

My Business Pack



POLICY WORDING

This policy is available for purchase through:

Altiora Insurance Solutions Pty Ltd

ABN 44 108 154 829 AFSL Number 268726

Level 14, 100 Miller Street

North Sydney NSW 2060

Altiora Insurance Solutions Pty Ltd and Chartis have agreed to provide cover for this product on the terms offered.

If required, Altiora will provide You with a Financial Services Guide ('FSG') to help You decide whether You wish to use the services they offer.

My Business Pack

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Introduction

About Chartis

This insurance is issued by:

Chartis Australia Insurance Limited
ABN 93 004 727 753 AFSL 381686

About your policy

Your *policy* is made up of this document, the *schedule* and any *endorsements* and they should all be read as one document.

If you think that any details contained in these documents are not correct or if you need to change anything, you should ask your insurance intermediary to tell us.

Words that are emphasized by the use of italics have the meaning given to them in the General definitions or the definitions applying to a particular *policy section*. The words “we”, “us”, “our”, “you”, “your” and “insured” have the meaning given to them in the General definitions or the applicable *policy section* even if they are not emphasized by the use of italics.

Your *policy* is a legal contract between you and us.

Based on the information provided by you when you applied for this insurance and subject to you having paid the required premium, we agree to insure you during the *period of insurance*.

You are only insured for those *policy sections* that are shown as insured on the *schedule*.

There are specific conditions, specific exclusions and specific definitions that only apply to a specific *policy section*. In addition, there are general conditions, general exclusions, general claims conditions and general definitions that are part of this *policy* and apply to each *policy section*.

We will not:

- (a) pay more than the *sum insured* or *limit of liability* shown on the *schedule* for each *policy section*; and
- (b) unless the *policy* states otherwise, be liable under more than one *policy section* in respect of liability, loss or *damage* arising from the same *event*.

Your Duty of Disclosure

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

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

Your duty however does not require you to disclose a matter:

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

Non-disclosure

If you fail to comply with your duty of disclosure

- (a) we may be entitled to reduce our liability under the contract in respect of a claim; or
- (b) we may cancel the contract.

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

If you fail to provide information we request when you apply for this insurance, we may decline cover or reduce the level of cover we might otherwise have given you.

Cooling off period

Once cover has commenced you have 21 days to decide whether the *policy* meets your needs. This is called the “cooling off period”.

If during this time, you decide you aren't completely satisfied with your *policy*, and provided you have not made a claim, you can cancel your *policy* by notifying us in writing. We will refund in full any premium you have paid.

Privacy

Chartis has adopted the National Privacy Principles. The National Privacy Principles apply to any personal information collected by us.

Purpose of collection

We collect personal information about you for the purposes of assessing your application for insurance and administering your *policy*.

Failure to provide relevant personal information may result in us not being able to administer your *policy*, process any *claim* under your *policy* or you may breach your duty of disclosure.

Introduction

Disclosure

In the course of administering your *policy* we may disclose your information to:

- an entity to which Chartis is related either in the Commonwealth of Australia or overseas;
- contractors or third party providers providing services related to the administration of your *policy*;
- banks and financial institutions for the purpose of processing your application for insurance and obtaining *policy* payments;
- in the *event* of a claim, assessors, lawyers, third party administrators, emergency providers and medical providers; and
- third party service providers to enable us to advise you of our insurance products or services.

We will only disclose your personal information to these parties for the primary purpose for which it was collected or to enable us to advise you of our insurance products or services. In some circumstances we are entitled to disclose your personal information to third parties without your authorisation such as law enforcement agencies or government authorities.

Access to your information

You may gain access to your information by submitting a written request to us. In some circumstances we may not permit access to your personal information. Circumstances where access may be denied include where it would compromise the privacy of other individuals, or where it would be unlawful.

We have also established an internal dispute resolution process for handling customer complaints and an access and correction procedure. Both procedures are generally free of charge however we reserve the right to charge for access requests in limited circumstances.

If you feel you have a complaint about our information privacy principles, require assistance in lodging a privacy complaint or you wish to gain access to your information, you may write to:

The Privacy Manager
Chartis
Level 12, 717 Bourke Street
Docklands VIC 3008

Email: Australia.privacy.manager@chartisinsurance.com

Your complaint will be reviewed and you will be provided with a written response. If it cannot be resolved, your complaint will be referred to our Internal Disputes Resolution Committee who will respond within 15 business days. In either case the matter will be reviewed by a person or persons with appropriate authority to deal with the complaint.

Should your complaint not be resolved by our internal dispute resolution process, you may take your complaint to the Privacy Commissioner for review of the determination.

Dispute resolution process

We are committed to handling any complaints about our products or services efficiently and fairly.

If you have a complaint:

- contact your insurance intermediary and they may raise it with us;
- if your complaint is not satisfactorily resolved you may request that your matter be reviewed by management by writing to:
The Compliance Manager
Chartis
Level 12, 717 Bourke Street
Docklands VIC 3008
- if you are still unhappy, you may request that the matter be reviewed by our Internal Dispute Resolution Committee. We will respond to you with the Committee's findings within 15 business days.
- if you are not satisfied with the finding of the Committee, you may be able to take your matter to the insurance industry's independent dispute resolution body. This external dispute resolution body can make decisions with which we are obliged to comply.

General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice. This aims to raise the standards of practice and service in the insurance industry, improve the way that claims and complaints are handled and help people better understand how general insurance works. Information brochures on the Code are available upon request.

Goods and Services Tax (GST)

The amount of premium payable for this *policy* also includes an amount on account of GST.

The *sums insured* under this *policy* exclude GST.

When we make a payment under this *policy* for the acquisition of goods, services or other supplies we will reduce the payment by the amount of any input tax credit that you are or would have been entitled to if you made a relevant acquisition.

Where this *policy* insures Business Interruption, we will take into account the GST exclusive amount of any supply made by your *business* which is relevant to your claim.

Where your *sum insured* is not sufficient to cover your loss, we will only pay an amount for GST that relates to our proportion of the loss.

Where you are registered for GST you must tell us your correct input tax credit entitlement. Any fines or penalties arising from your incorrect advice are payable by you.

Headings

The insured events listed in each *policy section* are part of the *policy* and are not headings. Other headings, unless the context indicates otherwise, are included for ease of reference but are not part of the *policy*.

General conditions

These conditions apply to all policy sections.

1. Alteration of your risk

If you become aware of any changes to the facts or circumstances which existed at the start of this *policy*, you must notify us in writing within 30 days.

If we agree to the change we will do so in writing and you must pay us any additional premium we require.

Examples of changes you should tell us about include but are not limited to:

- a change in the type of or nature of your *business*;
- other circumstances that affect the *situation* or *property insured* in a way that increases the risk of *damage* or losses;
- the *business* is wound up or carried on by an insolvency practitioner or permanently discontinued.

Your failure to notify us of the change could result in us declining a claim and or cancelling or avoiding the *policy*.

2. Authorisation

It is agreed that the insured whose name is shown on the *schedule* is authorised to act on behalf of all named insured persons in relation to all matters in respect of this *policy*.

3. Cancellation

(a) by you

you can cancel your *policy* or any *policy section* at any time by notifying us in writing. We will refund the proportion of your premium for the unused period of insurance less any non refundable government charges.

(b) by us

we can cancel your *policy* or any *policy section* in any circumstances permitted by law by notifying you in writing. We will give you this notice in person or by post to your last known address. We will refund the proportion of your premium for the unused *period of insurance* less any non refundable government charges.

4. Changes in your policy

No changes in this *policy* will be valid unless agreed in writing by us nor shall the requirements of any *policy section* be deemed to be waived unless agreed in writing by us.

5. Governing law and jurisdiction

This *policy* is governed by the laws of the Commonwealth of Australia. Any dispute arising under this *policy* shall be subject to the exclusive jurisdiction of any competent court in the Commonwealth of Australia.

6. Inspection of your property

We have the right to inspect your *property insured* and operations at any time.

7. Interests of other parties

In the event of a claim and subject to the extent of their interests, this *policy* will cover third parties such as banks and lessors.

Provided that the nature and extent of their interest:

- can be shown to have been recorded in any of your business or legal records;
- can be shown to have existed prior to the claim; and
- is disclosed to us at the time that you claim.

No other third party is insured or can make a claim unless they are named on the schedule. All third parties who are named as insured persons or whose interests are noted in accordance with the above, must comply with the terms and conditions of your *policy*.

8. Reasonable care

You must take all reasonable care to:

- (a) maintain all property in good condition to minimise or avoid theft, loss, *damage* or liability;
- (b) prevent or minimise loss, *damage*, liability or injury to other people;
- (c) comply with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements. This includes the storage and use of hazardous goods;
- (d) comply, at your expense, with any recommendations or actions required to prevent or minimise theft, loss, *damage* or injury to other people.

If you do not take reasonable care we may reduce or refuse to pay your claim.

9. Policy section exclusions

In each *policy section* we set out the cover we provide in a clause headed "Your cover". That clause explains when we pay for insured events. Those insured events are then listed in the left hand column of a table applying to that *policy section* under the heading "We cover/insured events". In the right hand column of the table, under the heading "We do not cover", the exclusions and limitations applying to each insured *event* are set out in the same row as the insured *event*. Any exclusion or limitation will only apply to an insured *event* if it corresponds or aligns with that insured *event*.

General exclusions

These exclusions apply to all policy sections.

This *policy* does not cover any loss, *damage*, injury, destruction or liability, cost or expense directly or indirectly caused by, or in connection with, or contributed to or arising from:

1. Confiscation

confiscation, nationalisation, requisition, embargo or destruction of or *damage* to *property insured* by order of any government or local authority unless the order is given for the purpose of controlling fire or another event which is covered by this *policy*.

2. War

war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power.

3. Nuclear

- (a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- (b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- (c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- (d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes; and
- (e) any chemical, biological, bio-chemical or electromagnetic weapon.

4. Intentional acts

- (a) any intentional, reckless or wilful act or omission; or
 - (b) fraudulent or dishonest acts;
- committed by you or any person acting with your knowledge, consent or connivance.

5. Pollution

- (a) *pollutants* directly or indirectly caused by or contributed to by or arising from the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or *pollutants* into or upon land, the atmosphere or any watercourse or body of water;
- (b) the cost of removing, monitoring, testing, containing, treating, detoxifying, neutralising, nullifying or cleaning up smoke vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or *pollutants* discharged, dispersed, released or escaped into or upon land, the atmosphere or any watercourse or body of water;
- (c) fines, penalties, punitive, exemplary or multiple damages relating to the circumstances detailed in (a) above; and
- (d) the cost of preventing the escape of *pollutants*.

Exclusions 5(a) and 5(b) above shall not apply where the claim or legal proceeding arises from a sudden identifiable, unintended and unexpected *event* that takes place in its entirety at a specific time and place and occurs outside of North America.

6. Terrorism

- (a) any act of *terrorism*; or
- (b) any action in controlling, preventing, suppressing, retaliating against or responding to or in any way relating to *terrorism*.

regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

However, this exclusion does not apply to *policy sections* 4 - Theft, 5 - Money, 6 - Glass and 7 - General Property.

7. Electronic data

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

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

Where an event listed below (being an event *insured* under *policy sections* 1 - Fire and Other Events, 2 - Business Interruption, 4 - Theft, 5 - Money, 6 - Glass, 7 - General Property and 9 - Marine Transit but for this exclusion) is caused by any of the matters described in paragraphs (a), (b) or (c) above, then these *policy sections* will insure:

- (i) physical loss of or *damage* to *property insured* directly caused by the event, and/or
- (ii) consequential loss insured by this *policy*.

General exclusions

This *policy* subject to all its terms, conditions and exclusions will provide cover for loss of electronic data caused by the following events:

- (a) fire, explosion, earthquake, subterranean fire, volcanic eruption, tsunami, lightning, storm including rain, hail, snow and wind, leakage of water or liquid, malicious *damage* by persons taking part in industrial disputes or riots, civil commotions or labour disturbances, impact by *vehicles, aircraft* or anything dropped from them, satellites, space debris or sonic boom, communication masts or towers, aerials, antennae, satellite dishes, falling trees or branches;
- (b) *breakage of glass*;
- (c) theft of *electronic data* solely where the theft is accompanied by theft of the computer hardware, firmware, microchip, or integrated circuit or similar device containing such electronic data.

This exclusion does not apply to *policy section 8 - Equipment Breakdown*, additional benefit 6 - Electronic data and media restoration.

8. Unoccupancy

the *building or situation* being unoccupied for more than 60 consecutive days.

This exclusion will not apply if you notify us that the *building or situation* will be unoccupied for more than 60 consecutive days, we agree in writing to continue your cover and you pay us any additional premium that we may require.

9. Consequential loss

This *policy* does not cover loss of use, loss resulting from delay or lack of performance, depreciation in the value of land or *stock* and any other kind of consequential or indirect loss including but not limited to loss of profit.

This exclusion does not apply to *policy section 2 - Business Interruption*.

General claims conditions

1. Claims procedure

If something happens that may result in a claim under your *policy*, you must at your own expense:

- (a) take all reasonable steps to reduce and prevent further loss, *damage* or liability;
- (b) notify us as soon as possible and provide us with details of what happened including the completion of a statutory declaration if we request it;
- (c) immediately send us any legal documentation or details of other relevant legal proceedings such as an impending prosecution or inquest that you receive or become aware of;
- (d) notify the police as soon as possible if any of your property has been lost, stolen or maliciously *damaged*;
- (e) provide us with proof of ownership, value of property that has been lost, stolen or *damaged* or any other material that we may reasonably request to substantiate your loss; and
- (f) preserve and retain any *damaged* property for our inspection.

You must not:

- (a) authorise the repair or replacement of any property unless it is required for safety reasons or to minimise or prevent further loss, *damage* or liability;
- (b) admit liability for any loss, *damage* or liability or settle or attempt to settle or defend any claim without our prior written consent.

If you fail to comply with these conditions, we may reduce or deny any claim you make or cancel your *policy*.

2. Conduct of claims and subrogation

- (a) we shall have the right to conduct, and full discretion in the conduct of, any legal proceedings and the negotiation and settlement of any claim; and
- (b) we shall have the right to take action or institute legal proceedings in your name against another person or organisation, to recover any payment we have made, regardless of whether we have paid your claim or you have been fully compensated for your loss.

Any such amount recovered will first be applied to pay your *excess* and secondly to reimburse us for any payments made by us. Any amounts in excess of our total payment will be paid to you.

- (c) you must provide to us all reasonable assistance in investigating, defending or settling your claim, including attending court to give evidence.

3. Waiver of subrogation rights

We will not be liable to pay any benefits under this *policy*, or we will be entitled to recover any payment for loss, *damage* or liability, if subsequent to us agreeing to meet a claim or paying a claim you agree or have agreed to limit or exclude your rights or our rights to recover payments and expenses in relation to that loss, *damage* or liability.

4. Excess

If we agree to pay a claim under your *policy* you must first pay the *excess* which applies. It is shown on your *schedule* or included in your *policy*.

If you are entitled to claim under more than one *policy section* for the same *event*, then you only have to pay the highest *excess* shown on the *schedule*.

You only have to pay one *excess* for earthquake *damage* which is continuous, due to the same seismological conditions and which occurs within 72 hours of the first *damage*.

5. Fraudulent claims

If you or anyone acting on your behalf makes a false or fraudulent claim, we may:

- (a) refuse to pay your claim;
- (b) cancel your *policy*; and/or
- (c) take legal action against you.

6. Other insurance

When you make a claim under your *policy* you must notify us in writing of any other policies that you are also able to claim under.

7. Our rights of possession and sale of salvage

When you make a claim under your *policy* we, or our agents such as a loss assessor, shall have the right to enter any *buildings* or premises where loss or *damage* has occurred. If we pay your claim in full, we or our agents also shall have the right to take possession of *damaged* property and dispose of it in a reasonable manner.

We will not sell or dispose of any salvage without giving you the opportunity to buy it at its salvage value. This condition does not allow you to abandon property to us.

General definitions

These definitions apply to and should be read in conjunction with all *policy* sections and other sections (if applicable) unless defined differently within a specific *policy* section.

Aircraft means

Any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space other than model aircraft.

Aircraft products means

- (a) *aircraft* and any ground support or equipment used with it;
- (b) any insured *product* supplied by you and installed in *aircraft* or used in connection with *aircraft*;
- (c) any tooling used for the manufacture of (a) or (b) above;
- (d) any ground handling tools and equipment used in connection with (a) or (b) above including training aids, navigational aids, instruction or manuals;
- (e) blueprints, engineering or other data supplied by you in connection with (a), (b), (c) or (d) above; and
- (f) any advice, service and/or labour supplied by you in connection with (a), (b), (c), (d) or (e) above.

Building(s) means

The building(s) at the *situation* and includes:

- (a) structural improvements and outbuildings;
- (b) landlord's fixtures and fittings;
- (c) walls, gates, fences, sealed paths and driveways;
- (d) lights and signs, aerials, antennae and dishes; and
- (e) underground and above ground services connected to the *buildings*, and storage tanks.

