry on the business or a part of it;b. the proprietary interest in the business or a part of it changes;c. you dispose of or permanently discontinue the business or a part of it;d. you become a bankrupt, or enter into a scheme of arrangement or compromise or composition with creditors;

We do not cover	<p>e. you are placed in liquidation or provisional liquidation, or under official management or administration, or enter into a scheme of arrangement; or</p> <p>f. a receiver, or a receiver and manager, is appointed to any of your assets.</p>
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Extra covers

If we agree to pay a claim under this policy section arising from any business interruption, we will also pay or provide the extra covers set out below.

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

1. Claims preparation costs

We cover	<p>We will pay the reasonable professional accountants', auditors' and claim consultants' fees and other reasonable expenses incurred by you for the preparation of claims under this policy section.</p> <p>The maximum we will pay for any one claim under this extra cover is \$10,000.</p> <p>If you want to increase the amount of cover for claims preparation costs, you must have selected Optional insurance 1 – Claims preparation costs. See page 60.</p>
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2. Additional increased cost of working

We cover	<p>We will pay the additional expenditure reasonably incurred by you during the indemnity period for all costs not otherwise recoverable that are necessarily incurred for the resumption or maintenance of normal business operations or services following loss or damage covered by this policy section.</p> <p>The maximum we will pay for any one claim under this extra cover is \$10,000.</p> <p>If you want to increase the amount of cover for increased cost of working, you must have selected Optional insurance 2 – Additional increased cost of working. See page 60.</p>
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3. Reinstatement of sum insured

We cover	<p>If we pay an amount for a claim under this policy section we will automatically reinstate the sum insured to the amount shown on the schedule. You will not have to pay any additional premium.</p> <p>This Extra Cover does not apply if we pay the full sum insured for property insured in respect of a single claim under this policy section. If we pay the full sum insured for property insured in respect of a single claim, then cover under this policy section ends.</p>
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Additional benefits

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

These additional benefits do not apply in addition to the **sum insured**. All **damage** that is covered by these Additional Benefits must occur during the **period of insurance**.

1. Premises in the immediate vicinity (prevention of access) extension

We cover	We will treat damage to property in the immediate vicinity of the situation as being damage for the purposes of this policy section if the following apply: <ul style="list-style-type: none">a. the damage would have been covered under policy section 1 if such damage had been to property insured under that policy section;b. the damage prevents or hinders the use of or access to the situation; andc. the damage results in interruption of, or interference with, your business.
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2. Business that attracts customers

We cover	If your business is located within a retail shopping mall or complex, we will treat damage to property of a major tenant as being damage for the purposes of this policy section, if the following apply: <ul style="list-style-type: none">a. the damage would have been covered under policy section 1 if such damage had been to property insured under that policy section;b. the damage results in customers not coming to the shopping complex; andc. the damage results in interruption of or interference with the business.
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3. Utilities extension

We cover	We will treat damage to the following public utilities: <ul style="list-style-type: none">a. an electricity power station or substation;b. a gas works;c. a water or sewage works; ord. a telecommunications installation that is land-based within Australia and supplies your business; as damage for the purposes of this policy section, if the following apply: <ul style="list-style-type: none">a. the damage would have been covered under policy section 1 if such damage had been to property insured under that policy section;b. the damage results in hindering or stopping the supply of electricity, gas, water or sewage or telecommunications to the situation; andc. the damage results in interruption of, or interference with, your business.
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We do not cover	<p>We will not pay for any loss occurring in the first forty-eight (48) hours after the damage to the public utility.</p> <p>We will not pay more than 20% of the sum insured shown against Gross Profits or Increased Cost of Working Only in the schedule.</p>
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4. Suppliers' or customers' premises extension

We cover	<p>We will treat damage to property at the Australian premises of:</p> <ol style="list-style-type: none"> a. any suppliers, manufacturers or processors of component goods, materials or services which supplies the business directly; or b. any customer to whom you supply component goods, materials or services directly; <p>as being damage for the purposes of this policy section if the following apply:</p> <ol style="list-style-type: none"> a. the damage would have been covered under Policy Section 1 – Fire and other damage if such damage had been to property insured under that policy section; and b. the damage results in interruption of or interference with the business.
We do not cover	<p>We will not pay more than 20% of the 'Gross Profits', 'Gross Rentals' or 'Increased Cost of Working Only' sum insured during any one period of insurance.</p>

5. Infectious diseases, murder, suicide extension

We cover	<p>We will cover you for loss of gross profits or loss of gross rentals resulting from an interruption or interference with your business due to the closure or evacuation of the whole or part of the situation by order of a competent government, public or statutory authority as a result of:</p> <ol style="list-style-type: none"> a. infectious or contagious human disease occurring at the situation; b. vermin or pests or defects in the drains or other sanitary arrangements at the situation; c. the outbreak of a notifiable human infectious or contagious disease occurring within twenty (20) kilometres radius of the situation; d. murder or suicide occurring at the situation; or e. shark or crocodile attack occurring within a 20 kilometre radius of the situation; <p>during the period of insurance.</p>
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We do not cover	<p>We will not cover you under this additional benefit for:</p> <ol style="list-style-type: none"> a. any costs arising from cleaning, repairing or checking the situation; b. any loss of gross profit or loss of gross rental directly or indirectly caused by or arising from, or in consequence of, or contributed by: <ol style="list-style-type: none"> i. any Quarantinable Disease, as that term is defined in the Quarantine Act (Cth) 1908 and any similar legislation; or ii. Highly Pathogenic Avian Influenza.
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6. Boiler explosion

We cover	<p>We will treat the explosion of any boiler or economiser at the situation, as damage for the purposes of this policy section.</p>
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7. Computer installation

We cover	<p>We will treat damage to a computer installation, including any ancillary equipment that you utilise in your business as being damage for the purposes of this policy section if the following apply.</p> <ol style="list-style-type: none"> a. the damage would have been covered under policy section 1 if such damage had been to property insured under that policy section; b. the damage results in not being able to utilise a computer installation or any ancillary equipment in your business; and c. the damage results in interruption of or interference with the business.
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8. Roads, bridges and railway lines

We cover	<p>We will treat damage to roads, bridges and railway lines over which stock, components and materials used in your business are conveyed to and from your situation as being damage for the purposes of this policy section if the following apply:</p> <ol style="list-style-type: none"> a. the damage would have been covered under policy section 1 if such damage had been to property insured under that policy section; b. the damage results in not being able to convey stock, components or materials used in your business to and from your situation; and c. the damage results in interruption of or interference with the business.
We do not cover	<p>We will not cover you for more than is 20% of the 'Gross Profits', 'Gross Rentals' or 'Increased Cost of Working Only' sum insured, whichever is applicable.</p>

9. Documents temporarily removed

We cover	<p>We will treat damage to your documents or documents held in trust by you as part of your business that are:</p> <ul style="list-style-type: none">a. temporarily removed to other premises anywhere in Australia; orb. in transit to any place in Australia <p>as being damage for the purposes of this policy section if the following apply:</p> <ul style="list-style-type: none">a. the loss or damage would have been covered under Policy Section 1 as if such loss or damage had been to property insured under that policy section; andb. the damage results in interruption of or interference with the business.
We do not cover	We will not cover you for more than is 20% of the 'Gross Profits', 'Gross Rentals' or 'Increased Cost of Working Only' sum insured , whichever is applicable.

10. Registered motor vehicles owned or operated by you

We cover	We will treat accidental damage to any registered vehicle or trailer owned or operated by you when they are at the situation or in buildings anywhere in Australia as being damage for the purposes of this policy section provided that the damage results in interruption or interference with the business .
We do not cover	<p>We will not cover you for damage that occurs while the vehicle is being driven on a road.</p> <p>We will not pay more than 10% of the gross profits or 'Gross Profits', 'Gross Rentals' or 'Increased Cost of Working Only' sum insured, whichever is applicable.</p>

11. Transit section 1 – Fire and other damage

We cover	We will treat damage to stock whilst in transit by road , rail, sea or air to any place in Australia away from your situation as damage for purposes of this policy section if the loss or damage would have been covered under policy section 1 as if such loss or damage had been to property insured under that policy section.
We do not cover	We will not pay more than 10% of the 'Gross Profits', 'Gross Rentals' or 'Increased Cost of Working Only' sum insured in the schedule resulting from any one event .

Optional insurances

We will provide the following optional insurance when requested by you, when you pay any additional premium required and when shown on your schedule as applying. You can only select these Optional Insurances if you have selected either Gross Profit or Gross Rentals cover.

Any amounts payable under these optional insurances do not apply in addition to the **sum insured**.

1. Claims preparation costs

We cover	We will cover you for the reasonable professional accountants', auditors' and claim consultants' fees and other reasonable expenses incurred by you for the preparation of claims under this policy section. This sum insured will be in addition to the amount covered under extra cover 1.
We do not cover	We will not cover you for more than the 'Claims Preparation Costs' sum insured shown on the schedule for any claim.

2. Additional increased cost of working

We cover	We will cover you for the additional expenditure reasonably incurred by you during the indemnity period for all costs not otherwise recoverable that are necessarily incurred for the resumption or maintenance of normal business operations or services following damage covered by this policy section. This sum insured will be in addition to the amount covered under extra cover 2.
We do not cover	We will not cover you for more than the sum insured shown on the schedule for any claim in relation to this Optional insurance.

3. Outstanding accounts receivable

We cover	If, due to loss or damage occurring during the period of insurance for which you are covered by us (or would have been but for the application of the excess and as if such damage had been to property insured under those policy sections but not where you are only covered by an Additional Benefit under those sections) under: <ul style="list-style-type: none">a. Policy Section 1: Fire and other damage;b. Policy Section 3 Burglary;c. Policy Section 4: Money;d. Policy Section 5: Glass;e. Policy Section 7: Goods in Transit;f. Policy Section 10: General Property; or
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<p>We cover</p>	<p>g. any other policy insuring the events in (a) to (g) and for which the insurers have admitted liability, or would have admitted liability if it was not for the application of an excess,</p> <p>your financial records are damaged, you cannot follow your normal outstanding accounts receivable management processes, then we will cover you for:</p> <p>a. the difference between the amount owed to you by customers for the supply of goods and services and recorded in your financial records as outstanding accounts receivable and the amount actually paid by customers after the damage; and</p> <p>b. the expenditure necessarily and reasonably incurred by you with our consent to trace and establish the outstanding accounts receivable.</p> <p>This optional insurance will only apply if, as soon as possible at the end of each accounting period (usually one month), you have a copy of your financial records stored away from the situation, including a full copy (customer by customer) of your outstanding accounts receivable ledger.</p>
<p>We do not cover</p>	<p>We will not cover you under this optional insurance for more than 'Outstanding Accounts Receivable sum insured shown on the schedule, for any one claim.</p>

What we pay

1. Gross profit

If the **schedule** shows that you are insured for 'Gross Profit' we will pay for your:

- a. reduction in **turnover**. This is the sum produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** does, in consequence of the **damage**, fall short of the **standard turnover**; and
- b. increased cost of working. This is the expenditure necessarily and reasonably incurred with our consent for the sole purpose of avoiding or diminishing the reduction in **turnover** of the **business** caused by the **damage** covered by this policy section. We will not pay for any amount of expenditure that exceeds the reduction in **turnover** avoided by it (less expenses saved as a result of the **damage**).

2. Gross rentals

If the **schedule** shows that you are insured for 'Gross Rentals' we will pay for your:

- a. reduction in **gross rentals**. This is the amount by which the **gross rentals** during the **indemnity period** shall, in consequence of the **damage**, fall short of the **standard gross rentals**; and
- b. increased cost of working. This is the expenditure necessarily and reasonably incurred with our consent for the sole purpose of avoiding or diminishing the reduction in **gross rentals** caused by the **damage** covered by this policy section. We will not pay for any amount of expenditure that exceeds the reduction in **gross rentals** avoided by it (less expenses saved as a result of the **damage**).

3. Increased cost of working only cover

If the **schedule** shows that you are insured for Increased Costs of Working Only cover, we will pay for general and administrative operating expenses, such as advertising fees, utilities and additional staff costs, necessarily and reasonably incurred by you during the **indemnity period** to avoid a reduction in **turnover** of the **business** caused by **loss** or **damage** covered by this section.

Limits to what we pay

The most we will pay for:

- a. Gross Profit cover is the 'Gross Profit' **sum insured** specified in the **schedule**;
- b. Gross Rental cover is the 'Gross Rental' **sum insured** specified in the **schedule**; and
- c. Increased Costs of Working Only cover is the 'Increased Cost of Working Only' **sum insured** specified in the **schedule**.

Excess

The **excess** that applies is shown on the **schedule**.

Policy section conditions

These conditions apply to this policy section.

1. Savings

The amount payable for loss of **gross profit** and of **gross rental** will be reduced by the sum of any expenses or charges reduced or avoided during the **indemnity period**.

2. End of indemnity period

The **indemnity period** will end at the time any of the following happen:

- a. you form the intention of ceasing to carry on the **business** or a part of it;
- b. the proprietary interest in the **business** or a part of it changes;
- c. you dispose of or permanently discontinue the **business** or a part of it;
- d. you become a bankrupt, or enter into a scheme of arrangement or compromise or composition with creditors;
- e. you are placed in liquidation or provisional liquidation, or under official management or administration, or enter into a scheme of arrangement; or
- f. a receiver, or a receiver and manager, is appointed to any of your assets.

3. New business

In the event of **damage** occurring at the **situation** before the completion of the first year's trading or business, the terms 'rate of gross profit', 'annual turnover', 'standard turnover', 'annual gross rentals' and 'standard gross rentals' shall bear the following meanings and not those meanings shown in definitions section of this policy section;

Annual gross rentals

The proportional equivalent, for a period of 12 months, of the gross rentals realised during the period between the commencement of the **business** and the date of the **damage**.

Annual turnover

The proportional equivalent, for a period of 12 months, of the turnover realised during the period between the commencement of the **business** and the date of the **damage**.

Rate of gross profit

The rate of gross profit earned on the turnover during the period between the date of commencement of the **business** and the date of the **damage**.

Standard gross rentals

The proportional equivalent, for a period equal to the indemnity period, of the gross rentals realised during the period between the commencement of the **business** and the date of the **damage**.

Standard turnover

The proportional equivalent, for a period equal to the indemnity period, of the turnover realised during the period between the commencement of the **business** and the date of the damage.

The 'rate of gross profit', 'annual turnover', 'standard turnover', 'annual gross rentals' and 'standard gross rentals' will be adjusted to provide for the trend of the **business** and for variations in or other circumstances affecting the **business**, either before or after the damage, so that the adjusted figures represent as far as possible the results which, but for the damage, would have been obtained during the relative period after the damage occurred.

