

Business Insurance Policy

Product Disclosure Statement
and Policy Wording

vero 

Claims made and notified basis of cover

This notice is in relation to Policy Section 7 – Management Liability only and does not form part of the PDS or policy.

Policy Section 7 – Management Liability (excluding Optional Insurance 1 – “Employee dishonesty”) is issued on a “claims made and notified” basis. This means that Policy Section 7 – Management Liability (excluding Optional Insurance 1 – “Employee dishonesty”) responds to claims first made against you during the period of insurance and notified to us during the period of insurance, provided that you were not aware, or did not notify us, at any time prior to the policy inception of circumstances which would have put a reasonable person in your position on notice that a claim may be made against them.

Section 40(3) of the Insurance Contracts Act 1984 may apply to any written notification of facts. The facts that you may decide to notify within the period of insurance are those which might give rise to a claim against you. Such notification must be given as soon as reasonably practicable after you become aware of the facts and prior to the time at which your policy expires. If you give written notification of facts your policy may respond even though a claim arising from those facts is made against you after your policy has expired.

When the period of insurance expires, no new notification of facts that may give rise to a claim against you can be made under Policy Section 7 – Management Liability of the expired policy, even though the facts giving rise to the claim against you may have occurred during the period of insurance.

If you notify a claim first made against you during the period of insurance under this Policy Section, after the period of insurance expires, our liability may be reduced by an amount that fairly represents the extent to which our interests were prejudiced as a result of your delay in notifying us of the claim as soon as reasonably practicable within the period of insurance.

Exceptions to this are Additional Benefit 12 – “Retired directors and officers” and Additional Benefit 13 – “Automatic discovery period” of Policy Section 7 – Management Liability, under which some cover for new notification of claims or facts is available. Please refer to page 100 for details of these Additional Benefits and when they apply.

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Welcome to Vero

Vero is a specialist provider of quality business insurance products and packages in Australia. Our mission is to help ensure your business' success – whether you run a small business or a large corporation.

With over 180 years of experience providing quality insurance products in Australia, we're experts at helping business owners cover their risks and helping to secure the future of their business.

We offer our products exclusively through insurance brokers and authorised agents, because we believe that impartial, specialist advice is paramount when it comes to selecting business insurance. Vero has a great reputation in the industry, and we work closely with insurance brokers to help ensure we meet the unique needs of our many, varied clients.

Help protect your business, and your future, with an insurer that understands business.

Vero is a member of the Suncorp Group.

Who is the insurer?

This insurance is issued by AAI Limited ABN 48 005 297 807 AFSL 230859 trading as Vero Insurance.

How to contact us

You may contact **us** by:

- ▼ Online Claims Lodgment: via www.vero.com.au/claims
- ▼ Telephone: 1300 888 071
- ▼ Email: via the "Contact Us" page on **our** website www.vero.com.au
- ▼ Mail: Vero Insurance
GPO Box 3999
Sydney NSW 2001

About this Product Disclosure Statement and Policy Wording

We are required to give **you** a **PDS** if **you** are insuring a **home building** under Policy Section 1 – Property Damage, Policy Section 2 – Theft or Policy Section 3 – Glass; or insuring **vehicles** (not exceeding 2 tonnes) under Policy Section 11 – Commercial Motor, and **you** are:

- ▼ an individual; or
- ▼ a small business, having:
 - ▼ in the case of a non-manufacturing business, less than 20 employees; or
 - ▼ in the case of a manufacturing business, less than 100 employees.

This **PDS** and Policy Wording has 7 parts:

- ▼ Part A contains the Policy Summary. **You** can use this summary to decide which Policy Sections **you** require.
- ▼ Part B contains information about **your** rights and responsibilities, including **your** duty of disclosure and information about premiums, cancellation and cooling off periods.
- ▼ Part C contains **our** Privacy Statement.
- ▼ Part D contains **our** complaints resolution procedure.
- ▼ Part E contains other information relevant to **your policy**.
- ▼ Part F contains information that only applies to some policyholders. This part only applies to **you** if **you** are insuring **vehicles** (not exceeding 2 tonnes) under Policy Section 11 – Commercial Motor; or a **home building** under Policy Section 1 – Property Damage, Policy Section 2 – Theft or Policy Section 3 – Glass; and **you** are an individual or a small business.
- ▼ Part G contains **your** Vero Business Policy Wording. It applies to all persons who take out this insurance.

To understand the full terms and conditions of **your policy**, **you** must read all parts of the **PDS** and Policy Wording.

If **you** are an individual or a small business and **you** are insuring **vehicles** under Policy Section 11 – Commercial Motor; or a **home building** under Policy Section 1 – Property Damage, Policy Section 2 – Theft or Policy Section 3 – Glass, **you** should also read the relevant sections of Part F.

Communicating with you electronically

We may send **your policy** documents and **policy** related communications electronically. This will be by email and/or other types of electronic communication methods (e.g. SMS). **We** will obtain **your** express or inferred consent to do so.

Each electronic communication will be deemed to be received by **you** at the time it leaves **our** information system.

Part A: Policy Summary

The Vero Business Insurance Policy offers a range of insurance covers. These are listed below. Not all covers are available on their own and some are dependent on **you** taking out another cover as well. For covers **you** have selected please refer to “Insuring clause – What we cover” and “What we exclude” in the relevant Policy Section.

Cover type	Summary of covers (see relevant Policy Section for details, relevant limits, and specific conditions and exclusions that apply)
Policy Section 1 – Property Damage	This Policy Section covers loss of, or damage to, your property insured from specified insured events such as fire, lightning and explosion, and provides a number of Extra Covers and Additional Benefits.
Policy Section 2 – Theft	This Policy Section covers loss of, or damage to, your contents, stock and specified items due to theft and provides some Extra Covers and Additional Benefits.
Policy Section 3 – Glass	This Policy Section covers glass at your premises (including internal glass, external glass and sanitary fittings) and provides an Extra Cover and Additional Benefit.
Policy Section 4 – Money	This Policy Section covers your business’s money while at your premises , in a safe or strongroom , in transit to or from your premises , in your personal custody , or custody of a trusted employee .
Policy Section 5 – Business Interruption	Cover under this Policy Section will depend upon the type of cover you choose. Five cover options are available: (1) Gross Profit; (2) Gross Rentals; (3) Gross Income; (4) Weekly Income; or (5) Increased Cost of Working Only. Irrespective of the type of cover chosen, this Policy Section covers interruption of your business from loss or damage caused by specified insured events. Extra Covers are also provided.
Policy Section 6 – Public and Products Liability	This Policy Section covers your legal liability to pay compensation for personal injury, property damage, or advertising liability caused by an occurrence in connection with the business or your products .
Policy Section 7 – Management Liability	This Policy Section covers the management liability of you, your directors, officers and employees .
Policy Section 8 – Portable and Valuable Items	This Policy Section covers portable or valuable items that you usually carry around with you in the course of your business anywhere in the world.
Policy Section 9 – Equipment Breakdown	This Policy Section covers the breakdown of insured equipment at the premises and any loss of, or damage to, property insured caused directly by the breakdown .
Policy Section 10 – Tax Probe	This Policy Section covers the professional fees incurred in connection with a tax audit of the business’s tax affairs by an authority authorised to do so, for example, the Australian Taxation Office.
Policy Section 11 – Commercial Motor	This Policy Section covers vehicles with a choice of Comprehensive, Legal liability, Fire and Theft or Legal liability only covers.
Policy Section 12 – Goods in Transit	This Policy section covers loss of, or damage caused to, goods you sell, buy or use in your business when they are in transit . You have a choice of two types of cover in this Policy Section: Option A – Specified perils and Option B – Accidental damage.

Optional Insurance

This PDS has a number of Optional Insurances which, for an additional premium and subject to any conditions that apply, **you** can choose to include in **your policy**. If included these will be specified in **your policy schedule**.

When **we** send **your** renewal offer, it will usually include **your** previously selected Optional Insurances. Contact **us** to remove or add any Optional Insurance.

Part B: Your Rights and Responsibilities

This part applies to all Policy Sections of **your PDS** and Policy Wording. All policyholders need to read Part B.

Your duty of disclosure

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

You have this duty until **we** agree to insure **you**.

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

You do not need to tell **us** anything that:

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

If you do not tell us something

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

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

Cooling off period

You have the right to return the **policy** or a Policy Section of the **policy** by notifying **us** in writing within thirty (30) days of the date it was issued to **you** ("cooling off period"), unless **you** have a claim under the **policy** or that Policy Section within the cooling off period. If **you** return **your policy** or remove a Policy Section of the **policy** during the cooling off period, **we** will return the amount **you** have paid (including GST if applicable) and **you** will have no cover for the **policy** or that Policy Section of the **policy**.

In addition, if **you** vary **your policy** and add a Policy Section, **you** have the right to remove that Policy Section within thirty (30) days of the date it was added by notifying **us** in writing ("additional cooling off period"), unless **you** make a claim under that Policy Section within the additional cooling off period. If **you** remove the added Policy Section during the additional cooling off period, **we** will return the amount **you** have paid (including GST if applicable) for that Policy Section.

To cancel **your policy** at other times (including when a claim has been made during the cooling off period), see "Cancellation" below.

Cancellations

How you may cancel

You can cancel **your policy** at any time. **You** can specify a future date from which **you** would like to cancel **your policy**. If **you** do not specify a date then the cancellation takes effect on the date **we** receive **your** request. If **you** cancel **your policy**, **we** will refund the proportion of **your** premium for the unexpired **period of insurance** (including GST if applicable) less any non-refundable government charges, provided the refund is more than \$10 (GST inclusive).

If **you** pay by instalments, on cancellation **you** agree to pay **us** any portion of the premium that is owing but not yet paid and that amount is due and payable.

How we may cancel

We can cancel **your policy** when the law allows **us** to. If **we** cancel **your policy**, **we** will refund the proportion of **your** premium for the unexpired **period of insurance** (including GST if applicable), less any non-refundable government charges, provided the refund is more than \$10 (GST inclusive). If **we** cancel **your policy** due to fraud, **we** will not refund any money to **you**.

If **we** pay out a claim for the full **insured amount** on **your building**, whether by reinstatement or replacement or by a payment to **you**, that cover ends. Any Policy Section, Extra Cover, Additional Benefit or Optional Insurance for that cover also ends.

If **we** pay out a claim for a **total loss** on **your vehicle** by a payment to **you**, that cover ends. Any Policy Section, Extra Cover, Additional Benefit or Optional Insurance for that cover also ends.

When **your policy** ends as a result of us paying out a claim for the full **insured amount** on **your building** or **we** pay out a **total loss** of **your vehicle**, **we** will not refund any premium for an unexpired **period of insurance**. If **you** have been paying **your** premium by monthly direct debit instalments, **we** will deduct the remaining instalment premiums due for the unexpired **period of insurance** from the amount **we** pay for the claim.

The amount of your premium

The premium is the amount **you** pay **us** for this insurance and is specified in **your policy schedule**. It includes stamp duty, Goods and Service Tax (GST) and any other government charge or levies that apply. The amount of these taxes and charges will be specified in **your policy schedule**.

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

In addition to the factors **we** use to calculate **your** premium, the discounts **you** qualify for also affect your premium. **Your** premium includes any discounts **you** qualify for and these are applied before adding applicable government charges. **We** can vary or withdraw a discount at any time, however changes will not affect the premium for an existing **policy** during its current **period of insurance**.

Paying your premiums

We will tell **you** how much **you** have to pay and how much time **you** have for payment.

You must pay the premium by the due date. For the first **period of insurance**, if **you** do not pay the premium owing by the due date, **we** can cancel **your policy**.

For renewals of policies paid annually, if **you** do not pay **your** premium by the due date, then **you** have no cover from the due date.

If **you** change **your policy**, **you** may be entitled to a partial refund of premium or be required to pay an additional premium.

Paying by monthly instalments

If **you** pay **your** premium by monthly instalments and a monthly instalment is overdue, **we** will let **you** know and **we** can cancel **your policy**:

- ▼ by giving **you** at least 14 days advance notice; or
- ▼ without advance notice, once an instalment is one (1) month (or more) overdue.

Retroactive date and exclusions of prior acts

A retroactive date applies to Policy Section 7 – Management Liability. This means that it does not cover loss resulting from any **wrongful act** occurring or committed prior to the retroactive date specified in **your policy schedule**. Policy Section 7 also excludes cover for any **wrongful act** occurring or committed by a **subsidiary** or its directors, officers or employees prior to its acquisition or creation by **you**.

Excess

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

The amount and type of **excess** that applies to **your policy** is shown either in Part G: “Business Insurance Policy Wording” of this document or on **your policy schedule**.

For some types of cover, Extra Cover or Additional Benefit, the **excess** that applies may be higher than, or in addition to, the one specified in **your policy schedule**. If this is the case this will be stated in the applicable Policy Section.

If **you** claim under more than one Policy Section for one incident or **event**, then **you** only pay the largest applicable **excess** unless expressly stated otherwise in the **policy**.

Fraudulent claims

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

- ▼ refuse to pay a claim;
- ▼ cancel **your policy**; or
- ▼ take legal action against **you**.

Part C: Privacy Statement

AAI Limited trading as Vero Insurance is the insurer and issuer of this product, and is a member of the Suncorp Group, which **we** refer to as “the Group”.

Why do we collect personal information?

Personal information is information or an opinion about an identified individual, or an individual who is reasonably identifiable.

We collect personal information so that **we** can:

- ▼ identify **you** and conduct appropriate checks;
- ▼ understand **your** requirements and provide **you** with a product or service;
- ▼ set up, administer and manage **our** products and services and systems, including the management and administration of underwriting and claims;
- ▼ assess and investigate any claims **you** make under one or more of **our** products;
- ▼ manage, train and develop **our** employees and representatives;
- ▼ manage complaints and disputes, and report to dispute resolution bodies; and
- ▼ get a better understanding of **you**, **your** needs, **your** behaviours and how **you** interact with **us**, so **we** can engage in product and service research, development and business strategy including managing the delivery of **our** services and products via the ways **we** communicate with **you**.

What happens if you don't give us your personal information?

If **we** ask for **your** personal information and **you** don't give it to **us**, **we** may not be able to provide **you** with any, some, or all of the features of **our** products or services.

How we handle your personal information

We collect **your** personal information directly from **you** and, in some cases, from other people or organisations. **We** also provide **your** personal information to other related companies in the Group, and they may disclose or use **your** personal information for the purposes described in “Why do we collect personal information?” in relation to products and services they may provide to **you**. They may also use **your** personal information to help them provide products and services to other customers, but they'll never disclose **your** personal information to another customer without **your** consent.

Under various laws **we** will be (or may be) authorised or required to collect **your** personal information. These laws include the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, Personal Property Securities Act 2009, Corporations Act 2001, Autonomous Sanctions Act 2011, Income Tax Assessment Act 1997, Income Tax Assessment Act 1936, Taxation Administration Act 1953, A New Tax System (Goods and Services Tax) Act 1999 and the Australian Securities and Investments Commission Act 2001, as those laws are amended and includes any associated regulations.

We will use and disclose **your** personal information for the purposes **we** collected it as well as purposes that are related, where **you** would reasonably expect **us** to. **We** may disclose **your** personal information to and/or collect **your** personal information from:

- ▼ other companies within the Group and other trading divisions or departments within the same company (please see **our** Group Privacy Policy for a list of brands/companies);
- ▼ any of **our** Group joint ventures where authorised or required;
- ▼ customer, product, business or strategic research and development organisations;
- ▼ data warehouse, strategic learning organisations, data partners, analytic consultants;
- ▼ social media and other virtual communities and networks where people create, share or exchange information;
- ▼ publicly available sources of information;
- ▼ clubs, associations, member loyalty or rewards programs and other industry relevant organisations;
- ▼ a third party that **we**'ve contracted to provide financial services, financial products or administrative services – for example:
 - ▼ information technology providers;
 - ▼ administration or business management services, consultancy firms, auditors and business management consultants;

- ▼ marketing agencies and other marketing service providers;
- ▼ claims management service providers;
- ▼ print/mail/digital service providers; and
- ▼ imaging and document management services.
- ▼ any intermediaries, including **your** agent, adviser, a broker, representative or person acting on **your** behalf, other Australian Financial Services Licensee or **our** authorised representatives, advisers and **our** agents;
- ▼ a third party claimant or witnesses in a claim;
- ▼ accounting or finance professionals and advisers;
- ▼ government, statutory, or regulatory bodies and enforcement bodies;
- ▼ **policy** or product holders or others who are authorised or noted on the **policy** as having a legal interest, including where **you** are an insured person but not the **policy** or product holder;
- ▼ in the case of a relationship with a corporate partner such as a bank or a credit union, the corporate partner and any new incoming insurer;
- ▼ the Australian Financial Complaints Authority or any other external dispute resolution body;
- ▼ credit reporting agencies;
- ▼ other insurers, reinsurers, insurance investigators and claims or insurance reference services, loss assessors, financiers;
- ▼ legal and any other professional advisers or consultants;
- ▼ hospitals and, medical, health or wellbeing professionals;
- ▼ debt collection agencies;
- ▼ any other organisation or person, where **you've** asked them to provide **your** personal information to **us** or asked **us** to obtain personal information from them, e.g. **your** mother.

We'll use a variety of methods to collect **your** personal information from, and disclose **your** personal information to, these persons or organisations, including written forms, telephone calls and via electronic delivery. **We** may collect and disclose **your** personal information to these persons and organisations during the information life cycle, regularly, or on an ad hoc basis, depending on the purpose of collection.

Overseas disclosure

Sometimes, **we** need to provide **your** personal information to – or get personal information about **you** from – persons or organisations located overseas, for the same purposes as in “Why do we collect personal information?”

The complete list of countries is contained in **our** Group Privacy Policy, which can be accessed at www.vero.com.au/vero/privacy, or **you** can contact **us** for a copy.