Building(s) does not include:

- (a) *building(s)* being constructed, erected, altered or dismantled where the value of the work is more than \$500,000 or 20% of the *total sum insured*, whichever is the lesser;
- (b) *business contents* or *stock*
- (c) land including topsoil and fill;
- (d) docks, wharves and piers unless forming part of the *building(s)*;
- (e) roadways, railway tracks, bridges, dams, canals and reservoirs;

Business means

Your usual activities and operations as described on the *schedule*.

Business contents means

Equipment, plant, fixtures, fittings and furniture used by you in the *business* at the *situation* and includes:

- (a) where you are a tenant:
 - (i) fixtures and fittings installed by you; and
 - (ii) your landlord's fixtures and fittings for which you are responsible under the terms of your lease but not *breakage of glass*;
- (b) computer systems, records, documents, manuscripts, plans, drawings, designs business books and other documents but only for their value in their unused state or as stationery;
- (c) paintings, works of art and curios;
- (d) patterns, models, moulds, dies and casts for the value shown in your financial records, if not repaired or replaced;

Business contents do not include:

- (a) *building(s)*;
- (b) *stock*;
- (c) *money*;
- (d) jewellery, bullion, furs, precious metals or stones;
- (e) animals, livestock, birds, fish or other living creatures;
- (f) standing timber, growing crops, pastures, plants, shrubs and lawns;
- (g) motor *vehicles*, motorcycles, caravans, trailers, registered mobile plant, *aircraft*, *watercraft*, *hovercraft*, locomotives, rolling *stock* or their accessories;
- (h) mining property located beneath the surface of the ground.

Computer virus means

An executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained and which destroys or alters the host program or other computer code or data causing undesired program or computer system operation.

Damage or damaged means

Physical damage or destruction unexpected by you.

Electronic data means

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

Endorsement means

A variation to the *policy* which we give you in writing and forms part of your *policy*.

Event means

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

Excess means

The amount payable by you for each claim made and before we pay your claim. The *excess* can also be shown as a specified period of time.

Flood means

The inundation of normally dry land by water which has overflowed, escaped or been released from the normal confines of any river, creek, or other natural watercourse or lake, whether or not altered or modified, or of any stormwater channel, reservoir, canal or dam.

Hazardous substance means

- (a) any *pollutant*, contaminant or other substance declared by a governmental 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 allergenic, pathogenic or toxigenic.

General definitions

Hovercraft means

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.

Indemnity value means

The value of the insured property at the time of loss or *damage*, which takes into account the age, condition, depreciation and remaining useful life.

Media means

Material, on which data is recorded, such as magnetic tapes, hard disks, floppy disks, cartridges, CDs or DVDs.

Money means

Current coins, bank and currency notes, cheques, travellers' cheques, postal notes, money orders, negotiable and non-negotiable securities and valuable documents, unused postage stamps, credit card sales vouchers, gift vouchers, lottery tickets for their face value, phone cards, stored value cards, public transport tickets, pre-paid travel passes, cab charge vouchers and the contents of franking machines.

North America means

- (a) the United States of America and Canada;
- (b) any state, territory or protectorate incorporated in, or administered by the United States of America or Canada; and
- (c) any country or territory subject to the laws of the United States of America or Canada.

Obsolete stock means

Stock which can no longer be sold for its full value.

Optional benefit means

Cover under a *policy section* that we do not automatically provide. *Optional benefits* only apply when shown in the *schedule*.

Period of insurance means

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

Policy means

This document, the *schedule* and any endorsement included with the *schedule*.

Policy section means

Any part of this *policy* numbered and described as a *policy section*.

Pollutant means

Any solid, liquid, gaseous, biological, radiological or thermal irritant, toxic or hazardous substance, or contaminant, whether occurring naturally or otherwise including, but not limited to, asbestos, lead, smoke, vapour, dust, fibres, mould, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. Such waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

Property insured means

Buildings, business contents, stock and any other items shown on the *schedule* which are owned by you or for which you are legally responsible.

Rewriting of records means

The cost of reproducing computer systems records, documents, manuscripts, plans, drawings, designs, business books and other documents.

Schedule means

The most current version of the *schedule* which we give you showing the particulars of your insurance to which we refer in this document.

Situation means

The location specified in the *schedule* at which and from which you operate your *business*.

Stock means

- (a) *stock* in trade, merchandise, raw materials including work in progress and packaging materials used by you in the *business*; and
- (b) customers' goods for which you are legally responsible.

Stock does not include:

Under *policy section 4* - Theft, cigarettes, cigars and tobacco unless shown as insured on the *schedule*.

Sum insured or limit of liability means

The amount shown in the *schedule* as the sum insured or limit of liability.

Terrorism or Act of Terrorism means

An act, or preparation in respect of action or threat of action designed to influence any government of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purpose to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or governments(s) and which:

- (a) involves violence against one or more persons;
- (b) endangers life other than that of the person committing the action;
- (c) creates a risk to health or safety of the public or a section of the public;
- (d) involves *damage* to property; or
- (e) is designed to interfere with or disrupt an electronic system.

An *act of terrorism* also includes any act which is verified or recognised by the government of any country in which the insured operates or exports products into.

Vehicle means

Any type of machine on wheels or self laid tracks designed to be moved other than by manual or animal power, including any trailer or other attachments.

Watercraft means

Any vessel, craft or thing made or intended to float on or in or travel through water, other than model boats.

We/us/our means

Chartis Australia Insurance Limited
ABN 93 004 727 753 AFSL 381686

You/your/insured means

The person(s) or legal entity(ies) shown in the *schedule* as the insured including any of their subsidiary companies engaged in the *business*.

Policy section 1: Fire and Other Events

Definitions

The following definitions apply to this *policy section*.

Total sum insured means

The total sum insured shown in the *schedule* for each specific *situation*.

Your cover

We will cover you for loss of or *damage* to *property insured* at the *situation* caused by one or more of the following insured *events* which occur during the *period of insurance*.

We cover/insured events

Your cover is for the following insured *events*:

1. Fire

2. Explosion

3. Earthquake including subterranean fire, volcanic eruption or tsunami

4. Lightning

5. Storm including rain, hail, snow and wind

We do not cover

The following exclusions and limitations apply to this *policy section*:

Loss of or *damage* to *property insured* caused by:
(a) its own spontaneous combustion, fermentation, heating or any process involving the direct application of heat; or
(b) a bushfire which occurs within 48 hours of the commencement of your *policy*.

Loss of or *damage* to boilers and other pressure vessels and their contents where the boiler or pressure vessel:
(a) is not used solely for domestic purposes; or
(b) has a value of more than \$200,000

The first \$20,000 or 1% of the *total sum insured* whichever is the lesser. This is your *excess* and in the event of a covered *event* shall operate to the exclusion of any other *excess*.

Loss or *damage* where there is no meteorological evidence that lightning struck in your area at the time the loss or *damage* occurred.

Loss or *damage* caused:
(a) to gates, fences, retaining walls, textile blinds and awnings, shade cloths and signs which exceeds \$25,000 for any one *event*;
(b) by *flood*, action of the sea, tidal wave, storm surge or high water;
(c) by landslide, mudslide, subsidence, or any other earth movement;
(d) by water entering the *building* as a result of structural defects, faulty design or faulty workmanship;
(e) by gradual entry of water into the *building*;
(f) by a named cyclone which occurs within 48 hours of the commencement of your *policy*.
(g) to property in the open air unless it comprises or forms part of a permanent structure designed to function without the protection of walls or roof;
(h) to shade houses, *glass* houses and fibreglass houses;
(i) to *buildings*, *business contents* or *stock* by water entering the *building* during construction or renovation if the *building* is not enclosed and under a roof with all outside doors and windows permanently in place;
(j) to trees, shrubs and plants.

Policy section 1: Fire and Other Events

We cover/insured events	We do not cover
<p>6. Escape of liquid which occurs suddenly and unexpectedly from any water main, pipe, fixed tank, basin, toilet or any fixed item that is used to hold liquid</p>	<p>We will not pay:</p> <ul style="list-style-type: none"> (a) for the cost of repair or replacement of the defective part or parts of the pipe or storage system that caused the <i>damage</i>; (b) more than \$25,000 for any one <i>event</i> for exploratory costs that you are legally responsible for, to find the source of the <i>damage</i>.
<p>7. Malicious <i>damage</i>, including:</p> <ul style="list-style-type: none"> (a) by burglars; (b) caused during industrial disputes; or (c) caused during riots, civil commotions not assuming the proportions of or amounting to an uprising, or labour disturbances. 	<p>Loss of or <i>damage</i> to property caused:</p> <ul style="list-style-type: none"> (a) by tenants; (b) by theft; (c) to <i>glass</i> including <i>signs</i>; or (d) by the total or partial interruption of any work.
<p>8. Impact by:</p> <ul style="list-style-type: none"> (a) <i>vehicles</i> or their load; (b) <i>aircraft</i> or anything dropped from them, satellites, space debris or sonic boom; (c) <i>watercraft</i>; (d) animals; (e) a communication mast or tower, aerial, antenna or satellite dish (f) falling trees or branches; or (g) a falling building or part of a building 	<p>Loss or <i>damage</i> caused by:</p> <ul style="list-style-type: none"> (a) animals eating, chewing, biting, clawing or pecking; or (b) you or someone else with your permission while cutting down trees or removing tree branches.
<p>9. Escape of molten material from its normal container or safety device</p>	<ul style="list-style-type: none"> (a) Loss of or <i>damage</i> to the molten material or its normal container or safety device; or (b) The cost of locating or repairing any fault that allowed for the material to escape.
<p>10. Accidental <i>damage</i></p>	<p>Loss of or <i>damage</i> to <i>property insured</i>:</p> <ul style="list-style-type: none"> (a) by insured <i>events</i> 1 to 9 under this <i>policy section</i> or covered under any other <i>policy section</i>, regardless of whether such coverage is shown on the <i>schedule</i> as insured; or (b) excluded by any other exclusions under this <i>policy section</i> or any other <i>policy section</i>. <p>Loss of or <i>damage</i> to <i>property insured</i> caused by:</p> <ul style="list-style-type: none"> (a) theft or any attempt at theft; (b) fraud or dishonesty, embezzlement, forgery, erasure, counterfeiting or fraudulent misappropriation by electronic means or otherwise; (c) unexplained inventory shortage, disappearance of property or shortage in the supply or delivery of materials; (d) wear and tear, gradual deterioration, scratching, marring, developing flaws, normal upkeep or making good or other gradual cause; (e) rust, oxidation, corrosion, mould, mildew, rot, contamination or pollution, change of colour, dampness, variations in temperature, evaporation, exposure to light or smoke, smut or soot from industrial operations; (f) change in flavour, texture, finish, loss of weight, deterioration or putrefaction;

Policy section 1: Fire and Other Events

We cover/insured events	We do not cover
<p>10. Accidental <i>damage</i> (continued)</p>	<ul style="list-style-type: none">(g) vermin, insects or birds;(h) disease, inherent vice or latent defect;(i) loading or unloading;(j) testing, experiments, or intentional overloading;(k) error, failure, or omission in design, plan or faulty specification;(l) faulty materials or faulty workmanship;(m) normal settling, seepage, shrinkage or expansion in <i>buildings</i> or foundations, walls, pavements, roads and other structural improvements, creeping, heaving or vibration;(n) tree roots;(o) <i>property insured</i> undergoing construction, erection, alteration, demolition, maintenance or repair;(p) incorrect siting of <i>buildings</i> as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any lawful authority;(q) demolition ordered by any lawful authority;(r) mechanical, hydraulic, electronic or electrical breakdown, malfunction or failure of any property;(s) fluctuation or a surge in electrical current;(t) a <i>computer virus</i>;(u) alteration, corruption or erasure of <i>media</i>;(v) breakdown or malfunction of any data processing system including operator error or omission;(w) unauthorised access to your computer systems and records;(x) its processing or during the course of its manufacture; or(y) kidnapping, bomb threat, threat of contamination, hoax or any attempt at any of these. <p>Loss or <i>damage</i> to <i>glass</i> or <i>signs</i> as defined under <i>policy section 6 - Glass</i>.</p> <p>We will not pay more than:</p> <ul style="list-style-type: none">(a) the amount shown in the <i>schedule</i> for <i>buildings</i> and <i>business contents</i>; or(b) \$500,000 <p>whichever is the lesser, for any one <i>event</i>.</p>

Policy section 1: Fire and Other Events

Additional benefits

We also pay for the following additional benefits when we agree to pay a claim in respect of a covered insured *event* under this *policy section*.

We cover

We will also cover the following:

1. Removal of debris and demolition of property

the reasonable costs incurred by you for the:

- (a) removal, storage and disposal of debris from the *situation* or from another location for which you are legally liable;
- (b) demolition and removal of any *property insured* to allow for the repair, reinstatement and replacement of *property insured*; and
- (c) temporary repair or protection of *damaged* property.

2. Professional fees

the reasonable costs for architects', surveyors', consulting engineers' and other professional fees incurred in the repair or replacement of *property insured*.

3. Fire extinguishment costs

the costs incurred by you for the:

- (a) replenishment of fire fighting equipment used to extinguish a fire at or adjoining the *situation* which threatens *property insured*; and
- (b) attendance by a fire brigade or fire fighting authority in connection with a fire or chemical emergency involving *property insured*.

4. Extra cost of reinstatement

the extra costs necessarily incurred by you to comply with any requirements of any regulation or statute in connection with the repair or replacement of *property insured*.

5. Catastrophe cover

increased building costs for labour and materials when your *building* is rebuilt after being classified as a total loss, and the *event* giving rise to the *damage* has resulted in the relevant authority declaring a state of emergency affecting your *situation*.

Increased building costs means the difference between the cost of reinstatement actually incurred in accordance with the basis of settlement provisions of the *policy section* (under the paragraph headed "How we pay your claim") and the cost of reinstatement that would have applied had the *event* not occurred.

We do not cover

The following exclusions and limitations apply to this *policy section*:

We will not pay more than:

- (a) the remaining balance of the *total sum insured*; or
- (b) the amount shown in the *schedule* for removal of debris; or
- (c) \$50,000 where the *total sum insured* has been exhausted by other payments; whichever is the greater.

We will not pay more than the *total sum insured*.

We will not pay more than \$25,000 for any one *event* in addition to the *sum insured*.

Where the *damage to property insured* is:

- (a) more than 50% of the replacement cost, we will not pay more than the *total sum insured*;
- (b) less than 50% of the replacement cost, we will only pay for extra costs necessarily incurred in respect of the *damaged* part of the *property insured*.

We will not pay for extra costs in complying with any regulatory or statutory requirements that applied prior to the loss or *damage* occurring.

We will not pay:

- (a) more than 20% in addition to the *sum insured* for *buildings*;
- (b) more than 20% in addition to the amounts payable under additional benefits 1. Removal of debris (c) and 10. Capital additions;
- (c) more than the increased building costs which are incurred by you; and
- (d) any amount until you have incurred costs exceeding the *sum insured* for the *building*.

Policy section 1: Fire and Other Events

We cover	We do not cover
<p>6. Government fees any fee, contribution or other impost payable to any lawful authority where payment of the fee, contribution or impost is necessary for the obtaining of approval to repair or replace <i>property insured</i>.</p>	<p>We will not pay: (a) more than the <i>total sum insured</i>; and (b) any fines and/or penalties imposed upon you by any such lawful authorities.</p>
<p>7. Loss of land value the reduction in land value that results from the requirements of any lawful authority that does not allow rebuilding or only allows partial rebuilding at the <i>situation</i>. The amount shall be calculated by subtracting the land value after rebuilding, or after we have agreed that rebuilding is not possible, from the land value prior to the <i>damage</i>.</p>	<p>We will not pay more than \$100,000 or 10% of the <i>sum insured</i> for <i>buildings</i>, whichever is the lesser.</p>
<p>8. Loss of floor space a reduction in floor space due to the requirements of any lawful authority. When your <i>building</i> has been rebuilt with a reduced floor space, we will pay you the difference between: (a) the estimated cost of rebuilding the <i>building</i> had you not been required to reduce the floor space; and (b) the actual cost in rebuilding the <i>building</i> with the reduced floor space.</p>	<p>We will not pay more than the <i>sum insured</i> for <i>buildings</i>.</p>
<p>9. Undamaged foundations If the <i>building</i> must be rebuilt at another location as a result of any lawful authority not allowing rebuilding at the <i>situation</i>, <i>building</i> foundations not destroyed following <i>damage</i> to the <i>building</i>, which are abandoned, will be considered as being destroyed. If the resale value of the original <i>building</i> site is increased as a result of the undamaged foundations, the increase in resale value will be paid to us.</p>	<p>We will not pay more than the <i>sum insured</i> for <i>buildings</i>.</p>
<p>10. Capital additions loss of or <i>damage</i> to alterations and additions to <i>property insured</i> made during the <i>period of insurance</i>.</p>	<p>We will not pay more than \$500,000 or 20% of the <i>sum insured</i> for <i>buildings</i> or <i>business contents</i>, whichever is the lesser. <i>Stock</i> is not covered.</p>
<p>11. Mortgage discharge costs reasonable legal costs associated with the discharge of a mortgage(s) following the settlement of a claim for <i>buildings</i> on a total loss basis.</p>	<p>We will not pay more than: (a) the remaining balance of the <i>sum insured</i> for <i>buildings</i>; or (b) \$25,000 where the <i>sum insured</i> for <i>buildings</i> has been exhausted; whichever is the greater.</p>
<p>12. Landscaping loss of or <i>damage</i> to landscaping which includes trees, shrubs, plants and lawns.</p>	<p>We will not pay: (a) more than \$10,000 for any one <i>event</i>; or (b) for loss or <i>damage</i> caused by insured <i>event</i> 5. Storm including rain, hail, snow and wind.</p>
<p>13. Directors' and employees' personal property loss of or <i>damage</i> to directors', partners of a partnership and employees' tools, clothing and personal effects not otherwise insured.</p>	<p>We will not pay: (a) more than \$5,000 for any one person; or (b) for loss of or <i>damage</i> to laptop computers and <i>money</i>.</p>

Policy section 1: Fire and Other Events

We cover

14. Rewriting of records

reasonable costs incurred in rewriting, restoring or replacing computer systems records, documents, manuscripts, plans, drawings, designs business books and other documents.