4. Under-insurance

- a. For a claim for loss of **gross profit** the amount payable will be proportionately reduced if the 'Gross Profit' **sum insured** is less than the sum produced by applying the **rate of gross profit** to 80% of the **annual turnover** (proportionally increased if the **indemnity period** exceeds 12 months).
- b. For a claim for loss of **gross rental** the amount payable will be proportionately reduced if the 'Gross Rental' **sum insured** is less than 80% of the **annual gross rentals** (appropriately increased if the **indemnity period** exceeds 12 months).

5. Turnover elsewhere after damage

If during the **indemnity period** goods are sold, or work is done or services are rendered, elsewhere than at the **situation**, for the benefit of the **business** either by you or by others on your behalf, the **money** paid or payable in respect of such sales, work or services will be included in the calculation of the turnover during the **indemnity period**.

6. Gross rentals elsewhere after damage

If during the **indemnity period**, the **business** is conducted elsewhere than at the **situation**, the **gross rentals** derived from those other premises will be included in the calculation of the **gross rentals** during the **indemnity period**.

7. Accumulated stocks allowance

In adjusting any loss, account shall be taken and equitable allowance made if any shortage in **turnover**, resulting from the **damage**, is postponed by reason of the **turnover** being temporarily maintained from accumulated **stocks**.

8. Business conducted in departments

If the **business** is conducted in departments, business units or different locations and the independent trading results of these are ascertainable, the **gross profit** and **gross rentals** calculations in this policy section, will apply separately to each department, unit or location affected by the **damage**.

Definitions

The following words have the following meanings for this policy section only. You should also refer to the General Definitions section starting on page 22.

Annual gross rentals

The **gross rentals** during the 12 months immediately before the date of the **damage**.

Annual turnover

The **turnover** during the 12 months immediately before the date of the **damage**.

Gross profit

The **turnover** less the nett cost of goods, materials and services relating to the turnover.

Gross rentals

The **money** paid or payable to you by tenants in respect of the rental of the **situation** and for services rendered by you or on your behalf in connection with the rental.

Indemnity period

The period beginning with the occurrence of the **damage** and ending on the earlier of the date:

- a. when the **business** is no longer affected by the loss or **damage**;
 - b. that any of the circumstances referred to in Policy Section Condition 'End of Indemnity Period' occurs; or
 - c. the period shown in the **schedule** ends.
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Rate of gross profit

The rate of **gross profit** earned on the **turnover** during the financial year immediately before the date of the **damage**.

Standard gross rentals

The **gross rentals** during that period in the 12 months immediately before the date of the **damage** which corresponds with the **indemnity period**.

Standard turnover

The **turnover** during the 12 months immediately before the date of the **damage** which corresponds with the **indemnity period**.

Turnover

The **money** paid or payable to you for goods sold and delivered, work done and services rendered in the course of the **business** at the **situation**.

Policy Section 3: Burglary

Please note that if you are insuring a **home building** under this policy section you should also read Part B of this **PDS**.

About this policy section

This section covers the **loss** of or **damage** to your **contents, specified items** and **stock** caused by **burglary**.

Your insurance under this policy section

We cover	Provided 'Burglary' is shown under 'Sections Insured' in the schedule we will insure you for loss of or damage to your contents, specified items or stock caused by burglary occurring during the period of insurance at the situation .
We do not cover	<p>This policy section does not insure:</p> <p>1. Burglary by you, your employees or family</p> <p>Loss of or damage to property caused by you, your employees or any member of your family.</p> <p>2. Certain Property</p> <p>Loss of or damage to:</p> <ul style="list-style-type: none">a. money;b. jewellery, precious metals or stones, bullion or furs unless these items form part of your stock;c. motor vehicles, except for fork lift trucks and similar appliances that are used for hauling or conveying goods at the situation;d. live animals; ore. plants, shrubs, landscaping materials or growing crops, pastures or standing timber. <p>3. Glass</p> <p>The breakage of glass (as those terms are defined in Policy Section 4 – Glass), washbasins, sinks, toilet pans or cisterns, or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to broken glass;</p> <p>4. Open space</p> <p>Except as expressly provided by Additional benefit 2 Theft of External Property, loss of or damage to property insured from or in any open space, whether fenced or unfenced, outside the walls of the building;</p>

We do not cover	<p>5. Access</p> <p>Loss of or damage to, property insured if entry is gained to the building:</p> <ul style="list-style-type: none"> a. by use of a key or security code; or b. through an unlocked door or window; <p>except as provided for under</p> <ul style="list-style-type: none"> a. Additional benefit 1 Theft without forced entry; b. Additional benefit 3 Employee Dishonesty; or c. Optional insurance 2 Theft sum insured without forced entry (if shown on your schedule). <p>6. Certain Insured Events under section 1</p> <p>Loss of, or damage to, property insured:</p> <ul style="list-style-type: none"> a. resulting from or as a consequence of fire; or b. arising during or as a consequence of earthquake, tsunami, subterranean fire, volcanic eruption, riot or civil commotion; <p>unless you are able to prove that the loss or damage occurred independently of these events.</p> <p>7. Consequential loss</p> <p>Loss of use, loss of earning capacity and any other consequential loss.</p>
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Extra covers

If we agree to pay a claim under this policy section for **loss** or **damage** caused by **burglary**, we will also pay or provide the extra covers set out below.

Any amounts payable under these extra covers do not apply in addition to the **sum insured** specified in the **schedule**.

1. Reinstatement of sum insured

We cover	If we pay an amount for a claim under this policy section we will automatically reinstate the sum insured to the amount shown on the schedule . You will not have to pay any additional premium.
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2. Damage to rented premises

We cover	<p>We will insure you for damage to the situation that you occupy as a tenant if you are legally liable for that damage under your tenancy agreement, provided that the damage is due to burglary at the situation which occurs during the period of insurance.</p> <p>The maximum we will pay for any one claim under this extra cover is \$5,000.</p> <p>If you want to increase the amount of cover for damage to rented situation you must have selected Optional insurance 1 Additional damage to rented premises. See page 71.</p>
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3. Temporary protection

We cover	We will pay the reasonable and necessary costs of temporary protection incurred, or the employment of guards or watchman by you, for the safety and protection of the building pending repair of damage to the building from a burglary .
We do not cover	We will not pay more than \$5,000 for any one claim.

4. Replacement of locks and keys

We cover	<p>We will pay the reasonable cost of replacing locks, keys and combinations used in the business if, as a result of burglary, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated.</p> <p>We will also pay the reasonable cost of opening safes and strong rooms because of the theft of keys or combinations during a burglary.</p>
We do not cover	We will not pay more than \$5,000 for any one claim.

5. Directors and employees tools of trade and personal effects

We cover	We will pay for loss of or damage to directors' and employees' tools of trade and personal effects caused by an insured event as if they were contents .
We do not cover	<p>If such tools of trade or personal effects are covered under another insurance policy, we will only pay for loss or damage not otherwise covered by that other policy.</p> <p>We will not pay more than \$5,000 for any one claim. We will not pay more than \$5,000 for any one person for any one burglary event.</p> <p>We will not pay for loss or damage to laptop computers, mobile phones, digital media players, electronic diaries, non-fixed GPS units, musical instrument, curios, works of art, money or credit cards.</p>

6. Seasonal increase on stock

We cover	<p>We will automatically increase the sum insured in respect of stock by 35% or such other amount as is specified in the schedule during the seasonal increase period.</p> <p>You can nominate different seasonal increase period(s) or higher percentage increases of stock. If you do they will be shown on your schedule and you must pay any additional premium that applies.</p>
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7. Rewriting of documents

We cover	We will pay for any reasonable labour costs incurred in reproducing or making good documents that are stolen.
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Additional benefits

We will also provide the following additional benefits in this policy section subject to both the General and Policy Section Exclusions.

Any amounts payable under these additional benefits do not apply in addition to the **sum insured** specified in the **schedule**.

1. Theft without forced entry

We cover	We will cover you for loss or damage occurring during the period of insurance to contents and specified items in the building as a result of a theft where there are no signs of forcible and violent entry to or exit from the building .
We do not cover	<p>We will not cover you for more than \$5,000 for any one claim under this additional benefit.</p> <p>If you want to increase the amount of cover for theft without forced entry, you must have selected Optional insurance 2. Additional theft sum insured without forced entry. See page 71.</p> <p>We will not pay a claim for loss of stock under this Additional benefit.</p>

2. Theft of external property

We cover	We will cover you for loss or damage occurring during the period of insurance to contents that is securely and permanently affixed (by means other than the connection to a power point) to the outside of the building as a result of burglary or any attempt at burglary .
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We do not cover	<p>We will not cover you for more than</p> <ol style="list-style-type: none"> a. \$5,000; or b. the 'Stock/Contents' sum insured <p>whichever is the lesser during the period of insurance.</p>
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3. Employee dishonesty

We cover	<p>We will cover you for loss of stock, specified items or contents as a direct result of employee dishonesty during the period of insurance if discovered within 31 days of the employee dishonesty occurring.</p>
We do not cover	<p>This additional benefit does not cover:</p> <ol style="list-style-type: none"> a. any loss arising from the conduct of an employee after you have knowledge of or information about any prior act of fraud or dishonesty by the employee; b. any loss arising from the conduct of an employee outside Australia; c. any loss where you unable to identify which employee is responsible; d. any loss or part of a loss arising from the conduct of an employee, where the proof of the loss, either as to its occurrence or as to its amount, is dependent upon an inventory stock take or a profit and loss calculation; e. fraud or dishonesty committed by your family; or f. fraud or dishonesty committed by any of your employees committed with your connivance. <p>We will not cover you for more than:</p> <ol style="list-style-type: none"> a. \$2,500 for any one act of employee dishonesty; and b. \$5,000 in total for all claims for employee dishonesty during the period of insurance. <p>We will not cover any claims under this additional benefit if you are insured under Policy Section 8 – Fraud and Dishonesty and further provided that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Policy Section 4 – Money.</p>

4. Developing security images

We cover	<p>We will cover you for the cost of developing images stored on media from security cameras following a burglary or attempted burglary at the situation during the period of insurance.</p>
We do not cover	<p>We will not cover you for more than \$1,000 in total for one claim.</p>

5. Funeral expenses

We cover	We will cover you for burial or cremation costs if any director, employee , officer or business partner sustains a fatal injury provided: <ol style="list-style-type: none">their death directly results from an assault that occurs during a burglary or attempted burglary in the period of insurance of property owned by you or for which you are legally responsible; andthe death occurs within 6 months of the assault.
We do not cover	We will not cover you for more than \$10,000 to be paid to the estate of the deceased person.

Optional insurance

We will provide the following optional insurance when requested by you, when you pay any additional premium required and when shown on your **schedule** as applying.

Any amount payable under these optional insurances applies in addition to the **sum insured**.

1. Additional damage to rented premises

We cover	We will cover you for damage to the situation that you occupy as a tenant if you are legally liable for that damage under your tenancy agreement, provided that the damage is due to burglary occurring during the period of insurance . This sum insured will be in addition to the amount specified in Extra Cover 2 – Damage to Rented Premises.
We do not cover	We will not cover you for more than the 'additional damage to rented premises' sum insured shown on the schedule for any one claim under this optional insurance.

2. Additional theft sum insured without forced entry

We cover	We will cover you for loss or damage to contents and specified items in the building during the period of insurance by theft that is not a burglary only because there are no signs of forcible and violent entry to the building .
We do not cover	We will not cover you for more than the 'additional theft without forced entry' sum insured for contents for any claim under this optional insurance. We will not cover you for loss of stock under this optional insurance.

What we pay

At our option, we will:

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

The maximum amount we will pay, in respect of **contents** and **stock** is the 'Stock/Contents' **sum insured** which is set out in your **schedule**. The maximum we will pay in respect of **cigarettes, cigars and tobacco** is the 'cigarettes, cigars and tobacco' sum insured which is set out in the **schedule**. The maximum amount we will pay in respect of a **specified item** is the **sum insured** noted for that item under the heading 'Other Property' on the **schedule**.

Excess

You must pay the usual **excess** of \$250 or the **excess** shown on the **schedule** (whichever is the higher) that applies to a claim under this policy section.

The **excess** that applies to additional benefit 2 – Theft of External Property is the higher of the **excess** shown on the **schedule** or \$200.

Policy section conditions

These conditions apply to this policy section.

1. Monitored burglar alarms

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

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

2. Valuables

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

Definitions

The following words have the following meanings for this policy section only. You should also refer to the General Definitions section starting on page 22.

Burglary

- a. Theft or any attempt at theft following actual forcible and violent entry to the **building**;
 - b. Theft or any attempt at theft by a person concealed in the building during business hours and, who after hours, breaks out of the **building**;
 - c. Theft following threat of immediate violence or violent intimidation (including armed hold-up); or
 - d. Theft or attempted theft following the violent breaking into of display cabinets or store rooms that are part of the **building**.
-

Cigarettes, cigars and tobacco

Cigarettes, cigars and tobacco for sale by you in the business.

Contents

Business and office furniture and equipment used by you in the **business** and includes:

- a. unused stationery and printed books;
- b. plant and **machinery**, communications systems, fixtures and fittings and floor coverings;
- c. computer systems, **data**, **media**, records, documents, manuscripts, plans, drawings, designs and business books, but only for the value of these materials in their unused or uninstalled state or as blank stationery together with the cost of restoring the **data** stored on **media** or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the records;
- d. current patterns, models, moulds and dies used in the **business** but limited, unless repaired or replaced, to the value stated in your financial records at the time of **damage**;
- e. works of art, antiques and curios;
- f. **Electronic equipment** including but not limited to mobile phones, laptops, palm pilots, computers, scanners, printers, word processors, electronic processing systems, photocopiers, facsimile machines, electronic cash registers, electronic scales and electronic testing or analysing equipment used by you in the **business**.

Contents does not include:

- a. **stock**; and
 - b. directors' and **employees'** tools of trade and personal effects.
-

Employee

Any person while employed by you in the **business** who you compensate by salary, wages, or commission and have the right at all times to govern, control and direct in the performance of their work.

Employee does not include:

- a. any broker, factor, consignee or contractor;
 - b. any member of your **family**; or
 - c. any partner, director or trustee unless that person is also your employee.
-

Seasonal increase period/s

Any period of time during the **period of insurance** that has at least 35% increased stock levels compared to other times during the **period of insurance**.

The total number of days we will allow as seasonal increase periods is 120 days during any one **period of insurance**. You do not have to tell us what the dates of the periods are, but, if you make a claim under this **section** then your financial records over at least the previous 2 years must substantiate the period as a seasonal increase period. If the **business** is less than 2 years, we will use the financial records of your **business** from the date of commencement until the date of the **loss** or **damage** to substantiate your claim.

Stock

Merchandise, **stock in trade**, raw materials or work in progress and packing materials used by you in the **business**.