From time to time, **we** may need to disclose **your** personal information to, and collect **your** personal information from, other countries not on this list. Nevertheless, **we** will always disclose and collect **your** personal information in accordance with privacy laws.

How to access and correct your personal information or make a complaint

You have the right to access and correct **your** personal information held by **us** and **you** can find information about how to do this in the Suncorp Group Privacy Policy.

The Suncorp Group Privacy Policy also includes information about how **you** can complain about a breach of the Australian Privacy Principles and how **we'll** deal with such a complaint. **You** can get a copy of the Suncorp Group Privacy Policy. Please use the contact details in “Contact us” below.

Contact us

For more information about **our** privacy practices including accessing or correcting **your** personal information, making a complaint, or obtaining a list of overseas countries **you** can:

- ▼ Visit www.vero.com.au/privacy
- ▼ Speak to **us** directly by phoning one of **our** Sales & Service Consultants on: 1300 888 073 or
- ▼ Email **us** at privacyaccessrequests@vero.com.au

Part D: Complaints Resolution

We are committed to:

- ▼ listening to what **you** tell **us**;
- ▼ being accurate and honest in telling **you** about **our** products and services;
- ▼ communicating with **you** clearly; and
- ▼ resolving any complaints or concerns **you** have in a fair, transparent and timely manner.

How to contact us with a complaint

If **you** experience a problem, are not satisfied with **our** products or services or a decision **we** have made, please let **us** know so that **we** can help. Contact **us**:

- ▼ By phone: 1300 888 073
- ▼ By email: claims@vero.com.au

If **we** are not able to resolve **your** complaint or **you** would prefer not to contact the people who provided **your** initial service, **our** Customer Relations team can assist:

- ▼ By Phone: 1300 264 470
- ▼ By Email: idr@vero.com.au
- ▼ In writing: Vero Customer Relations, Vero PO BOX 14180 Melbourne City Mail Centre VIC 8001

Customer Relations will contact **you** if they require additional information or if they have reached a decision.

When responding to **your** complaint **you** will be informed of the progress and the timeframe for responding to **your** complaint.

Seek review by an external service

We expect **our** procedures will deal fairly and promptly with **your** complaint. However, if **you** remain dissatisfied, **you** may be able to access the services of the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. Any determination AFCA makes is binding on **us**, provided **you** also accept the determination. **You** do not have to accept their determination and **you** have the option of seeking remedies elsewhere.

AFCA has authority to hear certain complaints. Contact AFCA to confirm if they can assist **you**.

You can contact AFCA:

- ▼ By phone: 1800 931 678
- ▼ By email: info@afca.org.au
- ▼ In writing: Australian Financial Complaints Authority,
GPO Box 3, Melbourne VIC 3001
- ▼ By visiting: www.afca.org.au

Part E: Other Information

How the Goods and Services Tax (GST) affects this insurance

The premium will include an amount of GST.

You must tell **us** about the **input tax credit** (ITC) **you** are entitled to for **your** premium and **your** claim, each time **you** make a claim. If **you** do not give **us** this information or if **you** tell **us** an incorrect ITC, **we** will not pay any GST liability **you** incur.

If a **vehicle** is a **total loss** **we** will reduce any payment **we** make by an amount equal to **your** ITC entitlement, if any (unless **your policy** states otherwise).

Our liability to **you** will be calculated taking into account any ITC to which **you** are entitled for any acquisition which is relevant to **your** claim, or to which **you** would have been entitled had **you** made a relevant acquisition.

In respect of **your policy**, where **you** are registered for GST purposes **you** should calculate the **insured amount** or **limit of liability** having regard to **your** entitlement to **input tax credits**. **You** should, therefore, consider the net amount (after all **input tax credits**) which is to be insured and determine an **insured amount** or **limit of liability** on a GST exclusive basis.

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

“GST”; “input tax credit”; “acquisition” and “supply” have the meaning given in A New Tax System (Goods and Services Tax) Act 1999.

Financial Claims Scheme

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

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

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA. Information about the FCS can be obtained from APRA by:

▼ Telephone: 1300 55 88 49

▼ Website: www.apra.gov.au

General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice. **You** can get a copy of the Code from the Insurance Council of Australia website (www.insurancecouncil.com.au) or by phoning (02) 9253 5100 or 1300 728 228.

Terrorism and Cyclone Insurance Act 2003

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

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

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

Updating information

The information in this **PDS** and Policy Wording was current at the date of preparation. **We** may update some of the information in the **PDS** and Policy Wording that is not materially adverse from time to time without needing to notify **you**.

You can obtain a copy of any updated information by contacting **us** on 1300 888 071. **We** will give **you** a free paper copy of any updates if **you** request them. If it becomes necessary, **we** will issue a **Supplementary PDS** or replacement **PDS** which **we** will give **you**.

Part F: Information for some policyholders

This Part applies to **you** if **you** are insuring:

- ▼ **home building**, under Policy Section 1 – Property Damage, Policy Section 2 – Theft or Policy Section 3 – Glass,

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

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

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

- ▼ **vehicles** (not exceeding 2 tonnes) under Policy Section 11 – Commercial Motor,

and **you** are:

- ▼ an individual; or
- ▼ a small business having:
 - ▼ in the case of a non-manufacturing business, less than 20 employees; or
 - ▼ in the case of a manufacturing business, less than 100 employees.

You need to read this Part if it applies to **you**.

Policy Section 1 – Property Damage

You may insure a **home building** under Policy Section 1, if used for a business, for **loss** or **damage** caused by an insured event during the **period of insurance**. If **you** lease out **your building** then **your** landlord's fixtures and fittings, including floor coverings, are insured as part of **your building**. **You** cannot insure a **home building** under Policy Section 1 unless **you** own the **building**.

Provided none of the exclusions listed in Policy Section 1 – Property Damage apply, **you** are covered for **loss** or **damage** caused by the following insured events:

- ▼ fire;
- ▼ escape of molten material from its intended confines at the **premises**;
- ▼ lightning or thunderbolt;
- ▼ explosion or implosion;
- ▼ storm, wind and rain (including snow, sleet or hail but excluding **flood**);
- ▼ water damage;
- ▼ impact;
- ▼ riot or civil commotion;
- ▼ malicious damage (including by vandals and thieves);
- ▼ earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these; and
- ▼ accidental damage (sub-limit applies).

Policy Section 2 – Theft

If **you** insure **electronic equipment**, **contents**, or **stock** against **theft** under Policy Section 2, **we** will also cover **you** for some **damage** that occurs to the **home building** as a result of the **theft**.

We will also cover **you** for **damage** to the **building** **you** rent if the **building** is **damaged** as a result of a **theft** during the **period of insurance**.

Policy Section 3 – Glass

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

Please refer to the General Definitions on pages 27 to 32 for an explanation of what **glass** means.

The amount you pay for Policy Sections 1, 2 or 3 (home building) or Policy Section 11 (vehicles)

The premium is the amount **you** pay **us** for this insurance. The premium payable by **you** will be specified in **your policy schedule**. Premiums include applicable Commonwealth and State taxes, charges and levies. The amount of these taxes, charges and levies will be specified in **your policy schedule**.

If **you** change **your policy** **you** may be entitled to a partial refund of premium or be required to pay an additional premium.

How various factors may affect your premium for Policy Sections 1, 2 and 3 (home building)

The following table is a guide to the significant factors which impact generally on **your** premium in relation to Policy Sections 1, 2 or 3 (for a **home building**).

Factor	Lowers premium	Increases premium
Insured amount	Lower insured amount	Higher insured amount
Address and/or postcode	Low risk address and/or postcode	High risk address and/or postcode
Optional insurance	None taken	One or more taken
Claims experience	Low claims experience	High claims experience
Voluntary excess	Higher excess	Lower excess
Occupation	Low risk occupation	High risk occupation
Location	Low risk location	High risk location
Number of premises	Fewer premises	More premises
Building materials	More fire resistant materials	Less fire resistant materials
Security	High security	Low security
Age of Building	Newer building	Older building
Endorsements	Reduces our risk or your cover	Increases our risk or your cover
Our expenses of doing business including payments we make to intermediaries	Low expenses	High expenses

How various factors may affect your premium for Policy Section 11 (vehicles)

The following table is a guide to the significant factors which impact generally on **your** premium in relation to Policy Section 11 (for a **vehicle**).

Factor	Lowers premium	Increases premium
Type of cover	Legal liability only	Comprehensive or legal liability, fire and theft
Type of vehicle	Low risk vehicle	High risk vehicle
Market or agreed value	Market value	Agreed value
Vehicle accessories/modifications	None specified	Accessories and modifications that increase the risk of insurance
Age of driver(s)	Over 25 years of age	Under 25 years of age
No Claim Bonus	Higher rating	Lower rating
Vehicle use	Low risk use	High risk use
Insured amount	Lower insured amount	Higher insured amount
Postcode	Low risk postcode	High risk postcode
Claims experience	Low claims experience	High claims experience

Factor	Lowers premium	Increases premium
Optional insurance	None taken	One or more taken
Voluntary excess	Higher excess	Lower excess
Occupation	Low risk occupation	High risk occupation
Endorsements	Reduces our risk or your cover	Increases our risk or your cover
Our expenses of doing business including payments we make to intermediaries	Low expenses	High expenses

When determining **your** premium **we** also take into account the age of the **vehicle**. This factor may lower or increase the premium depending on whether it means there is a higher chance of **you** making a claim and if so, for how much.

Policy Section 11 (vehicles) Protected No Claim Bonus Optional Insurance

Under Policy Section 11 – Commercial Motor **you** may qualify for Protected No Claim Bonus Optional Insurance if **you** are entitled to a maximum No Claim Bonus. It costs extra to protect **your** No Claim Bonus. **We** can give **you** a price with and without Protected No Claim Bonus Optional Insurance to help **you** decide whether the option suits **your** needs.

Why the cost of insurance can change

Your insurance premium can change during the **period of insurance** if the circumstances or risks covered by **your policy** change. For example **your** premium will change if **you**:

- ▼ change the use of the **vehicle** or add new covers to **your policy**; or
- ▼ change the use of **your premises** or add new covers to **your policy**.

Also, each time **you** renew **your** insurance **your** premium is likely to change, even if **your** circumstances or the risks covered by **your policy** have not changed. This is because premiums are affected by:

- ▼ the total cost of current and future claims;
- ▼ the cost of claims **we** expect to pay in the future;
- ▼ any changes in government taxes or charges;
- ▼ **our** expenses of doing business; and
- ▼ whether indexation is specified in **your policy schedule**.

At renewal, **we** might decide to pass on all, or part of, any premium increase or decrease.

Premium discounts

At times **we** may offer premium discounts to particular customers as part of a promotion or to take account of market conditions. The amount and type of discounts can change at any time before **you** take out this **policy**, or at **your** next renewal. **We** can vary or withdraw a discount at any time, however, changes will not affect the premium for an existing **policy** during its current **period of insurance**.

The main discount **we** offer is the No Claim Bonus for some comprehensively insured **vehicles** – see pages 145 to 147 for details.

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

Excess

If **you** make a claim, **you** may be required to pay one or more **excesses**.

The description of those **excesses** and the circumstances in which they are applied are specified in the relevant Policy Section in Part G of this **PDS** and Policy Wording or in **your policy schedule**. In some Policy Sections an additional or higher **excess** than the one specified in **your policy schedule** may apply to specific covers, Extra Covers, Additional Benefits or Optional Insurances. Any such additional or higher **excesses** will be detailed in the **policy**.

Policy Sections 1, 2 and 3: Excesses

The amount of the **excess** applying to Policy Sections 1 – Property Damage, Policy Section 2 – Theft and Policy Section 3 – Glass is specified in **your policy schedule** or the relevant Policy Section. **We** take into consideration a number of factors when setting the amount of **your excess**, such as:

- ▼ **your** occupation;
- ▼ any voluntary **excess** that **we** may allow **you** to choose;
- ▼ **your** claims history; and
- ▼ any additional risk factors that are unusual or unique to **your business** circumstances.

Policy Section 11: Excesses

There are a number of **excesses** which apply to Policy Section 11 – Commercial Motor. The amount of each **excess** (other than the basic **excess**) is specified in Policy Section 11. The amount of the basic **excess** will be specified in **your policy schedule**.

We take into consideration a number of factors when setting the amount of **your** basic **excess**, such as:

- ▼ the make, model and type of **vehicle** being insured, including modifications made to the **vehicle**;
- ▼ any voluntary **excess** that **we** may allow **you** to choose;
- ▼ the age and driving experience of people who will be driving the **vehicle**;
- ▼ the **insured amount** of the **vehicle**;
- ▼ where and how the **vehicle** is used;
- ▼ the type of cover chosen;
- ▼ the place where **your vehicle** is garaged;
- ▼ **your** previous insurance and claims history; and
- ▼ Optional Insurances, Extra Covers, Additional Benefits and **endorsements** that apply to **your policy**.

Information about the **excesses** applicable to Policy Section 1, 2, 3 and 11 and when **you** are required to pay one or more **excesses** or a when a higher **excess** applies can be found in General Claims Condition 11 – “Paying your excess” on page 20 and as follows:

For Policy Section 1 – Property Damage	on page 51
For Policy Section 2 – Theft	on page 60
For Policy Section 3 – Glass	on page 64
For Policy Section 11 – Commercial Motor	on pages 153 to 155

Part G: Business Insurance Policy Wording

Important information

1. Your policy

Your policy is a legal contract between **you** and **us**. The contract is based on the information **you** gave **us** when **you** applied for the insurance and any subsequent information which **you** have supplied. Based upon the information provided by **you** and subject to the premium being paid, **we** agree to insure **you** during the **period of insurance**.

Your period of insurance starts on the date specified in **your policy schedule** and finishes at 4:00 pm on the expiry date specified in **your policy schedule**.

Your policy is made up of this **PDS** and Policy Wording, any applicable **SPDS**, the **policy schedule** and any **endorsements**. These should be read and kept together. **We** will provide cover under those Policy Sections that are specified in **your policy schedule** and for those Optional Insurances that are specified in the **policy schedule**.

2. Who is insured?

The **policy** provides insurance only for the parties specified in **your policy schedule** unless otherwise stated in individual Policy Sections or by **endorsement**.

3. Policy limits

We will not pay any more than the **insured amount** or **limit of liability** or sub-limit for each Policy Section, part of a Policy Section or individual item or cover that is specified in **your policy schedule**, unless **we** specifically state otherwise in **your policy**.

You should ensure that the **insured amount**, **limits of liability** and sub-limits that apply to this **policy** are adequate for **your** needs. If **you** do not select adequate amounts to insure then **you** may have to bear any uninsured losses **yourself**.

Limits of certain Additional Benefits and Extra Covers

The sub-limits of some of the Additional Benefits and Extra Covers in this **policy** are expressed as a percentage of an **insured amount**. This means that if the underlying **insured amount** is inadequate then the amount of cover provided under the Additional Benefits or Extra Cover may also be inadequate for **your** needs.

Underinsurance

In addition, Policy Sections 1 – Property Damage, 5 – Business Interruption and 11 – Commercial Motor each contain an underinsurance condition that can result in the amount **we** pay **you** being reduced because **you** did not adequately insure. The following table sets out the items to which these underinsurance conditions apply.

Policy Section	Item to which underinsurance condition applies	Page
Policy Section 1 – Property Damage	Total declared value for all property at premises where loss or damage occurs	51
Policy Section 5 – Business Interruption	Gross profit insured amount Gross rentals insured amount	81
Policy Section 11 – Commercial Motor	Partial loss, if vehicle type is other than a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity: amount vehicle insured for	145

4. General Provisions

The General Policy Conditions, General Definitions, General Claims Conditions, and General Exclusions form part of this **policy**. Unless otherwise expressly stated, these apply to each of the Policy Sections, including any Extra Covers, Additional Benefits or Optional Insurances in those Policy Sections.

Specific conditions, definitions and exclusions also apply to individual Policy Sections and any Extra Covers, Additional Benefits or Optional Insurances in those Policy Sections.

If **you** do not comply with the General Policy Conditions, General Claims Conditions or another condition in this **policy**, **we** may:

- refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- recover from **you** any costs and/or any monies **we** have paid; and/or
- cancel **your policy**.

A reference to days in the **policy** means calendar days unless otherwise specified.

Some words used in this **policy** have special meanings. These words are in bold. The words **we** have defined are listed in either the General Definitions on pages 27 to 32 or the Definitions in the applicable Policy Section.

The headings in each Policy Section are not part of the **policy** itself. Their purpose is to provide **you** with a general guide about the content of the text.

5. References to legislation

A reference to any legislation or legislative provision includes any statutory modification, replacement or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision (whether of Australia or elsewhere).

General Policy Conditions

These conditions apply to all Policy Sections unless **we** state in a General Policy Condition that it only applies, or does not apply, to certain Policy Sections.

If **you** do not comply with these General Policy Conditions, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your policy**.

1. Change to risk

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

- ▼ the nature of or type of **business** carried on by **you** or **your** tenants;
- ▼ the occupation and activities carried on by the tenants of **your buildings**;
- ▼ **you** undertake construction works or alterations;
- ▼ as property owner **you** intend to either redevelop or demolish **your property insured**, have lodged an application to do this, or a government authority has issued a demolition order;
- ▼ **your** interest in the **policy** ceases, including by operation of law;
- ▼ **you** are declared bankrupt or the **business** is wound up or carried on by an insolvency practitioner or permanently discontinued;
- ▼ **you** are convicted of a criminal offence;
- ▼ any conversion or modification to **your vehicle** made by someone other than the manufacturer;
- ▼ there is anyone under the age of 25 years who is likely to be a regular driver of the **vehicle**; and
- ▼ any detail on **your policy schedule** is no longer accurate, such as a change of **your** address, **your vehicle**, **your vehicle's** garage postcode or the way **you** use **your vehicle**.