15. Temporary removal of business contents and stock
loss of or *damage* to temporarily removed *business contents* or *stock* from the *situation* to any other location within Australia.

16. Minimisation of damage

the necessary and reasonable costs of removing *property insured* from the *situation*, if the situation is threatened by fire or any other insured *event* covered under this *policy section* provided the purpose of the removal was to prevent or minimise *damage*.

17. Limited transit

loss or *damage* to *business contents* or *stock* when in transit anywhere in Australia in a *vehicle* owned or operated by you, which is caused by:

- (a) fire;
- (b) explosion;
- (c) earthquake;
- (d) wind;
- (e) malicious damage but not theft; and
- (f) collision or overturning of the *vehicle*.

18. Peak trading period increases

an automatic increase in the *sum insured* for *stock* shown in the *schedule*, of up to 50%, during the following periods:

- (a) from 60 days before Christmas Day to the 20th day following, both days inclusive;
- (b) from 30 days before Easter Tuesday to the 10th day following, both days inclusive; and
- (c) from 20 days before Valentine's Day, Mother's Day and Father's Day to the 7th day following, both days inclusive

We do not cover

We will not pay more than:

- (a) the remaining balance of the *sum insured* for *business contents*; or
- (b) the amount shown in the *schedule* for *rewriting of records*; or
- (c) \$25,000 where the *sum insured* for *business contents* has been exhausted by other payments; whichever is the greater.

We will not pay more than \$25,000 or 20% of the *sum insured* shown in the *schedule* for *business contents* or *stock*.

We will not pay for loss of or *damage* to:

- (a) *business contents* or *stock* that have been removed from the *situation* for more than 90 days;
- (b) motor *vehicles* other than fork lift trucks or similar appliances used to lift or move goods at the *situation*;
- (c) *business contents* or *stock* in transit;
- (d) *stock* that is on consignment

We will not pay more than \$10,000 for any one *event*.

We will not pay more than \$25,000 or 20% of the *sum insured* shown in the *schedule* for *business contents* or *stock*.

Policy section 1: Fire and Other Events

We cover

19. Temporary cover for new situation

temporary insurance cover on the basis of this *policy section* and the general terms and conditions of the *policy* for any new *situation* first used by your *business* during the *period of insurance*.

20. Theft of fixtures from buildings

theft of fixtures from *buildings* at the *situation* where the insured *building* is tenanted by another party, in accordance with the terms and conditions of the *policy section 4 - Theft*, regardless of whether the *building* is shown on the *schedule* as insured.

We do not cover

We will not pay more than 50% of the *sum insured* shown in the *schedule* for each category of *property insured*.

Loss or *damage*:

- (a) where you have not provided us with full details of the new premises within 60 days of first using them;
- (b) where the new *situation* has building, fire protection and security features that are not similar to those at one of the *situations* shown in the *schedule*; and
- (c) where the property is not of a similar type to that *insured* by this *policy section* nor where the property cannot be correctly designated to one of the categories of *property insured* shown in the *schedule*.

We will not pay more than \$25,000 for any one *event*.

Optional benefit

We will provide the following *optional benefit* when shown on the *schedule* as applying:

1. Flood

When 'Flood' is shown in the *schedule* we will cover loss or *damage* to *property insured* caused by *flood*.

How we pay your claim

When we agree to pay a claim in respect of a covered insured *event* under this *policy section*, the basis upon which the amount payable is to be calculated shall be:

1. Buildings or business contents Reinstatement or replacement

If *buildings* or *business contents* are lost or *damaged*, we will, at our option, pay the cost to rebuild, repair or replace your property to a condition the same as but not better or more extensive than its condition when new.

However, we will only pay to rebuild, repair or replace your *damaged* property if the work of rebuilding, repairing or replacing is started and completed by you without unreasonable delay. If the work is unreasonably delayed we will only pay you the *indemnity value* of the *damaged* property.

If your *building* must be rebuilt, you can choose to rebuild at another location, but:

- (a) we will not pay more than we would have paid to rebuild at the *situation*; and
- (b) if the actual cost of rebuilding is less than the cost to rebuild at the *situation*, then we will only pay the actual cost of rebuilding.

If you do not want your *damaged* property to be rebuilt, repaired or replaced then we will pay you the *indemnity value* of the *property insured*.

2. Stock

If *stock* is lost or *damaged*, we will pay the cost to repair or replace the *stock* to its condition at the time of loss or *damage*. The amount we pay will also take into consideration *obsolete stock*.

Any salvage of branded goods and/or merchandise will not be disposed of by sale without your consent. If the salvage is not disposed of by sale, then the *damage* will be assessed at the market value of the goods after brands, labels or names have been removed by you or on your behalf.

Policy section 1: Fire and Other Events

How much we will pay

The most we will pay is the *total sum insured* shown on the *schedule* which applies to the *situation* where the loss or *damage* has occurred.

Excess

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

Conditions

The following conditions apply to this *policy section*.

1. Underinsurance

In the event of a claim, where the *total sum insured* for the *situation* is less than 80% of the reinstatement or replacement value of your property, we will only pay for a portion of your claim. The following formula will be used to determine how much we will pay:

$$\text{Amount claimed} \times \frac{\text{total sum insured at the situation}}{80\% \text{ of the value of all property at the situation}}$$

The underinsurance condition will not apply:

- (a) if the loss or *damage to property insured* is less than 10% of the *total sum insured* for the *situation*; or
- (b) to additional benefit 4. Extra cost of reinstatement.

For example:

- Reinstatement or replacement value of all your property at the *situation* is \$250,000
- 80% of this value is \$200,000
- The *total sum insured* at the *situation* that you insured for is \$150,000
- A loss occurs where the *damage* to your property is \$50,000

Underinsurance will apply as the *total sum insured* is less than 80% of the reinstatement or replacement value of your property.

Therefore, we would calculate your claim settlement as follows:

$$\$50,000 \times \frac{\$150,000}{\$200,000} = \$37,500$$

and we would pay \$37,500 less the excess that would apply.

2. Designation of property

For the purpose of determining under which category any property is insured, we agree to accept the category under which the property appears in your books of account.

3. Indexation

We automatically adjust the *sum(s) insured* each year according to the most appropriate price indices (as determined by us). The premium you pay will be based on the adjusted *sum(s) insured*.

4. Reinstatement of sum insured

If we pay any amount as a result of loss or *damage to property insured*, we will reinstate the *sum insured* from the date of loss or *damage* provided you pay any additional premium we require.

Policy section 2: Business Interruption

Definitions

The following definitions apply to this *policy section*.

Gross profit means

The turnover of the *business* less the cost of *stock*, services and freight.

Indemnity period means

The period beginning with the occurrence of the *damage* that results in a disruption to the turnover of the *business* and ending no later than the expiry of the number of months shown in the *schedule*.

Insured damage means

Damage which has occurred to *property insured* and which is covered under the following *policy sections*, or *damage* which has occurred to other property which would have been covered if insured under the following *policy sections*:

- (a) Fire and Other Events;
- (b) Theft;
- (c) Money;
- (d) Glass; or
- (e) General Property

Rate of gross profit means

The rate of gross profit, expressed as a percentage, earned on the turnover during the financial year immediately before the financial year in which the *event* causing the *damage* occurred.

Standard turnover means

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

Turnover means

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

Your cover

We will cover you for the loss of your *gross profit* resulting from interruption of or interference with the *business* caused by one or more of the following insured *events* which occur during the *period of insurance*.

Policy section 2: Business Interruption

We cover/insured events

Your cover is for the following insured events:

1. Insured damage to property insured at the situation.

2. Public and private utilities

insured damage to land based property in Australia of any communications, electricity, gas, water or sewerage works which supplies your *business*.

3. Damage within a commercial complex

insured damage to a multi-tenanted commercial complex within which your *business* is located that prevents access to your *business*.

4. Prevention of access

insured damage to other property, not insured under *policy section 1 – Fire and Other Events*, within the vicinity of your *situation* which prevents the use of, or access to your *situation*.

5. Closure or evacuation by a public authority

closure or evacuation of all or part of your *situation* by a competent public authority as a result of:

- (a) the outbreak of a human infectious or contagious disease at the *situation* or within a 20 kilometre radius of the *situation*;
- (b) poisoning of customers directly caused by the consumption of food or drink at the *situation*;
- (c) murder or suicide occurring in or at the *situation*; or
- (d) vermin or pests or defects in the drains or other sanitary arrangements at the *situation*

6. Explosion of any boiler or pressure vessel at the situation

7. Registered motor vehicles

insured damage to any registered motor *vehicles* or trailers that are owned or operated by you while at your *situation*.

8. Damage to suppliers' or customers' premises

insured damage to the Australian premises of your suppliers or customers.

9. Damage to roads, bridges and railway lines

insured damage to roads, bridges and railway lines within Australia over which *stock*, components and materials are transported to and from your *situation*.

10. Computer installations

insured damage to a computer installation including any ancillary equipment and data processing media utilised by you.

11. Transit

insured damage to property insured while in transit within Australia away from your *situation*.

We do not cover

The following exclusions and limitations apply to this *policy section*:

We will not pay for any reduction in your *gross profit* arising from or caused during the first 48 hours of the *damage* if the property of the supplier is not at or immediately adjacent to your *situation*.

Damage to property which is located more than 50 kilometres from your *situation*.

There is no cover where the closure or evacuation of all or part of your *situation* is caused by the outbreak of Highly Pathogenic Avian Influenza in Humans or any other disease declared to be a quarantinable disease under the Quarantine Act 1908, as amended or replaced.

We will not pay more than 20% of the *limit of liability* shown in the *schedule*.

We will not pay:

- (a) more than 20% of the *limit of liability* shown in the *schedule*; or
- (b) for any reduction in your *turnover* arising from or caused during the first 48 hours of the *insured damage*

We will not pay more than 20% of the *limit of liability* shown in the *schedule*.

We will not pay more than 20% of the *limit of liability* shown in the *schedule*.

Policy section 2: Business Interruption

Additional benefits

We also pay for the following additional benefits when we agree to pay a claim in respect of a covered insured *event* under this *policy section*.

We cover

We will also cover the following:

1. Claim preparation costs

the reasonable professional fees and other reasonable expenses incurred by you, with our prior consent, for the preparation of claims under this *policy section* and any one of the following *policy sections*:

- (a) Fire and Other Events;
- (b) Theft;
- (c) Money;
- (d) Glass; or
- (e) General Property

2. Fines, damages and penalties

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

3. Departments

if your *business* is conducted in departments and each department's *turnover* can be determined, the *limit of liability* will apply separately to each department.

We do not cover

The following exclusions and limitations apply to this *policy section*:

We will not pay more than:

- (a) \$25,000; or
- (b) The amount shown in the *schedule*; whichever is the greater.

We will not pay:

- (a) more than 20% of the *limit of liability* shown in the *schedule*; and
- (b) for exemplary, punitive or aggravated *damages*.

Policy section 2: Business Interruption

Optional benefits

We will provide the following optional *benefits* when shown on the *schedule* as applying:

1. Additional increase in cost of working

We will pay for the additional expenditure necessarily incurred during the *indemnity period* for the purpose of resuming or maintaining the normal running of the *business*, which is not otherwise recoverable under this *policy section*.

The most we will pay is the additional increase in cost of working *sum insured* shown in the *schedule*.

2. Outstanding accounts receivable

We will pay for:

- (a) all amounts owed to you by customers that cannot be collected because of *insured damage* to your financial records; and
- (b) the additional collection expenses necessarily and reasonably incurred with our consent in determining the amounts owed to you.

We will not pay:

- (a) any amount if you do not have a copy of your financial records stored away from your *situation*, showing your total outstanding accounts receivable which are dated not earlier than one month prior to the *insured damage* occurring;
- (b) for bad debts that you are unable to collect and bad debts which you would normally choose not to collect; and
- (c) for collection expenses that would normally have been incurred.

The most we will pay is the outstanding accounts receivable *sum insured* shown in the *schedule*.

3. Rent receivable

We will pay for:

- (a) the amount by which rent received or receivable during the *indemnity period* falls short of the amount that would have been received during that period, had the *insured damage* not occurred; and
- (b) the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of rent received or receivable. Any additional expenditure incurred cannot be more than the reduction in *turnover* avoided as a result of the expenditure, less any sum saved during the *indemnity period* in respect of the expenses and charges payable out of rent that may cease or be reduced as a result of *insured damage*.

How we pay your claim

When we agree to pay a claim in respect of a covered insured *event* under this *policy section*, the basis upon which the amount payable is to be calculated shall be:

1. Loss of gross profit is determined as follows:

(a) reduction in turnover

the sum produced by applying the *rate of gross profit* to the amount by which the *turnover* during the *indemnity period* shall, in consequence of the *damage*, fall short of the *standard turnover*.

The amount paid will be adjusted to take into account:

- (a) any expenses which cease or are reduced during the *indemnity period*;
- (b) trends or other special circumstances affecting the *business* either before or after the *damage*;
- (c) money paid or payable to you for goods sold and services rendered elsewhere than at the *situation*, for the benefit of the *business*; and
- (d) an equitable allowance to be made if any shortage in *turnover* is postponed by reason of the *turnover* being temporarily maintained from accumulated *stock*.

(b) increased cost of working

the additional expenditure necessarily incurred with our consent for the sole purpose of avoiding or diminishing the reduction in *turnover* as a result of *insured damage*.

Any additional expenditure incurred cannot be more than the reduction in *turnover* avoided as a result of the expenditure, less any applicable savings.

How much we will pay

The most we will pay is the *limit of liability* shown in the *schedule* which applies to the *situation* where the *insured damage* has occurred.

Conditions

The following conditions apply to this *policy section*.

1. Change in business circumstances

We will not pay any amount under this *policy section* if you decide to cease carrying on the *business* or it is wound up or a liquidator, receiver or administrator is appointed.

2. New business

If *insured damage* occurs before the completion of the first year's trading of the *business*, when settling your claim we will take into account the period from the commencement of the *business* to the date of the *insured damage*.

Policy section 3: Public and Products Liability

Definitions

The following definitions apply to this *policy section*.

Employee means

- (a) any person who is a past, present or future full-time, part-time, seasonal or temporary employee; or any executive officer or senior manager who are not directors, auditors, consultants, independent contractors, secondees or agents;
- (b) any person hired or borrowed by *you* from another employer under any agreement;
- (c) any person under a work experience or similar scheme while engaged and working under *your* direction and control in connection with and in the course of *your business*.

Incidental contracts means

- (a) any written agreement for lease of real or personal property to the extent the written agreement does not impose upon *you*:
 - (i) an obligation to insure such property; or
 - (ii) any liability regardless of fault
- (b) any written contract with any public authority or company for the supply of water, gas or electricity

Provided (a) and (b) shall apply only to the extent to which *you* indemnify any such third party or authority in respect of liability arising out of *your business* and excluding any contracts for the performance of work or provision of services by *you*.

Internet operations means

- (a) use of electronic mail systems by *you* or *your employees*, including part-time and temporary staff and others within *your business*;
- (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* web site.

Medical persons means

Legally qualified and registered medical practitioners, nurses, dentists and first aid attendants.

Occurrence means

An *event*, including continuous or repeated exposure to substantially the same general conditions, which results in *personal injury* or *property damage* neither expected nor intended from *your* standpoint. All *events* of a series consequent on or attributable to one source or originating cause shall be deemed to be one *occurrence*.