Stock includes items of property at the **situation** under a 'sales or return' consignment agreement.

Stock does not include consigned items of property under an 'agency' arrangement where you make a commission on a sale or **cigarettes, cigars and tobacco**.

Specified items

Each item of property that is specifically described under 'Other Property' on the **schedule**.

Stock in trade

Merchandise and **customers' goods** for which you are legally responsible including the value of the work done and any containers or packaging materials used in connection with the **business**, but excluding **cigarettes, cigars and tobacco**, and bullion.

Policy Section 4: Money

About this policy section

This section covers the **loss** of or **damage** to your **business's money** from specified causes such as burglary, or fire. The **money** may be **in transit** or at the **situation** or in **custody** at a private residence.

Your insurance under this section

We cover	<p>Provided 'Money' is shown under 'Section Insured' in the schedule we will insure you for loss of or damage to money occurring during the period of insurance while:</p> <ol style="list-style-type: none">in transit;in the building during business hours;in the building outside of business hours;in the building in a securely locked safe or strong room; orin custody. <p>Also we will insure you for loss of or damage to safes or strong rooms in the building as a result of theft or attempted theft of money occurring during the period of insurance.</p>
We do not cover	<p>This policy section does not insure:</p> <p>1. Missing money Loss or damage of money:</p> <ol style="list-style-type: none">due to shortages resulting from clerical or accounting errors, breakdown or malfunction of any machine or electrical or electronic device or loss due to errors in receiving or paying out;by any intentional or wilful act or omission by you or your employees with your connivance; orexcept as expressly provided by additional benefit 1 – Employee Dishonesty, by any fraudulent or dishonest acts committed by you, your family members or any of your employees acting alone or in collusion with others. <p>2. Key or combination in building Loss of or damage to money from any safe or strong room opened by a key or by use of details of a combination that are left in the building outside business hours.</p> <p>3. Unattended vehicle Loss of or damage to money in or from an unattended vehicle.</p>

We do not cover

4. Professional carrier

Loss of or **damage** to **money** while professional money carriers, professional carriers or common carriers carry it.

5. Loss outside Australia

Loss of or **damage** to **money** occurring outside Australia.

6. Consequential loss

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

7. ATMs

Loss of or **damage** to **money** that does not belong to you in or from an **ATM** at the **situation**.

8. Discovery of loss

Loss not discovered within 7 (seven) workings days of the **loss** occurring.

9. Unoccupied premises

Loss of **money** when the **situation** is left unoccupied unless any burglar alarm system which protects the **situation** is:

- a. operative during the period the premises are left unoccupied; and
- b. maintained in good working condition.

Extra covers

If we agree to pay a claim under this policy section for **loss** or **damage** to **money**, or for **damage** to a **safe** or **strong room** caused by **burglary** or attempted **burglary**, we will also pay or provide the extra covers set out below.

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

1. Reinstatement of sum insured

We cover

If we pay an amount for a claim under this policy section we will automatically reinstate the **sum insured** to the amount shown on the **schedule**. You will not have to pay any additional premium.

2. Temporary protection

We cover

We will pay the reasonable and necessary costs incurred by you in effecting temporary protection, or the employment of guards or watchman, by you, to safeguard the **money** at the **situation** as a result of theft or attempted theft that is covered under this policy section.

We do not cover	<p>We will not pay more than \$5,000 for any one claim.</p> <p>Any cover given under this extra cover shall not accumulate with any similar cover that may be given under Policy Section 1 – Fire and other damage or under Policy Section 3 – Burglary.</p>
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3. Replacement of locks and keys

We cover	<p>We will pay the reasonable cost of replacing locks, keys and combinations used in the business if, as a result of burglary of money covered under this policy section, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated.</p> <p>We will also pay the reasonable cost of opening safes and strong rooms because of the theft of keys or combinations during a burglary of money covered under this policy section.</p>
We do not cover	<p>We will not pay more than \$5,000 for any one claim.</p> <p>Provided that any cover given under this Extra Cover 3 Replacement of locks and keys, shall not be cumulative with any similar cover that may be given under Extra Cover 4 – Replacement of locks and keys of section 3 – Burglary.</p>

4. Seasonal increase on money

We cover	<p>We will automatically increase the applicable sums insured in respect of money by either:</p> <ol style="list-style-type: none"> a. 35% or such other amount as is specified in the schedule during a seasonal increase period; or b. 100%, or \$50,000 whichever is the lesser, during any long weekend which occurs as a result of the government gazetting Monday or Friday as a public or bank holiday. This increase shall apply up until bank closing time on the next business day after such holiday. <p>You can nominate different seasonal increase period(s) or higher percentage increases of money. If you do they will be shown on your schedule and you must pay any additional premium that applies.</p>
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Additional benefits

We will also provide the following additional benefits in this policy section subject to both the General and Policy Section Exclusions.

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

1. Employee dishonesty

We cover	We will cover you for loss of money as a direct result of employee dishonesty during the period of insurance if discovered within 31 days of the employee dishonesty occurring.
We do not cover	<p>This additional benefit does not cover:</p> <ul style="list-style-type: none">a. any loss arising from the conduct of an employee after you have knowledge of or information about any prior act of fraud or dishonesty by the employee;b. any loss arising from the conduct of an employee outside Australia;c. any loss where you are unable to identify which employee is responsible;d. any loss or part of a loss arising from the conduct of an employee, where the proof of the loss, either as to its occurrence or as to its amount, is dependent upon an inventory stock take or a profit and loss calculation;e. fraud or dishonesty committed by your family; orf. fraud or dishonesty committed by any of your employees committed with your connivance. <p>We will not pay more than:</p> <ul style="list-style-type: none">a. \$2,500 for any one occurrence; andb. \$5,000 in total for all claims for employee dishonesty during the period of insurance. <p>We will not pay any claims under this additional benefit if you are insured under Policy Section 8 – Fraud and Dishonesty and further provided that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Policy Section 3 – Burglary.</p>

2. Developing security image

We cover	We will cover you for the cost of developing images stored on media from security cameras following a burglary or attempted burglary of money during the period of insurance covered under this policy section.
We do not cover	<p>We will not cover you for more than \$1,000 in the aggregate per period of insurance.</p> <p>Any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Policy Section 3 – Burglary.</p>

3. Clothing and personal effects

We cover	We will cover you for loss of or damage to the personal effects of your directors, officers and employees during a theft or attempted theft of money during the period of insurance covered under this policy section.
We do not cover	<p>We will not cover you for more than \$5,000 for any one person's clothes or personal effects, and \$10,000 in the aggregate per period of insurance.</p> <p>We will not cover you for loss or damage to laptop computers, mobile phones, digital media players, electronic diaries, non-fixed GPS units, musical instruments, curios, works of art, money or credit cards.</p> <p>Any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Policy Section 3. Burglary.</p>

4. Funeral expenses

We cover	<p>We will cover you for any burial or cremation costs if any director, employee, officer or business partner sustains a fatal injury provided:</p> <ol style="list-style-type: none">their death directly results from an assault that occurs during a theft or attempted theft of money owned by you or for which you are legally responsible in the period of insurance; andthe death occurs within 6 months of the assault.
We do not cover	<p>We will not cover you for more than \$10,000 to the estate of each person.</p> <p>Provided that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 3 – Burglary.</p>

5. Travellers' money

We cover	We will cover you for loss of money during the period of insurance in your custody or in the custody of an employee , whilst travelling on business anywhere in the world.
We do not cover	<p>We will not pay more than:</p> <ol style="list-style-type: none">\$1,000 in total for any one event; and,\$2,000 in the aggregate during the period of insurance.

6. Counterfeit money

We cover	We will cover the loss sustained by you due to the acceptance in good faith of counterfeit Australian currency notes during the period of insurance .
We do not cover	We will not pay more than \$500 in any one period of insurance .

What we pay

We will pay you the amount of any **money** that is **lost** or **damaged**.

If the **safe or strong room** is **lost** or **damaged**, we will, at our option:

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

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

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

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

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

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

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

The maximum amount we will pay, in respect of:

- a. **money in transit** at the time of the **loss** or **damage** is the 'Money in transit' **sum insured**;
- b. **money** in the **building** during **business hours** at the time of the loss or damage is the 'Money in the building during business hours' **sum insured**;
- c. **money** in the **building** outside **business hours** at the time of the **loss** or **damage** is the 'Money in the building outside business hours' **sum insured**;
- d. **money** in the **building** in securely locked **safe or strong room** at the time of the **loss** or **damage** is the 'Money in the building in securely locked safe/strong room' **sum insured**; or
- e. **money in custody** at the time of the **loss** or **damage** is the 'Money in custody' **sum insured**.

The maximum we will pay for any claim for **loss** or **damage** to **safes or strong rooms** is the 'Loss or damage to safes and/or strong rooms' **sum insured**.

Excess

The **excess** that applies is shown on the **schedule**.

Definitions

The following words have the following meanings for this policy section only. You should also refer to the General Definitions section starting on page 22.

ATM

Automatic teller machine which is a burglar resistant unit designed for the safe storage and disbursement of bank notes which resists fire and attack by hand-held or power operated tools.

Business hours

The normal working and office hours of the **business** (including overtime) during which you, your directors, officers, partners or **employees** are in the **building** for the purposes of the **business**.

Employee

Any person while employed by you in the **business** who you compensate by salary, wages or commission and have the right at all times to govern, control and direct in the performance of their work.

Employee does not include:

- a. Any broker, factor, consignee or contractor;
- b. Any member of your **family**; or
- c. Any partner, director or trustee unless that person is also your employee.

In custody

In your custody and control at your private residence or in the custody and control of persons authorised by you at their private residences until the next business day when the **monies** can be deposited in the bank.

In transit

During a journey to or from the **situation** to anywhere in The Commonwealth of Australia until the next business day when the **monies** can be deposited in the bank.

Money contained in the night safe or **ATM** of any bank where you normally transact business is 'in transit' whilst deposited.

Wages and salaries collected from the bank but not paid to **employees** is 'in transit' until it is physically in the control of **employees**.

Seasonal increase period

Any period of time during the **period of insurance** that has at least 35% increased amount of **money** compared to other times during the **period of insurance**.

The total number of days we will allow as **seasonal increase periods** is 120 days during any one **period of insurance** unless a different period is shown in the **schedule**. You do not have to tell us what the dates of the periods are, but ,if you make a claim under this **section** then your financial records over at least the previous 2 years must substantiate the period as a **seasonal increase period**. If the **business** is less than 2 years, we will use the financial records of your **business** from the date of commencement until the date of the **loss** or **damage** to substantiate your claim.

Policy Section 5: Glass

About this policy section

This policy section covers **loss** of or **damage** to **glass** at the **situation**.

Your insurance under this policy section

We cover	Provided "Glass" is shown under "Sections Insured" in the schedule we will insure you for loss of or damage to glass which you own or for which you are legally responsible, occurring during the period of insurance at the situation .
We do not cover	<p>This policy section does not insure:</p> <p>1. Heat Loss of or damage to glass caused by or arising out of fire or the application of heat.</p> <p>2. Some types of glass: Glass:</p> <ul style="list-style-type: none">a. when in transit or whilst being fitted into position or removed from its fitting;b. forming part of stock in trade or merchandise;c. in light fittings;d. that is cracked or imperfect prior to loss or damage;e. that is not fit for the purpose intended; orf. that is in a glasshouse. <p>3. Tiles Loss of tiles on shopfronts and office fronts, other than around the broken glass.</p> <p>4. Consequential loss Loss of use, loss of earning capacity and any other consequential loss.</p> <p>5. Fire or flood Loss or damage to glass directly or indirectly caused by fire or flood.</p>

Extra covers

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

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

Costs

We cover	We will pay for the following costs provided they are reasonably incurred by you and are directly related to loss or damage to the glass covered under this section: <ul style="list-style-type: none">a. the cost of temporary shuttering necessary pending replacement of the lost or damaged glass;b. the costs incurred in replacing sign-writing, ornamentation, reflective materials and burglar alarm tapes and connections attached to the glass;c. the cost value (excluding profit of any kind) of your stock spoiled by the lost or damaged glass;d. the cost incurred in repairing or replacing damage to window, door or showcase frames and their fittings;e. the cost incurred in repairing or replacing tiles on shop and office fronts and around the glass; orf. the cost of replacing any window tinting or window tinting film.
We do not cover	Except for temporary shuttering covered under this extra cover, we will not cover you for the cost of repairing or replacing bars, grilles or shutters. We will not pay more than \$5,000 for any one event under this extra cover.

Additional benefits

We will also provide the following additional benefit in this section subject to both the General and Policy Section Exclusions.

Any amount payable under this additional benefit apply in addition to the **sum insured**.

Broken signs cost

We cover	We will cover you for loss or damage to plastic or perspex signs at the situation if they break during the period of insurance .
We do not cover	We will not pay more than \$5,000 for one claim under this additional benefit.

Optional insurance

We will provide the following optional insurance when requested by you, when you pay any additional premium required and when shown on your **schedule** as applying.

Any amounts payable under this optional insurance applies in addition to the **sum insured**.

Additional broken signs costs

We cover	We will cover you for loss or damage to plastic or perspex signs at the situation if they break during the period of insurance . This sum insured will be in addition to the amount covered under the Additional Benefit – Broken signs costs.
We do not cover	Under this Optional Insurance we will not pay more than the 'Additional broken signs costs' sum insured for any one claim.

What we pay

We will pay for the cost of replacement of **lost** or **damaged glass** with **glass** of similar manufacture and quality. We will also pay the extra cost necessarily incurred to comply with the minimum requirements of any statutory authority when replacing the **glass**. We will not pay to comply with any requirements that were issued prior to the **loss** of or **damage** to **glass**.

Excess

The **excess** that applies is shown on the **schedule** for each claim you make.

Worked dollar examples

The following worked dollar example is designed to assist you in the understanding some of the important benefits in this policy section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. The following examples should be used for general guidance only.

You have cover for a building that is used as both a cafe and residence. For this reason it is a **home building**. The **excess** is \$250. The window glass in the cafe and the perspex sign out on the front are broken after rocks are thrown at them. We assess the cost of replacing the **glass** to be \$1,500, the cost of replacing the damaged sign writing to be \$500 and the cost of replacing the damaged perspex sign to be \$1,000.

How much we pay		Further information
Cost of replacing the glass	\$1,500	We pay the cost of replacing the glass .
Cost of re-applying the sign writing	\$500	The damaged window had signage painted on it. We assess the cost of re-painting the signage to be \$500.
Cost of replacing the damaged perspex sign	\$1,000	The cost to replace the damaged sign is covered under the additional benefit Broken Signs Costs and we will pay \$1,000.
Less excess	-\$250	We deduct this from the amount we pay. We may require you to pay this amount directly to the glass repairer.
Total claim	\$2,750	We normally pay this amount directly to the repairers.