You must notify **us** as soon as possible of any of the above changes.

If **you** have not told **us** about any of the above matters having occurred in any other **period of insurance** **you** held this **policy** with **us**, **you** must also tell us as soon as possible.

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

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

If **you** do not notify **us** when **you** need to **we** may refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** delay in notifying **us**).

If **we** agree to the changes **you** tell **us** about, **we** will confirm this in writing. When **you** contact **us** to inform **us** of any of these above matters occurring or having occurred, **we** may need to agree with **you** that one or more of the following changes is made in order to continue **your** cover:

- ▼ impose an additional **excess**;
- ▼ charge extra premium; or
- ▼ apply a special condition to **your policy**.

In some cases, it may lead **us** to reduce or refuse to pay a claim or mean **we** can no longer insure **you** and **we** will cancel **your policy**.

2. Taking steps to reduce risk

You must take steps to ensure that **you** prevent or minimise **loss**, **damage** or liability by:

- ▼ maintaining **buildings**, structures, fixtures, fittings, furnishings, appliances, **machinery**, implements and plant in sound condition to minimise or avoid theft, **loss**, **damage** or liability;
- ▼ ensuring that only competent employees are employed;
- ▼ avoiding or minimising **loss** of, or **damage** to, **property insured** or other people's property or injury to other people;

- ▼ complying with all laws, statutory obligations, by-laws, regulations and public authority requirements that concern the safety of persons or property, for example workplace health and safety laws;
- ▼ obtaining certificates of inspection for all equipment required by any statute or regulations to be certified; and
- ▼ complying, at **your** expense, with all **our** recommendations to prevent or minimise theft, **loss** or **damage**.

If the **premises** are occupied by **your** tenants **you** must ensure that regular and routine inspections of the condition of the **premises** (including at tenant entry and exit) are undertaken and a record of those inspections kept (including photographs).

Further, if **you** are insuring **your vehicles** under Policy Section 11 – Commercial Motor, **you** must:

- ▼ take steps to prevent or minimise **loss** of, or **damage** to, **your vehicle**, for example:
 - ▼ move **vehicles** away from rising waters including tides;
 - ▼ do not drive into water;
 - ▼ do not leave the keys in the **vehicle** whilst it is unattended or not secure;
 - ▼ obey signage displayed by local government authorities, traffic management companies and state emergency services when applicable;
 - ▼ accompany anyone test driving a **vehicle** when it's up for sale;
- ▼ take care to prevent or minimise injury to another person or **damage** to another person's property;
- ▼ comply with all laws, statutory obligations, by-laws, regulations and public authority requirements that concern the safe use of these **vehicles**, for example:
 - ▼ obey applicable and relevant road rules;
 - ▼ obey speed limits, warnings, signs, local directives and safety requirements;
 - ▼ convey and store goods in a legal manner in or on **your vehicle**;
 - ▼ load **your vehicle** in accordance with legal and safety requirements; and
- ▼ keep **your vehicles** in a roadworthy condition, for example:
 - ▼ replace worn out tyres;
 - ▼ replace worn brakes;
 - ▼ fix paint including clear coats;
 - ▼ replace defective lights; and
 - ▼ repair major scratches or dents.

If **you** do not comply with this condition, **we** may refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance).

3. Hazardous or dangerous goods

When hazardous or dangerous goods are used by the **business** or stored at any **premises** specified in the **policy schedule** (either by **you** or by **your** tenants with **your** knowledge or consent), then such goods must be stored and used in accordance with workplace health and safety laws and regulations applicable to the use and storage of hazardous or dangerous goods, of which **you** should have reasonably been aware.

You can obtain information about these laws and regulations from the workplace health and safety regulator in **your** State or Territory, for example, Worksafe or Workcover.

If **you** do not comply with this condition, **we** may refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance).

This General Policy Condition is not applicable to Policy Section 2 – Theft, Policy Section 3 – Glass, Policy Section 4 – Money, Policy Section 9 – Equipment Breakdown, Policy Section 10 – Tax Probe, and Policy Section 12 – Goods in Transit.

4. Other interests

You must tell **us** if **you** want **us** to record the interests of any third party (for example, banks or lessors) in any item insured under any Policy Section in this **policy**. If **we** agree to record the interest of a third party this will be specified in the **policy schedule**.

If a third party's interest is not recorded, insurance cover will not extend to their interest and they will not be able to make a claim under this **policy**.

Third party beneficiaries

All third party beneficiaries, must comply with the terms and conditions of **your policy**, including without limitation, the General Claims Conditions and the obligation to notify **us** and give **us** details of any other insurance that insures any risk insured by this **policy**.

5. Transfer of interest

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

6. Unoccupancy

You must ensure that any **building** at the **premises** does not stay unoccupied or, if **you** are the **building** owner, untenanted, for a continuous period of 60 days or more. **You** are not insured while the **building** is unoccupied for a period of 60 days or more, unless **we** agree to insure **you**.

If any **building** will or is likely to be unoccupied or untenanted for such a period, **you** must notify **us** as soon as possible. If **you** notify **us** that the premises will be unoccupied or untenanted for a continuous period of 60 days or more and **we** agree to continue to insure **you** under this **policy** during the period where the **building** is unoccupied or untenanted, **we** will confirm this in writing.

You may be required to pay an additional premium and **we** may apply different conditions and impose a higher **excess** if **we** agree to this.

This General Policy Condition is not applicable to Policy Section 7 – Management Liability, Policy Section 10 – Tax Probe or Policy Section 12 – Goods in Transit.

7. Changes in or waivers of the policy

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

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

8. Multiple insured parties

Except as otherwise expressly provided in Policy Section 6 – Public and Product Liability, Policy Section 7 – Management Liability and Policy Section 10 – Tax Probe, where there is more than one person or organisation insured under this **policy**:

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

9. Keeping us up to date

This General Policy Condition is only applicable to Policy Section 11 – Commercial Motor.

You must tell **us** up to the commencement of **your policy** and at each renewal if any authorised driver of **your vehicle**, including **you**, has within the past 5 years:

- ▼ had a licence endorsed, suspended or cancelled;
- ▼ been charged or convicted of any criminal offence relating to arson, drugs, firearms, burglary, housebreaking, theft, robbery, receiving stolen goods, fraud, criminal or wilful damage or injury, assault to anyone; or
- ▼ been charged with or convicted of any motor offence or motor infringement (but not parking fines).

10. Governing law

The construction, interpretation and meaning of the terms of this **policy** will be determined in accordance with the laws of Australia and the State or Territory where the **policy** was issued. Any disputes relating to the construction, interpretation and meaning of the terms of this **policy** will be submitted to the exclusive jurisdiction of the courts of Australia.

11. If your contact details change

You must keep **your** contact details, including **your** Australian mobile number, postal address and email address up to date. If **we** do not have up to date contact details **you** might not receive **your** important **policy** documents which could impact whether **you** have cover in place.

12. The amount of cover

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

If **you** are entitled to an **input tax credit** on any part of the policy premium, the **insured amounts** and **limits of liability** stated in **your policy** are exclusive of any **input tax credit** which you are entitled to claim (unless **your policy** states otherwise).

General Claims Conditions

These conditions apply to all Policy Sections unless **we** state in a General Claims Condition that it only applies, or does not apply, to certain Policy Sections.

You must comply with these conditions if an **event** occurs which may lead to or results in a claim.

If **you** do not comply with these General Claims Conditions, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your** policy.

1. Claim notification

You must:

- ▼ notify the police as soon as possible following a theft or attempted theft of any **property insured** or if any **property insured** is misappropriated, **lost** or maliciously damaged. If **we** ask **you**, give the Police a list of all stolen or damaged items that **you** are able to identify at the time of the theft or attempted theft and provide an update of this list to police once **you** have identified a complete list of stolen or damaged items;
- ▼ notify **us** as soon as possible and give **us** all known details of the **event**;
- ▼ as soon as possible provide **us** with any legal document or other communication **you** receive about the claim, including any legal proceedings brought against **you**; and
- ▼ provide **us** with all reasonable information and documentation to enable **us** to substantiate and investigate the claim that **we** request (including attending an interview or giving evidence in court as **we** may reasonably require). If **we** ask **you** for a statutory declaration verifying the details of **your** claim and any other matters connected with the claim, **you** must provide it.

Where possible, after notifying the police, keep details of the date reported, name of police officer, police station reported to and the report number.

This General Claims Condition does not apply to the notification of claims made against **you** or facts or circumstances that could give rise to a **claim** against **you**, **financial loss** or **business crisis events** under Policy Section 7 – Management Liability.

For the condition applicable to the notification of these matters under that Policy Section, refer to Policy Section Condition 4 – “Notification” in that Policy Section.

2. Minimise loss

You must:

- ▼ take all reasonable precautions to minimise or prevent further **loss, damage**, liability, injury or illness. For example, if there is a hole in the roof, arrange for it to be covered to prevent further water damage from the rain and if **your** vehicle is **damaged** in an accident, when safe to do so, move it off the road and put on **your** hazard lights;
- ▼ take all reasonable steps to recover **lost** or stolen **property insured**; and
- ▼ if **you** make a claim, also do everything to mitigate the **loss, damage**, liability, injury or illness that **we** ask **you** to do.

If **you** are unsure about what precautions to take to minimise or prevent further **loss, damage**, liability, injury or illness, please contact **our** claims services on 1300 888 073.

3. Retain all damaged property

You must:

- ▼ retain and preserve all **damaged** property for inspection by **us** or **our** agent (including a loss adjuster) prior to authorisation of repairs unless alterations and repairs are immediately necessary, for safety reasons or to minimise or prevent further **loss, damage** or injury. If repairs are necessarily carried out without **our** prior approval, **you** are still required where reasonably practicable in the circumstances, to retain and preserve all damaged property for **our** inspection unless it is unsafe to do so, in which case **you** must provide **us** with photographic evidence of the **damaged** property recording its condition prior to disposal or destruction; and
- ▼ retain and preserve all property, products, plant and all other things that may assist **us** in investigating or defending a claim against **you**, including assisting in determining if there are rights of recovery against another entity or person.

4. Proof of ownership

If **you** make a claim for **property insured** that is **lost**, stolen or **damaged**, **you** must provide reasonable **proof of your ownership** or legal responsibility for such **property insured** and evidence of its value, if **we** ask for it. This may include proof of purchase such as sales receipts, tax invoices, accounts and bank or credit card statements or a **certificate of authenticity, manufacturer’s box** or **original operating manual** that provide a description of the **property insured** and show the purchase price, date and location. **We** will take into account what **property**

insured you are claiming for, how old the item is and its residual value when considering what **you** provide as proof of ownership and evidence of value.

We understand **you** may not keep such information for every **business** item **you** own, especially if items are recorded in **your** books of account. **You** or **your** accountant may have records for tax purposes and these may be sufficient to prove ownership and value of the **property insured**.

5. Cooperation

You must co-operate and provide **us** with all reasonable assistance in connection with any investigation, negotiation, recovery, defence, legal proceeding or settlement of any claim including:

- ▼ doing all things necessary to allow **us** to take over legal proceedings in the circumstances discussed in General Claims Condition 15 – “Rights of recovery”, on pages 21 to 22; and
- ▼ attending an interview or giving evidence in court as **we** may reasonably require.

6. Proof of fraud or dishonesty

If **your** claim is in respect of loss due to fraud or dishonesty, **you** must supply **us** with all records and documents reasonably accessible to **you** that **we** ask for that may assist **us** in substantiating and investigating the act of fraud or dishonesty and **your** rights of recovery. This includes but is not limited to all records (including computer, electronic, physical, accounting and audit records), video and audio recordings, working papers, internal memoranda and police reports.

7. Notification of other insurance

In the event of a claim **you** must provide **us** with the details of any other insurance that provides cover for the claim to enable **us** to exercise **our** right to seek contribution from the insurer of that other insurance.

8. Admitting liability

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

This General Claims Condition does not apply to claims against **you** under Policy Section 7 – Management Liability. Such claims are subject to Policy Section Condition 6 – “Settlement” in that Policy Section.

9. Repair or replacement

You must not authorise the repair or replacement of any insured item without **our** agreement, except as provided for in Policy Section 11 – Commercial Motor under Extra Cover 5 – “Emergency repairs”, or when reasonably necessary to prevent further **loss, damage** or injury.

10. Conduct of claims

In relation to liability claims **you** make under **your policy**, **we** have the right and full discretion to conduct claims. **We** may engage legal or other representatives to assist in the conduct of a claim. At all times **we** reserve the right to negotiate and settle a claim on terms **we** consider appropriate. **You** must allow **us** to make admissions, settle or defend claims made against **you** on **your** behalf.

This General Claims Condition does not apply to claims against **you** under Policy Section 7 – Management Liability. Such claims are subject to Policy Section Condition 5 – “Claims conduct” and Policy Section Condition 6 – “Settlement” in that Policy Section.

11. Paying your excess

You must pay the **excess** that applies to a claim under this **policy**. Any **excess** that is applied to **your** claim must be paid in full prior to final settlement of that claim.

The **excess** that applies will depend on the circumstances of the claim. Some Additional Benefits and Optional Insurances have their own **excess** which is in addition to any other **excess** that may apply to a claim. When multiple **excesses** apply, **you** might have to pay more than one type of **excess** when **you** make a claim.

The amount of the **excesses** and the circumstances that each **excess** applies to are specified in **your policy schedule** or set out in the applicable Policy Section. **We** will tell **you** how to pay **your excess** and who to pay it to.

When **you** make a claim there are three options for paying **your excess**:

- ▼ the applicable **excesses** may be deducted from the amount **we** pay **you** under **your** claim;
- ▼ the **excess** may be paid in some instances to the appointed repairer or supplier; or
- ▼ **you** may pay the **excess** directly to **us**.

12. Our rights of possession

Where **loss** or **damage** has occurred, **we**, **our** employees or **our** agents have the right to be given reasonable access to inspect **property insured** and, where reasonably necessary, to take possession of **property insured** or arrange for it to be delivered to **us**. The reasons when **we** need to do this include assessing or preventing further **loss** or **damage**, dealing with salvage and obtaining evidence to enable **us** to exercise **our** rights of recovery. **We** will deal with this property in a reasonable manner.

13. Claims settlements

(A) Input Tax Credit entitlement

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

(B) Cash payments

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

(C) Discharge of our liabilities

If, at any time, **we** pay **you** the **insured amount** or **limit of liability** for any claim under this **policy**, **we** do not have any further liability to **you**. But, **we** will also pay any Extra Covers, Additional Benefits or Optional Insurance that are expressed to be in addition to the **insured amount** or **limit of liability**.

An exception to this is in Policy Section 6 – Public and Products Liability where:

- (a) **we** will only pay those legal costs covered under Extra Cover 1 – “Legal costs” of Policy Section 6 that were incurred by **you** with **our** permission prior to the date of payment of the **limit of liability**; and
- (b) if a payment exceeding the **limit of liability** has to be made to dispose of a claim or legal action against **you** under Policy Section 6, **our** liability to pay legal costs covered under Extra Cover 1 – “Legal costs” of Policy Section 6, with respect to the **occurrence**, will be limited to that proportion of those legal costs as the **limit of liability** bears to the amount paid to dispose of the claim or legal action.

Please refer to the “Application of limit of liability to claims that exceed the limit” clause on page 92 of this **policy** for details of these provisions including an example of how the provision described in (b) above would apply.

(D) Salvage

After settling a claim by replacing any **damaged** or **lost property insured**, if **we** so elect, that **damaged** or **lost property insured** (other than a **building**) becomes **ours** and **we** are entitled to receive the proceeds of any salvage, except to the extent **you** are not fully indemnified.

14. Claims preparation expenses

We will pay **you** for accountant’s, claims consultant’s, surveyor’s, architect’s, engineer’s and other professional fees necessarily and reasonably incurred by **you** for the preparation of a claim covered under this **policy** other than under Policy Section 5 – Business Interruption, Policy Section 7 – Management Liability or Policy Section 10 – Tax Probe. **We** will pay up to \$20,000 or 25% of the total amount payable under the applicable Policy Section as a result of any one (1) **event**, whichever is the less.

15. Rights of recovery

If **you** have suffered loss or damage or incurred a legal liability and **you** make a claim under this **policy** with **us** for that loss, damage or liability, then **we** have the right and **you** have permitted **us** to take action or start legal proceedings against any person or entity liable or, who would be liable to **you** for the recovery of **your** loss.

“**Your** loss” means **your** insured, underinsured or uninsured loss or damage or legal liability, costs, payments made and expenses in respect to which **you** have claimed under **your** **policy**. Any action or legal proceeding **we** take will be commenced either in **your** name, or in the name of any other person or entity that suffered **your** loss. **We** have full discretion over the conduct and any settlement of the recovery action.

If **you** make a claim with **us** for **your** loss and **you** have already started action or legal proceedings against any person or entity liable or, who would be liable to **you** for **your** loss, then **we** have the right and **you** have permitted **us** to take over and continue that action or legal proceeding.

Where **your** loss forms part of any class or representative action which has not been started under **our** instructions, **we** have the right and **you** permit **us** to exclude **your** loss from that class or representative action for the purpose of **us** including it in any separate legal proceedings which are or will be started under **our** instructions.

You must provide **us** with all reasonable assistance, co-operation and information in the recovery of **your** loss. This assistance may include:

- ▼ providing a more detailed version of events, which may include completing a diagram or statement/affidavit;
- ▼ providing **us** with any documents required to prove **your** loss;
- ▼ providing copies of any available photographs or footage of the incident available;
- ▼ lodging a police report or obtaining relevant documents, such as completing and lodging an application form to obtain records from the police, fire and rescue, councils and other entities (when **we** cannot lodge one);
- ▼ attending court or meetings with **our** legal/other experts (only if required);

- ▼ providing evidence and documentation relevant to **your** claim and executing such documents, including signed statements which **we** reasonably request.