Personal injury means

- (a) bodily injury, death, sickness, disease, disability, shock, fright, mental injury or mental anguish;
- (b) false arrest, false imprisonment, wrongful detention, wrongful eviction, malicious prosecution or malicious humiliation;
- (c) libel, slander, defamation of character or invasion of right of privacy; and
- (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.

Products means

Any thing after it has ceased to be in *your* physical possession or control (including its packaging) which has been or is deemed to have been manufactured, grown, extracted, produced, processed, assembled, constructed, erected, installed, repaired, serviced, treated, sold, supplied, re-supplied, distributed, exported or imported.

Property damage means

- (a) physical damage to or destruction of tangible property including the loss of use of that property;
- (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 destruction of other tangible property.

Territorial limits means

- (a) anywhere within Australia and its external territories;
- (b) elsewhere in the world but only for:
 - (i) *business* visits by travelling directors and *employees* of *yours* who do not perform manual work or supervise any work;
 - (ii) *your products* except where exported to North America.

Tool of trade means

Any *vehicle* which has attached as an integral part of it any equipment used for digging, scraping, grading, clearing, levelling, drilling, pumping or spraying. It does not include any *vehicle*:

- (a) while travelling or in transit to or from any work site; or
- (b) used for transport or haulage.

Policy section 3: Public and Products Liability

You, Your, Yours means

- (a) the insured shown in the *schedule*;
- (b) any of *your* subsidiary companies existing at the commencement of or incorporated or acquired during, the *period of insurance*, provided that:
 - (i) we are notified within 90 days of any such incorporation or acquisition;
 - (ii) the newly incorporated or acquired business conducts the same type of business as *your business*; and
 - (iii) the newly incorporated or acquired business is incorporated in Australia.
- (c) any of *your* directors, executive officers, *employees*, partners or shareholders but only while acting within the scope of their duties;
- (d) any principal in respect of the liability of such principal arising out of the performance by *you* of any contract or agreement for the performance of work for such principal and only to the extent required by such contract;
- (e) any *employee*, official or member of a canteen, social, sporting or welfare organisations or first aid, ambulance or fire fighting services formed with *your* consent while acting within the scope of their activities in such capacity;
- (f) *your* legal representatives in the *event of your* death if *you* are an individual.

Your cover

We will cover *you* for all amounts you become legally liable to pay as compensation for *personal injury* or *property damage*, as a result of an *occurrence* in connection with *your business* which happens during the *period of insurance* and within the *territorial limits*.

Any amounts we pay are subject to the terms and conditions of this *policy section* and the *limits of liability* shown in the *schedule*.

Policy section 3: Public and Products Liability

We cover/insured events

Your cover is for the following insured event:

Legal Liability

We do not cover

The following exclusions and limitations apply to this *policy section*:

Legal liability arising directly or indirectly out of or caused by, or in any way connected with:

1. Aircraft or hovercraft

- (a) the ownership, possession, maintenance, operation or use by *you* or on *your* behalf of any *aircraft* or *hovercraft*;
- (b) the operation of any airport, aerodrome, *aircraft* landing strip or *aircraft* hangar;
- (c) the supply, distribution, sale or manufacture of *aircraft products*.

2. Asbestos

asbestos, asbestos products or any materials containing asbestos in whatever form or quantity.

3. Assault and battery

assault and battery committed by *you* or at *your* direction.

However, we will cover assault and battery when it is committed for the purpose of preventing or eliminating danger to persons or property.

4. Molestation

the molesting of or interfering with any person by:

- (a) *you*;
- (b) any of *your employees*; or
- (c) any person performing any volunteer services for *you* or on *your* behalf.

We will not have any duty to defend any action, suit or proceeding, investigation or inquiry against *you* either directly or indirectly seeking damages or other relief as result of such molestation or interference.

5. Contractual liability

any liability assumed under any contract or agreement.

However, we will cover legal liability:

- (a) that would have been implied by law in the absence of such contract or agreement;
- (b) assumed under *incidental contracts*; or
- (c) assumed under those contracts shown in the *schedule*.

6. Contract works

the construction, erection, addition, alteration, renovation, installation or demolition of any building or structure by *you* or on *your* behalf where the value of such work is more than \$500,000.

7. Damage to products

damage to your products if the *damage* is attributable to any defect in them or to their harmful nature or unsuitability for their intended use.

Policy section 3: Public and Products Liability

We cover/insured events

Legal Liability (continued)

We do not cover

8. Defective design

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

9. Employer's liability

- (a) *personal injury* to any of *your employees* arising out of or in the course of their employment in *your business*;
- (b) liability imposed by the provisions of any:
 - (i) workers' compensation legislation or under any similar legislation;
 - (ii) accident compensation legislation or under similar legislation;
 - (iii) industrial award, agreement or determination or contract of employment or workplace agreement; or
 - (iv) law relating to wrongful or unfair dismissal, denial of natural justice, defamation, libel, slander, misleading representation or advertising, humiliation, harassment or discrimination in respect of any employment by *you*.

10. Faulty work

the cost of performing, completing, correcting or improving any work undertaken by *you* or on *your* behalf.

11. Fines, penalties and punitive damages

finer, penalties, liquidated damages or punitive, exemplary or aggravated damages and any additional damages resulting from the multiplication of compensatory damages.

12. Internet operations

your internet operations.

However, we will cover legal liability which arises irrespective of *your internet* operations.

13. Libel and slander

the publication or utterance of 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, broadcasting, telecasting or publishing activities including internet activity, conducted by *you* or on *your* behalf.

Policy section 3: Public and Products Liability

We cover/insured events

Legal Liability (continued)

We do not cover

14. Loss of use

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

- (a) a delay in or lack of performance by you or on your behalf in relation to any contract or agreement; or
- (b) the failure of *your products* 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 the sudden and accidental physical *damage* to or destruction of *your products* after they have been put to use by any person or organisation other than you.

15. Participation

the participation of any person in any sporting or exercise activity including training or practice for and supervision or control of such activities.

16. Product recall

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

17. Professional liability

- (a) the rendering of or failure to render professional advice or service by *you* or on *your* behalf for a fee, or any error or omission connected with such professional advice or service;
- (b) the treatment of humans or animals for any physical or mental deficiency, disease or injury; or
- (c) the dispensing of drugs, medicines, pharmaceutical supplies or artificial aids.

However, we will cover legal liability arising out of the rendering of or failure to render professional medical advice by *medical persons* employed by you to provide first aid and other medical services at *your* premises.

18. Property in your physical or legal control

Property damage in relation to:

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

19. Silica

the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibres, silica dust or silica in any form.

Policy section 3: Public and Products Liability

We cover/insured events

Legal Liability (continued)

We do not cover

20. Tobacco

the inhalation or ingestion of or exposure to:

- (a) tobacco or tobacco smoke; or
- (b) any ingredient or additive present in any articles, items or goods which contain or include tobacco.

21. Underground services

property damage to underground services, unless prior to commencement of work *you* have contacted the appropriate authorities or owners to verify the existence of the underground services and obtained a plan of their exact location.

22. Vehicles

the ownership, possession, maintenance, operation or use of any *vehicle* which is:

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

23. Vibration and weakening of support

property damage as a result of:

- (a) vibration, underpinning, restumping, shoring of; or
- (b) the removal, weakening or interference with, support to land, *buildings* or any other property.

24. Watercraft

the ownership, possession, maintenance, operation or use by *you* or on *your* behalf of any *watercraft* exceeding 8 metres in length.

However, we will cover legal liability arising out of *your* use for business entertainment of *watercraft* owned and or controlled by others.

25. Welding

failure to comply with Australian Standard 1674.

1-1997 "Safety in welding and allied processes – fire precautions" as amended or replaced, when *you* or anyone on *your* behalf is carrying out welding, thermal or oxygen cutting or heating or any other heat or spark producing operations.

Policy section 3: Public and Products Liability

Additional benefits

We also pay for the following additional benefits when we agree to pay a claim in respect of a covered insured *event* under this *policy section*. The additional benefits will only be paid on the basis that they arise out of your legal liability.

We cover

We also cover the following insured *events*:

1. Legal and other additional costs

in addition to the *limit of liability* shown in the *schedule*:

- (a) all legal costs and charges incurred or to be incurred by us or by *you* with our prior written consent in the investigation, adjustment, settlement, defence or appeal of any claim for compensation which is covered by this *policy section* even if the claim is groundless, false or fraudulent;
- (b) all costs taxed or agreed against *you* and all interest that accrues after entry of judgement and before we have paid, offered to pay or deposited that part of the judgement within the applicable *limit of liability*; and
- (c) expenses incurred by *you* for first aid and other medical services provided to others for an *occurrence* covered by this *policy section*.

2. Property in your physical or legal control

Notwithstanding exclusion 18 in this *policy section*, *property damage* to:

- (a) premises which are leased or rented by *you*;
- (b) premises and their contents temporarily occupied by *you* for the purpose of carrying out work in connection with your *business*;
- (c) *employees'* or visitors' personal property;
- (d) *vehicles* in a car park; or
- (e) customers' property left in your physical or legal control.

3. Vehicles

Legal liability arising from the:

- (a) loading or unloading of goods to or from any *vehicle*;
- (b) operation or use of any *vehicle* which is designed primarily for lifting, lowering, loading or unloading whilst being operated or used by *you* or on *your* behalf within your *situation*; or
- (c) use of any *vehicle* as a *tool of trade*.

4. Cross liability

where *you* comprise of more than one party, each party shall be considered as a separate party and the term *you* shall be considered as applying in the same manner as though a separate policy had been issued to each party.

We do not cover

The following exclusions and limitations apply to the *policy section*:

We will not:

- (a) pay more than that proportion of the legal and other additional costs as the *limit of liability* bears to the amount paid to dispose of a claim, if a payment exceeding the *limit of liability* has to be made to dispose of a claim;
- (b) pay more than the *limit of liability* inclusive of legal and other additional costs for any claim covered by this *policy section* made or instituted against *you* within North America; and
- (c) pay any legal or other additional costs if the *limit of liability* has been exhausted by payment of any claim, judgement or settlement

We do not cover *property damage* to *vehicles*:

- (a) which belong to *you* or are used by *you* or on *your* behalf; or
- (b) which are in a car park which is owned or operated by *you* for reward.

In respect of customers' property, we:

- (a) will not pay more than \$100,000 or the amount shown in the *schedule* for customers' property for any one *occurrence* and in the aggregate during any one *period of insurance*; and
- (b) we do not cover *property damage* to that part of any customers' property which *you* have been working on where the *property damage* arises out of that work.

We will not pay more than the *limit of liability* shown in the *schedule*.

Policy section 3: Public and Products Liability

How much we will pay

(a) Public liability

The most we will pay in respect of any one *occurrence* is the public liability *limit of liability* shown in the *schedule*.

(b) Products liability

The most we will pay during any one *period of insurance* in respect of all *occurrences* involving *your* products is the products liability *limit of liability* shown in the *schedule*.

Excess

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

Conditions

The following conditions apply to this *policy section*.

1. Discharge of liabilities

We may at any time pay you the *limit of liability* (less any amounts already paid) or any lesser amount for which a claim can be settled. We will then relinquish control of the claim and will be under no further liability for the claim except for costs and expenses incurred prior to the date of such payment.

2. Reasonable care

You must at *your* own expense, take reasonable action to trace, recall or modify any of *your products* which *you* know or suspect contain any defect or deficiency.

Policy section 4: Theft

Definitions

The following definitions apply to this *policy section*.

Building(s) means

The building(s) at the *situation* that are fully enclosed by a roof and walls.

We cover/insured events

Your cover is for the following insured events:

1. Theft

- (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(s) concealed in the *building* during business hours who then breaks out after hours; or
- (c) theft as a result of actual or threatened assault or violence including armed hold up.

2. Theft without forcible and violent entry

loss of or *damage* to property in the *building* as a result of theft where there are no signs of forcible and violent entry to the *building*.

3. Theft of permanently fixed parts of buildings

loss of or *damage* to permanently fixed external fixtures or fittings attached to the *building* as a result of theft.

4. Employee dishonesty

loss of property as a result of theft or dishonesty by your employees.

Your cover

We will cover you for loss of or *damage* to property shown as insured in the *schedule* at the *situation* caused by one of the following insured events which occur during the *period of insurance*.

We do not cover

The following exclusions and limitations apply to this *policy section*:

We will not pay for loss or *damage*:

- (a) to property not contained in a locked and otherwise secure *building*;
- (b) to property if entry to the *building* is gained using a key or any other device (electronic or otherwise) utilised to obtain access, or security code;
- (c) to jewellery, bullion, furs, precious metals or stone;
- (d) to animals, birds, fish or other living creatures unless they are part of your *stock*;
- (e) to motor *vehicles*, motorcycles, caravans trailers and registered mobile plant;
- (f) to *glass* or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to the *glass*;
- (g) to property caused by any person lawfully at your *situation*;
- (h) to property caused by you, your directors, partners, employees or any members of your family, other than an employee following forcible and violent entry;
- (i) as a direct or indirect result of fire;
- (j) as a direct or indirect result of the dishonest manipulation of any database or computer record; or
- (k) as a direct or indirect result of unexplained disappearances or unexplained shortages whether resulting from clerical or accounting errors or shortages in the supply or delivery of material to or by you.

We will not pay more than \$10,000 in the aggregate during the *period of insurance*.

We will not pay for loss of or *damage* to *stock*.

We will not pay more than:

- (a) \$10,000 or
- (b) the remaining balance of the *sum insured* for contents including *stock* whichever is the lesser.

We will not pay for loss of or *damage* to any fixtures or fittings which are connected to the *building* by only a flexible or tensile cord to a power point.

We will not:

- (a) pay more than \$2,500 for any one *event*;
- (b) cover any loss which is discovered more than 30 days after it occurs;
- (c) pay any amount under this *policy section* where you make a claim in respect of the same loss under *policy section 5 - Money*; or
- (d) pay any benefits under this *policy section* if you are also insured under *policy section 10 - Management Liability Private Edge® Lite*.

Policy section 4: Theft

Additional benefits

We also pay for the following additional benefits when we agree to pay a claim in respect of a covered insured *event* under this *policy section*.

We cover	We do not cover
We also cover the following:	The following exclusions and limitations apply to this <i>policy section</i>:
1. Temporary protection the reasonable costs incurred by you for the necessary safety and protection of your property pending its repair or replacement. These costs will be paid in addition to the <i>sum insured</i> .	We will not pay: (a) more than \$5,000 for any one <i>event</i> ; (b) any amount under this <i>policy section</i> where you make a claim in respect of the same loss under <i>policy section 5 - Money</i> .
2. Damage to the building <i>Damage to the building.</i>	We will not pay: (a) more than the <i>sum insured</i> ; or (b) for any <i>damage to the building</i> for which you are not legally responsible.
3. Replacement of locks and keys the costs of: (a) replacing or recoding, locks, keys or combinations to the <i>building</i> if they have been stolen or copied without your authority; and (b) replacing and developing security film which has been exposed because of theft or attempted theft. These costs will be paid in addition to the <i>sum insured</i> .	We will not pay: (c) more than \$5,000 for any one <i>event</i> ; (d) any amount under this <i>policy section</i> where you make a claim in respect of the same loss under <i>policy section 5 - Money</i> .
4. Directors' and employees' personal property loss of or <i>damage to</i> directors', partners of a partnership and employees' tools, clothing and personal effects not otherwise insured. These costs will be paid in addition to the <i>sum insured</i> .	We will not pay: (a) more than \$5,000 for any one person; and (b) more than \$10,000 for any one <i>event</i> ; or (c) for loss of or <i>damage to</i> laptop computers or <i>money</i> .
5. Rewriting of records reasonable costs incurred in rewriting, restoring or replacing computer systems records, documents, manuscripts, plans, drawings, designs <i>business</i> books and other documents. These costs will be paid in addition to the <i>sum insured</i> .	We will not pay more than \$10,000 in the aggregate during the <i>period of insurance</i> .
6. Temporary removal of business contents and stock the temporary removal of <i>business contents</i> or <i>stock</i> from the <i>situation</i> to any other location within Australia.	We will not pay more than 20% of the <i>sum insured</i> shown in the <i>schedule</i> for temporary removal of <i>business contents</i> or <i>stock</i> . We will not pay for loss or <i>damage to</i> : (a) <i>business contents</i> or <i>stock</i> that have been removed from the <i>situation</i> for more than 60 days; (b) motor <i>vehicles</i> other than fork lift trucks or similar appliances used to lift or move goods at the <i>situation</i> ; (c) <i>business contents</i> or <i>stock</i> in transit; (d) <i>stock</i> that is on consignment; (e) cigarettes, cigars and tobacco.
7. Loss of money	We will not pay more than \$250 for any one <i>event</i> .