Definitions

The following words have the following meanings for this policy section only. You should also refer to the General Definitions section starting on page 22.

Stock

- Stock includes **stock in trade**.
 - Stock includes items of property at your **situation** under a 'sales or return' consignment agreement.
 - Stock does not include consigned items of property under an agency arrangement where you make a commission on a sale.
-

Stock in trade

- Merchandise and **customers' goods** for which you are legally responsible including the value of the work done and containers or packaging materials used in connection with the **business**.
-

Policy Section 6: Public and products liability

About this policy section

This section of the policy covers **your legal liability** to pay compensation for **personal injury** to another person (other than employees or deemed employees) or **damage** to property owned or controlled by someone else, or **advertising liability** which is caused by an **occurrence** in connection with the **business**, including **legal liability** for **personal injury** or **property damage** caused by **your products**.

Your insurance under this policy section

We cover	If 'Public and products liability' is shown under 'Sections Insured' in the schedule , we will insure you for your legal liability , provided the property damage, personal injury or advertising liability <ol style="list-style-type: none">occurs during the period of insurance;is caused by an occurrence in connection with the business or your products; andoccurs within the geographic limitations.
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What is legal liability?

Legal liability means that a court or tribunal finds, or we accept, that **you** are legally responsible to pay damages for:

- **damage** to property owned or controlled by someone else; or
- **personal injury** to another person (other than employees); or
- **advertising liability**.

We do not cover	This policy section (including the Additional Benefits unless expressly stated otherwise) does not cover you for liability arising directly or indirectly out of or caused by, through, or in connection with, or for: 1. Pollution <ol style="list-style-type: none">the discharge, dispersal, release or escape of pollutants into or upon land, the atmosphere or water unless such discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended from your standpoint and takes place in its entirety at a specific time and place;the cost of preventing, removing, nullifying or cleaning up any contamination or pollution as a consequence of the discharge, dispersal, release or escape of any pollutants. However this paragraph (b) does not apply to removal, nullifying or cleaning up costs which are consequent upon a sudden, identifiable, unexpected and unintended happening which takes place in its entirety at a specific time and place, or
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- c. the actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of **pollutants** caused by any of **your products** that has been discarded, dumped, abandoned or thrown away by others.

2. Asbestos

- a. the inhalation of (including the fear of inhalation of, or exposure to) asbestos, asbestos fibres or derivatives of asbestos;
- b. **property damage**, or loss of use or diminution in value of property, arising directly or indirectly, out of or caused by, through or in connection with asbestos, asbestos fibres or derivatives of asbestos; or
- c. the cost of cleaning up, removing, treating, controlling, storing or disposing of asbestos, asbestos fibres or derivatives of asbestos or any other associated expenses.

3. Employers liability

- a. **personal injury** to any of **your** employees arising out of or in the course of their employment in **your business**;
- b. **personal injury** to any person who is, pursuant to any statute relating to workers' compensation, deemed to be an employee of **yours** or in respect of which **you** are entitled to seek indemnity under any policy of insurance required to be taken out pursuant to any statute relating to workers' compensation whether or not **you** are a party to such contract of insurance; or
- c. any liability imposed by the provisions of any workers' compensation statute or any industrial award or agreement or determination.

However this exclusion does not apply to claims for loss of consortium by the spouse of any of **your** employees or the spouse of any person who is pursuant to any statute relating to workers' compensation deemed to be an employee of **yours**.

4. Vehicles

the ownership, use, legal possession, or legal control by **you** of any **vehicle** or any attachment to such **vehicle**:

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

However this exclusion will not apply to the cover provided by additional benefit 3.

5. Aircraft and watercraft

- a. the ownership, legal possession, legal control or use by **you** or the use on **your** behalf of:
 - i. any **aircraft**; or
 - ii. any **watercraft** exceeding eight (8) metres in length unless such a **watercraft** is owned and operated by others and used by **you** for **business** entertainment;
- b. the selling or manufacturing of **aircraft** or the manufacture, assembly and/or supply of any products that are used with **your** knowledge in **aircraft**;
- c. the leasing, hiring or chartering of **aircraft** to or from **you**;
- d. the repair, service or maintenance of **aircraft** or **aircraft** products or the installation of any products into **aircraft** unless such repair, service, maintenance or installation does not affect the flying capabilities or safety of the **aircraft** and this policy section has been endorsed accordingly; or
- e. the repair, service or maintenance of **watercraft** exceeding eight (8) metres in length or the installation of any **products** into watercraft exceeding eight (8) metres in length unless such repair, service, maintenance or installation does not affect the navigation, propulsion or safety of such **watercraft**.

6. Professional duty

- a. a breach of any professional duty owed by **you** or anyone for whose breaches of such duty **you** may be legally liable;
- b. the performance of treatment to humans or **animal(s)** for beautification, cosmetic enhancement or to remedy illness, mental or physical deficiency, disease or injury;
- c. the prescribing of activities, pharmaceuticals, medical or herbal remedies to improve performance or appearance, or to alleviate pain, illness, mental or physical deficiency, disease or injury; or
- d. dispensing of drugs, medicines, pharmaceutical supplies or artificial aids.

However, this exclusion does not apply to the rendering of or failure to render first aid.

7. Fines, penalties and punitive damages

fines, penalties, liquidated damages, punitive, exemplary or aggravated damages however imposed.

8. Product and known defects

- a. **damage** to **your products** if that damage is attributable to any defect in them or their harmful nature or not fit for purpose.
- b. any defect or deficiency in **your products** of which **you** or **your** agents have knowledge or have reason to suspect at the time when **your products** pass from **your** actual physical custody or from the actual physical custody of any person under **your** control.

9. Product recall

the withdrawal, recall, inspection, repair, replacement or loss of use of **your products** or of any property of which they form a part, if **your products** are withdrawn from the market or from use because of any known or suspected defect or deficiency in them.

10. Loss of use

the loss of use of tangible property which has not been physically damaged or destroyed resulting from:

- a. delay in or lack of performance by **you** or on **your** behalf of any contract or agreement; or
- b. the failure of **your products** or work performed by you to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by **you**. However, this paragraph (b) does not apply to loss of use of other tangible property resulting from sudden and **accidental** physical damage to or destruction of **your products** after **your products** have been put to use by any person or organisation other than **yourself**.

11. Faulty workmanship

the cost of reperforming, completing, correcting or improving any work undertaken by **you** or on **your** behalf. However, this exclusion does not apply in respect of liability for **personal injury** or **property damage** resulting from faulty or defective workmanship.

12. Building works

the erection, demolition of and/or alteration or addition to **buildings** or structures by **you** or on **your** behalf except where the completed value of such work does not exceed \$250,000 in total.

13. Defective design

any defective or deficient design or error in formula or in specification provided by **you** for a fee.

14. Aircraft landing areas

the use of any land, property or structure as an airport, aircraft hangar or aircraft landing area, where such airport, aircraft hangar or aircraft landing area:

- a. is required by law to be issued with a licence permitting regular public transport operations of aircraft having a maximum passenger seating capacity of more than 30; or
- b. has more than 1,000 flight movements per year.

15. Jurisdiction limits

- a. any action brought or instituted against **you** or any judgment obtained against **you** (whether or not such judgment is enforced by the courts of the Commonwealth of Australia or New Zealand) in any country other than the Commonwealth of Australia or New Zealand, regardless of whether **you** are represented by a branch or by an employee domiciled in that country or by a company, firm or individual holding **your** power of attorney.

However, this exclusion does not apply to actions and judgments arising from **business** visits (but not **manual labour** or supervision of **manual labour** and not in respect of **advertising liability** arising from business visits to the **United States** or **Canada**) by travelling directors and employees of the **named insured** normally resident in the Commonwealth of Australia or New Zealand to any country other than the **United States** or **Canada**; or

- b. any actions brought or instituted against **you** or any judgment obtained against **you** (whether or not such judgement is enforced by the courts of the Commonwealth of Australia or New Zealand) within the **United States** or **Canada**.

However, this exclusion does not apply to any recognition or enforcement action brought or instituted within the Commonwealth of Australia or New Zealand relating to a judgement obtained against **you** within the **United States** or **Canada** arising from **business** visits (but not **manual labour** or supervision of **manual labour** and not in respect of **advertising liability** arising from business visits to the **United States** or **Canada**) by travelling directors and employees of the **named insured** normally resident in the Commonwealth of Australia or New Zealand.

16. Preventing our right of recovery

any amount **you** are unable to recover because of a contract or agreement that **you** have entered into which excludes or limits **your** rights to recover that amount.

17. Contractual liability

any liability assumed under any contract or agreement. However, this exclusion does not apply to:

- a. liability which would have been implied or imposed by law in the absence of such contract or agreement;
- b. liability assumed under those contracts specified in the **schedule**;
- c. liability assumed under any written lease of, or agreement for the rental of real property, where such lease or agreement does not include an obligation by **you** to insure such property; or

- d. liability assumed under a written contract with a public authority for the supply to **you** of water, gas, electricity or communication services except where such contract is a contract by which **you** agree to perform work for or on behalf of that public authority.

Paragraphs (c) and (d) do not apply to liability assumed by **you** under the relevant lease, contract or agreement to indemnify a party in respect of an act or omission for which it is wholly responsible, unless such liability would otherwise have been implied or imposed on **you** by law.

18. Internet and computer operations

- a. your **internet operations**; or
- b. any liability for **property damage** to **data** and **media** arising directly or indirectly out of or caused by, through or in connection with:
 - i. the use of any computer hardware or software;
 - ii. the provision of computer or telecommunications services by **you** or on **your** behalf; or
- c. any **loss** or **damage** caused by any **computer virus**.

However, this exclusion does not apply to **personal injury** or **property damage** arising out of any material prepared by the manufacturer in respect of product use, safety instructions or warnings which is reproduced on **your** website.

19. Libel or slander

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

- a. made prior to the commencement of the **period of insurance**;
- b. made by **you** or at **your** direction with the knowledge that it is false; or
- c. related to advertising, publishing, printing, broadcasting or telecasting activities conducted by **you** or on **your** behalf.

20. Property in physical or legal control

damage to or **loss** of:

- a. property owned, leased or rented by **you**; or
- b. property in **your** physical or legal control.

However this exclusion will not apply to the cover provided by Additional benefit 2 Property in **your** physical or legal control or paragraphs (e) and (f) of Additional benefit 3 Vehicles.

21. Hot work

flame cutting, flame heating, arc or gas welding, metal grinding or any similar operation in which welding, metal grinding or cutting equipment is used, except where such use is carried out in strict compliance with all relevant statutes and Australian Standards 1674.1 and 1674.2 (or any subsequent amendments).

22. Underground works

any underground works including digging, trenching or excavation unless **you** can establish that **you** and **your** employees have strictly complied with the relevant regulations and Australian Standards in carrying out this work, including making all searches of underground services before undertaking any underground works.

23. Weakening of support to property

damage to any land, property or **building** or contents of that **building** caused by or arising out of any:

- a. vibration of that land, property or **building**; or
- b. removal or weakening of support of that land, property or **building**.

24. Molestation

the molestation of, the interference with, the mental abuse or the physical abuse of any person by:

- a. **you**;
- b. any employee; or
- c. any person performing any voluntary work or service for **you** or on **your** behalf.

25. Types of advertising liability

in respect of **advertising liability**:

- a. an act, error or omission that occurs prior to the first **period of insurance** of this section of **your** policy;
- b. statements made at **your** direction in the knowledge that such statements are false;
- c. the failure of performance of contract but this exclusion shall not apply to claims for unauthorised appropriation of advertising ideas contrary to an implied contract;
- d. any incorrect description of products or services;
- e. any mistake in advertised price of products or services;
- f. failure of **your products** or services to conform with advertised performance, quality, fitness or durability;
- g. the export of **your products** to or **business** visits by **your** directors executives and employees to the **United States** or **Canada**; or
- h. your **business's** involvement in publishing, broadcasting, telecasting, internet publishing, newspaper or magazine publishing.

Extra covers

Legal costs

We cover	If we agree to pay a claim under this policy section, we will pay all charges, expenses and legal costs incurred by us or by you , with our written consent, in the settlement or defence of the claim for compensation made against you . Any amount payable under this Extra Cover is in addition to the limit of liability .
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Additional benefits

We will also provide the following additional benefits in this policy section subject to both the General and Policy Section Exclusions.

Unless stated otherwise below, any amounts payable under these additional benefits do not apply in addition to the **limit of liability**. All **loss, damage** or injury that is covered by these Additional Benefits must occur during the **period of insurance**.

1. First aid costs

We cover	We will pay any expenses incurred by you for first aid to others at the time of an occurrence covered by this policy section. Any amount payable under this Extra Cover is in addition to the limit of liability .
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2. Property in your physical or legal control

We cover	Under this additional benefit, we will pay a claim for your legal liability (as if the words “owned or controlled by someone else” were deleted from the definition of ‘Legal Liability’): a. to any customer, principal or person for whom you perform work in the course of the business for: i. the cost of replacing keys or security cards which are damaged, destroyed, lost or stolen whilst in your physical or legal control or that of another person or entity who undertakes or has undertaken work on your behalf; ii. the cost of replacing, recalibrating or re-keying locks, locking mechanisms or other security devices which results from the damage, destruction, loss or burglary of keys or security cards whilst in your physical or legal control or that of another person or entity who undertakes or has undertaken work on your behalf; iii. the loss of use of keys, security cards, locks, locking mechanism or other security devices caused by the damage, destruction, loss or burglary of keys or security cards whilst in your physical or legal control or that of another person or entity who undertakes or has undertaken work on your behalf;
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We cover

subject to:

- a maximum of \$5,000 in respect of any one **occurrence** and in the aggregate any one **period of insurance** unless some other **limit of liability** is specified in the **schedule** or attached by **endorsement**; and
 - **you** contributing an amount of \$500 as the first payment of any claim in addition to any **excess** specified elsewhere in this policy section or **schedule**.
- b. for **damage** to any **situation** which is leased or rented by **you** for the purpose of carrying on **your business** and the liability does not arise from **your** failure to insure the **situation** as required in the lease or rental agreement;
 - c. for **damage** to or **loss** of **vehicles** (not belonging to **you** or used by **you** or on **your** behalf) in **your** physical or legal controls where such **loss** or **damage** occurs whilst any such **vehicle** is in a car park owned or operated by **you** provided that you as part of **your business** do not operate such car park for reward;
 - d. for **damage** to or **loss** of employees' and directors' property to the extent it is not otherwise covered under Section 1 – Fire and other damage;
 - e. for **damage** to a **situation** temporarily occupied by **you** for the purpose of carrying out work in connection with the **business** or **damage** to or **loss** of the contents of such **situation**; or
 - f. for **damage** to or **loss** of property not owned by **you** but in **your** physical or legal control (other than property referred to in subparagraphs (a) through to (e) of this additional benefit and (e) and (f) of the Additional benefit 3. Vehicles), subject to a maximum of \$250,000 any one **occurrence** or any other greater amount set out in the **schedule**.