We will pay for the cost of filing the police report and relevant searches to locate the third party. **We** will cover the costs **you** incur when having to attend court up to a limit of \$250 in total per claim.

You must not enter into any agreement, make any admissions or take any action or step that has the effect of limiting or excluding **your** rights and **our** rights to recover **your** loss, including opting out of any class or representative action unless **we** have given **you** **our** prior written agreement. If **you** do, **we** may not cover **you** under this **policy** for **your** loss.

Recoveries do not include any amount recovered from insurance, surety, reinsurance, security or indemnity taken for the benefit of **us**.

16. Subrogation agreements

If another person or organisation is, or could have been, liable to compensate **you** for any **loss, damage** or legal liability otherwise covered by the **policy**, but **you** have agreed with that person or organisation either before or after the **loss, damage** or legal liability occurred that **you** would not seek to recover any money from that person or organisation, **we** will not cover **you** under the **policy** for any such **loss, damage** or legal liability.

17. Motor vehicle claims

In respect of motor claims, if **your vehicle** is involved in an incident for which **you** wish to lodge a claim under Policy Section 11 – Commercial Motor, **you** must:

- ▼ contact **our** claims services as soon as possible on 1300 888 073. **We** are available 24 hours a day. **Our** staff will advise **you** whether to bring **your vehicle** to one of **our** assessing centres or take it to a repairer. **We** can help with any other arrangements necessary to get **you** back on the road as quickly as possible;
- ▼ if safe to do so:
 - ▼ obtain the full names, addresses and phone numbers of all drivers and, where possible, passengers involved and any witnesses to the **event**;
 - ▼ obtain the vehicle registration number and insurance details of all vehicles involved; and
 - ▼ if **damage** is caused to buildings and other property, obtain details of the address and the owner's name.

If due to the circumstances of the accident, **you** are unable to obtain the above information, please contact **us** on the number shown above.

- ▼ if someone has stolen, attempted to steal or maliciously damaged **your vehicle**, report it to the police as soon as possible. If **we** ask, **you** must provide **us** with the name of the police officer and police station where **you** made the report and give **us** all known details of the **event**;
- ▼ retain and preserve **your damaged vehicle** or **damaged** property for inspection by **us** or **our** agent (including a loss adjuster) prior to authorisation of repairs, unless repairs are immediately necessary for safety reasons or to minimise or prevent further **loss, damage** or **legal liability**;
- ▼ let **us** inspect and, if necessary, move **your vehicle** before repairs begin;
- ▼ if **you** carry out **emergency repairs** or choose to use **your** own repairer, when reasonably practicable and safe to do so, ensure that photographic images of the **damage** are recorded and can be provided to **us** so that **we** can establish the condition of **your vehicle** prior to the repairs. **You** are required to produce tax invoices or receipts for all costs if **we** are unable to obtain them directly from the repairer or other provider and **we** ask **you** for them;
- ▼ provide proof of **your** ownership of **your damaged vehicle** or property. Proof includes things like registration papers, sales receipts, service records, valuations, credit card statements, warranties or car log books; and
- ▼ tell **us** as soon as possible if **you** get demands, a notice of prosecution, details of any legal proceedings, inquest or similar communications from other parties involved in an **event**. If **you** delay in telling **us**, **we** may not cover any legal or other costs that result from that delay.

You must not:

- ▼ negotiate or promise anyone a payment, authorise any repairs (except emergency repairs to **your vehicle**, see page 136 for details) or dispose of any **damaged** property, unless **we** have agreed to this; or
- ▼ accept any payment (including **excess** payments) from anyone unless **we** agree first.

18. Conduct towards us

You must not behave in a way that is abusive, dangerous, hostile, improper or threatening when engaging with **us** and **our** service providers.

General Exclusions

These exclusions apply to all Policy Sections, unless specifically stated otherwise.

1. Conflict

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

- ▼ revolution, hostilities, war or other acts of foreign enemy, war like activity (whether war is declared or not), military coup, hostile acts of sovereign or government state-sponsored entities;
- ▼ expropriation including lawful seizure, resumption, confiscation, nationalisation, destruction or **damage** to property by or under the order of any government or public or local authority; or
- ▼ any looting or rioting following any of the events stated above.

This exclusion does not apply to Policy Section 7 – Management Liability, to the extent of any inconsistency.

2. Nuclear

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

- ▼ ionising radiations or **contamination** by radioactivity from any nuclear fuel or from any nuclear waste from the combustion or fission of nuclear fuel;
- ▼ the radioactive, toxic, explosive or other dangerous properties of nuclear machinery or any part of it; or
- ▼ nuclear weapons material.

For the purpose of this exclusion only, combustion includes any self-sustaining process of nuclear fission and/or fusion.

3. Non-compliance

This **policy** does not insure **loss** or **damage** or liability caused by or as a result of **your** wilful or reckless failure to comply with any statutory obligations, by-laws, regulations or public authority requirements that concern the safety of persons or property and that apply to **your business**, for example workplace health and safety law.

However, this exclusion does not apply to the extent that **your** wilful or reckless failure to comply did not contribute to the **loss** or **damage** or liability.

This exclusion does not apply to Policy Section 7 – Management Liability, to the extent of any inconsistency.

4. GST, fines or penalties

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

5. Intentional acts

This **policy** does not insure:

- ▼ any intentional or wilful act or omission by **you**, **your family** or **your employees** with **your** knowledge or consent; or
- ▼ fraudulent or dishonest acts committed by **you**, **your family** or **your employees** acting alone or in collusion with others.

However, this exclusion does not apply to the extent that **your** or their act or omission did not contribute to the **loss**, **damage** or liability.

This exclusion does not apply to Policy Section 7 – Management Liability, to the extent of any inconsistency.

6. Terrorism

This **policy** does not insure:

- ▼ personal injury, **damage** to property, legal liability, **loss**, **damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the personal injury, **damage** to property, legal liability, **loss**, **damage**, cost or expense; or
- ▼ personal injury, **damage** to property, legal liability, **loss**, **damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any **act of terrorism**.

However, this exclusion does not apply to:

- ▼ Policy Section 2 – Theft;
- ▼ Policy Section 3 – Glass;
- ▼ Policy Section 4 – Money; and
- ▼ Policy Section 8 – Portable and Valuable Items.

7. Cyber incidents and cyber acts

- (a) This **policy** does not insure any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any **cyber act** or **cyber incident** or **malware or similar mechanism** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **cyber act** or **cyber incident** or **malware or similar mechanism**, subject to 7(b), (c) and (d) below and 8(f) of General Exclusion 8 – “Data Loss” below.
- (b) Paragraph 7(a) above does not apply where:
- (i) **loss of, or damage to, property insured** is caused by an event covered under the **Applicable Policy Sections**; or
 - (ii) business interruption loss covered under Insured Event 1 – “Loss or damage” or Insured Event 2 – “Boiler explosion” of Policy Section 5 – Business Interruption (where Policy Section 5 is specified in **your policy schedule**) directly results from **loss of, or damage to, property insured or applicable business interruption insured event property** caused by such event occurring at the **premises**,
where such event causes the **cyber incident**, unless such event is caused by, contributed to by, resulting from, arising out of or in connection with a **cyber act** or **malware or similar mechanism** or action taken in controlling, preventing, suppressing or remediating any **cyber act** or **malware or similar mechanism**.
- (c) Notwithstanding paragraph 7(a) above, if one of the events listed below (being an event covered under the **Applicable Policy Sections**) directly results from a **cyber incident** or **cyber act**, we will cover:
- (i) **loss of, or damage to, property insured** under the **Applicable Policy Sections** (other than Policy Section 9 – Equipment Breakdown) caused by such event; and
 - (ii) business interruption loss covered under Insured Event 1 – “Loss or damage” or Insured Event 2 – “Boiler explosion” of Policy Section 5 – Business Interruption (where Policy Section 5 is specified in **your policy schedule**) directly resulting from **loss of, or damage to, property insured or applicable business interruption insured event property** caused by such event occurring at the **premises**.

Event.

- ▼ Fire;
- ▼ Lightning or thunderbolt;
- ▼ Explosion or implosion;
- ▼ Storm, wind, rainwater, cyclones or tornadoes, snow or sleet, hail and run-off of rainwater;
- ▼ **Flood**;
- ▼ Water damage;
- ▼ **Aircraft** or **vehicle** impact;
- ▼ Falling objects;
- ▼ Earthquake, tsunami, subterranean fire, or volcanic eruption, or fire resulting from any of these;
- ▼ Riot and civil commotion;
- ▼ Theft or attempted theft of tangible property.

- (d) Paragraph 7 (a) will not apply to **loss or damage** covered under the Insuring Clause of Policy Section 9 - Equipment Breakdown provided:
- (i) the **breakdown of insured equipment** directly results from a **cyber incident**; and
 - (ii) such **cyber incident** is not caused by, contributed to by, resulting from, arising out of or in connection with a **cyber act** or **malware or similar mechanism** or action taken in controlling, preventing, suppressing or remediating any **cyber act** or **malware or similar mechanism**.
- (e) The cover written back by paragraphs 7(c) and (d) above applies notwithstanding sub-paragraph 8(a)(i) of General Exclusion 8 – “Data Loss”

For General Exclusion 7, **property insured** does not include **data**.

Loss of, or damage to, **data** is not **loss or damage**.

General Exclusion 7. only applies to Policy Section 1 – Property Damage, Policy Section 2 – Theft, Policy Section 3 – Glass, Policy Section 4 – Money, Policy Section 8 – Portable and Valuable Items, Policy Section 9 – Equipment Breakdown and Policy Section 12 – Goods in Transit (“the **Applicable Policy Sections**”) and to Policy Section 5 - Business Interruption.

In paragraphs 7 (b) and (c) above **applicable business interruption insured event property** means:

- (i) the **building** if **you** are a strata owner or a tenant of the **building** and do not insure the **building**, for the purpose of clause (b) of Insured Event 1 “Loss or damage” of Policy Section 5 - Business Interruption; and
- (ii) any pressure vessels, including boilers, compressors or economiser, for the purpose of Insured Event 2 - “Boiler explosion” of Policy Section 5 - Business Interruption.

In paragraph (d) of General Exclusion 7 “**breakdown**” and “**insured equipment**” have the meaning given in the Definitions of Policy Section 9 – Equipment Breakdown.

For the purpose of General Exclusion 7:

- (i) **loss** of, or **damage** to, **property insured**;
- (ii) **loss** of, or **damage** to, **applicable business interruption insured event property**; and
- (iii) **loss** or **damage** covered under the Insuring Clause of Policy Section 9 - Equipment Breakdown,

must involve physical loss or physical damage to tangible property.

For the purpose of General Exclusion 7, any loss, damage, deletion, unavailability, inaccessibility, corruption or deformation of **data** shall not be considered physical loss or physical damage.

8. Data Loss

(a) This **policy** does not insure:

- (i) any loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:
 - 1. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **data**;
 - 2. error or omission in creating, amending, entering, deleting or using **data**;
 - 3. total or partial inability or failure to receive, send, access or use **data** for any time or at all; or
 - 4. any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **data**; or
 - (ii) the value of any **data**,
- subject to 8(b), (c), (d) and (e) below and 7(e) of General Exclusion 7 – “Cyber incidents and cyber acts” above.

(b) Sub-paragraph 8(a) (i) above does not apply if:

- (i) **loss** of, or **damage** to, **property insured** is caused by one of the events listed below (being an event covered under the **Applicable Policy Sections**); or
- (ii) business interruption loss covered under Insured Event 1 – “Loss or damage” or Insured Event 2 – “Boiler explosion” of Policy Section 5 – Business Interruption (where Policy Section 5 is specified in **your policy schedule**) directly results from **loss** of, or **damage** to, **property insured** or **applicable business interruption insured event property** caused by such event occurring at the **premises**,

where such event causes any of the matters described in sub-paragraphs 8(a) (i) 1 to 4 above.

Event

- ▼ Fire;
- ▼ Lightning or thunderbolt;
- ▼ Explosion or implosion;
- ▼ Storm, wind, rainwater, cyclones or tornadoes, snow or sleet, hail and run-off of rainwater;
- ▼ **Flood**;
- ▼ Water damage;
- ▼ **Aircraft** or **vehicle** impact;
- ▼ Falling objects;
- ▼ Earthquake, tsunami, subterranean fire, or volcanic eruption, or fire resulting from any of these;
- ▼ Riot and civil commotion;
- ▼ Theft or attempted theft of tangible property.

(c) If one of the events listed below (being an event covered under the **Applicable Policy Sections**) is directly caused by any of the matters described in sub-paragraphs 8(a) (i) 1 to 4 above, **we** will cover:

- (i) **loss** of, or **damage** to, **property insured** under the **Applicable Policy Sections** caused by such event; and
- (ii) business interruption loss covered under Insured Event 1 – “Loss or damage” or Insured Event 2 – “Boiler explosion” of Policy Section 5 – Business Interruption (where Policy Section 5 is specified in **your policy schedule**) directly resulting from **loss** of, or **damage** to, **property insured** or **applicable business interruption insured event property** caused by such event occurring at the **premises**.

Event

- ▼ Fire;
- ▼ Explosion or implosion;

- ▼ **Flood;**
- ▼ Water damage;
- ▼ **Aircraft or vehicle** impact;
- ▼ Falling objects;
- ▼ Riot and civil commotion;
- ▼ Theft or attempted theft of tangible property.

(d) Sub-paragraph 8(a) (i) will not apply to **loss** or **damage** covered under the Insuring Clause of Policy Section 9 - Equipment Breakdown, provided the **breakdown** of **insured equipment** directly results from any of the matters described in sub-paragraphs 8(a) (i) 1 to 4 above.

(e) Provided that:

- (i) where **loss** of, or **damage** to, **media** is covered under Policy Section 1 – Property Damage, subparagraph 8(a) (i) above does not apply to costs of restoring **data** covered under Extra Cover 2 – “Rewriting of records” of Policy Section 1 - Property Damage; or
- (ii) where **loss** or **damage** as a result of **breakdown** to **insured equipment** is covered under Policy Section 9 – Equipment Breakdown, and if Optional Insurance 2 – “Restoration of Computer Data” is specified in **your policy schedule**, sub-paragraph 8(a) (i) above does not apply to the costs of restoring **data** stored on **media** covered by that Optional Insurance 2,

but loss of, or damage to, **data** is not **loss** or **damage**.

(f) The cover written back by paragraph 8(c) and sub-paragraph 8(e)(i) above applies notwithstanding paragraph 7(a) of General Exclusion 7 – “Cyber incidents and cyber acts” if the **loss** or **damage** is covered under paragraph 7(c) of General Exclusion 7 – “Cyber incidents and cyber acts”:

The cover written back by paragraph 8(d) and sub-paragraph 8(e)(ii) above applies notwithstanding paragraph 7(a) of General Exclusion 7 – “Cyber incidents and cyber acts” provided:

- (i) the **loss** or **damage** directly results from a **cyber incident**; and
- (ii) such **cyber incident** is not caused by, contributed to by, resulting from, arising out of or in connection with a **cyber act** or **malware or similar mechanism** or action taken in controlling, preventing, suppressing or remediating any **cyber act** or **malware or similar mechanism**.

For General Exclusion 8. **property insured** does not include **data**.

Paragraphs 8(b) and (c) above only apply to Policy Section 1 – Property Damage, Policy Section 2 – Theft, Policy Section 3 – Glass, Policy Section 4 – Money, Policy Section 8 – Portable and Valuable Items and Policy Section 12 – Goods in Transit (“**the Applicable Policy Sections**”) and Policy Section 5 – Business Interruption.

In paragraphs 8(b) and (c) above **applicable business interruption insured event property** means:

- (i) the **building** if **you** are a strata owner or a tenant of the **building** and do not insure the **building**, for the purpose of clause (b) of Insured Event 1 ‘Loss or damage’ of Policy Section 5 - Business Interruption; and
- (ii) any pressure vessels, including boilers, compressors or economiser, for the purpose of Insured Event 2 - “Boiler explosion” of Policy Section 5 - Business Interruption.

In paragraphs 8(d) and (e) above, “**breakdown**” and “**insured equipment**” have the meaning given in the Definitions of Policy Section 9 – Equipment Breakdown.

For the purpose of General Exclusion 8.:

- (i) **loss** of, or **damage** to, **property insured**;
- (ii) **loss** of, or **damage** to, **applicable business interruption insured event property**; and
- (iii) **loss** or **damage** covered under the Insuring Clause of Policy Section 9 - Equipment Breakdown,

must involve physical loss or physical damage to tangible property.

For the purpose of General Exclusion 8., any loss, damage, deletion, unavailability, inaccessibility, corruption or deformation of **data** shall not be considered physical loss or physical damage.

However, General Exclusion 8. does not apply to:

- ▼ Policy Section 6 – Public and Products Liability; and
- ▼ Policy Section 7 – Management Liability.

9. Sanctions

We will not provide any cover, pay any claim, make any payment (including any refund), or provide any benefit under this **policy**, if doing so will contravene or violate any sanction, prohibition, restriction, proscription or prevention under any sanctions, laws or regulations, including but not limited to sanctions, laws or regulations of Australia, New Zealand, the European Union, the United Kingdom or the United States of America or those set out in any United Nations resolutions.

10. Communicable disease

This **policy** does not insure any **loss, damage**, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, in connection with, or attributable to, a **communicable disease** or the fear or threat (whether actual or perceived) of a **communicable disease** regardless of any other cause or event contributing concurrently or in any other sequence thereto.

However, this exclusion does not apply to:

- ▼ Policy Section 6 – Public and Products Liability;
- ▼ Policy Section 7 – Management Liability; or
- ▼ Policy Section 10 – Tax Probe.