Policy section 4: Theft

We cover

8. Peak trading period increases

an automatic increase in the *stock* component of the *sum insured* for contents including *stock* shown in the *schedule*, of up to 50%, during the following periods:

- (a) from 60 days before Christmas Day to the 20th day following, both days inclusive;
- (b) from 30 days before Easter Tuesday to the 10th day following, both days inclusive; and
- (c) from 20 days before Valentine's Day, Mother's Day and Father's Day to the 7th day following, both days inclusive.

9. Death following assault

death within 12 months as a direct result of an injury following an assault against you, your directors, partners or employees which was fortuitous and not expected while protecting or attempting to protect *property insured* from theft as covered under insured *event 1*.

This benefit will be paid in addition to the *sum insured*.

10. Temporary cover for new premises

on a temporary basis and on the terms and conditions of this *policy*, loss of or *damage* to *property insured* at any new *situation* first used by your *business* during the *period of insurance*.

We do not cover

We will not pay more than \$10,000 for any one *event* and if you are also insured under *policy section 5 - Money*, any amount payable will not be cumulative and will be limited to \$10,000 in the aggregate.

We will not pay more than 50% of the *sum insured* shown in the *schedule* for each category of property.

We will not pay for loss or *damage*:

- (a) where you have not provided us with full details of the new premises within 60 days of first using them;
- (b) where the new *situation* has building, fire protection and security features that are not similar to those at one of the *situations* shown in the *schedule*; and
- (c) where the property is not of a similar type to that insured by this *policy section* nor where the property cannot be correctly designated to one of the categories of insured property shown in the *schedule*.

How we pay your claim

When we agree to pay a claim in respect of a covered insured *event* under this *policy section*, the basis upon which the amount payable is to be calculated shall be:

1. Buildings or business contents

If *buildings* or *business* contents are lost or *damaged*, we will, at our option, pay the cost to repair or replace your property to a condition the same as but not better or more extensive than its condition when new.

2. Stock

If *stock* is lost or *damaged*, we will pay the cost to repair or replace the *stock* to its condition at the time of loss or *damage*. The amount we pay will also take into consideration *obsolete stock*.

How much we will pay

The most we will pay for:

- (a) *business contents* and *stock* is the *sum insured* shown in the *schedule* for contents (including *stock* and customers goods); and
- (b) cigarettes, cigars and tobacco is the *sum insured* shown in the *schedule* for cigarettes, cigars and tobacco.

Excess

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

Conditions

The following conditions apply to this *policy section*.

1. Reinstatement of sum insured

If we pay any amount as a result of loss of or *damage* to *property insured*, we will reinstate the *sum insured* from the date of loss or *damage* provided you pay any additional premium we require.

However, we will reinstate the *sum insured* only once during the *period of insurance*.

2. Designation of property

For the purpose of determining under which category any property is insured, we agree to accept the category under which the property appears in your books of account.

Policy section 5: Money

Definitions

The following definitions apply to this *policy section*.

Bank means

A bank, credit union, building society or similar financial institution.

Building(s) means

The *building(s)* at the *situation* that are fully enclosed by a roof and walls.

Business hours means

The normal operating hours of the *business* including overtime that you, your employees, directors or partners are at the *situation* for the purposes of the *business*.

Safe or strongroom means

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

Your cover

We will cover you for loss of or *damage* to *money* caused by one of the following insured *events* which occur during the *period of insurance*.

We cover/insured events

Your cover is for the following insured *events*:

1. (a) Money in transit

money:

- (i) in direct transit to or from the *situation*; or
- (ii) contained in the night *safe* or automatic teller machine of any *bank* up until the close of business on the next *bank* trading day following your deposit.

(b) Money in the building during business hours

money in the *building* during *business hours* when not contained in a locked safe or strongroom.

(c) Money in the building in a locked safe or strongroom

money in a locked *safe* or *strongroom* in the *building*.

(d) Money in a private residence

money belonging to the *business* or for which the *business* is responsible, in your or an authorised person(s)'s personal custody when in a private residence.

2. Employee dishonesty

loss of money as a result of theft or dishonesty by your employees.

We do not cover

The following exclusions and limitations apply to this *policy section*:

We will not pay:

- (a) for loss from an unattended *vehicle*;
- (b) for loss as a result of interruption of a transit for any activity unrelated to your *business*;
- (c) more than \$1,000 if the loss occurs in the *building* outside *business hours* and the *money* is not in a locked *safe* or *strongroom*;
- (d) for loss from a *safe* or *strongroom* by use of a key or combination that have been left in the *building* outside *business hours*;
- (e) for shortages resulting from clerical or accounting errors or errors in receiving or paying out;
- (f) for loss due to fraud or dishonesty by you or your employees;
- (g) loss due to the dishonest manipulation of any database or computer system; or
- (h) loss not discovered within 10 working days of the loss occurring.

We will not:

- (a) pay more than \$2,500 for any one *event*;
- (b) cover any loss which is discovered more than 30 days after it occurs;
- (c) pay any amount under this *policy section* where you make a claim in respect of the same loss under *policy section 4 - Theft*; and
- (d) pay any benefits under this *policy section* if you are also insured under *policy section 10 - Management Liability Private Edge® Lite*.

Policy section 5: Money

Additional benefits

We also pay for the following additional benefits when we agree to pay a claim in respect of a covered insured *event* under this *policy section*.

We cover

We also cover the following:

1. Temporary protection

the reasonable costs incurred by you for the necessary safety and protection of your *money*. These costs will be paid in addition to the *sum insured*.

2. Damage to safes or strongrooms

Damage to safes or strongrooms.

3. Replacement of locks and keys

the costs of:

- (a) replacing or recoding, locks, keys or combinations to *safes* or *strongrooms*, if they have been stolen or copied without your authority, including if necessary, the costs of opening *safes* or *strongrooms*; and
- (b) replacing and developing security film which has been exposed because of theft or attempted theft of *money*. These costs will be paid in addition to the *sum insured*.

4. Directors and employees personal property

loss of or *damage* to directors', partners of a partnership and employees' tools, clothing and personal effects not otherwise insured.

These costs will be paid in addition to the *sum insured*.

5. Death following assault

death within 12 months as a direct result of an injury following an assault against you, your directors, partners or employees which was fortuitous and not expected while protecting or attempting to protect *money* from theft. This benefit will be paid in addition to the *sum insured*.

6. Peak trading period increases

an automatic increase of up to 50% in the *sums insured* shown in the *schedule for money*:

- (a) in transit;
 - (b) in the *building* during *business hours*
 - (c) in the *building* in a locked *safe* or *strongroom*; or
 - (d) in a private residence,
- for the following periods:
- (i) from 60 days before Christmas Day to the 20th day following, both days inclusive;
 - (ii) from 30 days before Easter Tuesday to the 10th day following, both days inclusive; and
 - (iii) from 20 days before Valentine's Day, Mother's Day and Father's Day to the 7th day following, both days inclusive.

We do not cover

The following exclusions and limitations apply to this *policy section*:

We will not:

- (a) pay more than \$5,000 for any one *event*; and
- (b) pay any amount under this *policy section* where you make a claim in respect of the same loss under *policy section 4 - Theft*.

We will not pay more than \$5,000 for any one *event*.

We will not:

- (a) pay more than \$5,000 for any one *event*; and
- (b) pay any amount under this *policy section* where you make a claim in respect of the same loss under *policy section 4 - Theft*.

We will not pay:

- (a) more than \$5,000 for any one person; and
- (b) more than \$10,000 for any one *event*; or
- (c) for loss of or *damage* to laptop computers or *money*.

We will not pay more than \$10,000 for any one *event*; and if you are also insured under *policy section 4 - Theft*, any amount payable will not be cumulative and will be limited to \$10,000 in the aggregate.

We will not pay more than \$1,000 if the loss occurs in the *building* outside *business hours* and the *money* is not in a locked *safe* or *strongroom*.

Policy section 5: Money

We cover

7. Bank or public holiday increase

an automatic increase in the sums insured for *money*:

- (a) in transit;
 - (b) in the *building* during *business hours*
 - (c) in the *building* in a locked *safe* or *strongroom*; or
 - (d) in a private residence,
- for days that are gazetted *bank* or public holidays, up until the close of *business* on the next *bank* trading day following the holiday.

8. Travellers money

loss of *money* in your custody or in the custody of any employee while travelling for your *business* anywhere in the world.

We do not cover

We will not :

- (a) increase the sums insured shown in the *schedule* by more than 100%; or
- (b) pay more than \$1,000 if the loss occurs in the *building* outside *business hours* and the *money* is not in a locked *safe* or *strongroom*; and
- (c) accumulate this additional benefit with additional benefit 7 - Peak trading period increase.

We will not pay more than \$2,500 for any one *event*.

How we pay your claim

When we agree to pay a claim in respect of a covered insured *event* under this *policy section*, the basis upon which the amount payable is to be calculated shall be:

1. Money other than travellers cheques, discount house vouchers or lottery tickets

When *money* is lost or *damaged*, we will pay you the amount of any *money* that is lost or *damaged*.

2. Travellers cheques, discount house vouchers or lottery tickets

When travellers cheques, discount house vouchers or lottery tickets are lost or *damaged*, we will pay you the original purchase price incurred by you.

3. Safes and strongrooms

If *safes* or *strongrooms* are lost or *damaged*, we will, at our option, pay the cost to repair or replace your property to a condition the same as but not better or more extensive than its condition when new.

How much we will pay

The most we will pay for *money* lost or *damaged*:

- (a) in transit is the *sum insured* shown in the *schedule* for *money* in transit;
- (b) in the *building* during *business hours* is the *sum insured* shown in the *schedule* for *money* in the *building* during *business hours*;
- (c) in the *building* in a locked *safe* or *strongroom* is the *sum insured* shown in the *schedule* for *money* in the *building* in a locked *safe* or *strongroom*; or
- (d) in a private residence is the *sum insured* shown in the *schedule* for *money* in a private residence.

Excess

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

Condition

The following condition applies to this *policy section*.

1. Reinstatement of sum insured

If we pay any amount as a result of loss or *damage* to *money*, we will reinstate the *sum insured* from the date of loss or *damage* provided you pay any additional premium we require.

However, we will only reinstate the *sum insured* once during the *period of insurance*.

Policy section 6: Glass

Definitions

The following definitions apply to this *policy section*.

Breakage or broken means

A fracture extending through the entire thickness of the *glass* or laminated *glass*.

Glass means

- (a) fixed glass, perspex and plastic material used in external windows, doors, skylights and showcases forming part of the *building*; and
- (b) fixed glass, perspex and plastic material used in internal windows and doors, mirrors (including hanging mirrors), partitions, counters, showcases, shelves and *stock* restraints, ceramic vitreous china urinals, toilet pans and hand basins

which belongs to you, or for which you are legally responsible.

Signs means

Advertising or identification signs made from *glass* or electrically illuminated signs permanently fixed to the *building* or contained within the *situation*.

Your cover

We will cover you for *breakage of glass* at the *situation* which occurs during the *period of insurance*.

We cover/insured events

Your cover is for the following insured events:

1. Breakage of glass

2. Breakage of signs

We do not cover

The following exclusions and limitations apply to this *policy section*:

We will not pay for:

- (a) *glass* which is chipped or imperfect;
- (b) *glass* that is *stock*;
- (c) *breakage* caused by or arising out of fire, artificial heat or *flood*;
- (d) *breakage of glass* when in transit, or while being fitted into position or removed from its fitting; or
- (e) *breakage of glass* that forms part of a glasshouse, fibreglass house or shade house.

We will not pay more than:

- (a) \$7,500 in the aggregate during the *period of insurance*;
 - or
 - (b) the amount shown in the *schedule* for *signs*;
- whichever is the greater.

Policy section 6: Glass

Additional benefits

We also pay for the following additional benefits when we agree to pay a claim in respect of a covered insured *event* under this *policy section*.

We cover	We do not cover
<p>We also cover the following:</p> <p>1. Temporary repairs and other associated costs the reasonable and necessary costs incurred by you for:</p> <ul style="list-style-type: none">(a) temporary shuttering and security pending replacement of the <i>broken glass</i>;(b) repair or replacement of frames, fittings and tiled shop and office fronts;(c) replacing sign writing, ornamentation, burglar alarm tape and security film. <p>2. Damage to stock the costs of repairing or replacing <i>stock</i> that is <i>damaged</i> by <i>broken glass</i>.</p> <p>3. Malicious damage malicious <i>damage</i> to external <i>glass</i>.</p>	<p>The following exclusions and limitations apply to this <i>policy section</i>:</p> <p>We will not pay more than:</p> <ul style="list-style-type: none">(a) \$7,500 in the aggregate during the <i>period of insurance</i>;or(b) the amount shown in the <i>schedule</i> for temporary repairs and other associated costs; <p>whichever is the greater.</p> <p>We will not pay more than \$7,500 in the aggregate during the <i>period of insurance</i>.</p>

How we pay your claim

When we agree to pay a claim in respect of a covered insured *event* under this *policy section*, the basis upon which the amount payable is to be calculated shall be:

1. Glass and signs

We will pay the cost to replace the broken *glass* or signs with *glass* or signs with similar type and quality.

We will also pay any additional costs incurred by you to comply with the requirements of any statutory authority when replacing the broken *glass*.

2. Damaged stock

If *stock* is *damaged* by broken *glass* we will pay you the value at cost of the *stock*, less any amount realised from the sale of any salvage.

Excess

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

Policy section 7: General Property

Definitions

The following definitions apply to this *policy section*.

Specified item means

An item that is specifically described and shown in the *schedule*.

Unspecified item means

Items which are part of a group or category that is shown in the *schedule*.

Unspecified items do not include:

- (a) laptop computers, mobile phones, electronic diaries, GPS units, video cameras or digital cameras; and
- (b) any item worth more than \$2,000.

Your cover

We will cover you for loss of or *damage* to property shown as insured in the *schedule* caused by any sudden and unexpected and unforeseen *event* not otherwise excluded which occurs during the *period of insurance*.

We cover/insured events

Your cover is for the following insured *events*:

Loss or *damage* to specified or unspecified items shown as insured in the *schedule*.

We do not cover

The following exclusions and limitations apply to this *policy section*:

We will not pay for loss or *damage* caused by:

- (a) theft from an unlocked and unattended *vehicle*;
- (b) theft from the open air;
- (c) theft by you, your directors, partners, employees, any members of your family or anyone lawfully at your *situation*;
- (d) fraud or dishonest acts;
- (e) action of the sea;
- (f) *flood*, tidal wave, storm surge or high water
- (g) spontaneous combustion, fermentation, heating or any process involving the direct application of heat;
- (h) alteration, cleaning, maintenance or repair;
- (i) error, failure, or omission in design, plan or specification;
- (j) faulty materials or faulty workmanship;
- (k) vermin, insects or birds;
- (l) disease, inherent vice or latent defect;
- (m) loading or unloading;
- (n) testing, experiments, or intentional overloading;
- (o) mechanical, hydraulic, electronic or electrical breakdown, malfunction or failure of any property;
- (p) fluctuation or a surge in electrical current;
- (q) *computer virus*;
- (r) wear and tear, gradual deterioration, scratching, marring, developing flaws, normal upkeep or making good or other gradual cause;
- (s) rust, oxidation, corrosion, mould, mildew, rot, contamination or pollution, change of colour, dampness, variations in temperature, evaporation, exposure to light or smoke, smut or soot from industrial operations;

Policy section 7: General Property

We cover/insured events

Loss or *damage* to *specified* or *unspecified items* shown as insured in the *schedule*. (continued)

We do not cover

We will not pay for loss of or *damage* to:

- (a) *property insured* located outside of Australia;
- (b) *property insured* that can be more specifically *insured* under other *policy sections*;
- (c) *property insured* in the open air caused by rain, hail or wind if the property is not designed to function without the protection of walls or roof;
- (d) motor *vehicles*, motorcycles, caravans, trailers and registered mobile plant;
- (e) *money*;
- (f) tools of trade, musical instruments, sporting equipment or guns while they are in use;
- (g) jewellery, bullion, furs, precious metals or stones;
- (h) animals, livestock, birds, fish or other living creatures.

Optional benefit

We will provide the following *optional benefit* when shown on the *schedule* as applying:

Worldwide cover

When 'Worldwide cover' is shown in the *schedule* we will cover items shown in the *schedule* anywhere in the world.

How we pay your claim

When we agree to pay a claim in respect of a covered insured *event* under this *policy section*, the basis upon which the amount payable is to be calculated shall be:

1. Items lost or damaged

If items are lost or *damaged*, we will, at our option, pay the cost to repair or replace your property to a condition the same as but not better or more extensive than its condition when new.

2. Items in a pair or set

If any item is part of a pair or set, we will only pay to repair or replace the item that suffers loss or *damage*. We will not pay to replace the pair or set.

How much we will pay

The most we will pay for:

- (a) *unspecified items* is the *sum insured* shown in the *schedule* for a particular group or category. The most we will pay for any one item within a particular group or category is \$2,000;
- (b) *specified items* is the *sum insured* shown in the *schedule* for that item.