This Additional benefit 2 overrides Policy Section Exclusion 20 Property in physical or legal control to the extent of any inconsistency.

3. Vehicles

We cover

Under this additional benefit, we will pay a claim for **your legal liability** (as if the words "owned or controlled by someone else" were deleted from the definition of 'Legal Liability') for:

- a. **personal injury** arising out of an **occurrence** which is partially (to the extent of that part) or totally outside the indemnity afforded under such compulsory liability insurance or other legislation relating to **vehicles** and where the reason the **occurrence** is outside the indemnity afforded by compulsory liability insurance or statutory indemnity does not involve a breach by **you** of legislation relating to **vehicles**;
- b. **property damage** arising out of or during **loading** and **unloading** of goods to or from any **vehicle** in the course of the **business**;

<p>We cover</p>	<ul style="list-style-type: none"> c. property damage caused by the operation or use of any vehicle which is principally designed for lifting, lowering, loading or unloading any goods and is not also a road transport vehicle whilst being operated or used by you or on your behalf in the course of the business; d. property damage caused by the use of any tool or plant forming part of or attached to or used in connection with any vehicle other than when travelling to or from any work site or transporting or carting goods; e. property damage to vehicles, not belonging to you or used by you or on your behalf, but in your physical or legal control, either at your situation or while being driven on a public road, for the purpose of servicing, repairing or testing as part of your business, subject to a maximum of \$250,000 any one occurrence unless some other limit of liability is specified in the schedule or attached by endorsement; or f. property damage caused by the use of any vehicle not belonging to you but in your physical or legal control whilst being driven or moved for the purpose of servicing, repairing, delivery or testing as part of your business, subject to you contributing an amount of \$500 as the first payment of any claim in addition to any other excess specified elsewhere in your policy or schedule. <p>This Additional Benefit 3 overrides Policy Section Exclusion 4 - 'Vehicles' and Policy Section Exclusion 20 – Property in physical or legal control, to the extent of any inconsistency.</p>
<p>We do not cover</p>	<p>We will not pay whilst the vehicle is:</p> <ul style="list-style-type: none"> 1. engaged in or being tested in preparation for racing or pacemaking; 2. any reliability trial or hill climbing test; 3. being driven on any racetrack or speedway; 4. being towed by another vehicle; 5. being driven by an unlicensed driver; 6. being driven whilst in an unroadworthy condition unless the liability incurred was not caused or contributed to by such unroadworthiness; 7. being driven by, or is in the charge of, someone who: <ul style="list-style-type: none"> a. was under the influence of, or had their judgement affected by, any alcohol or drug; b. had more than the legal limit of alcohol in their breath or blood, as shown by analysis; c. refused to take a legal test for alcohol or drugs or d. was not licensed, not correctly licensed or not complying with the conditions of their licence.

<p>We do not cover</p>	<p>We will cover you if you were not the driver or person in charge of your vehicle at the time of the event and you can satisfy us that you did not know, and could not have reasonably known, of any of the above circumstances. If we pay a claim we can recover those costs from the person who was driving or in charge of your vehicle, unless the law prohibits recovery by us.</p> <p>8. more than 100 kilometres from the situation at the time of the occurrence.</p> <p>In relation to paragraphs e. and f. under what 'We cover' we will not be liable for the first:</p> <ul style="list-style-type: none"> ● \$1,000 when the vehicle is being driven by a person under 25 years of age; ● \$250 when the vehicle is being driven by a person who has not held a driving licence in relation to the class of vehicle for two or more consecutive years. <p>These excesses are cumulative to the extent that one or more of the above circumstances apply and they are also in addition to the amount of any other applicable excess specified in this policy section or the schedule.</p> <p>This Additional Benefit 3 overrides Policy Section Exclusion 4 – 'Vehicles' and Policy Section Exclusion 20 – Property in physical or legal control, to the extent of any inconsistency.</p>
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4. Interested parties

<p>We cover</p>	<p>We will pay a claim for legal liability for compensation for personal injury, property damage or advertising injury occurring within the geographic limitations during the period of insurance and caused by an occurrence connected with your business or your products, that is incurred by any interested party noted on the schedule.</p> <p>The personal injury or property damage must:</p> <ol style="list-style-type: none"> a. result directly from the acts, errors or omissions of any person within clauses (a) to (d) of the definition of "you", in the carrying out of work or services in connection with your business and; b. not have been intended or expected by you or the interested party.
<p>We do not cover</p>	<p>Such liability will be limited:</p> <ol style="list-style-type: none"> a. to the extent required by any undertaking or contract entered into between you and the interested party; and b. only where such liability would exist in the absence of such an undertaking or contract.

5. Non-Manual Work Worldwide Cover

We cover

We will pay a claim for **legal liability** which results in **personal injury** or **property damage** occurring in the **period of insurance** arising from non-manual work carried out by **you** anywhere in the world provided that at the time of the work being carried out, the person carrying out that work was normally resident in the Commonwealth of Australia or New Zealand.

6. Representation costs

We cover

We will pay the costs of representing **you** at an inquest or in any court of summary jurisdiction relating to an **occurrence** occurring during the **period of insurance** which may give rise to **legal liability** covered under this policy section, if **you** have notified us in advance and we have given our prior written consent to **you** incurring these costs.

What we pay

Public liability

Subject to the limits that apply to products liability claims, we will pay up to the 'Public liability' **limit of liability** for any claim or series of claims for **personal injury**, **property damage** or **advertising liability** caused by or arising out of one **occurrence** or series of **occurrences** arising out of one original cause.

Products liability

We will pay, in the aggregate, up to the 'Products Liability' **limit of liability** for **your legal liability** arising out of any **occurrences** that happen during the **period of insurance** in connection with **your products**.

Legal costs

Unless stated otherwise, the legal cost extra cover are in addition to the **limit of liability**.

Subject to the terms and conditions of the exclusion 'Jurisdiction Limits' paragraph (b); for any claim arising from a recognition or enforcement action brought or instituted within the Commonwealth of Australia or New Zealand relating to a judgment obtained against **you** within the **United States** or **Canada** arising from **business** visits (but not **manual labour** or supervision of **manual labour** and not in respect of **advertising liability** arising from business visits to the **United States** or **Canada**) by travelling directors and employees of the **named insured** normally resident in the Commonwealth of Australia or New Zealand, the **limit of liability** is inclusive of the extra cover Legal costs and additional benefits.

Application of limit of liability to claims that exceed the limit

If we pay the **limit of liability** in respect of any claim or series of claims we will not be obliged to defend any legal action against **you**. We will have no further liability under this policy section with respect to the claim or series of claims (including legal costs) except for additional benefits incurred by **you** with our permission prior to the date of payment.

If a payment exceeding the **limit of liability** has to be made to dispose of a claim, or legal action against **you**, our liability to pay any additional benefits will be limited to that proportion of those additional benefits as the **limit of liability** bears to the amount paid to dispose of the claim or legal action.

Excess

The **excesses** that are shown on the **schedule** apply. Other **excesses** set out in this policy section or any **endorsement** may also apply.

Policy section conditions

These conditions apply to this policy section.

1. Joint insureds

Where **you** are comprised of more than one party we will deal with any claim as though a separate policy had been issued to each one of those parties, provided that nothing in this clause shall operate to require us to pay more than the **limit of liability** shown in the **schedule**.

We agree to waive all rights of subrogation or action which we may have against any such entity in relation to matters covered by this section.

2. Reasonable care

You must:

- a. exercise reasonable care to avoid and minimise **personal injury** or **property damage**, which includes taking reasonable measures to maintain all **situations**, fittings and plant in sound condition; and
- b. at **your** own expense take reasonable action to trace, recall or modify any, or all, of **your products** containing any defect or problem of which **you** have knowledge, or reason to suspect. This includes any compulsory recall or ban imposed by a government or statutory agency.

3. Inspection of property

We will be permitted to, but not obliged to, inspect the operations or **property insured** of **your business** at any time. Our inspection, or lack of inspection, does not constitute a recognition, admission or waiver of rights by us that any **property insured** or operation of **your business** is safe.

Definitions

The following words have the following meanings for this policy section only. **You** should also refer to the General Definitions section starting on page 22.

Advertising liability

- a. Any infringement of copyright or passing off of title or slogan; or
- b. Unfair competition, piracy, idea misappropriation contrary to an implied contract; or
- c. Invasion of privacy committed or alleged to have been committed during the **period of insurance** in any advertisement, publicity article, broadcast or telecast and caused by or arising out of **your** advertising activities.

Canada

The Dominion of Canada and its respective territories, protectorates or dependencies.

Geographic limitations

- a. anywhere in the Commonwealth of Australia or New Zealand; and
 - b. elsewhere in the world but only in respect of:
 - i. **business** visits by directors and employees of the **named insured** normally resident in the Commonwealth of Australia or New Zealand, other than directors or employees who are engaged in or supervising **manual labour** during such visits and not in respect of **advertising liability** arising from **business** visits to the **United States** or **Canada**; or
 - ii. **your products** exported from the Commonwealth of Australia or New Zealand, other than **your products** exported to the **United States** or **Canada**.
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Internet operations

- a. use of electronic mail systems by **you** or **your** employees, including part time and temporary staff, and others within **your business** or others communicating with **your business** by electronic mail;
 - b. access through your network to the world wide web or a public internet site by **you** or **your** employees, including part time and temporary staff, and others within **your business**;
 - c. access to **your** intranet (internal company information and computing resources) which is made available through the world wide web for **your** customers or others outside **your business**; and
 - d. the operation and maintenance of **your** website.
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Manual labour

Work primarily involving physical exertion, but does not include activities associated with marketing, promotion, demonstration or selling.

Named insured

The person, company or legal entity shown as the insured on the **schedule**.

Occurrence

An **event** neither expected nor intended from your standpoint including continuous or repeated exposure to substantially the same general conditions.

Personal injury

- a. bodily injury, death, sickness, disease, disability, shock, fright, mental anguish, mental injury or loss of consortium;
 - b. false arrest, false imprisonment, wrongful eviction, wrongful detention or malicious prosecution;
 - c. libel, slander, defamation of character or invasion of right of privacy; or
 - d. assault and battery not committed by **you** or at **your** direction unless committed for the purpose of preventing or eliminating danger to persons or property.
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Property damage

- a. physical damage to or destruction of tangible property (which includes **loss** of property) including the loss of use of the property damaged or destroyed; or
- b. loss of use of tangible property which has not been physically damaged or destroyed provided such loss of use is caused by physical damage to or **loss** or destruction of other tangible property.

United States

The United States of America and its respective territories, protectorates or dependencies.

You, your, yours, yourself

The term 'you' includes:

- a. your personal representatives in the event of your death;
- b. all subsidiary companies (now or hereafter constituted) of the **named insured** which are incorporated within the Commonwealth of Australia or New Zealand and which carry on your **business**;
- c. any director, executive officer, employee, partner or shareholder of the **named insured** or the companies as designated in paragraph (b) but only whilst acting within the scope of their duties in such capacity;
- d. voluntary workers but only whilst acting within the scope of their duties in such capacity;
- e. any principal in respect of the liability of such principal arising out of the performance by the **named insured** or the companies as designated in paragraph (b) of any contract or agreement for the performance of work for such principal;
- f. any employee, office bearer or member of social, sports, fire fighting or welfare organisations, canteen and first aid facilities formed with the consent of the **named insured**, the companies as designated in paragraph (b) or the persons as designated in paragraph (c); and
- g. where the **named insured** is a club or association, any member of such club or association, but only whilst engaged as a member in activities organised by the club or association.

Your products

Any thing (including any component, packaging or container of or for such thing) after it has ceased to be in your possession or control which has been manufactured, grown, extracted, produced, processed, assembled, constructed, erected, installed, repaired, serviced, treated, sold, supplied, resupplied or distributed by you in the course of your **business**. The term includes any thing (including any component, packaging or container of or for such thing) which by operation of a law of the Commonwealth of Australia you are deemed to have manufactured.

Policy Section 7: Goods in transit

About this policy section

This policy section covers **loss** of or **damage** caused to **goods** you sell, buy or use in your **business** when they are **in transit**. You have a choice of two types of cover in this section.

You may insure under Option A or Option B. The option you choose will be shown on your **schedule**. You only have insurance for **goods in transit**, caused by the events listed below in the 'we cover' clause.

Your insurance under the policy section

We cover	Provided 'Goods in Transit' is shown under 'Sections Insured' in the schedule we will insure you for loss of or damage to goods during the period of insurance when they are in transit . You may choose either Option A – Specified Perils or Option B – Accidental Damage.
We do not cover	Whether you choose Option A or Option B, this policy section will not cover you for: <ul style="list-style-type: none">a. electrical or mechanical derangement or breakdown. This exclusion does not apply if there is external evidence of derangement or breakdown having been caused directly by an insured peril.b. loss or damage caused directly or indirectly because you do not comply with government or statutory laws and regulations for transporting hazardous goods.c. loss or damage caused directly or indirectly by the conveying vehicle colliding with a kerb, roadway or ancillary road.d. loss or damage caused by impact of goods with the road or surrounding areas because of the goods dropping or falling from the conveying vehicle, unless caused by insured events (a) or (b);e. loss or damage caused directly or indirectly by the unsound or unroadworthy condition of the transporting vehicle if you own it.f. delay of any kind or the results of delay.g. confiscation or detention by Government officials or authorities.h. loss or damage caused directly or indirectly by:<ul style="list-style-type: none">i. rust, oxidisation, discolouration, mildew, moths, mould, vermin or insects;ii. heating, sweating or any variation in temperature;iii. the inherent vice or nature of the goods;iv. ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear;v. scratching, denting, chipping, cracking or breakage of glass or any fragile items unless caused by an insured event; orvi. loss of use, loss of earning capacity and any other consequential loss.