When we may refuse a claim/reduce what we pay/recover costs or monies/cancel your policy

We may refuse to pay a claim or **we** may reduce the amount **we** pay **you** (to the extent to which **we** are prejudiced as a result of **your** non-compliance) and/or recover from **you** any costs and/or any monies **we** have paid and/or cancel **your policy** if:

- (a) **you** do not do what **your** duty of disclosure requires **you** to;
- (b) **you**:
 - ▼ are not truthful;
 - ▼ have not given **us** full and complete details; or
 - ▼ have not told **us** something when **you** should have, when applying for the insurance, or when making a claim.
- (c) **you** have **not** complied with any of the General Claims Conditions;
- (d) **you** do any of the following without **us** agreeing to it first:
 - ▼ make or accept any offer or payment or in any other way admit **you** are liable;
 - ▼ settle or attempt to settle any claim; or
 - ▼ defend any claim;
- (e) cover is excluded by the **policy**; or
- (f) **you** are in breach of any other conditions of **your policy**.

If **you** prevent **our** right to recover from someone else or if **you** have entered into a contract or agreement which excludes or limits **your** right to recover compensation from another person who is liable to compensate **you** for any loss, damage or legal liability which is covered by this **policy**, **we** will not cover **you** under this **policy** for that loss, damage or legal liability.

General Definitions

Unless defined differently in a Policy Section, these definitions apply to all Policy Sections.

Accidental

Unexpected and unintended from **your** standpoint.

Act of terrorism

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

Air conditioner

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

Aircraft

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

Animal or Animals

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

Building or Buildings

The building(s) at the **premises**, including:

- ▼ sheds with a concrete floor and fixed to foundations at the **premises**;

- ▼ customised and modified shipping containers or transportable buildings permanently located at the **premises** used as workshops, lunchrooms or storage which are permanently fixed to the ground with electrical or plumbing services as necessary at the **premises**;
- ▼ shipping containers in which the **stock your business** distributes is delivered to **your premises** and from which merchandise is either being loaded into, unloaded from or stored in before dispatch, provided the container doors are secured when unattended with padlocks with a security rating of 6 or above under Australian Standard 4145.4-2002 REC:2018 Locksets, Part 4: Padlocks, available from www.standards.org.au (or any subsequent amendment) and the padlocked container is fully enclosed by a cyclone fence with locked gates at the **premises** after hours;
- ▼ walls, foundations, storage tanks, awnings, exterior lights, masts, antennae and aerials, fixed external signs, walls, gates, fencing, pavements, roads and other structural improvements pertaining to the building or buildings; or
- ▼ property owner's fixtures and fittings, floor coverings, plant, plumbing or wiring services that are within the building or buildings.

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

Business or Businesses

The business or businesses described in the **policy schedule**.

Canada

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

Certificate of authenticity

The original documentation from the manufacturer of the insured item or property.

Communicable Disease

Any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- ▼ the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not;
- ▼ the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
- ▼ the disease, substance or agent can cause or threaten harm to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

Computer system

Any computer, hardware, software, communications system, electronic device, (including, but not limited to, any smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output or data storage device, networking equipment or back up facility.

Computer virus

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

Contamination

The discharge, dispersal, release, escape of any type of **pollutants** or contaminant into or upon property, land, atmosphere or any watercourse or body of water including, but not limited to, ground water.

Customers' goods

Goods that do not belong to **you**, but:

- ▼ belong to **your** customers and are in **your** physical or legal control because the **business** repairs, services, maintains, or stores those goods before or after it repairs, services or maintains the goods;
- ▼ have been purchased by **your** customers and are in **your** physical or legal control awaiting delivery; or
- ▼ are items at **your premises** that **you** have accepted responsibility to insure under a written "sale or return" consignment agreement under which **you** agree to purchase the customers' goods or items of property for an agreed price when **you** find a buyer.

Customers' goods do not include items at **your premises** under an "agency" consignment agreement under which **you** agree to sell the items on behalf of the customer as agent and where **you** make a commission on the sale.

Cyber act

An unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **computer system**.

Cyber incident

- (a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **computer system**; or
- (b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **computer system**.

Damage or Damaged

Sudden and unforeseen physical damage or destruction.

Data

Information, facts, concepts, code or any other information of any kind that is converted, recorded or transmitted in a form to be accessed, communicated, displayed, distributed, interpreted, processed, transmitted or stored or used in or by a **computer system**.

Electronic equipment

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

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

Employee

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

Employee does not include:

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

Endorsement or Endorsements

A written change or addition made to **your policy**. Any endorsement or endorsements which apply to **your policy** will form part of the **policy** and be specified in **your policy schedule**, unless **we** send **you** the endorsement separately.

Event or Events

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

In Policy Section 11 – Commercial Motor it has the meaning given in that Policy Section.

Excess or Excesses

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

External glass

Glass or plastic material used as glass fixed in external windows, doors, showcases or skylights forming part of the **building**.

Family

Any person who is:

- ▼ **your** spouse, **your** partner or **your** de facto and lives with **you**;
- ▼ **your** parent or parent-in-law;
- ▼ **your** child or child of **your** spouse, partner or de facto (not being **your** child); or
- ▼ **your** brother or sister.

For the purposes of this definition “**you**” and “**your**” refers to the directors, owners and officers of the company or legal entity specified in the **policy schedule** as the **insured**.

Flood

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

- ▼ a lake (whether or not it has been altered or modified);
- ▼ a river (whether or not it has been altered or modified);
- ▼ a creek (whether or not it has been altered or modified);
- ▼ another natural watercourse (whether or not it has been altered or modified);
- ▼ a reservoir;
- ▼ a canal; or
- ▼ a dam.

Fungus/Fungi

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

Glass

Glass which **you** own or are legally responsible for which is **external glass**, **internal glass** and/or **sanitary fittings**.

Home building

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

Hovercraft

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

Input tax credit(s)

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

Insured

Any person, company or legal entity specified in the **policy schedule** as the insured.

Insured amount

The amount specified as the insured amount in the **policy schedule** for a Policy Section, part of a Policy Section or individual item or cover.

Internal glass

Glass or plastic material used as glass in internal partitions, windows and doors, counters, shelves and/or stock restraints, furniture and interior showcases, fixed and hanging mirrors and any other fixed internal glass contained in the **building**.

Limit

The limit is the most **we** will pay under any Policy Section of the **policy**.

Limit of liability

The amount specified as the Limit of Liability in the **policy schedule** for a Policy Section, part of a Policy Section or individual item or cover.

Loss/losses/lost

Sudden or unforeseen physical loss.

Machinery

Except in relation to Policy Section 9 – Equipment Breakdown, any mechanical or electrical equipment, that generates, transmits or utilises mechanical or electrical power, any electronic machine, device or instrument, but not including:

- ▼ any **vehicle** or mobile equipment;
- ▼ any **watercraft** or **aircraft**;
- ▼ any elevator or escalator (excluding any electrical or **electronic equipment** used with such apparatus); or
- ▼ any buried piping, any drainage piping, any sprinkler piping and its accessory equipment.

Malware or Similar Mechanism

Any program code, programming instruction or other set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programmes, data files or operations (whether involving self-replication or not), including but not limited to 'virus', 'Trojan horses', 'worms', 'logic bombs' or 'denial of service attack'.

Manual labour

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

Manufacturer's box

The original box showing the brand and model of the insured item or property.

Media

Tangible material on which **data** is recorded or stored, such as magnetic tapes, hard drives, cartridges, dongles, CDs, DVDs, USBs, flash drives, memory cards or floppy disks. **Media** does not include paper records.

Money

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

Money does not include collectable items (for example coin or stamp collections), anticipated revenue or any kind of crypto-currency.

Obsolete stock

Stock which can no longer be sold for its full value, such as **stock** which is out-of-season or fashion, superseded computers or perishable goods beyond their used by date.

Occurrence

An **event**, including continuous or repeated exposure to substantially the same general conditions.

Original operating manual

The original operations manual(s) that came with the insured item, **vehicle** or property.

Period of insurance

The period of time specified in the **policy schedule** during which insurance is provided under **your policy**.

Personal effects

Clothing and personal belongings normally worn or carried.

Personal information

Any information from which an individual may be reasonably identified or contacted, including an individual's name, telephone number, email address, tax file number, Medicare number, credit card details or any other non-public personal information as defined in the Privacy Act 1988 (Cth) or in any subsequent legislation that alters, repeals or replaces such legislation.

Policy

Your insurance contract. It consists of this **PDS**, any **Supplementary PDS** we may give **you**, any **endorsements** and the **policy schedule**.

Policy schedule

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

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

Pollutants

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

Premises

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

Private and confidential information

Any information (including **data**) other than **personal information** that is not publicly available and where disclosure may affect the economic, competitive or commercial interests of the owner of the information including trade secrets, computer programs, customer information, patents, trademarks, copyrights or processing methods.

Product Disclosure Statement (PDS)

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

Proof of purchase

Includes documents such as sales receipts, tax invoices, accounts and bank or credit card statements that provide a description of the insured item or property and show the purchase price, purchase date and location of purchase.

Proof of ownership

Includes **certificate of authenticity**, **manufacturer's box**, **original operating manual** and **proof of purchase**.

Property insured

The property as described in the **policy schedule** in respect of each Policy Section.

Road

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

Safe or strongroom

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

A safe is not:

▼ an ATM;

- ▼ a cash tin;
- ▼ a locked drawer in a filing cabinet or desk; or
- ▼ a theft resistant container weighing less than 20 kilograms that is not fixed to the wall or floor of the **premises** by anchoring it using mechanical bolting (e.g Dynabolts).

Sanitary fittings

Baths, sinks, lavatory bowls and vitreous china cisterns, washbasins and pedestals forming permanent fixtures.

Seasonal increase period

Any period of time during the **period of insurance** that has **stock** levels at least 35% higher than **stock** levels at other times during the **period of insurance**. The total number of days **we** will allow for a seasonal increase period is 120 days during any one (1) **period of insurance** unless a different period is specified in **your policy schedule**.

Stock

Products and merchandise **you** intend to sell, stock in trade, raw materials or work in progress and packing materials used by **you** in the **business**. Stock also includes **customers' goods** and items of property at **your premises** under a written "sale or return" consignment agreement under which **you** agree to purchase the customers' goods or items of property for an agreed price when **you** find a buyer.

Stock does not include **customers' goods** or items of property at **your premises** under an "agency" consignment agreement under which **you** agree to sell the customers' goods or items of property on behalf of the customer or owner as agent and where **you** make a commission on the sale.

Supplementary PDS (SPDS)

A document that updates or adds to the information in the **PDS**.

United States

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

Vehicle

Except in relation to Policy Section 11 – Commercial Motor, any type of machine on wheels or on caterpillar tracks (including any trailer, caravan or other apparatus attached to the machine) made or intended to be propelled other than by manual or **animal** power.

Watercraft

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

We/us/our

AAI Limited ABN 48 005 297 807 AFSL 230859 trading as Vero Insurance.

You/your

Any person, company or legal entity specified in the **policy schedule** as the insured.

Policy Section 1 – Property Damage

Please note that if **you** are insuring a **home building** under this Policy Section **you** should also read Part F of this **PDS**.

About this Policy Section

This Policy Section covers **loss** of, or **damage** to, **your property** from Insured Events specified in this Policy Section, including but not limited to events such as fire, lightning and explosion. **We** do not cover the theft or breakdown of **your property** under this Policy Section.

You can claim for **loss** of, or **damage** to, **your property** as described under “Insuring clause – What we cover” if:

- ▼ “Property Damage” is shown as insured on **your policy schedule**;
- ▼ the **loss** or **damage** occurs during the **period of insurance**;
- ▼ the **loss** or **damage** is not excluded under “What we exclude”; and
- ▼ the **loss** or **damage** is not excluded by any of the General Exclusions on pages 23 to 27.

Your insurance under this Policy Section

✓ Insuring clause – What we cover

We cover **loss** or **damage** occurring during the **period of insurance** to **buildings, contents, stock** or **specified items** at the **premises** that is covered under an Insured Event clause 1 to 11 of this Policy Section.

✗ What we exclude

This Policy Section (including the Extra Covers and Additional Benefits) does not cover:

1. Power Surge

Loss or **damage** to any electrical appliance or device (including wiring) caused by power surge, failure or fluctuation unless that **loss** or **damage** is caused by lightning.

If fire occurs as a result of power surge, failure or fluctuation to any electrical appliance or device (including wiring), this exclusion will not apply to that portion of the **loss** or **damage** directly caused by the ensuing fire.

2. Maintenance or defects

Loss or **damage** caused by or arising out of:

- (a) rust or corrosion;
- (b) inherent or structural defects;
- (c) faulty design, materials or workmanship; or
- (d) developing flaws, gradual deterioration, normal upkeep of **property**, or existing defects or lack of maintenance to **property**,

unless **you** can show **you** did not know and could not reasonably have been expected to know about the flaw, deterioration, defect or lack of maintenance. **You** cannot claim for repairing the deterioration or defect or the maintenance.

3. Extra costs or other losses

Loss of profit or income, loss of use, loss of earning capacity, loss caused by delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not covered under this Policy Section.

Insured Events

1. Fire

✓ What we cover

We cover **loss** or **damage** caused by fire.

✗ What we exclude

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

(a) to any **stock** or **contents** caused by:

- (i) spontaneous combustion or fermentation of **stock** or **contents**;
- (ii) the direct application of heat to **stock** or **contents**;
- (iii) any **business** process involving the direct application of heat to **stock** or **contents**.

(b) caused by a bushfire occurring within 72 hours from the commencement or modification (including increasing any **insured amount**) of this **policy**; or

(c) caused by smog, soot ash or heat damage where there has been no flame at the **premises** or at adjacent properties.

2. Escape of molten material from its intended confines at the premises

✓ What we cover

We cover **loss** or **damage** caused by the escape of molten material from its intended confines on, or at, the **premises**.

✗ What we exclude

We will not cover:

- (a) the cost of repairing any fault which permitted the escape of molten material;
- (b) the cost of retrieving or removing escaped material from any escape channel or catchment;
- (c) any **loss** of, or **damage** to, the material that has escaped; or
- (d) any **loss** of, or **damage** to, furnace linings, crucibles, moulds, other containers or ladles from which molten material escaped.

3. Lightning or thunderbolt

✓ What we cover

We cover **loss** or **damage** caused by lightning or thunderbolt.

✗ What we exclude

We will not cover **loss** or **damage** caused by lightning or thunderbolt unless:

- (a) the Australian Government Bureau of Meteorology has a record of lightning in **your** area at the time of the **loss** or **damage**; or
- (b) a qualified repairer confirms in writing that lightning was the actual cause of the **loss** or **damage**.

If **you** obtain the report and not **us**, then **we** will reimburse **you** for the cost of obtaining such record or confirmation where it is found that the **loss** or **damage** was caused by lightning or thunderbolt.

4. Explosion or implosion

✓ What we cover

We cover **loss** or **damage** caused by explosion or implosion.

✗ What we exclude

We will not cover **loss** of, or **damage** to, pressure vessels or their contents which require certification under any statutory obligations, by-laws and regulations.

5. Storm, wind and rain (including snow, sleet or hail)

✓ What we cover

We cover **loss** or **damage** caused by:

- (a) storm;
- (b) wind;
- (c) rainwater;
- (d) cyclones or tornadoes;
- (e) snow or sleet;
- (f) hail; and
- (g) run-off of rainwater that accumulates directly on and flows across normally dry ground or that overflows from public roadside gutters, channels and drains that are normally dry or swimming pools, spas or saunas.

The most **we** will pay in respect of any one (1) **event** for **loss** or **damage** to gates, fences, signs, retaining walls, shade-cloth, hail nets, exterior textile awnings or blinds, shade houses, fibreglass houses or glass houses is \$25,000.

✗ What we exclude

We will not cover:

- (a) **loss** or **damage** caused by:
 - (i) **flood**, unless otherwise covered by a specific **endorsement**;
 - (ii) the sea, including tidal wave, tsunami, storm surge or high-water;
 - (iii) erosion, landslide, mud slide, subsidence or any earth movement unless proved to have occurred within 72 hours of, and directly because of, a storm, cyclone or tornado and not because of erosion, structural fault or design fault;
 - (iv) steam or condensation;
 - (v) water seeping or percolating into the **building** from outside;
 - (vi) a cyclone named by the Bureau of Meteorology where the damage occurs within 72 hours from the commencement of this **policy**; or
 - (vii) water entering a **building** or structure as a result of structural defects, faulty design, faulty workmanship or lack of maintenance that **you** knew about or could reasonably have been expected to know about.
- (b) **loss** or **damage** to:
 - (i) **property** in the open air, unless the **property** comprises or forms part of a permanent structure designed to function without the protection of walls or roof;
 - (ii) any **building** (or its contents) in the course of construction or reconstruction, unless the **building** is enclosed and under roof with all outside doors and windows permanently in place; or
 - (iii) loose or compacted soil, sand, earth, gravel, pebbles, rocks or granular rubber, gravel or pebble driveway, however, **we** will pay the cost to restore soil or earth to the extent that it is necessary to repair **damage** to **your building**.

Note: **Loss** or **damage** caused by tsunami is covered under Insured Event 10 - Earthquake, tsunami, subterranean fire or volcanic eruption of this Policy Section.

6. Water damage

✓ What we cover

We cover **loss** or **damage** caused directly or indirectly by:

- (a) the discharge or leaking of water from any damaged pipe, water system (including a fire protection system such as a sprinkler system), tanks or drains installed in and servicing the **building**; or
- (b) water from a damaged water main in the immediate vicinity of the **building**.

We will also pay:

- (i) up to a maximum \$25,000 for any one (1) **period of insurance** for all reasonable exploratory costs incurred in locating the source of the **loss** or **damage**, provided it is **your** responsibility to pay for these costs;
- (ii) the reasonable costs of removing water and any incidental cleaning operations; and
- (iii) if water is discharged from a fire protection system, any expenses incurred by **you** for the attendance of the fire brigade for the purpose of shutting off the water supply following an **accidental** discharge of water from a fire protection system.