Excess

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

Condition

The following condition applies to this *policy section*.

1. Reduced sum insured

If we pay any amount as a result of loss of or *damage* to *unspecified items*, the *sum insured* for the *period of insurance* will be reduced by the amount of that payment.

If we pay a claim for a total loss of any *specified item*, then you have no more cover for it. Cover for any replacement item is subject to our agreement and provided you pay any additional premium we require.

Policy section 8: Equipment Breakdown

Definitions

The following definitions apply to this *policy section*.

Breakdown means

A sudden and accidental breakdown of *insured equipment* resulting in property *damage* to the *insured equipment* or a part of the *insured equipment* that necessitates its repair or replacement.

Breakdown does not mean:

- (a) depletion, deterioration, corrosion or erosion of material;
- (b) wear and tear;
- (c) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (d) vibration or misalignment;
- (e) the *breakdown* of any structure or foundation supporting the equipment or any part of the equipment;
- (f) the functioning of any safety device or protective device;
- (g) the cracking of any part of a gas turbine exposed to the products of combustion; or
- (h) failure to function not connected to any identifiable and manifest physical cause.

Actual cash value means

The cost of replacing the *damaged insured equipment* with property of similar kind, capacity, size, quality and function, less depreciation. In determining depreciation, we will consider the age, condition, and normal life expectancy of the *insured equipment*.

Insured equipment means

Any of the following equipment 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, and piping or any other piping and its accessory equipment, but not including:
 - (i) any boiler setting, any refractory or insulating material;
 - (ii) any part of a boiler or fired vessel that does not contain steam or water;
 - (iii) any hose, buried piping, sewer piping, drainage piping, sprinkler system or its accessory equipment; or
 - (iv) any oven, stove, furnace or kiln but not excluding heat recovery piping or vessels used with such apparatus.

- (b) any mechanical or electrical *machine* or electrical apparatus used for the generation, transmission or utilisation of mechanical or electrical power, but not including:

- (i) any elevator, escalator, crane or hoist; or
- (ii) any oven, stove, furnace or kiln

but not excluding:

- (a) any pump, compressor, fan, blower, engine or turbine;
- (b) any separate enclosed gear set connected to such *machine* or apparatus by a coupling, clutch or belt;
- (c) any electrical equipment; or
- (d) any electronic equipment used solely to start, stop, control or monitor such *machine* or apparatus;

- (iii) any *vehicle*, mechanically or electrically propelled equipment, towable equipment, power shovel, excavator, dragline or other mobile equipment, including equipment permanently mounted thereon;
- (iv) any conveyor belt.

- (c) any electronic equipment used:

- (i) for the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio or telephone signals;
- (ii) for research, diagnostic, treatment, experimental or other medical or scientific purposes;
- (iii) for computing, data processing, duplicating, inventory control, monitoring, scanning or office services; or
- (iv) to start, stop, control or monitor one or more *insured equipment*, but not including any anode, x-ray or video amplifier tube.

Limit any one loss means

The amount shown in the *schedule* as the *limit any one loss*.

Machine means

Any contrivance for the conversion and direction of motion or energy, or for the performance of a process, and includes any protective device in connection with that contrivance.

Pressure vessel means

A vessel which, in normal use, is subject to generated or applied fluid pressure.

Your cover

We will cover you for loss caused by or resulting from a *breakdown* of *insured equipment* which occurs during the *period of insurance* and which is in use, or connected and ready for use, at the *situation*.

Policy section 8: Equipment Breakdown

We cover/insured events

Your cover is for the following insured events:

Loss caused by or resulting from a *breakdown* of insured equipment.

We do not cover

The following exclusions and limitations apply to this *policy section*:

- We will not pay for loss or *damage* caused by:
- (a) fire, extinguishing a fire, demolition following a fire, smoke, soot, or chemical explosion;
 - (b) lightning, storm, rain, hail, snow, wind, *flood*, action of the sea, tidal wave, storm surge or high water;
 - (c) earthquake, subterranean fire, volcanic eruption, tsunami, landslide, mudslide, subsidence or any other earth movement;
 - (d) leakage of water or liquids;
 - (e) malicious *damage* including *damage* by burglars, caused during industrial disputes, riots, civil commotions or labour disturbances;
 - (f) impact by *vehicles*, *aircraft* or anything dropped from them, satellites, space debris, sonic boom, *watercraft*, communication masts, or towers, aerials, antennae, satellite dishes, buildings, parts of buildings or falling trees or branches;
 - (g) theft or any attempt at theft;
 - (h) the equipment being subjected to tests involving abnormal stresses or arising out of equipment being intentionally overloaded;
 - (i) the equipment undergoing maintenance, inspection, repair, alteration, modification or overhaul;
 - (j) any deliberate act or negligence by you; or
 - (k) *computer virus*, malfunctioning or derangement.
- We will not pay for loss or *damage* to insured equipment which is useless or obsolete.
- We will not pay for any costs:
- (a) of carrying out normal maintenance such as the tightening of loose parts, recalibration or adjustments; or
 - (b) that you are entitled to recover under any maintenance agreement or warranty.

Additional benefits

We also pay for the following additional benefits when we agree to pay a claim in respect of a covered insured event under this *policy section*.

We cover

We also cover the following:

1. Business interruption

if you are insured under *policy section 2* - Business Interruption, then we will cover you under that *policy section* for loss or *damage* resulting solely from a *breakdown* which is covered under this *policy section 8* - Equipment Breakdown, or would have been but for the application of an *excess*.

For the purpose of this additional benefit, the definition of the *indemnity period* under *policy section 2* - Business Interruption is amended to mean the period beginning with the occurrence of the *breakdown* and ending no later than the number of months shown in the *schedule* during which the results of the *business* are affected as a result of the *breakdown*.

We do not cover

The following exclusions and limitations apply to this *policy section*:

We will not pay more than \$250,000 for any one claim.

We will not pay for loss or *damage*:

- (a) which we do not cover under *policy section 2* - Business Interruption; or
- (b) where you do not immediately notify us of the *breakdown*.

Policy section 8: Equipment Breakdown

We cover	We do not cover
<p>2. Service interruption if there is a <i>breakdown</i> of equipment not owned, leased, operated or controlled by you, we will also pay under:</p> <ul style="list-style-type: none"> (a) additional benefit 1 - Business Interruption: for any reduction in business <i>turnover</i> or additional increased cost of working caused by the <i>breakdown</i>; or (b) <i>optional benefit 1</i> - Spoilage of <i>stock</i>: if shown in the <i>schedule</i> as applying, for spoilage of <i>stock</i>, provided that the <i>breakdown</i> is to equipment that is: <ul style="list-style-type: none"> (i) of a type described in the definition of <i>insured equipment</i> in the <i>policy section</i>; (ii) used to supply telephone, electricity, air conditioning, heating, gas, water or steam services to your <i>business</i> at the <i>situation</i>; (iii) is owned by the owner of the building at the <i>situation</i> or by a utility company, or by a company contracted by you to provide those services; and (iv) is located on or within 300 metres of the <i>situation</i>. 	
<p>3. Hazardous substances if a <i>hazardous substance</i> is involved or released by a <i>breakdown</i> we will pay for the increase in cost to repair, replace, clean up or dispose of affected insured property. The increase in cost shall mean that cost or <i>damage</i> which would not have been incurred had no <i>hazardous substance</i> been present.</p>	<p>We will not pay more than \$25,000 for any one claim.</p>
<p>4. Expediting costs if we are liable for the cost of reinstating any <i>insured equipment</i>, we will also pay for the cost, reasonably incurred, for express freight and overtime labour for the purpose of expediting that reinstatement.</p>	<p>We will not pay more than \$10,000 for any one claim.</p>
<p>5. Temporary hire costs we will pay the cost, reasonably incurred, of hiring temporary replacement equipment of similar specification during the time taken to repair <i>insured equipment</i> as result of a <i>breakdown</i>.</p>	<p>We will not pay more than \$25,000 for any one claim.</p>
<p>6. Electronic data and media restoration if, as a result of a <i>breakdown</i> to <i>insured equipment</i>, <i>electronic data</i> or <i>media</i> is lost or <i>damaged</i>, we will pay for the additional costs of repairing or replacing such <i>electronic data</i> or <i>media</i>, including the cost of gathering or assembling information.</p>	<p>We will not pay more than \$10,000 for any one claim.</p> <p>We will not pay for loss or <i>damage</i>:</p> <ul style="list-style-type: none"> (a) to <i>electronic data</i> or <i>media</i> created more than 5 days prior to the <i>breakdown</i> occurring; or (b) caused by or resulting from programming errors.
<p>7. Demolition and increased cost of construction if prior to the time of the <i>breakdown</i> there is in force any law, by-law, ordinance, regulation, rule or ruling regulating or restricting repair, replacement, construction or installation, we will pay for:</p> <ul style="list-style-type: none"> (a) the increased cost of repair or replacement of <i>damaged</i> and/or undamaged <i>insured equipment</i> (including any necessary demolition and site clearing costs) arising from such law, by-law, ordinance, regulation, rule or ruling; and (b) if we pay you an amount under additional benefit 1, the increase in loss of <i>gross profit</i> or additional increased cost of working caused as a result of the enforcement of the law, by-law, ordinance, regulation, rule or ruling. 	

Policy section 8: Equipment Breakdown

Optional benefit

We will provide the following *optional benefit* when shown on the *schedule* as applying:

Spoilage of stock

where *damage* or expense is due to spoilage resulting solely from a *breakdown to insured equipment*, we will pay:

- (a) the cost to replace *damaged* food and beverage products;
- (b) the cost to replace *damaged* food and beverage products that are in your care, custody or control and for which you are legally liable; and
- (c) the reasonable cost incurred by you to reduce or avert such *damage*, but only to the extent that the total amount that otherwise would have been paid under this *optional benefit* or additional benefit 2, is reduced.

For the purpose of this *optional benefit*, the definition of *breakdown* is amended to include the operation or failure to operate of any switch, thermostat, control, fuse, circuit breaker or overload device which is included in the definition of *insured equipment*, but not including the manual operation or setting of such switch, thermostat, control, fuse, circuit breaker or overload device.

If the *damaged* food and beverage products are not replaced, then we will only pay the *actual cash value* of the *damaged* food and beverage products.

How we pay your claim

When we agree to pay a claim in respect of a covered insured *event* under this *policy section*, the basis upon which the amount payable is to be calculated shall be:

1. Media and electronic data

For *media* and *electronic data*, we will pay you for the cost of blank material plus the cost of transcription from duplicates or from originals.

2. Exposed film, records, manuscripts, drawings and other valuable papers and records

For exposed film, records, manuscripts, drawings and other valuable papers and records, we will pay you for the cost of blank material plus the cost of transcription from duplicates or from originals.

3. All other insured equipment and other property insured

For all other *insured equipment* and other property insured, we will pay you the lesser of the cost at the time of the *breakdown* to:

- (a) repair the *damaged* property; or
- (b) replace the *damaged* property with similar property of like kind, capacity, size, quality and function.

However, we will not pay:

- (a) more than the amount you actually spend;
- (b) the cost of repairing or replacing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment;
- (c) any expense in *excess* of the cost at the time of the *breakdown* to replace *insured equipment* on the same site or a site adjacent; or
- (d) loss or *damage* to *insured equipment* or insured property which is useless or obsolete.

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

How much we will pay

The most we will pay under this *policy section* is the *limit any one loss* shown in the *schedule*.

Excess

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

Policy section 9: Marine Transit

Definitions

The following definitions apply to this *policy section*.

Conveyance means

The ship, vessel, *aircraft*, postal service, train, *vehicle* or truck used to transport the *goods*.

Goods means

Business contents and *stock* used in connection with your *business*.

Goods does not include:

- (a) household goods and/or personal effects;
- (b) any *goods* transported in a temperature controlled cargo space (such as a refrigerated container or truck);
- (c) any *goods* imported into or exported from Australia by sea unless transported inside a fully structurally enclosed general purposes shipping container;
- (d) *aircraft*, *hovercraft*, motor *vehicles*, motor cycles, locomotives, rolling *stock*, *watercraft*, pleasurecraft, caravans, horse boxes and all other trailers;
- (e) alcoholic beverages (with the exception of beer and wine) and/or cigarettes;
- (f) antiques and/or fine art unless the insured value of each individual item is less than \$2,500;
- (g) computer chips, micro-processors, chip sets, CPU's, lap top computers, mobile/cellular phones or MP3 players. Notwithstanding the foregoing, items that contain computer chips and/or CPU's are covered under this *policy section* unless such items are specifically excluded under this *policy section*;
- (h) deeds, securities, treasury notes, or any other cash equivalents, tickets, vouchers, stamps or duty stamps and the like;
- (i) jewellery or watches;
- (j) livestock, bloodstock, or other living creatures;

- (k) *money*;
- (l) precious metals and items that are made or which may contain precious metals;
- (m) precious or semi-precious stones or items that are made from or which may contain precious or semi-precious stones;
- (n) skins, hides or furs. Notwithstanding the foregoing, tanned hides or items that are made from or which contain skins, hides or furs are covered under this *policy section*.

In transit means

The period of time starting from the time the *goods* are uplifted for the sole purpose of being loaded into or onto the *conveyance* at the origin warehouse or premises for transportation, and shall continue during the ordinary course of transit, and shall end from the time the *goods* are unloaded from the *conveyance*:

- (a) at the receiver's or other final warehouse or premises at the intended destination; or
- (b) at any other warehouse or place of storage 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.

Your cover

We will cover you for loss of or *damage* to *goods in transit* caused by an insured *event* which occurs during the *period of insurance*.

Your *schedule* will show whether you are insured for inland transit and/or imports/exports.

We cover/insured events

Your cover is for the following insured events:

1. War

If, at the time of loss, *goods* are *in transit* on board an overseas vessel or *aircraft*, then we will cover loss of or *damage* to the *goods* if caused by:

- (a) war, civil war, revolution, rebellion, insurrection or civil strife arising from therefrom, or any hostile act by or against a belligerent power;
- (b) capture, seizure, arrest, restraint or detainment arising from risks covered under (a) above, and the consequences thereof or any attempt thereat; or
- (c) derelict mines, torpedoes, bombs or other derelict weapons of war.

We do not cover

The following exclusions and limitations apply to this *policy section*:

We will not cover any transit to, from or within any of the following countries: Afghanistan, Angola, Bosnia and Herzegovina, Burma (Myanmar), Burundi, Congo (Republic of, and the Democratic Republic of), Cuba, El Salvador, Eritrea, Ethiopia, Ivory Coast, Iran, Iraq, Liberia, Nigeria, North Korea, Nicaragua, Rwanda, Sierra Leone, Somalia, Sudan, Syria, Uganda and Yemen, or countries with restrictive regulations that prohibit insurance being effected, other than within that country.

Policy section 9: Marine Transit

We cover/insured events

2. Strikes

If, at the time of loss, *goods* are *in transit* and are in or on the *conveyance*, then we will cover loss of or *damage* to the *goods* if caused by:

- (a) strikers, locked-out workmen or persons taking part in labour disturbances, riots or civil commotions;
- (b) any terrorist or any person acting from a political or ideological or religious motive.

3. General average

We will cover general average and salvage charges adjusted or determined according to the contract of affreightment and/or the governing law and practice (or if there is no contract of affreightment, according to foreign statement or to the York-Antwerp Rules) incurred to avoid or in connection with the avoidance of loss from any cause except those specifically excluded under this *policy section*.

4. Fumigation

We will cover loss or *damage* to the *goods* arising from *goods* being fumigated by order of a properly constituted authority.

5. Deliberate *damage* pollution hazard

Caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat thereof.

6. All other causes

We will cover loss of or *damage* to *goods in transit* from any other cause that is not otherwise excluded.

We do not cover

Loss or *damage* or expense:

- (a) attributable to your neglect or that of your employees;
- (b) attributable to your failure or that of your employees to take reasonable steps to prevent or minimise a loss or threat of loss;
- (c) attributable to changes in atmospheric or climatic conditions or extremes of temperature;
- (d) attributable to ordinary loss of weight or volume;
- (e) attributable to rust, oxidation or discolouration unless caused by the entry of water into a structurally enclosed cargo space;
- (f) caused by the inherent vice, latent defect or nature of the *goods*;
- (g) caused by insects, rats or other vermin;
- (h) attributable to ordinary wear, tear or gradual deterioration;
- (i) for loss of *electronic data* or computer software that is held on computers or other hardware;
- (j) attributable to mechanical or electrical or electronic derangement or *breakdown* or impairment of *goods* unless there is evidence of *damage* to the *goods* that occurred during transit;
- (k) caused by delay;
- (l) for any indirect or consequential or financial or economic loss or damages suffered by any party;
- (m) attributable to the unseaworthiness of the vessel or the unfitness or unsuitability of the *conveyance* or shipping container - but only if you or your employees were aware, or could reasonably be expected to have been aware thereof;
- (n) caused by insufficient or unsuitable preparation or packing or stowing of *goods* performed by you or your employees;
- (o) arising from the insolvency or financial default of the owners, managers, charterers or operators of the *conveyance* if you were aware, or could reasonably be expected to have been aware of the financial reliability of the party at fault;
- (p) arising in, or where you or any beneficiary under this *policy* is a citizen or instrumentality of the government or, any country(ies) against which any laws and/or regulations governing this *policy* and/or us, our parent company or its ultimate controlling entity have established any embargo or other form of economic sanction which have the effect of prohibiting us providing insurance coverage, transacting *business* with or otherwise offering economic benefits to you or any other beneficiary under this *policy*.
It is further understood and agreed that no benefits or payments will be made to any beneficiary(ies) who is/are declared unable to receive economic benefits under the laws and/or regulations governing this *policy* and/or us, our parent company or its ultimate controlling entity.