Option A – Specified perils

<p>We cover</p>	<p>Provided 'Option A - Loss or damage to specified perils' is shown in the schedule we will insure you for loss of or damage to goods in transit that is caused by any of the following insured events:</p> <ul style="list-style-type: none">a. collision or overturning or derailment or jack-knifing of the transporting vehicle;b. fire, lightning, explosion or flood;c. forced landing of or the misadventure of an aircraft;d. impact of the goods with something that is not on or part of the conveying vehicle;e. jettison, washing overboard and loss or damage incurred in time of peril;f. burglary from an unattended transporting vehicle following forcible and violent entry to the vehicle; org. war or warlike activities, which means invasion, acts of a foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or civil strife following any of these.
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Option B – Accidental damage

<p>We cover</p>	<p>Provided 'Option B – Loss or damage to unspecified perils' is shown in the schedule we will insure you for loss of or damage to goods in transit as a result of insured events a. to g. above and the following insured events and during loading and unloading.</p> <ul style="list-style-type: none">a. Accidental loss of or damage to the goods during the transit;b. Loss or damage caused by strikers, locked-out workers or persons taking part in labour disturbances, riots or civil commotions;c. Loss or damage caused by malicious acts of persons, unless caused or directed by you;d. Loss or damage caused by insufficiency or unsuitability of packing or preparation of the goods, unless such was caused, directed or agreed by you;e. Unexpected deterioration of temperature controlled goods;f. Loss or damage while at any exhibition or display (other than in your owned or controlled situations), limited to a maximum of fourteen days;g. If the transit is interrupted or terminated due to the insolvency or financial default of the carrier, whether or not loss or damage is caused to the goods, we will pay the extra costs of freight or storage to forward the goods to their intended destination, or to return the goods to the place from which they were despatched, up to a maximum of 10% of the sum insured of the goods.
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Extra covers

If we agree to pay a claim under this policy section for **loss** or **damage** to **goods in transit**, we will also pay or provide the extra covers set out below.

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

1. Air freight of replacement parts

We cover	We will cover you for the cost of air freighting replacement parts from suppliers to the original destination, even if the original transit was not by air freight.
We do not cover	We will not pay more than \$10,000 for any one claim.

2. Clean up costs

We cover	We will cover you for the clean up and disposal costs at any accident site, where you are legally or contractually obliged to pay those costs.
We do not cover	We will not pay more than \$25,000 for any one claim.

3. Transport and disposal costs

We cover	We will cover you for the reasonable costs and expenses incurred in cleaning up or decontaminating your situation following the delivery or return of salvaged goods , plus the cost of transport and disposal costs to remove those goods .
We do not cover	We will not pay more than \$25,000 for any one claim.

4. Freight and salvage charges

We cover	We will cover you for any additional freight or salvage charges that you are required to pay to remove your goods from any accident site, including the cost of transport to forward the goods to their intended destination or to return the goods to the place from which they were dispatched.
We do not cover	We will not pay more than \$10,000 for any one claim.

5. Minimisation costs

We cover	We will cover you for the reasonable costs incurred to avoid or minimise any further loss of or damage to the goods .
We do not cover	We will not pay more than \$10,000 for any one claim.

6. General average and salvage contribution

We cover	We will cover you for general average and or salvage contribution that you are required to pay under any Bill of Lading or similar document if the transit is by sea.
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Additional benefits

We will also provide the following additional benefits in this policy section subject to both the General and Policy Section Exclusions.

Any amounts payable under this additional benefit do not apply in addition to the **sum insured**.

Buyer and seller protection

We cover	<p>If, as a buyer or seller, you retain a contingent financial interest in the goods in transit, to the extent that:</p> <ol style="list-style-type: none">the goods are lost or damaged during the period of insurance, and the loss or damage would be covered under this transit cover;the other party under the terms of sale is legally liable to pay you for the goods or for the loss or damage, but fails to do so;you have taken all reasonable steps to safeguard the goods and to recover payment from the other party; andyou have not disclosed to any party interested in the goods, the existence of this cover; <p>we will cover you for the loss or damage to the goods caused by the insured events that apply to the option that applies to your cover under this policy section.</p>
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What we pay

At our option, we will pay you:

- a. for **goods** that you have sold, the price you have invoiced your customer;
- b. for **goods** that you have purchased, the purchase price shown on your suppliers' invoice (less any Goods and Services Tax included in that price);
- c. for any **stock** transfers between your branches or divisions, the internal accounting value given to that **stock**;
- d. for plant transfers between your branches or divisions:
 - i. where the plant is destroyed, the cost of replacing the plant with similar plant in a condition equal to but not better or more extensive than its condition when new;
 - ii. where the plant is **damaged**, the cost of repairing the **damage** or the cost of restoring the **damaged** portion of the plant to a condition substantially the same as but not better or more extensive than its condition when new;
- e. for **goods** being returned after sale, the market value of the **goods**; or
- f. general average and salvage charges, adjusted or determined according to the transport contract and the governing law and practice, incurred to avoid or in connection with the avoidance of **loss** or **damage** from any cause.

The maximum amount we will pay in respect of any one claim for **goods in transit** under this policy section is the 'Goods in transit' **sum insured**.

Excess

The **excess** that applies is shown on the **schedule**.

Definitions

The following words have the following meanings for this policy section only. You should also refer to the General Definitions section starting on page 22.

Goods

Goods, merchandise or property as described on the **schedule** and **customers' goods** that the **business** intends to or has repaired, serviced or maintained.

Goods do not include:

- a. **money**;
 - b. livestock;
 - c. antiques;
 - d. explosives, or any oxidising or radio-active substances or liquid fuel, liquid gas, toxic chemicals, corrosive acids, compressed gases, organic peroxides;
 - e. jewellery, precious metals or stones, bullion or furs unless these items form part of your normal **stock**;
 - f. **aircraft**, aerial devices, **watercraft** or mechanically propelled **vehicles** registered for **road** use; or
 - g. cigarettes, tobacco, wines, spirits or other alcoholic beverage.
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In transit

The period of time starting from the time the **goods** leave a warehouse or place of storage in Australia for transportation, during the ordinary course of transportation anywhere in Australia, until either:

- a. delivery to the buyers or other final warehouse or place of storage in Australia; or
- b. delivery to any other warehouse or place of storage in Australia, whether prior to or at the final destination, which you have elected to use:
 - i. for storage other than in the ordinary course of transit; or
 - ii. for allocation or distribution,

whichever occurs first.

Loading

The period of time starting from the time the **goods** are lifted from the ground or loading dock immediately adjacent to the transporting **vehicle** or conveyance until the **goods** are placed on the transporting **vehicle** or conveyance.

Unloading

The period of time starting from the time the **goods** are lifted from the transporting **vehicle** or conveyance until the **goods** are placed on the ground or loading dock immediately adjacent to the transporting **vehicle** or conveyance.

Policy Section 8: Fraud and dishonesty

About this section

This section covers the theft of your **goods** or **money** by any of your **employees** either acting alone or in collusion with any others.

Your insurance under this section

We cover	Provided 'Fraud and Dishonesty' is shown under 'Sections Insured' in the schedule we will insure you for loss of money or goods as a result of any act of fraud or dishonesty committed by any of your employees while working for you in connection with the business , either acting alone or in collusion with others that occurs during the period of insurance .
We do not cover	This policy section does not cover you for: <ul style="list-style-type: none">a. any loss arising from the conduct of an employee, discovered later than:<ul style="list-style-type: none">i. 12 months after the expiry of the period of insurance; orii. 12 months after the termination of employment of the relevant employee(s)whichever occurs first;b. any loss arising from the conduct of an employee after you have knowledge of or information about any prior act of fraud or dishonesty by the employee;c. loss arising from the conduct of an employee outside Australia;d. any loss where you are unable to identify which employee is responsible unless you can satisfactorily demonstrate to us that the loss was caused by the dishonest conduct of one or more employees;e. loss or part of a loss arising from the conduct of an employee, where the proof of the loss, either as to its occurrence or as to its amount, is dependent upon an inventory stock take or a profit and loss calculation;f. fraud or dishonesty by any of your employees committed with your connivance;g. loss of use, loss of earning capacity and any other consequential loss; orh. loss arising from any contractual liability.

Extra covers

If we agree to pay a claim under this policy section for fraud or dishonesty we will also pay for the extra covers set out below.

Any amounts payable under the extra cover do not apply in addition to the **sum insured**.

1. Claims preparation costs

We cover	We will also pay for the reasonable cost of auditors' fees and other reasonable expenses incurred by you with our consent, for the preparation of claims under this policy section.
We do not cover	We will not pay more than \$5,000 under this extra cover during any one period of insurance.

2. Costs of recovery

We cover	If you sustain a loss greater than the sum insured shown in the schedule for this section, we will pay for costs and expenses that you have reasonably incurred in an attempt to recover the lost goods or money .
We do not cover	We will not pay more than an additional 20% of the sum insured shown in the schedule .

Additional benefits

We will also provide the following additional benefits in this policy section subject to both the General and Policy Section Exclusions.

Unless stated otherwise below, any amounts payable under these additional benefits do not apply in addition to the **sum insured**.

1. Welfare, social or sporting club cover

We cover	The term 'you' is extended to include any welfare, social or sporting club formed with your knowledge and consent which is exclusively for the benefit of employees and their families.
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2. Retroactive cover

We cover	<p>If this policy section replaces any previous fraud and dishonesty policy held by you that is terminated, cancelled or allowed to expire at the time of the replacement, we will cover any loss that is within the period of cover of the previous policy provided that:</p> <ol style="list-style-type: none">the loss is not covered by the previous policy;the loss would have been recoverable by you under the previous policy except for the fact that the time within which to discover any loss had expired; andthe loss would have been covered under this section if this section had been in force when the acts or defaults causing the loss were committed.
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We do not cover

We will not cover you for any **loss** arising from any act of dishonesty committed more than 12 months before the inception of this policy section.

We will not cover you for more than the lesser of the:

- a. **sum insured** shown in the **schedule**; or
- b. the amount that would have been recoverable under the previous policy had it continued in force until the discovery of the **loss**.

What we pay

We will:

- a. pay you the amount of **lost money**; or
- b. at our option, replace **lost goods** or pay the market value of the **goods**.

Notwithstanding that the act of fraud or dishonesty may have been committed during more than one **period of insurance**, the maximum amount we will pay for any claim is the 'Limit any one employee' **sum insured**.

Policy section conditions

These conditions apply in addition to the general claims conditions (see pages 18 to 20).

1. After a loss

As soon as you become aware of any fraud or dishonesty you must:

- a. take all reasonable steps to recover **lost** or stolen property and prevent further **loss**;
- b. agree to withhold (to the extent you are allowed to by law) and to retain salary, commission, **money** or assets that are the property of an employee whose dishonesty has caused a claim; and
- c. notify the police immediately.

2. Documentation

In the event of a claim, you must supply us with all records and documents that may assist us in substantiating and investigating the act of fraud or dishonesty and your rights of recovery. This includes but is not limited to all records (including computer, electronic and accounting records), video and audio recordings, working papers, internal memoranda, police reports, accounting records and audit documents.

3. Acts of fraud or dishonesty

A series of related, continuous or repeated acts of fraud or dishonesty (whether by any one employee or any number of **employees** in collusion) will be treated as a single act of fraud or dishonesty even if committed during more than one **period of insurance**.

However, if the act of fraud or dishonesty is committed during more than one **period of insurance** you shall be entitled to elect in which of these **periods of insurance** the act of fraud or dishonesty shall be deemed to have occurred. The maximum amount of insurance will be determined by the **sums insured** that applied in the elected **period of insurance**.

Excess

The **excess** that applies is shown on the **schedule**.

Definitions

The following words have the following meanings for this policy section only. You should also refer to the General Definitions section starting on page 22.

Employee

Any person while employed by you in the **business** who you compensate by salary, wages, or commission and have the right at all times to govern, control and direct in the performance of their work.

Employee does not include:

- a. any broker, factor, consignee or contractor;
 - b. any member of your **family**; or
 - c. any partner, director or trustee unless that person is also your **employee**.
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Goods

All property, including but not limited to, contents, **stock**, tools of trade, **cigarettes, cigars and tobacco**, which is sold or used in your **business** and which you own or for which you are legally liable.

Cigarettes, cigars and tobacco

Cigarettes, cigars and tobacco for sale by you in the **business**.

Stock

- Stock includes **stock in trade** and **cigarettes, cigars and liquor**.
 - Stock includes items of property at your **situation** under a 'sales or return' consignment agreement.
 - Stock does not include consigned items of property under an agency arrangement where you make a commission on a sale.
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Stock in Trade

- Merchandise and **customers' goods** for which you are legally responsible including the value of the work done and containers or packaging materials used in connection with the **business**.
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Policy Section 9: Equipment breakdown

About this policy section

This section covers **breakdown** of **insured equipment** at the **situation** and any direct **loss** or **damage** to **insured property** as a result for the events set out under the 'we cover' column.

Your insurance under this section.

We cover	Provided "Equipment breakdown" is shown under 'Sections Insured' in the schedule we will insure you for: a. breakdown of insured equipment which occurs at the situation ; and b. any direct loss or damage to insured property as a result of that breakdown where the breakdown, loss or damage occurs during the period of insurance .
We do not cover	We do not cover loss or damage caused by or arising out of pollution, contamination or damage by a hazardous substance , however caused, except as provided for in extra cover 1. We do not cover loss or damage to air conditioners unless your schedule shows that they are covered. We do not cover loss or damage caused by or arising out of: a. earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption; b. storm, hail, lightning, thunder, wind, rainwater; c. the sea, including tidal wave, tsunami, storm surge or high water; d. flood ; e. fire, smoke or combustion explosion; f. water, liquids or substances discharged or other means used to extinguish a fire; g. escape of water or liquids unless resulting from a breakdown ; h. aircraft or other aerial devices or articles dropped there from or sonic boom; i. riot, civil commotion or sabotage; or j. vandalism or malicious damage. We do not cover losses from: a. loss of use or consequential loss of any kind; or b. any other indirect result of a breakdown except as may be provided in the additional benefits.

We do not cover

We do not cover losses caused by or resulting from the partial or total failure, malfunction or loss of use of any **electronic equipment**, computer system, information repository, microchip, integrated circuit or other similar device due to:

- a. the erasure, destruction, corruption, misappropriation or misinterpretation of **data**;
- b. any error in creating, amending, entering, deleting or using **data**;
- c. the inability to receive, transmit or use **data**; or
- d. the impact of any **computer virus** or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility, however, we will pay for **losses** that result solely from the **breakdown** of any other **insured equipment** which is covered by this policy section.

We do not cover:

- a. **breakdown, loss or damage** caused during the course of maintenance, inspection, repair, alteration, modification or overhaul;
- b. **breakdown, loss or damage** caused during installation, erection or relocation;
- c. **damage** to foundations, brickwork, and refractory materials other than as a result of **breakdown**;
- d. **breakdown, loss or damage** arising out of plant being subjected to tests involving abnormal stresses or arising out of plant being deliberately overloaded;
- e. **breakdown, loss or damage** caused by a deliberate act, neglect or omission on your part;
- f. **breakdown, loss or damage** for which the manufacturer or supplier or other parties are responsible under maintenance or warranty agreement;
- g. the cost of alterations, improvements or overhauls unless it is required for the repair or replacement;
- h. the costs associated with modifying the **machinery** so that it operates with a more ozone friendly refrigerant gas as required by the **United Nations Environment Programme** Montreal Protocol with respect to substances which deplete the ozone layer (“**UNEP**”);
- i. **Breakdown, loss or damage** as a result of dual lifting; or
- j. **Breakdown**, of any equipment which is useless or obsolete to your **business**.