✗ What we exclude

We will not cover the cost of repair, replacement or re-routing of the defective part or parts of the pipe or water system that caused the **loss** or **damage**.

7. Impact

✓ What we cover

We cover **loss** or **damage** caused by impact from:

- (a) **vehicles** designed primarily for use on land or their load;
- (b) **watercraft** or **hovercraft**;
- (c) **animals**;
- (d) a falling building or part of a building that is not at or on the **premises** and for which **you** are not legally responsible;
- (e) **aircraft** or other aerial devices or articles dropped from them and satellites, space debris or meteorites; or
- (f) falling trees or branches, masts, satellite dishes, antennae and aerials; but, excluding the **loss** or **damage** to those objects unless caused by another insured event.

✗ What we exclude

We will not cover **loss** or **damage** caused by:

- (a) any tree lopping or removal or demolition activity undertaken, arranged or agreed to by **you** at the **premises**;
- (b) eating, chewing, clawing or pecking by **animals**;
- (c) any **animals** kept at the **premises**;
- (d) a falling **building** or part of a **building** due to intentional demolition by **you** or on **your** behalf; or
- (e) any impact resulting from the action of water.

8. Riot or civil commotion

✓ What we cover

We cover **loss** or **damage** caused by acts of:

- (a) strikers, locked-out workers, persons taking part in labour disturbances and persons of malicious intent acting on behalf of or in connection with any political organisation; or
- (b) any lawful authority in connection with the strike, lockout, labour disturbance or political violence.

✗ What we exclude

We will not cover **loss** or **damage** caused by total or partial cessation of work or the retarding or interruption or cessation of any process or operation.

9. Malicious acts (including by vandals and thieves)

✓ What we cover

We cover **loss** or **damage** caused by malicious acts, including by vandals and thieves.

The most we will pay for malicious acts committed by **your** tenants in total for any one (1) **period of insurance** is \$10,000.

✗ What we exclude

We will not cover any:

- (a) **loss** or **damage** caused by **your family**;
- (b) **loss** or **damage** caused by persons rioting or participating in civil commotion;
- (c) **property** that is stolen from the **premises**. However, we will cover resultant **damage** to **buildings, contents, stock** or **specified items** at the **premises** as a result of theft or attempted theft;
- (d) **loss** or **damage** to any gaming, amusement or vending machines in an unsecured open air location or any **contents** or **stock** contained within such machines;
- (e) breakage of **glass**, or for the cost of replacing signwriting, ornamentation, reflective materials and burglar alarm tapes attached to broken **glass**; or
- (f) the costs of cleaning, repairing or restoring the **premises** due to the neglect, or untidy, unclean or unhygienic habits of tenants or their guests.

Note: **Property** stolen from the **premises** is excluded from malicious acts cover because theft cover is provided under Policy Section 2 – Theft.

10. Earthquake, tsunami, subterranean fire or volcanic eruption

✓ What we cover

We cover **loss** or **damage** caused by:

- (a) earthquake;
- (b) tsunami;
- (c) subterranean fire;
- (d) volcanic eruption; or
- (e) fire resulting from any of the above during any period of 72 consecutive hours after the **event**.

11. Accidental damage

✓ What we cover

We will pay up to \$250,000 or the total of the **insured amounts** for **buildings, contents, stock** and **specified items** whichever is less for **damage** that is unexpected and unintended from **your** standpoint.

Where **your policy schedule** shows that **you** have chosen to insure for "Accidental Damage", the maximum we will pay for any one (1) claim is the **total declared value** plus the **insured amount** for **specified items**.

x What we exclude

We will not cover **you** for:

(a) **loss** or **damage** caused by:

- (i) any of the Insured Events 1 to 10 of this Policy Section, including any of the exclusions related to the Insured Events;
- (ii) mechanical, hydraulic, electrical breakdown or electronic failure, or malfunction;
- (iii) wear and tear, gradual deterioration, scratching, marring, developing flaws, normal upkeep or any gradual cause;
- (iv) **animals**;
- (v) corrosion, rust, oxidation, any form of **fungus**, wet or dry rot, **contamination** or pollution, dampness of atmosphere, variation in temperature, evaporation, disease, shrinkage;
- (vi) change in colour, flavour, texture or finish;
- (vii) inherent vice or latent defect;
- (viii) loss of weight or exposure to light;
- (ix) creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in buildings, pavements, **roads** and car parks;
- (x) error or omission in design, plan, or specification, or failure of design, or failure during testing;
- (xi) faulty materials or workmanship;
- (xii) any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;
- (xiii) theft or attempted theft of **property**;
- (xiv) loading or unloading;
- (xv) failure of the supply of water, gas, electricity or fuel;
- (xvi) infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by **you** or any **employee**;
- (xvii) erosion, subsidence, landslip or mudslide or any other earth movement;
- (xviii) improper packing or storage;
- (xix) incorrect siting of **buildings**;
- (xx) demolitions ordered by government or public or local authorities;
- (xxi) any person deliberately switching off, disconnecting or load shedding the power supply; or
- (xxii) smoke or soot.

x What we exclude

(b) **loss** of, or **damage** to:

- (i) **animals** or plants, unless these are items of stock;
- (ii) landscaping or growing crops;
- (iii) any electrical device (including wiring) caused by a surge in electrical current
- (iv) **glass** or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to broken **glass**;
- (v) any **property** where the **loss** or **damage** was caused during the course of its processing or manufacture; or
- (vi) **property** that is or could have been insured under any other Policy Section, even if **you** have not selected the other Policy Section or have had cover under the other Policy Section excluded or otherwise denied by **us**.

(c) **loss** or **damage** to **property**:

- (i) caused by or arising out of it undergoing any process involving the application of heat;
- (ii) undergoing construction, erection, alteration, addition, demolition, repair or maintenance; or
- (iii) whilst in transit other than during the incidental movement of that **property** within the boundaries of the **premises**.

Extra Covers

If a claim for **loss** or **damage** caused by any of Insured Events 1 to 11 is covered by this Policy Section, **we** will also pay or provide the Extra Covers set out below. Unless stated otherwise below, any amounts payable under these Extra Covers apply in addition to the **insured amount**.

If **we** pay a claim under an Extra Cover, **we** will settle that Extra Cover by paying **you** by cheque or direct deposit into **your** bank account. This means that **we** will not repair or replace or arrange for a service. An exception to this is where **we** arrange the repair, rebuilding or replacement (including temporary repairs and removal of debris) of **buildings**. In that case, for those Extra Covers that form part of the repair, rebuilding or replacement of **buildings**, **we** will arrange for the Extra Cover to be provided.

1. Reinstatement

✓ What we cover

If **we** pay an amount for a claim under this Policy Section, **we** will automatically reinstate the **insured amount** to the amount specified in **your policy schedule**. **You** will not have to pay any additional premium.

x What we exclude

We will not reinstate the **insured amount** if **we** pay the **total declared value** or full "Building" **insured amount** in respect of a single claim under this Policy Section.

If **we** pay the **total declared value** or full "Building" **insured amount** in respect of a single claim, then cover under this Policy Section ends.

2. Rewriting of records

✓ What we cover

- (a) If **media** is **lost** or **damaged**, **we** will pay the reasonable and necessary costs incurred in restoring the **business's data** stored on that **media**; and
- (b) if the **business's** tangible records, including customer's records or documents held or created by **you** as part of **your business**, are **lost** or **damaged**, **we** will pay the reasonable and necessary costs of rewriting, restoring or recreating those records.

We will pay up to:

- (i) \$50,000; or
- (ii) that portion of **your** "Contents" **insured amount** not paid out or payable in respect of the claim, whichever is the greater, for any one (1) **event**, under this Extra Cover.

✗ What we exclude

We will not pay:

- (a) costs to restore **data** where the **media** it was stored on has not been **lost** or **damaged**; or
- (b) for the value of any **data** or tangible records.

3. Professional fees

✓ What we cover

We will pay the reasonable cost of surveyors', architects' and other professional fees for estimates, plans, specifications, quantities, tenders and supervision, incurred in the repair or replacement of **lost** or **damaged buildings**.

For any one (1) **event**, subject to Policy Section Condition 1 – "Underinsurance", we will pay up to:

- (a) \$25,000; or
 - (b) that portion of the **insured amount** relating to the **damaged buildings** not paid out or payable in respect of the claim,
- whichever is the greater.

✗ What we exclude

This Extra Cover does not apply if **your policy schedule** shows the **building** as being insured for "Indemnity".

4. Removal of debris and temporary repairs

✓ What we cover

We will pay the reasonable costs of:

- (a) the removal, storage and disposal of **debris** or any thing that caused the **loss** or **damage**, from the **premises**;
- (b) the removal, storage and disposal of **debris** from premises, roadways, services, railway or waterways owned by any other person or entity where **you** are liable at law to remove, store or dispose of such **debris** as a result of the **loss** or **damage**;
- (c) the demolition, dismantling, shoring up, propping, underpinning of **property** or other temporary repairs to **property** as a result of the **loss** or **damage**; and
- (d) the demolition and removal of any **property**, which is necessary for the purpose of repair or replacement as a result of the **loss** or **damage**,

up to a maximum of \$50,000 for any one (1) **event**.

In addition, if the above costs exceed \$50,000, we will pay up to the amount of **total declared value** not paid out or payable to cover those costs, subject to Policy Section Condition 1 – "Underinsurance".

✗ What we exclude

We will not pay for:

- (i) the costs of removing, storing or disposing of **debris** if the liability to remove, store or dispose of **debris** has arisen as a result of any agreement made by **you**, unless liability would have attached in the absence of such agreement; or
- (ii) the costs of removing, storing or disposing of any contaminant or **pollutant** from outside the boundaries of the **premises** that does not form part of the construction material of the **building**.

5. Loss of land value

✓ What we cover

If we pay for a claim for **loss** of, or **damage** to, a **building** at the **premises**, we will pay for any reduction in land value resulting from the decision by any legal authority not to allow rebuilding or only to allow partial rebuilding of that **building** at the **premises**.

The most we will pay under this Extra Cover is:

- (a) 10% of the "Building" **insured amount** specified in **your policy schedule**; or
 - (b) \$100,000,
- whichever is less.

Example

If the **insured amount** for the **building** is \$900,000, we will not pay more than \$90,000 (10% of \$900,000), as this amount is less than \$100,000.

6. Mortgage discharge costs

✓ What we cover

We cover the reasonable legal costs associated with the discharge of a mortgage or mortgages on **building(s)** following settlement of a claim under this Policy Section for the **building(s)** on a reinstatement or replacement basis.

We will pay up to \$30,000 for all claims covered under this Extra Cover in total in any one (1) **period of insurance**.

7. Environmental upgrade

✓ What we cover

We will pay the additional costs incurred if **you** elect to repair or replace **property** that is **lost**, destroyed or **damaged** in the **period of insurance** and which is covered by this Policy Section, using, or with, environmental technology, products, or materials, that improve the energy or water efficiency of the **property**.

The most **we** will pay under this Extra Cover is 10% of the amount **we** would otherwise have paid to repair or replace the **property** in the absence of the upgrade.

Example

Your "Building" **insured amount** is \$1,000,000 and the **building** is destroyed. When the **building** is reinstated, **you** are required to comply with local building regulations. **You** also decide to add solar energy capture technology, not required by the regulations, to power the **building**. **We** will pay up to \$100,000 for the costs of the solar energy capture technology.

8. Catastrophe inflation protection

✓ What we cover

If a claim for **damage** to **your building** that is a direct result of a **catastrophe** is covered by this Policy Section, **we** will pay up to an additional 20% of the **insured amount** for the **building** for any additional costs incurred in rebuilding that can be directly attributed to increases in the price of services and materials as a direct result of the **catastrophe**.

This Extra Cover does not operate to increase the **insured amount** for the purposes of calculating the application of any Extra Cover, Additional Benefit or underinsurance provision in this Policy Section.

Example

If **your insured amount** for a **building** was \$1,000,000 **we** would pay up to an extra \$200,000 (20% of \$1,000,000).

x What we exclude

We will not:

- (a) pay more than the increased building costs which are actually incurred by **you** as a direct result of the **catastrophe**;
- (b) pay any claim under this Extra Cover arising as a result of **you** choosing not to rebuild the **building** (or any part of it) at the **premises** specified in **your policy schedule**;
- (c) pay any claim under this Extra Cover if **your policy schedule** shows the **building** as being insured for "Indemnity"; or
- (d) increase the **insured amount** to pay for **damage** to any **property** other than the **building**.

9. Capital additions

✓ What we cover

If **buildings** or **contents** are insured and:

- (a) **buildings**, or part of them, are in the process of being constructed, erected, altered or added to; or
- (b) **contents** are in the process of being installed or modified,

we will cover **loss** or **damage** to the new additions or installations as if those new additions or installations were insured **buildings** or **contents**.

The most **we** will pay under this Extra Cover:

(a) for a **building**, is:

- (i) \$500,000; or
- (ii) 20% of the "Building" **insured amount**,
whichever is less.

(b) for **contents**, is:

- (i) \$100,000; or
- (ii) 20% of the "Contents" **insured amount**,
whichever is less.

✗ What we exclude

We will not pay for any **loss** or **damage** caused by or arising out of Insured Event 5 – "Storm, wind and rain (including snow, sleet and hail)":

Example

The **insured amount** for **your building** at the **premises** is \$1,100,000 and the **building** is being altered. **We** will not pay more than \$220,000 (20% of \$1,100,000), as this amount is less than \$500,000.

The **insured amount** for **contents** at **your** office is \$150,000 and **you** are refitting the office. **We** will not pay more than \$30,000 (20% of \$150,000), as this amount is less than \$100,000.

10. Undamaged foundations

✓ What we cover

If the **building** foundations at the **premises** are not **damaged** by an Insured Event that causes other **damage** to the **building** covered under this Policy Section and a government or statutory authority requires reinstatement of the **building** to be carried out on another site, the foundations will be considered destroyed and **we** will treat the foundation as **damaged** for the purposes of reinstatement of the **building** at the other site.

11. Additional costs of repairing electronic equipment

✓ What we cover

When **we** agree to pay any amount for **damage** to **electronic equipment**, **we** will also pay the following reasonable costs incurred by **you** and directly arising from the **damage**:

- (a) the cost of locating the **damage**;
- (b) freight charges up to 5% of the value of the **damaged** item of **electronic equipment**; and
- (c) charges for overtime and work on public holidays needed to return the **electronic equipment** to normal working condition.

12. Seasonal increase period(s)

✓ What we cover

We will automatically increase the **insured amount** in respect of **stock** by 35% during the **seasonal increase period**.

You can nominate different **seasonal increase period(s)** or higher percentage increases of the **stock insured amount**. If **you** do, they will be specified in **your policy schedule** and **you** must pay any additional premium that applies.

13. Floating stock

✓ What we cover

Where **we** pay a claim for **loss** or **damage** of **stock** at a **premises**, **we** will pay more than the “Stock” **insured amount** at that **premises** to account for the temporary transfer of **stock** between **premises** provided that:

- (a) there are at least two (2) **premises** on **your policy schedule** and an **insured amount** has been separately specified in **your policy schedule** for **stock** at each **premises** insured under this Policy Section, including the affected **premises**; and
- (b) **you** transfer the **stock** between those **premises** as a usual **business** practice.

The most **we** will pay under this Extra Cover is the combined total of the “Stock” **insured amount** for all **premises**.

✗ What we exclude

We will not pay a claim under this Extra Cover where **stock** levels in excess of the **insured amount** at a **premises** have been temporarily located at that **premises** for a period exceeding ninety (90) days and where **we** have not agreed in writing to an extended period.

14. Rewards

✓ What we cover

To the extent permitted by law, **we** will pay up to \$5,000 for any one (1) insured **event** for the reasonable cost of any reward paid by **you** for information which results in the:

- (a) apprehension; and
 - (b) entry of judgment against, or conviction of,
- the person(s) responsible for the **loss** or **damage** covered under this Policy Section.

You must provide reasonable evidence that the reward has been paid.

If the reward is covered under this Extra Cover and under Extra Cover 7 – “Rewards” in Policy Section 2 – Theft and / or under Extra Cover 5 – “Rewards” in Policy Section 4 – Money, then the maximum **we** will pay under all these Policy Section Extra Covers in total for any one (1) **event** is \$5,000.

✗ What we exclude

We do not cover any reward paid by **you**:

- (a) to an **employee**, director or partner of **your business**, **your** tenant, or **your family**; or
- (b) for information already held by or provided to **us** or any law enforcement authority.

15. Forensic cleaning expenses

✓ What we cover

We will pay for the costs of forensic cleaning to the **premises** following an unintended and unexpected **event** which occurs at the **premises** during the **period of insurance**.

The most **we** will pay under this Extra Cover in total for all claims in any one (1) **period of insurance** is \$2,000.

If the costs are covered under this Extra Cover and under Extra Cover 4 – “Removal of debris and temporary repairs” in this Policy Section, then the maximum **we** will pay under both these Policy Section Extra Covers in total for any one (1) **event** is the amount payable under Extra Cover 4 – “Removal of debris and temporary repairs”.

✘ What we exclude

We will not pay for any forensic cleaning costs in respect of:

- (a) methamphetamine laboratory **contamination**;
- (b) storm, **flood** or sewage backup;
- (c) graffiti;
- (d) human decomposition;
- (e) bird or rodent droppings (hantavirus / histoplasmosis dangers);
- (f) toxic mould, spore or **fungus** remediation;
- (g) illegal dumping, waste **contamination** or contraventions of environmental laws;
- (h) **animal** or pet odours;
- (i) bio hazard spill;
- (j) disease outbreak; or
- (k) medical waste transport, treatment or disposal.