Policy section 9: Marine Transit

Additional benefits

We also pay for the following additional benefits when we agree to pay a claim in respect of a covered insured *event* under this *policy section*.

We cover

We also cover the following:

1. Airfreight replacement

if in consultation with us, you consider it necessary to forward replacements by air or to airfreight *damaged* items to manufacturers for repair and return, we will pay the reasonable costs incurred even though original transit was not by air.

2. Delayed unpacking

if there is a delay in opening containers or packages at your *situation*, loss of or *damage* to the *goods* first discovered on opening will be deemed to have occurred during transit unless we can provide conclusive proof that the loss did not occur *in transit*.

3. Removal of debris

costs and expenses that are reasonably and properly incurred by you in the removal and disposal of debris of the *goods*.

4. Contingency cover

if a loss occurs during the import or export of *goods* and, at the time of loss, the insurable interest in the *goods* vested with the other party to the contract of sale, then we will cover your contingent insurable interest in the *goods*.

We do not cover

The following exclusions and limitations apply to this *policy section*:

We will not pay more than:

- (a) the original insured value of the *goods*; or
 - (b) \$10,000
- whichever is the lesser.

We will not pay if:

- (a) you or your employee did not immediately open and inspect a container or package showing signs of *damage*; or
- (b) the delay in opening containers or packages was more than 14 days after arrival of the *goods* at your *situation*.

We will not pay more than:

- (a) the original insured value of the *goods*; or
 - (b) \$10,000
- whichever is the lesser.

We will not pay for any costs and expenses incurred as a result of or to prevent or to mitigate pollution or contamination or any threat thereof.

We will not pay:

- (a) unless you advise us within 48 hours of any *event* likely to give rise to a claim;
- (b) unless you take all reasonable steps which we require to prevent or minimise loss and to enforce the contract of sale;
- (c) unless all rights and benefits against the other party to the contract or the carrier or any other persons are subrogated and/or assigned to us;
- (d) if you disclose the existence of this contingency cover or *policy section* to the other party to the contract without our prior written approval; and
- (e) if any *money* payable under this contingency cover is assigned to another party without our prior written approval.

Policy section 9: Marine Transit

We cover

5. Institute clauses – difference in conditions

if a loss occurs during an import or export transit and we do not have to pay you under the scope of this *policy section*, but we would have to pay you under the scope of the institute clauses stated below, then we will still pay you.

INSTITUTE CARGO CLAUSES (A) CL. 252, 1/1/82
INSTITUTE WAR CLAUSES (CARGO) CL. 255, 1/1/82
INSTITUTE STRIKES CLAUSES (CARGO) CL. 256, 1/1/82
INSTITUTE CARGO CLAUSES (AIR) CL. 259, 1/1/82
INSTITUTE STRIKES CLAUSES (AIR CARGO) CL. 260, 1/1/82
INSTITUTE WAR CLAUSES (AIR CARGO) (excluding sendings by Post) CL. 258, 1/1/82
INSTITUTE WAR CLAUSES (sendings by Post) CL. 257, 1/1/82
INSTITUTE CLASSIFICATION CLAUSE, CL. 354, 1/1/01
INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE, CL. 370, 10/11/03
INSTITUTE CYBER ATTACK EXCLUSION CLAUSE, CL. 380, 10/11/03

We do not cover

How we pay your claim

When we agree to pay a claim in respect of a covered insured *event* under this *policy section*, the basis upon which the amount payable is to be calculated shall be:

1. Goods sold

We will pay your invoice value. However, for CIF or CIP export sales, we will pay the CIF invoice value plus 10%.

2. Goods purchased

We will pay the purchase price shown on your supplier's invoice.

3. All other goods

We will pay the cost of repairing or replacing the *goods* to a condition equal to but no better or more extensive than its condition at the time of the loss or *damage*.

4. Duty and freight

We will pay the costs of duty and freight when incurred by you.

How much we will pay

The most we will pay for *goods in transit* in any one *conveyance* is the Limit any one *Conveyance sum insured* shown in the *schedule*.

Condition

The following condition applies to this *policy section*.

1. Insurable interest

In order to recover from this *policy section*, you must have an insurable interest in the *goods* at the time the loss happens.

Excess

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

Policy section 10: Management Liability PrivateEdge® Lite

Important notice: 'Claims-made and notified' insurance

This *policy section* provides cover on a 'claims made and notified' basis. This means that this *policy section* only covers claims first made against you and notified to us in writing during the *period of insurance*.

Definitions

The following definitions apply to this *policy section*.

Claim means

Any:

- (a) written complaint, proceeding or arbitration seeking damages or non-monetary relief;
- (b) criminal charge; and
- (c) official, written notice or other demand in connection with an investigation.

Company means

The *policyholder* and any *subsidiary*.

Defence costs means

Reasonable and necessary fees, costs and expenses incurred by or with our prior written consent in the defence, investigation (by or on behalf of any *insured*), adjustment, settlement or appeal of any *claim* against an *insured* for any *management liability*.

Direct financial loss means

Direct financial loss caused by the loss of *money*, *securities* or other property owned by the *company*.

Direct financial loss does not include:

- (a) wages, salaries or other remuneration or benefits paid by the company to its *employees* and *executives*;
- (b) complete or partial non-payment or default under any credit arrangement; or
- (c) any costs, fees or other expenses incurred by the insured in prosecuting or defending any demand, *claim* or legal proceeding resulting from a *direct financial loss* which is covered under this *policy section*.

Disclosure document means

Any prospectus, information, memorandum, registration statement or similar document regardless of whether or not it has been, or is required to be, filed or registered with the Australian Securities and Investments Commission or any other similar authority in any other jurisdiction.

Discovered, Discovers, or Discovery means

When any *executive* (who is not in collusion with an *employee* who has or is attempting to commit a dishonest act) first becomes aware of any facts which would cause a reasonable person to assume that a *direct financial loss* which may be covered under this *policy section* has been or is likely to be incurred, even though the exact amount or details of the *direct financial loss* are not known at the time the *executive* first became aware of such facts.

Discovery period means

Means a period immediately following expiry of the *period of insurance* during which time written notice may be given to us of any:

- (a) *claim*:
 - (i) in connection with an investigation (other than a *claim* for *management liability*); or
 - (ii) for any *management liability* arising prior to the expiry of the *period of insurance*; or
- (b) *direct financial loss discovered* either prior to or within 30 days of the expiry of the *period of insurance*.

Dishonest acts means

Any fraudulent or dishonest acts committed by an *employee* (acting alone or in collusion with others) with the principal intent to cause the *company* to sustain a *direct financial loss* and results in the *employee* making an improper financial gain for themselves or for any other individual or organisation intended by the *employee* to receive such gain.

Employee means

Either:

- (a) any natural person who is past, present or future full-time, part-time, seasonal or temporary employee, or *executive officer* or senior manager; or
- (b) in the case of the "Fidelity" cover only, a natural person who, at the time of the committing of any *dishonest act*, is a full time, part-time, seasonal or temporary employee, or *executive officer* or senior manager;

who are not directors, auditors, consultants, independent contractors, secondees or agents.

Employment liability means

Any liability from a *claim* against any *company*, or any *executive* or *employee* of any *company* by an *employee* or prospective *employee* of that *company* based upon any *wrongful act* in connection with the recruitment, employment of or the termination of such *employee* or, decision not to employ the prospective *employee*, including but not limited to, any employment-related retaliation or harassment.

Executive means

Any natural person who is a past, present or future:

- (a) duly elected or appointed director or trustee (other than a trustee of an insolvent entity);
- (b) executive officer or senior manager; or
- (c) any other person with duties equivalent to those of the positions listed in (a) or (b) above.

Executive liability means

Liability:

- (a) for any *wrongful act* of any *executive* or any *employee* of any *company*; or
- (b) arising solely from an *insured person's* status as an *executive* or *employee* of a *company*.

Policy section 10: Management Liability PrivateEdge® Lite

Fraud investigator means

An appropriate fraud investigator who has no conflict of interest, nominated by the *insured* and approved in writing by us, to establish proof of *direct financial loss*.

Insured means

A *company* or *insured person*.

Insured person means

Any *executive* or any *employee* of any *company*.

Investigation means

Any investigation, examination or inquiry by any regulator, government authority or official trade body into the affairs of a *company* or conduct of an *insured person* as an *executive* or *employee* of a *company*.

Investigation costs means

The reasonable and necessary fees, costs and expenses incurred by or with our prior written consent by or on behalf of an *insured person* in preparing for and attending any *investigation*.

Loss means

- (a) compensatory damages (including, but not limited to, any order by an Australian or New Zealand court to pay compensation for *damage* resulting from a contravention of Australian or New Zealand legislation); and
- (b) legal costs and expenses of a plaintiff;

that any *insured* is legally obligated to pay under the terms of:

- (i) a judgement entered against any *insured*; or
- (ii) a settlement negotiated by or pre-approved in writing by us.

Loss includes *defence costs*, but does not include:

- (i) fines or penalties, other than those covered by the Pecuniary penalties additional benefit or any compensation order under (a) above;
- (ii) taxes;
- (iii) employment-related compensation or benefits;
- (iv) internal or overhead expenses of any *insured person* or any *company*;
- (v) the cost of complying with non-monetary damages or relief; or
- (vi) matters which may be deemed uninsurable under applicable law.

Management liability means

- (a) in the case of any *insured person*, any;
 - (i) *executive liability*;
 - (ii) *employment liability*; and
- (b) in the case of any *company*, any *employment liability*.

Money means

Local or foreign currency, coins, bank notes, cheques, travellers cheques, registered cheques, postal orders, money orders and bullion.

Policyholder means

Policyholder shall have the same meaning as provided to You/your/insured in the general definitions of the *policy* but only in respect of the persons referred to as the “legal entity(ies) shown in the *schedule* as the ‘insured’”.

Securities means

Any negotiable or non-negotiable instruments or contracts representing *money* or other property including but not limited to shares, preference shares, stocks, debentures, warrants, options, bonds, promissory notes or other equity or debt security.

Submission means

The declarations and statements which are contained in or constitute the application for insurance together with any other information submitted to us.

Subsidiary means

Any privately held entity, other than a partnership or joint venture over which, either prior to or at the inception of the *period of insurance*, the *policyholder* has the capacity to determine the outcome of decisions about that entity's financial and operating policies.

Transaction means

The *event* of:

- (a) the *policyholder* consolidating with, merging with or into or selling all or substantially all of its assets to any other person or entity or group of persons and/or entities acting in concert;
- (b) any person or entity or group of persons or entities acting in concert acquiring the capacity to determine the outcome of decisions about the *policyholder's* financial and operating policies; or
- (c) the receivership, bankruptcy, liquidation, administration or legally recognised insolvency of the *policyholder*.

Wrongful act means

Any actual or alleged wrongful act, error or omission by any:

- (a) *executive* of a *company*;
- (b) *employee* of a *company*; or
- (c) *company*.

Your cover

We will cover any *claim* first made against an *insured* during the *period of insurance* or *direct financial loss* discovered during the *period of insurance* that is reported to us during the *period of insurance*.

We cover/insured events

Your cover is for the following insured events:

1. Insured persons

we shall pay the unindemnified *loss* of any *insured person* due to a *claim* for any *management liability*.

2. Reimbursement

we shall pay a *company* to the extent it has indemnified *loss* of any *insured person* due to a *claim* for *management liability*.

3. Company liability

we shall pay the *loss* of any *company* due to a *claim* made against the *company* for any *employment liability*.

4. Fidelity

we shall pay a *company* its *direct financial loss* due to *dishonest acts* committed after the continuity date, or the date from which the *company* has maintained uninterrupted fidelity insurance (or equivalent cover).

We do not cover

The following exclusions and limitations apply to this *policy section*:

1. We will not cover *loss* or make any payment in connection with any *claim* arising out of, based upon or attributable to any:

- (a) (i) improper use of position or information to gain any profit or advantage or cause detriment to any *company*;
- (ii) remuneration illegally paid to or received by an *insured*; or
- (iii) criminal, dishonest, fraudulent, wilful or malicious act, error or omission, or any intentional or knowing violation of law

but only if:

- (i) the foregoing have been established by any judgement, award or other finding by a court, tribunal or arbitrator; or
 - (ii) such *insured* admits in writing to (i), (ii) or (iii) above.
- This exclusion does not apply to insured *event* 4 Fidelity.

- (b) actual or alleged liability of any *company* to anyone other than an employee of a *company* assumed under any contract;
- (c) actual or alleged insolvency of the *company* or any actual or alleged inability of the *company* to pay any or all of its debts as and when they fall due;
- (d) actual or alleged liability of any *insured* in connection with intellectual property or privacy rights, or trade secrets;
- (e) actual or alleged fact or circumstance that, prior to the continuity date, may reasonably have been expected by an *insured* to give rise to a *claim*;
- (f) acts or omissions committed or allegedly committed within North America, or any legal action or litigation brought within North America or under any laws thereof;
- (g) actual or alleged violation of any responsibilities, obligations or duties protecting or regulating any *employee* pension plans, *employee* welfare plans, *employee* retirement savings plans, *employee* profit sharing or *employee* benefits programme.
This exclusion does not apply to additional benefit 14.
- (h) as of the *policy section* inception, prior or pending *claim* or circumstance reported under any *policy* of which this *policy section* is a renewal or replacement, or the same, continuous, repeated or related facts as those alleged in such prior or pending *claim* or such circumstance;
 - (i) actual or alleged professional services of any *company*;
 - (ii) *disclosure document* which contains an offer for the issue, sale, purchase or transfer of *securities*; or
 - (iii) the making of any written or verbal representations in connection with a *disclosure document* referred to in (i);

for the purpose of raising or restructuring capital for the *company*.

We cover/insured events	We do not cover
	<p>2. We will not cover <i>loss</i> or make any payment in connection with any <i>claim</i>:</p> <ul style="list-style-type: none"> (a) for any violation by any <i>company</i> of any law applicable to: <i>business</i> competition, unfair trade practices or tortious interference with any <i>business</i> or contractual relationships; (b) for any workers' compensation, disability benefits, redundancy or unemployment benefits or compensation, unemployment insurance benefit, retirement benefits, social security benefits or any similar obligation. <p>This exclusion does not apply to additional benefit 14.</p> <ul style="list-style-type: none"> (c) for bodily injury, sickness, disease or death of any person, <i>damage</i> to, destruction of or loss of use of any property, or infliction of emotional distress. This exclusion does not apply to <i>claims</i> alleging emotional distress caused by a <i>wrongful act</i> in connection with <i>employment liability</i> or defamation. (d) brought by or on behalf of any <i>company</i>. <p>This exclusion does not apply to:</p> <ul style="list-style-type: none"> (i) <i>defence costs</i>; (ii) any shareholder derivative action brought or maintained on behalf of any <i>company</i> without the solicitation or participation of any <i>insured</i>; or (iii) any <i>claim</i> brought or maintained by a liquidator, receiver or administrative receiver derivatively on behalf of any <i>company</i> without the solicitation or participation of any <i>insured</i>. (e) brought against any <i>insured</i> by, at the instigation of, or on behalf of, any past present shareholder who had or has direct or indirect ownership of, or control over 15% or more of the voting share capital of any <i>company</i>. <p>3. In addition, insured <i>event</i> 4. Fidelity does not cover:</p> <ul style="list-style-type: none"> (a) <i>direct financial loss</i> arising out of, based upon, attributable to or in any way connected with: <ul style="list-style-type: none"> (i) the accessing and dissemination of, any confidential information including, but not limited to, trade secrets, computer programs, customer information, patents, trademarks, copyrights or processing methods; (ii) any fraudulent or dishonest activities involving collusion or complicity of an <i>executive</i> (part a of the definition only); (iii) any extortion or kidnap and ransom; (iv) any dishonest act outside of Australia or New Zealand; (v) any <i>employee</i> from the time any executive (who is not in collusion with such employee for the purpose of committing a <i>dishonest act</i>) had actual knowledge that the employee had committed or was suspected of having committed a <i>dishonest act</i>; or (vi) any fraudulent or <i>dishonest acts</i> committed by any shareholder who at the time of committing such acts had direct or indirect ownership of or control over more than 5% of the voting share capital of any <i>company</i>.