Extra covers

If you have selected a **sum insured** for 'Equipment Breakdown', as noted on your **schedule**, and we agree to pay a claim under this policy section for **breakdown** or direct **loss** or **damage** as a result of **breakdown** we will also pay for the extra covers set out below. Any amounts payable under these extra covers will be included in the **sum insured**.

If you have selected 'repair and replacement' cover, as noted on your **schedule**, and we agree to pay a claim under this policy section for **breakdown** or direct **loss** or **damage** as a result of **breakdown** we will also pay for the extra covers set out below. Any amounts payable under these extra covers will be in addition to the repair and replacement amount paid under the insuring clause.

1. Hazardous substances

We cover	If a hazardous substance is involved in or released by a breakdown of insured equipment , we cover you for the increase in cost to repair, replace, clean up or dispose of, damaged insured property .
We do not cover	We will not pay more than \$25,000 for each claim under this extra cover.

2. Expediting expenses

We cover	We will also pay your reasonable costs of: <ul style="list-style-type: none">● hiring temporary replacement insured equipment but no other associated costs such as, but not limited to, installation and storage costs;● effecting temporary repairs;● overtime work required for carrying out the repairs;● express freight services; and● consultants fees.
We do not cover	We will not pay more than \$25,000 in total for these expediting expenses for each event . We will not pay for the temporary replacement of computers, word processors or electronic processing systems.

Optional insurance

We will provide the following optional insurance when requested by you, when you pay any additional premium required and when shown on your **schedule** as applying.

Any amounts payable under this optional insurance are in addition to the **sum insured**.

1. Deterioration of stock

We cover	<p>We will cover you for loss of perishables that spoil during the period of insurance due to a rise or fall in temperature as a result of:</p> <ol style="list-style-type: none">a breakdown of insured equipment which is covered by this policy section; orthe operation or failure of the thermostats, controls, fuses, circuit breakers or overload devices which are owned by you and are protecting a refrigeration chamber, but not including loss or damage due to the manual operation or setting of switches. <p>If there is a breakdown of equipment not owned, leased, operated or controlled by you we will cover you for loss of perishable insured property which spoils as a result, but only if the equipment is:</p> <ol style="list-style-type: none">of a type described in the definition of insured equipment in this policy section;located on or within three hundred (300) metres of the situation; andowned by the owner of the building at the situation or by a utility company; andused to supply telephone, electricity, air conditioning, heating, gas, water or steam services to your business at the situation, <p>and the breakdown occurs during the period of insurance.</p>
We do not cover	<p>If the perishable insured property is not replaced, we only cover you for the actual cash value of the spoiled insured property.</p> <p>However, under this Optional Insurance we will not pay more than the amount shown on the schedule.</p>

2. Restoration of computer data

We cover	<p>We will cover you if, as a result of breakdown to any computer, word processor or electronic processing system which is insured equipment, data is lost or damaged during the period of insurance.</p> <p>The media containing the data must be:</p> <ol style="list-style-type: none">at the situation;at a storage situation;temporarily at any alternative location for processing purposes; orin transit between any of these locations.
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We cover	<p>Under this optional insurance, we will pay:</p> <ol style="list-style-type: none"> any expenses which you can prove have been incurred by you strictly for the purpose of restoring or replacing data by reproduction of data or information in a condition equivalent to that existing prior to the breakdown. Data may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in its original form; and the reasonable costs incurred by you to replace or restore data or information, including any overtime, night work or work carried out during public holidays.
We do not cover	<p>We will not cover you for more than the 'Restoration of Computer Data' sum insured for any claim under this optional insurance.</p> <p>We will not pay any amount under this optional insurance if:</p> <ol style="list-style-type: none"> you do not incur the expense or costs within 12 months of the breakdown; or in relation to any data, you do not have a backup copy of the data that is: <ol style="list-style-type: none"> less than five (5) business days old; and stored at an offsite storage situation.

3. Substitute computer systems

We cover	<p>Following a breakdown, during the period of insurance, to any computer, word processor or electronic processing system that is insured equipment, we will cover you for the cost of a substitute computer, word processor or electronic processing system used in the business during the interruption caused by the breakdown.</p> <p>Under this optional insurance, we will pay:</p> <ol style="list-style-type: none"> the expenses incurred for the use of a substitute computer or electronic data processing system of similar specification; and any other reasonable additional costs incurred by you to operate the substitute computer or electronic data processing system during normal business hours.
We do not cover	<p>We will not pay more than the 'Substitute computer systems' sum insured for any claim under this optional insurance.</p> <p>We will not pay any amount under this optional insurance for expenses incurred during the period of interruption (beginning on the date of the breakdown and ending when normal operations of the business resume but no more than 12 months after the date of the breakdown) where normal operations of the computer, word processor or electronic processing systems can not resume solely because of the discontinuance of manufacture or obsolescence of the computer, word processor or electronic processing system or any component part of system.</p>

What we pay

1. Insured equipment

In the event of a claim we will pay with respect to:

- a. **media** – the cost of replacing the **media** with blank material;
- b. exposed film, records, manuscripts and drawings – the cost of replacement with blank material plus the cost of transcription; and
- c. all other **insured equipment** and other **insured property** – the lesser of the cost at the time of the **breakdown** to:
 - i. repair the damaged property; or
 - ii. replace the damaged property with similar property of like kind, capacity, size, quality and function.

However, we shall not pay:

- i. any cost of repairing or replacing any part or parts of a piece of **insured equipment** which is greater than the cost of repairing or replacing the entire piece of **insured equipment**;
- ii. more than the cost to replace the **insured equipment** or **insured property** with equipment or property of like kind, capacity, size, quality and function;
- iii. more than the cost to replace the **insured equipment** or **insured property** at the **situation** or adjacent site; or
- iv. for **breakdown, loss** or **damage** to **insured equipment** or **insured property** which is useless or obsolete to your **business**.

If the **damaged property** or **insured equipment** is not repaired or replaced within 12 months after the date of the **breakdown**, we will pay you the **actual cash value** of the **damaged property** or **insured equipment** at the time of the **breakdown**.

The maximum we will pay is the **sum insured** as shown in the **schedule**.

Excess

The **excess** that applies to any one claim under this section is the 'Breakdown' **excess** shown on the **schedule**.

If a claim is made under the insuring clause and under an optional insurance cover which arises from the same **event**, only one **excess** applies.

Policy section conditions

These conditions apply in addition to the general policy conditions (see pages 15 to 17).

1. Adherence to statutory requirements

If **insured equipment** is required to be licensed under statutory obligations, by-laws, regulations, public authority requirements or safety requirements, you must obtain any licenses as required and use the **insured equipment** as specified in the license.

2. Inspection

We or our authorised representatives have the right to make inspections of **insured equipment** at any reasonable time. Neither this right to make inspections nor making them is an undertaking to you or others that the **insured equipment** is safe and not hazardous or injurious to health.

3. Obligation to prevent loss

If we or our authorised representatives discover **insured equipment** in or exposed to a dangerous condition, you must comply with any direction provided by us or our representatives to prevent **loss**. If you do not comply within 30 days of receiving the direction, we may refuse to pay a claim and cancel your policy.

4. One breakdown

If either:

- a. a **breakdown** of **insured equipment** causes the **breakdown** of other **insured equipment**; or
- b. a series of **breakdowns** occur at the same time as a result of the same cause;

they will all be considered as one **breakdown** for the purpose of applying the **excess**, the 'Equipment Breakdown' **sum insured** and any other **limit** in this policy section.

Definitions

The following words have the following meanings for this policy section only. You should also refer to the General Definitions section starting on page 22.

Actual cash value

The cost of replacing damaged **property** with property of similar kind, capacity, size, quality and function less depreciation for the age, condition, and normal life expectancy of the property.

Air conditioner

An appliance, system, or mechanism designed to extract heat from an area via a refrigeration cycle. Its purpose in a building is to provide comfort during either hot or cold weather.

Breakdown

Sudden and **accidental** failure of equipment resulting in physical damage to the equipment which requires the repair or replacement of the equipment or a part of the equipment.

Breakdown does not mean:

- a. depletion, deterioration, corrosion or erosion of material;
- b. wear and tear;
- c. vibration or misalignment;
- d. the functioning of any safety device or protective device; or
- e. the failure of a structure or foundation supporting the equipment or a part of the equipment.

Hazardous substance

- a. any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
- b. any mould, yeast, **fungus** or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, **fungus** or mildew, whether or not allergic, pathogenic or toxigenic.

Insured equipment

Any of the following equipment provided it is owned, leased, operated or controlled by you in your **business**:

- a. any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels (but only to the extent that the **schedule** shows that **air conditioners** are covered) and piping or any other piping and its accessory equipment, but not including:
 - i. any boiler foundation, any refractory or insulating material;
 - ii. any part of a boiler or fired pressure vessel that does not contain steam or water; or
 - iii. any buried piping, any drainage piping, any sprinkler piping and its accessory equipment;
- b. any mechanical or electrical equipment that generates, transmits or utilises mechanical or electrical power, but not including:
 - i. any **vehicle** or mobile equipment;
 - ii. any **watercraft** or **aircraft**; or
 - iii. any elevator or escalator but not excluding any electrical or **electronic equipment** used with such apparatus;
- c. any electronic machine, device or instrument used for research, diagnosis, treatment, communication, word processing, **data** processing, duplicating, monitoring or scanning.

Insured property

- a. Your property; or
- b. property not belonging to you but in your care, custody or control and for which you are legally liable.

Storage situation

The location away from the **situation** where copies of **data media** are stored.

Policy Section 10: General property

About this policy section

This section covers you for **loss** or **damage** to **insured property** that you usually take with you in the course of your **business** anywhere in the world. Any individual item worth more than \$2,500 must always be specified.

Your Insurance under this section

We cover	Provided 'General Property' is shown under 'Sections Insured' in the schedule we will insure you for accidental loss or damage to insured property occurring anywhere in the world during the period of insurance .
We do not cover	This policy section does not cover: <ul style="list-style-type: none">a. any unspecified item of property unless your schedule shows that you have cover for unspecified items of property.b. loss or damage caused by or arising out of:<ul style="list-style-type: none">i. the actual process of cleaning, maintenance, overhaul, repair or renovation, alteration, addition or undergoing a trade process;ii. wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause;iii. moths, termites or other insects or vermin;iv. scratching, biting or chewing by any animal;v. chipping, scratching, denting or marring that does not materially affect the use or operation of the insured property;vi. change in colour, loss of weight, change in flavour, texture or finish;vii. the action of light, atmospheric conditions, any form of fungus or extremes of temperature, rust or oxidation, wet or dry rot, corrosion, inherent vice or latent defect;viii. mechanical, hydraulic, electrical or electronic breakdown, burn-out, failure, malfunction or derangement of any equipment or device;ix. soot or smoke from industrial operations (other than sudden and unforeseen resultant damage);x. any faults or defects in any item of insured property that you or any of your employees knew about before taking out this policy section;xi. unexplained inventory shortage, disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials;xii. testing, experimentation, intentional overloading, misuse or abuse;

We do not cover

- xiii. cracking, scratching or breakage of **glass** or fragile items unless as a consequence of **loss** or **damage**;
 - xiv. fraud or dishonesty by you or any other person;
 - xv. kidnapping, bomb threat, threat of contamination, hoax, trickery, extortion or any attempt at any of these;
 - xvi. detention, confiscation or disappearances by customs or any lawful authority;
 - xvii. the sea, including tidal wave tsunami, storm surge or high water;
 - xviii. **flood**;
 - xix. erosion; subsidence, earth movement or collapse;
 - xx. faulty materials or faulty workmanship; or
 - xxi. error, failure or omission in design plan or specification;
- c. **loss** or **damage** to:
- any item worth more than \$2,500 unless it is a **specified item**;
- d. **loss** or **damage** to **money** or documents of any kind;
- e. **loss** or **damage** to tools of trade, sporting equipment, guns or musical instruments while they are in use;
- f. **loss** or **damage** to **property** undergoing any process involving the application of heat;
- g. loss of use, loss of earning capacity and any other consequential loss;
- h. **loss** or **damage** to **property** as a result of:
- i. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **data**;
 - ii. **breakdown** or malfunction of the processing system including operator error or omission in creating, amending, loading, deleting or using **data**; or
 - iii. total or partial inability or failure to receive, send, access or use **data** for any time or at all;
- i. you for any **loss** or **damage** caused by or arising out of theft:
- i. committed by any member of your **family** or by any **employee** of yours or committed by any person whilst lawfully at your **situation**; or
 - ii. of unattended **insured property** in the open air.

We do not cover

- j. you for any **loss** or **damage** caused by or arising out of theft from any building or **vehicle** unless the **insured property** was:
 - i. securely locked in the **vehicle** and the theft was consequent upon forcible and violent entry to the **vehicle**;
 - ii. securely and permanently affixed to the building or **vehicle** and theft is consequent upon forcible and violent removal of the **insured property**;
 - iii. securely chained to the **vehicle** by a steel chain having a link diameter of 10mm or greater and a padlock with a security rating under AS 4145.4 (or any subsequent amendment) of 6 (or its equivalent) or above;
 - iv. in your private residence or the private residence of your **employee** who has been authorised by you to have the custody and control of the **insured property**. However we will not cover any theft by a tenant;
 - v. securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building. However we will not cover any theft:
 - committed by any person while lawfully in the building; or
 - of **insured property** which is unattended in areas of the building accessible by the general public; or
 - vi. stolen as a consequence of armed hold- up or the threat of physical violence.

Extra covers

If we agree to pay a claim for **loss** or **damage** to your **insured property** under this policy section, we will also pay for the following extra covers.

Reinstatement of sum insured

We cover

If we pay an amount for a claim under this policy section we will automatically reinstate the **sum insured** to the amount shown on the **schedule**. You will not have to pay any additional premium.

Additional benefits

We will also provide the following additional benefits in this policy section subject to both the General and Policy Section Exclusions. Any amounts payable under these additional benefits apply in addition to the **sum insured**.