16. Playing surfaces

✔ What we cover

We will pay up to \$50,000, plus any additional amount specified in **your policy schedule** for playing surfaces, for the cost of repairing **damage** to outdoor playing surfaces at the **premises** caused by:

- (a) vandals or persons engaging in malicious conduct;
- (b) fire occurring to **property** at the **premises** for which **we** have admitted liability under this Policy Section; or
- (c) the action of fire fighting services, police or other emergency services in attending to their duties at the **premises**.

✘ What we exclude

We will not pay for the cost of repairing **damage** to outdoor playing surfaces at the **premises** caused by anyone who **you** have permitted to use the playing surfaces.

Additional Benefits

We will also provide the following Additional Benefits in this Policy Section subject to the General Exclusions and all of the terms, conditions and exclusions applicable to this Policy Section.

Any amounts payable under these Additional Benefits will apply in addition to the **insured amount** specified in **your policy schedule** for this Policy Section, unless stated otherwise.

If **we** pay a claim under an Additional Benefit, **we** will settle that Additional Benefit by paying **you** by cheque or direct deposit into **your** bank account. This means that **we** will not repair or replace or arrange for a service. An exception to this is where **we** arrange the repair, rebuilding or replacement (including temporary repairs) of **buildings**. In that case, for those Additional Benefits that form part of the repair, rebuilding or replacement of **buildings** **we** will arrange for the Additional Benefit to be provided.

1. Prevention of loss or damage

✔ What we cover

We will cover the reasonable and necessary costs that **you** incur:

- (a) to extinguish a fire occurring during the **period of insurance** on or in the immediate vicinity of **your premises** which causes or threatens **loss** of, or **damage** to, **your property**;
- (b) to prevent or diminish imminent **damage** to **your property** by any other insured event occurring during the **period of insurance**; or
- (c) for the temporary protection and safety of **your property** at the **premises** necessitated by **damage** from an insured event occurring during the **period of insurance**, including the employment of security services.

The most **we** will pay for all claims covered under this Additional Benefit in total is \$25,000 in any one (1) **period of insurance**.

Further, if these costs are covered under this Additional Benefit and under Extra Cover 3 – “Temporary protection” in Policy Section 2 – Theft and / or under Extra Cover 2 – “Temporary protection” in Policy Section 4 – Money, then the maximum **we** will pay under all these Policy Sections in total in any one (1) **period of insurance** is \$25,000.

✘ What we exclude

We will not pay for:

- (a) any fines penalties, or liability incurred by **you**; or
- (b) any **loss** of, or **damage** to, **your property**, under this Additional Benefit.

2. Temporary removal of stock and contents

✔ What we cover

We will pay for **loss** of, or **damage** to, **stock** and **contents** during the **period of insurance** caused by an insured event if the **stock** or **contents** have been temporarily removed to any other premises including a temporary storage facility, self storage unit or bulk storage facility.

The most **we** will pay under this Additional Benefit is:

- (a) 20% of the "Contents" **insured amount** for **contents** temporarily removed; and
- (b) 20% of the "Stock" **insured amount** for **stock** temporarily removed.

✘ What we exclude

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

- (a) **stock** or **contents** located outside Australia at the time of **loss** or **damage**;
- (b) **stock** or **contents** that have been removed from the **premises** for a period of more than ninety (90) days at the time of **loss** or **damage**, unless **we** have agreed in writing during the **period of insurance** that the **stock** or **contents** could be removed for a longer period and that period has not been exceeded;
- (c) **stock** or **contents** in open **vehicles** caused by wind, water, hail or storm unless steps have been taken to protect it from such loss or damage such as using tarpaulins;
- (d) **your** directors' and **employees'** tools of trade and **personal effects**;
- (e) **stock** that **you** have consigned to another person for sale;
- (f) **stock** or **contents** whilst in transit or in the open air; or
- (g) **vehicles**, except for fork lift trucks and similar appliances that are used for hauling or conveying goods at the **premises**.

Example

If the **insured amount** for **stock** is \$20,000 and the **insured amount** for **contents** is \$50,000 and there is **loss** or **damage** to **stock** and **contents** that have been temporarily removed from the **premises** as a result of an insured event, **we** will pay up to \$4,000 (20% of \$20,000) for **stock** and up to \$10,000 (20% of \$50,000) for **contents**.

3. Damage to business records away from the premises

✔ What we cover

We will pay for **loss** or **damage** to tangible documents, manuscripts, plans, drawings, designs and **business** books of every description used for the purposes of **your business** if they are **lost** or **damaged** during the **period of insurance**:

- (a) in a motor vehicle accident; or
- (b) by theft from a locked motor vehicle following actual forcible and violent entry.

4. Landscaping

✔ What we cover

We will pay for **loss** of, or **damage** to, landscaping at the **premises** during the **period of insurance** arising from an **event**.

Landscaping includes trees, shrubs, plants and lawns.

The most **we** will pay under this Additional Benefit for any one (1) insured **event** is \$10,000.

x What we exclude

We will not pay for any **loss** of, or **damage** to, landscaping which occurs as a result of:

- (a) Insured Event 5 – “Storm, wind and rain (including snow, sleet or hail)”;
- (b) Insured Event 9 – “Malicious acts (including by vandals and thieves)”;
- (c) the actions of **animals**; or
- (d) the failure of trees, shrubs, plants, turf to germinate or become established.

5. Theft of external property

✓ What we cover

If **you** own but do not occupy a **building** shown as insured under this Policy Section at a **premises**, **we** will cover **you** for the theft in the **period of insurance** of plant, plumbing or wiring services that are not part of that **building** but which are securely attached (by means other than the connection to a power point) to the **building** structure.

The most **we** will pay for all claims covered under this Additional Benefit in total is \$10,000 in any one (1) **period of insurance**.

x What we exclude

We will not pay for any **loss** or **damage** caused by **your family** or **your tenants**.

We will not pay any claims under this Additional Benefit if **you** have selected Policy Section 2 – Theft.

6. Directors' and employees' tools of trade and personal effects

✓ What we cover

We will pay for **loss** of, or **damage** to, directors' and **employees'** tools of trade and **personal effects** caused by any of Insured Events 1 to 11, as if they were **contents**.

The most **we** will pay under this Additional Benefit is \$5,000 for any one director or **employee** and \$10,000 in total for any one (1) **period of insurance**.

Any amount **we** pay for this Additional Benefit will be included within and not in addition to the “Contents” **insured amount**.

x What we exclude

We will not pay for **loss** of, or **damage** to, laptop computers, mobile phones, digital media players, electronic diaries, non-fixed GPS units, musical instruments, curios, works of art, jewellery, **money**, payment cards or medical devices.

If the tools of trade or **personal effects** are covered under another policy (other than a policy entered into by **you**), **we** will only pay for the **loss** or **damage** not otherwise covered by that other policy.

7. Temporary cover for new premises

✓ What we cover

We will cover **you** for **loss** or **damage** occurring during the **period of insurance** to any newly occupied location arising from any of Insured Events 1 to 10, as if that location was specified in **your policy schedule** as an insured **premises**, provided that:

- (a) **you** first occupy the newly occupied location during the **period of insurance**;
- (b) the business carried on at or from the newly occupied location is the same as the **business** specified in **your current policy schedule**;
- (c) the property at the newly occupied location is of the same nature as the **property** located at a **premises** and would have been covered if they were located at a **premises**; and
- (d) the buildings at the newly occupied location are constructed of the same materials, and have the same or superior security features as those at one of the **premises** specified in **your policy schedule**.

The most **we** will pay under this Additional Benefit is 20% of the highest of the **insured amount** for all property at a **premises** specified in **your policy schedule**.

This Additional Benefit ends once **you** have contacted **us** to have the newly occupied location added to **your policy** or sixty (60) days after **you** first occupy the newly occupied location.

x What we exclude

We will not cover **you** for any **loss** or **damage** at the newly occupied location that occurs more than sixty (60) days after **you** first occupy the newly occupied location.

In order for **you** to continue this cover beyond sixty (60) days or be insured for the appropriate **insured amount**, **you** must provide **us** with full details of the newly occupied location. If **we** agree to cover the newly occupied location, **you** must pay any additional premium that applies.

Example

As an example of what **we** pay, if **you** insure two existing **premises**, one which has an **insured amount** for all **property** totalling \$1,000,000 and the other which has an **insured amount** for all **property** totalling \$2,000,000, then any new premises will be covered for up to \$400,000 (20% of \$2,000,000, the higher of the two **insured amounts** for all **property** at a **premises**).

8. Damage to glass, windows, doors and showcase frames in vacant buildings

✓ What we cover

If **you** own but do not occupy any **buildings** shown as insured under this Policy Section at a **premises**, **we** will cover **you** for the following costs directly related to the breakage of **glass** in the **period of insurance** in a rentable area of the **building** that is vacant and not leased to a tenant at the time of the breakage:

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

The most **we** will pay for all claims covered under this Additional Benefit in total is \$5,000 in any one (1) **period of insurance**.

x What we exclude

We will not cover **you** for any breakage of:

- (a) **glass** caused by or arising out of fire or the application of heat;
- (b) **glass**:
 - (i) when in transit or whilst being fitted into position or removed from its fitting;
 - (ii) in light fittings;
 - (iii) that is cracked or imperfect prior to breakage;
 - (iv) that is not fit for the purpose intended; or
 - (v) that is in a glasshouse.

(c) tiles on shopfronts and office fronts, other than around the broken **glass**;

(d) plastic or Perspex signs; or

(e) **glass** where any breakage or **damage** does not extend through the entire thickness of the glass.

We will not cover any claims under this Additional Benefit if:

- (a) **you** are insured under Policy Section 3 – Glass; or
- (b) the **premises** has remained unoccupied or untenanted for a continuous period of more than sixty (60) days and **we** have not agreed to an extended period in writing.

Excess

The **excess** that applies to this Additional Benefit is the **excess** specified in **your policy schedule** or \$500, whichever is more.

9. Limited transit cover

✓ What we cover

We will cover **you** for **loss** of, or **damage** to, **stock** or **contents** during the **period of insurance** which are in transit in any **vehicle** anywhere in Australia and away from the **premises**, provided the **loss** or **damage** is caused by:

- (a) a collision or overturning of the conveying **vehicle**; or
- (b) any of the following:
 - (i) Insured Event 1 – “Fire”;
 - (ii) Insured Event 2 – “Escape of molten material from its intended confines at the premises”;
 - (iii) Insured Event 3 – “Lightening or thunderbolt”;
 - (iv) Insured Event 4 – “Explosion or implosion”;
 - (v) Insured Event 8 – “Riot or civil commotion”;
 - (vi) Insured Event 9 – “Malicious acts (including by vandals and thieves)”;
 - (vii) Insured Event 10 – “Earthquake, tsunami, subterranean fire or volcanic eruption”.

The most **we** will pay under this Additional Benefit is 10% of the highest **insured amount** for **contents** or **stock** at any one **premises** up to a maximum of \$25,000 for each **event**.

✗ What we exclude

We will not cover **you** under this Additional Benefit if **you** have selected Policy Section 12 – Goods in Transit.

What we will pay

The maximum **we** will pay for any one (1) claim from any one **occurrence**, other than a claim for a **specified item** or **contents** that are works of art, antiques or curios, under this Policy Section 1 is the amount specified in the **policy schedule** or as adjusted by the Extra Covers, Additional Benefits and Policy Section Conditions of this Policy Section, whichever is the greater.

Except as detailed below in regard to how **we** settle claims for the **loss** of or **damage** to **buildings**, **we** will settle any claim by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

The maximum **we** will pay for each **specified item** is the **insured amount** noted for that item under the heading “Other” on **your policy schedule**.

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

For any item of **contents** or for any **specified item** that is part of a pair or set, the limit applies to the pair or set even if only part of the pair or set is lost or destroyed.

1. Building(s), specified items or business contents apart from customers' goods

Reinstatement or replacement

Unless the **policy schedule** shows **you** are insured for “Indemnity” then, when **buildings**, **specified items** or **contents** (apart from **customers' goods**) are **lost**, **damaged** or destroyed:

(a) for **buildings**:

- (i) if the reasonable cost to repair, rebuild or replace the **buildings** is less than or equal to the **insured amount** and **you** wish to repair, rebuild or replace the **buildings**, **we** will, at our option (acting reasonably) and in consultation with **you**, either:
 - ▼ repair, rebuild or replace the **buildings** at the **premises** specified in the **policy schedule** or at another site (subject to Policy Section Condition 1 – “Underinsurance”) to a condition equal to, but not better or more extensive than, its condition when new; or
 - ▼ pay **you** the reasonable costs to repair, rebuild or replace the **buildings** at the **premises** specified in the **policy schedule** or at another site where **you** control, undertake or arrange others to undertake the agreed work of rebuilding, replacing or repairing (subject to Policy Section Condition 1 – “Underinsurance”) to a condition equal to, but not better or more extensive than, its condition when new;
- (ii) if **you** do not wish to repair, rebuild or replace the **buildings**, **we** will pay **you** (subject to Policy Section Condition 1 – “Underinsurance”) the lesser of the reasonable cost of repair, rebuilding or replacement or the market value of the **buildings**, but **we** will exclude any professional fees as well as additional extra local authority requirements or other regulations included in the cost for its rebuilding, repair or reinstatement that **you** do not incur;

- (iii) if the reasonable costs to repair, rebuild or replace the **buildings** to a condition equal to, but not better or more extensive than, its condition when new is greater, or likely to be greater, than the **insured amount**, **we** will pay **you** (subject to Policy Section Condition 1 – “Underinsurance”) the **insured amount** instead of repairing, rebuilding or replacing.

When **we** settle claims for **buildings**, **we** will not pay more than the **insured amount** for **buildings** or as adjusted by the Extra Covers, Additional Benefits and Policy Section Conditions of this Policy Section; and

(b) for **contents** or **specified items** (other than stock):

- (i) if the reasonable cost to repair or replace **contents** or **specified items** with similar property is less than or equal to the **insured amount**, and **you** wish to repair or replace the property, **we** will pay you the reasonable costs to repair or replace the **contents** or **specified items** with similar property of equal quality, standard and specification (subject to Policy Section Condition 1 – “Underinsurance”); or
- (ii) if the reasonable cost to repair or replace **contents** or **specified items** with similar property is greater or likely to be greater than the **insured amount**, or **you** do not wish to repair or replace the **contents** or **specified item**, or if the **contents** or **specified item** cannot be repaired or replaced, **we** will pay **you** the market value of the **contents** or **specified items** at the time of the **damage** or **loss** taking into account the **proof of purchase**, estimates and valuations obtained or provided (subject to Policy Section Condition 1 – “Underinsurance”).

When **we** settle claims for **contents** and **specified items** **we** will not pay more than the relevant **insured amount** for **contents** or **specified items** or as adjusted by the Extra Covers, Additional Benefits and Policy Section Conditions of this Policy Section.

Reinstatement or replacement is subject to the following conditions:

- (a) where **you** control, undertake or arrange for others to undertake the work of rebuilding, replacing or repairing, work must be commenced and completed by **you** within a reasonable time, **we** may reduce **our** liability to the extent **we** are prejudiced by any unnecessary delay within **your** control;
- (b) when rebuilding at another site, **we** will not pay more than **we** would pay to rebuild at the **premises**;
- (c) when any **property insured** is **damaged**, but not destroyed, **we** will not pay more than the amount that **we** would have been required to pay if that **property insured** had been destroyed;
- (d) **we** will only pay to return the **property insured** to a condition substantially the same as, but not better or more extensive than, its condition when new, using building materials readily available and in common use in Australia; and
- (e) **we** will only pay to return **contents** or **specified items** to a condition substantially the same as, but not better or more extensive than, their condition when new.

2. Indemnity (Optional reduction in cover)

If the **policy schedule** shows **you** are insured for “Indemnity” then, for any **loss** or **damage** to **building(s)** or **contents** (apart from **customers’ goods**) **we** will at **our** option (acting reasonably) and in consultation with **you**, either:

- (a) pay **you** the market value of the **buildings** or **contents** at the time of its **loss** or **damage**; or
 - (b) pay **you** the cost of repair, rebuilding or replacement up to the market value of the **buildings** or **contents**,
- but **we** will reduce the amount **we** pay **you** to take into account age, wear, tear and depreciation (subject to Policy Section Condition 1 – “Underinsurance”).

Under both “1. Reinstatement or replacement” and “2. Indemnity (Optional reduction in cover)” **we** will consider the below factors when considering how to settle **your** claim (including but not limited to):

- ▼ the circumstances of the **loss** or **damage**;
- ▼ **your** willingness to rebuild at the **premises**;
- ▼ the adequacy of the **insured amount**;
- ▼ **your** intent to improve or enhance the **buildings**;
- ▼ the potential of underinsurance or unexpected costs or delay in rebuilding, replacing or repairing **property insured**;
- ▼ **your** intent to undertake rebuilding, replacement or repair **yourself** or for **you** to arrange for such work to be done;
- ▼ the time it may take for **you** to resume normal **business** operations;
- ▼ the imposition of any government, local authority and other requirements affecting or influencing the repair, rebuild, replacement or use of **buildings** or **contents**; and
- ▼ **our** or **your** ability to repair, rebuild or replace the **property insured** or rebuild a building at the **premises**.

3. Extra costs of reinstatement or replacement: Building is not a heritage building

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

The extra costs of reinstatement or replacement is subject to the following conditions:

- (a) the work of reinstatement must be commenced and completed within a reasonable time;
- (b) the amount payable will not include any additional costs in complying with any requirement that **you** were required to comply with before the **loss** or **damage** occurred; and
- (c) if the cost of reinstatement of the **building** is less than 50% of what would have been the cost of reinstatement if that **building** had been totally destroyed, then the amount **we** will pay will:
 - (i) be limited to the extra cost necessarily incurred in reinstating the damaged portion of the **building** only;
 - (ii) not include any extra cost in relation to any portion of the **building** which is not damaged, other than undamaged foundations as provided for in Extra Cover 10 – “Undamaged foundations”; and
 - (iii) not exceed, in any event, the amount that **we** would have paid if that **building** had been totally destroyed

4. Extra costs of reinstatement or replacement: Heritage building

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

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

The extra costs of reinstatement or replacement of a heritage building is subject to the following conditions:

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

5. Loss of floor space

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

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

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

- (i) the actual cost of rebuilding the **building** with the reduced floor space; and
- (ii) the estimated cost of rebuilding the **building** with the floor space it had at the time of its destruction.