Policy section 10: Management Liability PrivateEdge® Lite

We cover/insured events	We do not cover
	<p>(b) <i>direct financial loss</i> in connection with any <i>dishonest act</i> arising out of, based upon or attributable to:</p> <ul style="list-style-type: none">(i) the <i>insured</i> failing to ensure that at least 2 <i>executives</i> sign any cheques, <i>securities</i> or funds transfer instructions or authorise any refund of <i>money</i> or return of goods; or(ii) the <i>company's</i> bank accounts being reconciled by any person who has authority to operate those bank accounts. <p>(c) <i>direct financial loss</i> which is <i>discovered</i>:</p> <ul style="list-style-type: none">(i) prior to the commencement of the <i>period of insurance</i>; or(ii) after 30 days following the expiry of the <i>period of insurance</i>. <p>(d) <i>direct financial loss</i> the proof of which is dependent solely upon:</p> <ul style="list-style-type: none">(i) a profit and <i>loss</i> computation; or(ii) a comparison of inventory records with an actual physical count. <p>If, however, an <i>employee</i> is identified as having caused or is suspected of having caused a <i>direct financial loss</i>, then inventory records and actual physical count of inventory can be submitted as partial evidence in support of proof of the <i>direct financial loss</i> as required by the 'Notification' Claims condition.</p>

Policy section 10: Management Liability PrivateEdge® Lite

Additional benefits

We also pay for the following additional benefits when we agree to pay a claim in respect of a covered insured *event* under this *policy section*.

We cover	We do not cover
We also cover the following:	The following exclusions and limitations apply to this <i>policy section</i>:
<p>1. Bilateral discovery period if this <i>policy section</i> is neither renewed or replaced with similar cover at the expiry of the <i>period of insurance</i>, the <i>policyholder</i> shall be entitled to a <i>discovery period</i> of:</p> <ul style="list-style-type: none">(a) 30 days, granted automatically with no additional premium payable; or(b) (i) 12 months in the case of any claims; and (ii) 30 days in the case of any <i>direct financial loss</i>, upon payment of an additional premium of 100% of the annual premium in effect immediately prior to the expiry of the <i>period of insurance</i>.	
<p>2. Controlling shareholder where a <i>wrongful act</i> is alleged to have been committed by an <i>insured person</i> both as an <i>executive</i> of a <i>company</i> and as a controlling shareholder, such <i>wrongful act</i> shall, for this <i>policy section</i>, be committed solely in that <i>executive capacity</i>.</p>	
<p>3. Defence cost advancement we will advance covered <i>defence costs</i> within a reasonable time after our receipt of invoices detailing such costs.</p>	
<p>4. Discovery period for retired insured persons if this <i>policy section</i> is neither renewed or replaced with similar cover at the expiry of the <i>period of insurance</i>, any <i>executive</i> who retires after the <i>continuity date</i> and prior to the expiry of the <i>period of insurance</i> or any <i>transaction</i> shall be entitled to a 36 month <i>discovery period</i> at no additional premium.</p>	
<p>5. Fraud investigator's costs we will pay on behalf of the <i>insured</i> the reasonable and necessary fees and expenses of a <i>fraud investigator</i> retained by the <i>insured</i> to investigate, prove and report a <i>direct financial loss</i> covered under this <i>policy section</i>.</p>	<p>We will not pay more than the <i>limit of liability</i> inclusive of <i>fraud investigator's costs</i> for any <i>claim</i> covered under this <i>policy section</i>.</p>
<p>6. Heirs, estates and legal representatives any <i>claim</i> made against any estate, heir or legal representative of an <i>insured person</i> for <i>management liability</i> of that <i>insured person</i>, shall be covered as if made against that <i>insured person</i>.</p>	
<p>7. Investigation costs cover is extended to, and the definition of <i>loss</i> includes <i>investigation costs</i>. <i>Investigation costs</i> are payable regardless of any <i>management liability</i>.</p>	

We cover	We do not cover
<p>8. New companies upon the <i>policyholder</i> obtaining the capacity to determine the outcome of decisions about the financial and operating policies of a privately held corporation after the inception of the <i>period of insurance</i>, then the definition of <i>subsidiary</i> will be extended to include that corporation while privately held.</p>	<p>There is no cover where the privately held corporation has revenues that are greater than the <i>policyholder's</i>.</p>
<p>9. OH&S defence/investigation costs exclusion 2.(c) under 'We do not cover' shall not apply to <i>defence costs</i> or <i>investigation costs</i> payable for any <i>claim</i> brought against an <i>insured person</i> in the jurisdictions of Australia or New Zealand in connection with an occupational health and <i>safety</i> law or regulation.</p>	
<p>10. Pecuniary penalties the definition of <i>loss</i> includes pecuniary penalties awarded against an <i>executive</i> of any <i>company</i> in and under the laws of the jurisdictions of Australia or New Zealand, provided that we are not legally prohibited from paying the pecuniary penalties.</p>	
<p>11. Pollution defence/investigation costs General exclusion 5. Pollution shall not apply to <i>defence costs</i> or <i>investigation costs</i> which are payable for any <i>claim</i> brought against an <i>insured person</i> in connection with any actual or alleged discharge, dispersal, release or escape of <i>pollutants</i>.</p>	
<p>12. BusinessGuard Advisory Panel during the <i>period of insurance</i> the <i>insured</i> is entitled to free advice, not involving a significant time commitment on the part of the member firm, from the BusinessGuard Advisory Panel which relates to matters which are relevant to cover provided under this <i>policy section</i>. We consent to the appointment of any member firm to act on behalf of the <i>insured</i> in respect of any <i>claim</i> notified to us, provided we accept the notification under the <i>policy section</i> and subject always to the Claims conditions and to our agreeing that the member firm's rates and other terms of engagement are reasonable. The <i>insured</i> may access the services of the BusinessGuard Advisory Panel by contacting the firms listed as such at www.chartisinsurance.com.au.</p>	
<p>13. Spouses any <i>claim</i> made against an <i>insured person's</i> spouse for <i>management liability</i> of that <i>insured person</i>, shall be covered as if made against that <i>insured person</i>.</p>	
<p>14. Superannuation trustees the definition of <i>executive</i> is extended to include any fiduciary capacity of such <i>executive</i> owed to any <i>employee</i> benefits plan, pension plan or superannuation fund of any <i>company</i>.</p>	

How we pay your claim

When we agree to pay a *claim* in respect of a covered insured *event* under this *policy section*, the basis upon which the amount payable is to be calculated shall be:

1. Securities and Money

(a) the actual market value of *securities, money* or precious metals at the close of business on the day the *loss* was *discovered* (determined by the value published in the Australian Financial Review);

(b) or the actual cost of replacing the *securities, money* or precious metals;

whichever is the lesser.

2. Other property

(a) the actual cash value of other property (not referred to in 1. above) at the close of business on the day the *loss* was *discovered*; or

(b) the actual cost of replacing the property with property of like quality or value;

whichever is the lesser.

3. Reproduction of books of account

(a) the cost of blank books, blank pages or other materials plus the cost of labour and computer time for the actual transcription or copying of data furnished by the *insured* in order to reproduce books of account and other records; or

(b) the cost of labour for the actual transcription or copying of electronic data furnished by the *insured* in order to reproduce such *electronic data*.

How much we will pay

The most we will pay under this *policy section* shall not, in the aggregate, exceed the *limit of liability* (aggregate) shown in the *schedule*.

The most we will pay:

(a) for the *fidelity insured event* is the sublimit of liability for *fidelity* shown in the *schedule*; and

(b) for the *employment liability insured event* is the sublimit of liability for *employment liability* shown in the *schedule*.

Sublimits of liability and additional benefits are not in addition to the *limit of liability* (aggregate).

Excess

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

A single *excess* will apply to *loss* arising from all *claims* alleging the same *wrongful act* or *direct financial loss* arising from the same *dishonest acts*.

Claims conditions

Unless the context indicates otherwise, the following claims conditions as well as the general claims conditions apply to this *policy section*.

1. Notification

Cover under this *policy section* is afforded solely with respect to any *claim* or *direct financial loss* that is reported to us during the *period of insurance* or any *discovery period*.

All notifications must be made to us in writing as soon as practicable.

If the *insured* notifies a *direct financial loss* to us, the *insured* must also, as soon as practicable, provide us with:

(a) affirmative proof of the *direct financial loss*; and

(b) all requested information and documents and co-operation in all matters relating to the *direct financial loss*.

2. Defence costs advancement

We will not refuse to advance *defence costs* by reason only that we consider that conduct referred to in 1.(a)(i), (ii) and (iii) under 'We do not cover' has occurred, until such time as there is an admission, or a judgement, award or other finding by a court, tribunal or arbitrator which establishes the foregoing. Any payments advanced in respect of *defence costs* for which it is ultimately established that we are not liable must be repaid by the *insured*.

3. Circumstances

Any *insured* must, during the *period of insurance*, notify us in writing of any circumstance reasonably expected to give rise to a *claim*. The notice must include the reasons for anticipating that *claim*, and full particulars as to dates, acts and persons involved.

4. Related claims

If notice of a *claim* or circumstance is given as required by this *policy section*, then any subsequent *claim* alleging, arising out of, based upon or attributable to the facts alleged in that *claim* or described in that circumstance notice shall be deemed first made against an *insured* and reported to us at the time the required notices were first provided. Any *claim* arising out of, based upon or attributable to continuous, repeated or related *wrongful acts* shall be considered a single *claim*.

5. Related dishonest acts

Any *direct financial loss* resulting from a series of continuous, repeated or related *dishonest acts* shall be considered a single *direct financial loss*.

6. Bilateral discovery period

The *policyholder* must make any request for a 12 month *discovery period* in writing within 15 days, and pay any additional premium within 30 days after expiry of the *period of insurance*. A *discovery period* is not cancellable by the *policyholder* and any premium payable for a *discovery period* is non-refundable.

In the *event* of a *transaction* during the *period of insurance*, no *discovery period* is available under additional benefit 1.

7. Loss mitigation

As soon as the *insured* discovers a *direct financial loss* involving an identified *employee*, the *insured* must immediately take all necessary steps to prevent any additional *direct financial loss* being caused by the same identified *employee*. Any further *direct financial loss* caused by the same *employee* after the date of discovery will not be covered by this *policy section*.

8. Consent - insured

We may settle any *claim* with respect to any *insured* subject to such *insured's* or *policyholder's* written consent. If the *insured* or the *policyholder* withholds consent to any settlement recommended by a senior lawyer then our liability for all *loss* in respect of that *claim* will not exceed the amount for which we could have settled the *claim* plus the costs and expenses incurred to the date such settlement was recommended in writing to the *insured*.

9. Consent - insurer

No *insured* shall admit or assume any liability, enter into any settlement agreement, or consent to any judgement without our prior written consent. Our consent will not be unreasonably withheld provided that we are permitted to effectively associate with the *insured* in the defence and settlement of any *claim*. Only judgments resulting from *claims* defended in accordance with this *policy section*, shall be recoverable as a *loss* under this *policy section*.

10. Defence/settlement

The *insured* must, at its own cost, render all reasonable assistance to us and take all reasonable measures to mitigate *loss*. The *insured* shall defend and contest any *claim* made against them. We shall advance *defence costs* in excess of the *excess*, if applicable and we shall be entitled, but not required, to participate fully in such defence and the negotiation of any settlement that involves or appears to involve us.

11. Determination of whether insurer's settlement recommendation is reasonable

Should any *insured persons* or the *policyholder* wish to contest any legal proceedings which we want to settle, then we will agree to the appointment, at the *insured person's* or the *policyholder's* request, of a senior lawyer (to be mutually agreed upon by us and the *insured* or in the absence of mutual agreement to be appointed by the President of the Law Society, or equivalent organisation, in the jurisdiction in which legal proceedings were first served) to determine whether our settlement recommendation is reasonable.

The senior lawyer shall take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely costs of defence and the prospects of the *insured* successfully defending the action.

The costs of the senior lawyer's opinion will be paid by us. Any amount paid by us under this claims condition will be paid in addition to the *limit of liability*.

12. Use of fraud investigator

The *fraud investigator* shall:

- (a) investigate the facts behind a *direct financial loss*;
- (b) determine the quantum of a *direct financial loss*;
- (c) advise when and how the *insured's* controls were or may have been breached;
- (d) summarise recommendations which may prevent future similar *direct financial loss*; and
- (e) issue a report limited to the foregoing, in a format approved by us, in duplicate to us and the *insured*.

We have the right to attend the initial meeting between the *insured* and the *fraud investigator*. The *insured* is not obliged to use the services of a *fraud investigator*.

If the *insured* does not elect to retain a *fraud investigator*, then any costs or expenses incurred by, or on behalf of or in the right of an *insured* in connection with investigating and proving a *direct financial loss* shall be incurred solely at the expense of the *insured* and this *policy section* shall not cover any such costs or expenses.

13. Loss allocation

Where, as between any *insured person* and any other person (including the *company*), any *loss* has been jointly or jointly and severally incurred, our liability under this *policy section* is limited to the proportion of the *loss* which represents a fair and equitable allocation between the *insured persons* and those other persons, taking into account the relative legal and financial exposures of, and the relative benefits obtained by, the *insured persons* and those other persons (including the *company*).

Where any *loss* is incurred in respect of any *claim* which arises from both covered matters and matters not covered by this *policy section*, our liability under this *policy section* is limited to the proportion of the *loss* which represents a fair and equitable allocation between us, the *company* and the *insured persons*, taking into account the relative legal and financial exposures attributable to covered matters and matters not covered under this *policy section*.

Where our liability under this *policy section* is limited under this clause, we, the *company* and the *insured persons* must use their best endeavours to agree upon the allocation to be adopted by them as the fair and equitable allocation.

14. Loss allocation disputes

If the parties are unable to agree, then the fair and equitable allocation is to be determined by a senior lawyer (to be mutually agreed upon by us and the *policyholder* or in the absence of agreement, to be appointed by the President of the Law Society or equivalent organisation, in the jurisdiction in which the *loss* was incurred).

The senior lawyer is to determine the fair and equitable allocation as an expert, not as an arbitrator. We and the *policyholder* (or its designee) may make submissions to the senior lawyer. The senior lawyer is to take account of the parties' submissions, but the senior lawyer is not to be fettered by such submissions and is to determine the fair and equitable allocation in accordance with his or her own

judgement and opinion. The senior lawyer's determination shall be final and binding. The costs of the senior lawyer's determination shall be borne by us.

For so long as the proportion of *defence costs* to be advanced under the *policy section* remains unagreed and undetermined, we shall advance the proportion of the *defence costs* which it considers represents a fair and equitable allocation. The fair and equitable allocation finally agreed or determined shall be applied retrospectively to any defence costs incurred prior to agreement or determination.

Conditions

The following conditions apply to this *policy section*.

1. Application for insurance

- (a) no statements made or knowledge possessed by any *insured person* shall be imputed to any other *insured person* to determine whether cover is available for any *claim* made against such other *insured person*; and
- (b) only the statements and knowledge of any Chairman of the Board of Directors, chief *executive* officer, chief operating officer, chief financial officer or chief legal officer (or equivalent positions) of a *company* shall be imputed to that *company*, and the knowledge of the same officers of the *policyholder* will be imputed to all *companies*.

2. Conduct

For the purpose of determining the applicability of 1.(a) (i), (ii) and (iii) under 'We do not cover' of this *policy section*:

- (a) the information or knowledge possessed by any past, present or future Chairman of the Board of Directors, chief *executive* officer, chief operating officer, chief financial officer or chief legal officer (or equivalent positions) of a *company* shall be imputed to that *company*.

3. Preservation of right of recovery

In the event and to the extent that the *company* is legally permitted or required to indemnify any *insured person* in respect of a *claim*, but for whatever reason fails to do so, then we shall pay on behalf of the *insured person* any loss arising from such *claim*. In such event, the *company* shall pay the *excess* that applies to insured *event 2* to us.

4. Bankruptcy or insolvency

We will not be relieved of any obligations under this *policy section* as a result of bankruptcy or insolvency of any *insured*.

5. Cover in respect of subsidiaries

Cover for any *claim* against an *insured person* in their capacity as an *insured person* of any subsidiary shall apply only to *management liability* arising, or *dishonest acts* committed, while such *company* is or was a *subsidiary* of the *policyholder* and the *insured person* served in that capacity. An entity ceases to be a *subsidiary* when the *policyholder* does not have the capacity to determine the outcome of decisions about that entity's financial and operating policies.

6. Transactions

In the *event* of a *transaction*, then the cover under this *policy section* is amended to apply only to:

- (a) the *management liability* incurred; and
- (b) *direct financial loss discovered*

prior to the effective time of such *event*. This *policy section* may not be cancelled after the effective time of such *event*, and the entire premium for this *policy section* shall be deemed earned at such time.



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