Theft of other equipment

We cover	We will cover you for theft of any insured property not belonging to you but in your physical or legal control for the purposes of your business occurring during the period of insurance anywhere in the world.
We do not cover	<p>This additional benefit does not cover theft committed by any member of your family or by any employee of yours or committed by any person whilst lawfully at your situation.</p> <p>We will not cover you under this additional benefit unless the insured property was:</p> <ol style="list-style-type: none">in a securely locked vehicle and the theft was consequent upon forcible and violent entry to the vehicle;in a securely and permanently affixed to the building or vehicle and theft is consequent upon forcible and violent removal of the insured property;in a vehicle and was securely chained to that vehicle by a steel chain having a link diameter of 10mm or greater and a padlock with a security rating under AS 4145.4 (or any subsequent amendment) of 6 (or its equivalent) or above;in your private residence or the private residence of your employee who has been authorised by you to have the custody and control of the insured property. However we will not cover any theft by a tenant;securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building. <p>However we will not cover any theft:</p> <ol style="list-style-type: none">committed by any person while lawfully in the building; orof insured property which is unattended in areas of the building <ol style="list-style-type: none">stolen as a consequence of armed hold-up or the threat of physical violence. <p>We will not cover you for more than \$2,000 in any one period of insurance under this additional benefit.</p>

What we pay

At our option, we will:

- a. repair or replace the item of **insured property** (including carry case and usual accessories) to a condition equal to but not better or more extensive than its condition when new; or
- b. pay the cost to repair or replace the **insured property**.

When the **loss** or **damage** is confined to a part or component of the **insured property**, we will only pay for that part or component plus the cost of any necessary dismantling and reassembling.

If we replace or pay the cost of replacing any item of **insured property** you no longer have any cover for that item or the replacement item.

Maximum amount we will pay:

- a. in respect of each **specified item** is the **sum insured** for that item.
- b. in respect of any one **unspecified item** is \$2,500.
- c. during the **period of insurance** for all claims in respect of any particular group or class of **unspecified items** is the **sum insured** for that group or class of **unspecified property** set out in the **schedule**.

Excess

The **excess** that applies is shown on the **schedule**. The **excess** applies to each **event**.

Policy section conditions

These conditions apply in addition to the general claims conditions (see pages 18 to 20).

A. Items in a pair, set or collection

When the **insured property** includes items in a pair, set or collection the insurance for each item is limited to its proportionate value only, and does not include any special value the individual item may have as part of a pair, set or collection. Any reduction in the value of the remaining part or parts of the pair, set or collection following **loss** or **damage** to an individual item is not covered.

B. Under-insurance of specified items

If two or more items are insured under one **sum insured** then, in the event of **loss** or **damage**, we will be liable for no greater proportion of the **loss** or **damage** than that which the **sum insured** bears to eighty percent (80%) of the replacement value of those items.

The replacement value will be determined net of any GST component of that value and will be calculated as at the date the policy was last entered into, renewed, extended or varied.

Worked dollar examples

The following worked dollar examples are designed to assist you in the understanding some of the important benefits in this policy section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. The following examples should be used for general guidance only.

You have cover for property that you use away from the **situation** from which you operate your **business**. You have specified a laptop computer, detailing the model and serial number worth \$3,000, a mobile phone worth \$1,000 and some unspecified measuring tools that in total are worth \$3,500. Your locked car is broken into and the insured laptop, a laptop worth \$2,900 that is usually at the **situation**, the mobile phone, a laser leveling device worth \$2,600 and a digital measuring laser device worth \$655 are stolen. Your **excess** is \$200.

How much we pay		Further information
Specified laptop	\$3,000	We may pay this amount directly to the suppliers
2nd laptop	\$0	The laptop worth \$2,900 is not specified on the schedule and as a result is not covered. This item must be specified on the schedule . The item is not covered.
Laser leveling device	\$0	This device is worth more than \$2,500 and as a result cannot be covered as an unspecified item. This item is not specified on the schedule and as a result is not covered.
The mobile phone	\$1,000	The phone is specified on the schedule , as required by the policy. We may pay this amount directly to the suppliers.
Digital measuring laser device	\$655	The item of property is worth less than \$2,500 and falls within a class of unspecified items described on the schedule . We may pay this amount directly to the suppliers.
Less excess	-\$200	This is the excess shown on your schedule .
Total claim	\$4,455	We may pay this amount directly to the suppliers.

If all of the property was stolen from the **situation** following forcible entry after hours and you have a burglary cover covering \$10,000 of contents, then we would pay \$2,900 for the 2nd laptop and \$500 for the GPS unit under the burglary cover, total \$3,400. There would be no **excess** on the amount paid under the burglary cover, as we only apply one **excess** for the **event**.

Definitions

The following words have the following meanings for this policy section only. You should also refer to the General Definitions section starting on page 22.

Insured property

Specified items and/or **unspecified items**, as shown in your **schedule**.

Specified items

Each item of property that is specifically described on the **schedule**.

Unspecified items

Each item of property which is not a **specified item** but which is part of a group or class of property described generally on the **schedule**. The group or class described may include hand tools and hand held power tools.

Unspecified items do not include

- a. mobile phones, laptop computers, electronic diaries, GPS units or video cameras, or any of their accessories; or
 - b. any item worth more than \$2,500.
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Policy Section 11: Tax audit

About this policy section

This policy section covers the **professional fees** such as accountant's fees incurred by you in connection with an audit, review or investigation of your **business's** tax affairs by The Commonwealth of Australian Taxation Office, or by a Commonwealth, State or Territory department, body or agency authorised to conduct a **tax audit**.

Your insurance under this policy section

We cover	Provided that 'Tax Audit' is shown under 'Sections Insured' in the schedule we will insure you for professional fees reasonably and necessarily incurred by you in connection with an official tax audit , by an authority , commenced and notified to us during the period of insurance .
We do not cover	This policy section does not cover: <ul style="list-style-type: none">a. any claim or claims caused by or arising out of any income return that has not been prepared or reviewed prior to dispatch by your tax agent. However, this exclusion does not apply to any return for:<ul style="list-style-type: none">i. prescribed sales tax;ii. income derived from any payment under a contract of employment of service between you and any other person, company or entity, other than when that payment is paid by a company for which you are a director or have a controlling interest;iii. income derived from any payment from superannuation, pension or other retirement benefit; oriv. income derived from personal investments that you are not wholly or mainly dependent on;b. you:<ul style="list-style-type: none">i. if you bring about a tax audit through your failure to lodge taxation or any other return within the time limit prescribed by statute or through any extension of time granted by the authority;ii. if you make a statement to the authority or your tax agent that omits a material particular or is false or misleading; oriii. if you bring about a tax audit by your failure to pay all taxes by the due date or within any extension of time granted by the authority;iv. for the amount of any fine or penalty that you may be ordered to pay by any authority or court;v. for any amount that you are unable to recover because of a contract or agreement that you have entered into that excludes or limits your rights to recover that amount;vi. for any tax return prepared:<ul style="list-style-type: none">i. by a person who ordinarily resides outside Australia and its external territories;ii. for a company, firm or entity which operates outside Australia and its external territories;

We do not cover

- c. any claim arising from any **tax audit** for which notice or information was received by you or your **tax agent** before the inception of this section;
- d. any claim or claims caused by or arising out of any inquiry from an authority which is not related to either an identified intention to conduct a **tax audit** or is not directed at obtaining information or **data** for a possible future **tax audit**;
- e. any claim or claims caused by or arising out of any fraudulent act or fraudulent omission or statement made to an **authority**.

This exclusion does not apply when a false or misleading statement results from:

- i. you being misled by the **authority**, when you did not and could not be expected to know that statement was false or misleading; or
 - ii. a matter which you can demonstrate to our satisfaction to be a contentious matter;
- f. any claim or claims caused by or arising out of any improper, unwarranted or unjustified refusal or failure to comply with any request made by the **authority**.

This exclusion does not apply when, in accordance with professional advice, you refuse or fail to comply with an authorisation under section 263 of the Income Tax Assessment Act 1936 or under section 264 of the Income Tax Assessment Act 1936;

- g. any claim or claims caused by or arising out of any act committed deliberately or with wilful intent by you;
- h. any audit conducted by the Australian Prudential Regulation Authority;
- i. any **tax audit** where a return has been prepared lodged or submitted dishonestly or fraudulently, and where the supporting documents have been falsely created or collected;
- j. any **tax audit** where the Australian Taxation Office, or where another **tax agent** assesses your behaviour as being a case of deliberate evasion or recklessness;
- k. any routine enquiries, or enquiries from the **tax agent** which are not identified as being either preliminary to, or relating to a **tax audit** of a **tax return**;
- l. **professional fees** that are:
 - i. associated with any criminal prosecution;
 - ii. associated with any **tax return** lodged outside Australia, its states or territories;
 - iii. in respect of any person or organisation ordinarily resident outside Australia, its states or territories;

We do not cover	<p>m. any:</p> <ul style="list-style-type: none"> i. amounts sought by any amended notice of assessment; ii. additional tax, duty government impost or the like; or iii. costs in legally pursuing or defending any legal actions against you or initiated by you (unless it is at our discretion); <p>n. tax audit that includes a refund or claim for tax or duty relief arising out of an arrangement, facility, financial structure or the like adopted for the principal purpose of obtaining that refund or relief, unless the arrangement has received prior written approval from the relevant government or government authority or agency before being offered to you or the general public;</p> <p>o. any form of activity involving a periodic review relevant to you maintaining industry status, licence, compliance, membership, any form of occupational health and safety compliance or similar requirements;</p> <p>p. any form of activity involving a review of how the professional firm assisting you undertakes its professional duty;</p> <p>q. any form of practice or procedural audit of any of your files;</p> <p>r. any activity involving a statutory authority;</p> <p>s. any activity involving agency gathering information or data that is not part of a formal tax audit; or</p> <p>t. any activity involved in the familiarisation, education, training, application, implementation, process or operation of any amendments or changes to existing or the introduction of new statutory or industry regulation.</p>
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Extra covers

If we agree to pay a claim for **professional fees** we will also pay for the following extra benefit.

Reinstatement of sum insured

We cover	If we pay an amount for professional fees in connection with a tax audit , we will automatically reinstate the sum insured . You will not have to pay any additional premium.
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Optional insurance

We will provide the following optional insurance when requested by you, when you pay any additional premium required and when shown on your **schedule** as applying.

This optional insurance applies in addition to the **sum insured**.

Directors' personal tax returns

We cover	<p>If you are a company and the director(s) work full-time in the business, we will also pay for professional fees reasonably and necessarily incurred by each director in connection with a tax audit of their personal income tax returns by an authority commenced and notified to us during the period of insurance.</p> <p>This optional insurance only covers a tax audit of a director's personal income tax return that was prepared by the same tax agent who prepared the income tax return for the business in that same year.</p>
We do not cover	<p>We will not cover you for more than the 'Director's personal returns' sum insured for professional fees incurred in the period of insurance for each director.</p>

What we pay

The maximum amount we will pay for all **tax audits** in the **period of insurance** is the **sum insured** specified in the **schedule**.

Excess

The **excess** that applies is shown on the **schedule**.

Policy section conditions

These conditions apply to this policy section.

1. Authority matters

- you must make a full and complete statement of the total income and profits or gains of a capital nature derived by you and of any deductions or capital losses during each tax year;
- you must be registered for GST purposes, if required by the operation of legislation; and
- all correspondence, requests and inquiries from an **authority** must be dealt with within a reasonable time taking all reasonable steps to minimise cost and delay.

2. Claims

For any claim:

- you must notify us, in writing, within 30 days of the first notice of a **tax audit**;
- you must keep us fully informed of all developments as they occur;
- before retaining any professional other than your accountant obtain our prior approval of that person's engagement and of the fees and disbursements likely to be incurred;
- you shall take all necessary and reasonable steps to minimise any delays and costs incurred or likely to be incurred;
- we have the right to directly access your **tax agent** and lawyers and any documented advice they have given you relevant to the **tax audit**; and
- your **tax agent** will assist us with any matter we may pursue with the **authority**.

Definitions

The following words have the following meanings for this policy section only. You should also refer to the General Definitions section starting on page 22.

Authority

The Australian Taxation Office or a revenue office of an Australian State or Territory.

Designated tax

Any tax assessable in accordance with the provisions, as amended, of the:

- a. Income Tax Assessment Act 1936 (Cth);
 - b. Income Tax Assessment Act 1997 (Cth);
 - c. Fringe Benefits Tax Assessment Act 1986 (Cth);
 - d. A New Tax System (Goods and Services Tax) Act 1999 (Cth);
 - e. Superannuation Guarantee (Administration) Act 1992 (Cth);
 - f. Termination Payments Tax (Assessment and Collection Act) 1997 (Cth);
 - g. Sales Tax Assessment Act 1930 (Cth);
 - h. Sales Tax Assessment Act 1992 (Cth); or
 - i. any legislation of an Australian State or Territory relating to payroll tax.
-

Professional fees

Fees, costs and disbursements payable to a **tax agent** in connection with a **tax audit** by an **authority** for work undertaken up to the completion of an **tax audit**.

Professional fees does not mean any fees, costs or disbursements:

- a. that relate to any subsequent objection lodged with the **authority** in respect of a **tax audit**;
 - b. that relate to, or are associated with the preparation of any accounts, financial statements and / or documents or to any attendance or service which would have been or would or should ordinarily or prudently have been prepared prior to or at the time that the lodgement of any **return** and / or document was required to be lodged;
 - c. incurred after the tax audit has been completed; or
 - d. incurred after 12 months from the commencement date of the **tax audit** other than when you can demonstrate to our satisfaction that the delay in completing the **tax audit** was caused primarily by the **authority**; or
 - e. form part of an annual or fixed fee or cost arrangement.
-

Tax agent

Any person who is recognised by the **authority** as a registered **tax agent**, as appropriate to the type of **designated tax**, who prepares returns and statements required by that **authority** in respect of your liability to pay a **designated tax**, including supervision of the preparation of, and review prior to dispatch of, those returns and statements.

Tax agent does not mean you or a person working for you under a contract of employment.

Tax audit

- a. The audit of a **tax return** submitted by you or on your behalf in respect of your liability to pay any **designated tax** (including the amount of tax payable) following lodgement of a **tax return** for that **designated tax**; or
- b. Any official inquiry, investigation, examination or review in respect of your liability to pay any **designated tax** (including the amount of tax payable) following lodgement of a **tax return** for that **designated tax**.

If an official inquiry, investigation, examination or review referred to in paragraph (b) above escalates or results in an audit as referred to in paragraph (a) above, then this would be viewed as one **tax audit** for the purposes of this policy section.

For the purpose of this section:

- a. the **tax audit** commences at the time you or your professional adviser first receive notice of the proposed **tax audit**.
- b. the **tax audit** is complete when:
 - i. the auditor has given written notice to that effect;
 - ii. the auditor notifies us that it has made a concluded decision about your returns;
 - iii. when the auditor has issued an assessment or amended assessment of your returns; or
 - iv. in the absence of i, ii or iii where your professional adviser declares in writing that such an audit has been concluded

Tax return

Any return legally required to be, and is actually lodged with, an **Authority** by you or on your behalf.

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