6. Stock and customers' goods

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

- (a) if the **stock** or **customers' goods** can be repaired or replaced, pay for **you** to replace or repair the damaged **stock** or **customers' goods** with property or materials of equal quality, standard and specification unless (in the case of **stock**) the **stock** has become **obsolete stock** (subject to Policy Section Condition 1 – “Underinsurance”);
- (b) if the **stock** or **customers' goods** cannot be repaired or replaced, **we** will pay **you** the original cost to **you** of the **stock** plus an amount commensurate with the cost of repairing damaged **stock**, but not exceeding its pre-damage value at the time of the loss unless (in the case of **stock**) the **stock** has become **obsolete stock** (subject to Policy Section Condition 1 – “Underinsurance”); or
- (c) where the **stock** is **obsolete stock**, **we** will pay **you** its reasonable value as **obsolete stock** at the time of the **damage** but no more than its original cost to **you** (subject to Policy Section Condition 1 – “Underinsurance”).

7. Branded stock

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

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

8. Electronic equipment

For valves, tubes and light sources in **electronic equipment** we will pay to **you** the costs to repair or replace the valves, tubes or light sources subject to due allowance for wear and tear, depreciation and betterment.

Excess

You must pay the **excess** specified in **your policy schedule** that applies to a claim under this Policy Section. Please refer to General Claims Condition 11 – “Paying your excess” for information about the options for paying the **excess**.

When you must pay a higher or additional excess

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

- (a) covered under Insured Event 9 – “Malicious acts,” where such **loss** or **damage** is caused by an act committed by **your** tenants, the **excess** for each claim is \$500 or the **excess** specified in **your policy schedule** (whichever is more); or
- (b) covered under Additional Benefit 8 – “Damage to glass, windows, doors and showcase frames in vacant buildings,” the **excess** for each claim is \$500 or the **excess** specified in **your policy schedule** (whichever is more).

If **you** are making a claim for **loss** or **damage** as a result of Insured Event 10 – “Earthquake, tsunami, subterranean fire or volcanic eruption,” the **excess** for each claim is the lesser of:

- (a) \$20,000; or
- (b) 1% of the total **insured amount** specified in **your policy schedule** that relates to the **damaged property** at the **premises**.

For example where the **insured amount** in **your policy schedule** for “Buildings” is \$1,000,000 and the **insured amount** for “Contents” is \$500,000 and an earthquake causes **damage** to the **buildings** and **contents**, **you** will be required to pay an **excess** of \$15,000 (1% of \$1,500,000) as this amount is less than \$20,000.

You will only be required to pay one (1) **excess** for **damage** that results from earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these during any period of 72 consecutive hours. **Damage** arising from any of these that occurs more than 72 hours after the event will be considered to be a separate event in which case **you** will be required to pay an additional **excess**.

Policy Section Conditions

These conditions apply to all covers and claims under this Policy Section in addition to the General Policy Conditions on pages 16 to 18.

If **you** do not comply with these Policy Section Conditions, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your policy**.

1. Underinsurance

The following underinsurance condition means that if **you** do not insure for the full reinstatement or full replacement cost of **your property** **you** may not receive cover up to the full reinstatement or full replacement cost when **you** make a claim under this Policy Section. If the **total declared value** for all **property** at the **premises** where the **loss** or **damage** occurs is less than 80% of the cost (net of any **input tax credit** that **you** could claim) of reinstating all **property** at those **premises** calculated as at the commencement date of the **period of insurance**, then the amount **we** are liable to pay in respect of **loss** or **damage** covered under this Policy Section will be reduced in accordance with clause (a) or (b) below, as applicable.

- (a) If **you** are insured under this Policy Section on a reinstatement or replacement basis, **we** will be liable for no greater proportion of the **loss** or **damage** than the **total declared value** for all **property** at the **premises** where the **loss** or **damage** occurs, bears to 80% of the cost of reinstating all such **property** (net of any **input tax credit** that **you** could claim), calculated at the commencement date of the **period of insurance**.
- (b) If the **policy schedule** shows **you** are insured for “Indemnity,” **we** will be liable for no greater proportion of the **loss** or **damage** than the **total declared value** for all **property** at the **premises** where the **loss** or **damage** occurs bears to 80% of the indemnity value (less any Goods and Services Tax component of that value) of the **property**, calculated at the commencement date of the **period of insurance**.

This Underinsurance condition does not apply if the amount of any **loss** or **damage** (net of any **input tax credit** that **you** could claim) is less than 10% of the **total declared value** for all **property** at the **premises** where the **loss** or **damage** occurs.

2. Seasonal increase period

You do not have to tell **us** what the dates of the **seasonal increase period** are. However, if **you** make a claim under this Policy Section then **your** financial records over the previous two (2) years must substantiate the period as a **seasonal increase period**. If the **business** is less than two (2) years old, **you** can use the financial records of **your business** from the date of commencement until the date of the **loss or damage** to substantiate **your** claim.

3. Sprinklers and fire alarm systems

All fire protection systems (either manual or automatic sprinkler or alarm systems) in the **building(s)** and which **you** own or have responsibility for maintaining must be serviced by a qualified technician in accordance with Australian Standard 1851-2012 *Routine service of fire protection systems and equipment*, which **you** can obtain from www.standards.org.au (or any subsequent amendments or replacements).

4. Indexation

If **your policy schedule** specifies that indexation applies, **we** will automatically adjust the **insured amounts** specified for this Policy Section in **your policy schedule**, each year according to the most appropriate price index (as determined by **us**) and any other relevant indices published by the Australian Bureau of Statistics.

The premium **you** pay will be based on the adjusted **insured amounts** as specified in **your policy schedule**.

Worked dollar claim example 1

The following worked dollar claim examples are designed to assist **you** in understanding some of the benefits in this Policy Section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of **your policy** terms and conditions. The following examples should be used for general guidance only. **We** always determine real claim payments on an individual basis, after **we** have assessed each claim. **You** should consider all examples as each example covers different benefits and scenarios.

All amounts are shown in Australian dollars and are GST inclusive unless indicated otherwise. **You** should read the PDS and Policy Wording and **your policy schedule** for full details of what **we** cover as well as what **policy** limits, conditions and exclusions apply.

***You** have cover for a **building** that is used as both a hairdressing salon and **your** residence. For this reason it is a **home building**. **You** have checked **your policy schedule** and, because the "Indemnity Optional reduction in cover" basis is not shown, **you** are insured for "Reinstatement or Replacement". The total of all **insured amount** values in **your policy schedule** is \$400,000 (the total of the **insured amount** specified in **your policy schedule** for the **building** of \$380,000, **contents** of \$10,000 and **stock** of \$10,000) and the **excess** specified in **your policy schedule** is \$250.*

*When setting the "Building" **insured amount**, **you** must consider the costs to remove debris and payment of any architect fees. The **building** is damaged in a storm and the cost of repairs is \$200,000.*

How much we pay		Further information
Cost of repairing the storm damage to your building	\$200,000	Usually the building is repairable if the cost of repairing the building is less than the insured amount (in this example the insured amount is \$380,000).
Removal of debris	+\$30,000	In addition to the damage to the building , the storm has created building debris that requires cleaning up and removal. The most we will pay under Extra Cover 4 – "Removal of debris and temporary repairs" of this Policy Section for removal of debris is \$50,000.
Less excess	-\$250	We deduct this from the amount we pay. We may ask you to pay this amount directly to the repairer.
Total claim	\$229,750	We normally pay this amount to you or, if we are arranging the repairs through a member of our repair network, directly to the repairer.

Underinsurance on a partial loss

In the above example, if the actual replacement value of all **property** at the **premises** at the time the **policy** was entered into was \$580,000 but **you** had only insured all of the **property** for \$400,000 the amount **we** pay will be reduced in accordance with Policy Section Condition 1 – "Underinsurance".

The amount **we** would pay to replace **buildings, contents** and **stock** before **we** deduct the **excess** will be calculated as follows:

$$\text{Total claim of } \$200,000 \times \frac{\$400,000}{(80\% \times \$580,000)} = \$172,414$$

As the removal of debris amount of \$30,000 is paid under Extra Cover 4 – "Removal of debris and temporary repairs", underinsurance does not apply to this amount.

Worked dollar claim example 2

*You have cover for a **building** that is used as both a cafe and **your** residence. For this reason it is a **home building**. You have checked **your policy schedule** and, because the "Indemnity Optional reduction in cover" basis is not shown, **you** are insured for "Reinstatement or Replacement". The **insured amount on your policy schedule** is shown as \$2,500,000 and the **excess** specified in **your policy schedule** is \$250. The **building** is **damaged** in an earthquake and the cost of repairs is \$1,000,000.*

How much we pay		Further information
Cost of repairing the earthquake damage to your building	\$1,000,000	Normally the building is repairable if the cost of repairing the building is less than the insured amount (in this example the insured amount is \$2,500,000).
Removal of debris	+\$80,000	In addition to the damage to the building , the earthquake has created building debris that requires cleaning up and removal at a cost of \$80,000. The most we will pay under Extra Cover 4 of this Policy Section for removal of debris is \$50,000. However, as the removal of debris costs are more than \$50,000 and the total declared value has not been exhausted, we will pay up to the amount of total declared value not paid out or payable to cover the removal of debris costs not covered by Extra Cover 4.
Less excess	-\$20,000	We deduct this from the amount we pay. We may ask you to pay this amount directly to the repairer.
Total claim	\$1,060,000	We normally pay this amount to you or, if we are arranging the repairs through a member of our repair network, directly to the repairer.

Definitions

The following defined words in this Policy Section have the meanings given to them as set out below. These meanings only apply to this Policy Section and the terms and conditions of this **PDS** as they apply to this Policy Section and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Catastrophe

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

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

Contents

Furniture, tools of trade and equipment used by **you** in the **business** and includes:

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

Contents does not mean or include:

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

Debris

The residue of **damaged property**. **Debris** does not include any material which is itself a **pollutant** or contaminant and which is deposited beyond the boundaries of the **premises**.

Property

Means **buildings**, **contents**, **stock** and/or **specified items** at the **premises**.

Specified items

Each item of property that is specifically described under the heading “Other” in **your policy schedule**.

Total declared value

The total of the **insured amounts** for this Policy Section listed on **your policy schedule**, or adjusted in accordance with this Policy Section, whichever is the greater. The **total declared value** does not include any amount for **specified items**.

Policy Section 2 – Theft

Please note that if **you** are insuring a **home building** under this Policy Section **you** should also read Part F of this **PDS** and Policy Wording.

About this Policy Section

This Policy Section covers the **loss** of, or **damage** to, **your contents, specified items** and **stock** from **theft**, attempted **theft**, armed hold up or an actual or threatened assault. **You** are not covered for **theft of contents** from or in any open space.

You can claim for **loss** of, or **damage** to, **your contents, specified items**, and **stock** as described under “Insuring clause – What we cover” if:

- ▼ “Theft” is specified in **your policy schedule**;
- ▼ the **loss** or **damage** occurs during the **period of insurance**;
- ▼ the **loss** or **damage** is not excluded under “What we exclude”; and
- ▼ the **loss** or **damage** is not excluded by any of the General Exclusions on pages 23 to 27.

Your insurance under this Policy Section

✓ Insuring clause – What we cover

We cover **loss** or **damage** occurring during the **period of insurance** to **your contents, specified items** and **stock** caused by **theft**.

✗ What we exclude

This Policy Section does not cover:

1. Theft by you, your employees or family

Loss of, or **damage** to, **property insured** caused by **you, your employees** or any member of **your family**.

2. Glass

The **breakage** of **glass** (as those terms are defined in Policy Section 3 – Glass), or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to broken **glass**.

3. Open space

Except as expressly provided by Additional Benefit 1 – “Theft of external property” of this Policy Section, **loss** of, or **damage** to, **property insured** from or in any open air, whether fenced or unfenced, outside the walls of the **building**.

4. Access

Loss of, or **damage** to, **property insured** if entry is gained to the **building**:

- (a) by use of a key or security code; or
- (b) through an unlocked door or window,

except as provided for under:

- (i) Additional Benefit 3 – “Employee dishonesty”, of this Policy Section; or
- (ii) Additional Benefit 6 – “Theft without forced entry”, of this Policy Section.

5. Extra costs or other losses

Loss of profit or income, loss of use, loss of earning capacity, loss caused by delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not covered under this Policy Section.

Extra Covers

If a claim for **loss** or **damage** caused by **theft** is covered by this Policy Section, **we** will also pay or provide the Extra Covers set out below.

Any amounts payable under these Extra Covers do not apply in addition to the **insured amount**. If **we** pay a claim under an Extra Cover, **we** will settle **your** claim in accordance with that Extra Cover. For all Extra Covers except '1. Reinstatement', **we** will only settle the claim by paying **you**. This means that **we** will not repair or replace or arrange for a service.

1. Reinstatement

✓ What we cover

If **we** pay an amount for a claim under this Policy Section **we** will automatically reinstate the **insured amount** to the amount specified in **your policy schedule**. **You** will not have to pay any additional premium.

2. Damage to rented buildings

✓ What we cover

We will cover **you** for **damage** to the **buildings** that **you** occupy as a tenant if **you** are legally liable for that **damage** under **your** tenancy agreement, provided that the **damage** is due to **theft** at the **buildings** which occurs during the **period of insurance**.

The most **we** will pay for any one (1) **event** under this Extra Cover is \$5,000.

3. Temporary protection

✓ What we cover

We will pay the reasonable and necessary costs of temporary protection incurred, or the employment of guards or watchman by **you**, for the safety and protection of the **building** pending repair of **damage** to the **building** caused by **theft**.

The most **we** will pay under this Extra Cover for any one (1) **event** is \$10,000.

Further, if these costs are covered under this Extra Cover and under Additional Benefit 1 – "Prevention of loss or damage" in Policy Section 1 – Property Damage and / or under Extra Cover 2 – "Temporary protection" in Policy Section 4 – Money, then the maximum **we** will pay under all these Policy Sections in total in any one (1) **period of insurance** is \$25,000.

4. Replacement of locks and keys

✓ What we cover

We will pay the reasonable cost of replacing locks, keys and combinations used in the **business** if, as a result of **theft**, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated.

We will also pay the reasonable cost of opening **safes and strongrooms** because of the **theft** of keys or combinations during a **theft**.

The most **we** will pay under this Extra Cover for any one (1) **event** is \$5,000.

Further, if these costs are covered under this Extra Cover and under Extra Cover 3 – "Replacement of locks and keys" in Policy Section 4 – Money, then the maximum **we** will pay under both these Policy Section Extra Covers in total for any one (1) **event** is \$5,000.

5. Rewriting of documents

✓ What we cover

We will pay for any reasonable labour costs incurred in reproducing or making good the **business's** tangible documents that are stolen.

The most **we** will pay under this Extra Cover for any one (1) **period of insurance** is \$25,000.

6. Seasonal increase period

✓ What we cover

We will automatically increase the **insured amount** in respect of **stock** by 35% during the **seasonal increase period**.

You can nominate different **seasonal increase period(s)** or higher percentage increases of the **stock insured amount**. If **you** do they will be specified in **your policy schedule** and **you** must pay any additional premium that applies.

7. Rewards

✓ What we cover

To the extent permitted by law, **we** will pay up to \$5,000 for any one (1) insured **event** for the reasonable cost of any reward paid by **you** for information which results in the:

(a) apprehension; and

(b) entry of judgment against, or conviction of,

the person(s) responsible for the **loss** or **damage** covered under this Policy Section.

You must provide reasonable evidence that the reward has been paid.

If the reward is covered under this Extra Cover and under Extra Cover 14 – “Rewards” in Policy Section 1 – Property Damage and / or under Extra Cover 5 – “Rewards” in Policy Section 4 – Money, then the maximum **we** will pay under all these Policy Section Extra Covers in total for any one (1) **event** is \$5,000.

✗ What we exclude

We do not cover any reward paid by **you**:

(a) to **your** directors, officers, any **employee**, partner of **your business**, **your** tenant, or **your family**; or

(b) for information already held by or provided to **us** or any law enforcement authority.

Additional Benefits

We will also provide the following Additional Benefits in this Policy Section subject to the General Exclusions and all the terms, conditions and exclusions and any **endorsements** that apply to this Policy Section.

Any amounts payable under these Additional Benefits will apply in addition to the **insured amount** specified in **your policy schedule** for this Policy Section, unless stated otherwise. If **we** pay a claim under an Additional Benefit, **we** will settle **your** claim in accordance with that Additional Benefit. **We** will settle these Additional Benefits by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

1. Theft of external property

✓ What we cover

We will cover **you** for **loss** or **damage** occurring during the **period of insurance** to **contents** that are securely and permanently affixed (by means other than the connection to a power point) to the outside of the **building** as a result of **theft** or attempted **theft**.

The most **we** will pay for all claims covered under this Additional Benefit in total in any one (1) **period of insurance** is:

(a) \$10,000; or

(b) the “Contents” **insured amount**,

whichever is less.

✗ What we exclude

The **excess** that applies to this Additional Benefit is the greater of the **excess** specified in the **policy schedule** or \$200.

2. Directors' and employees' tools of trade and personal effects

✓ What we cover

We will pay for loss of, or damage to, directors' and employees' tools of trade (excluding vehicles and their accessories) and personal effects caused by theft, as if they were contents.

The most **we** will pay under this Additional Benefit is \$5,000 for any one (1) director or **employee** and \$10,000 in total for any **period of insurance**. Further:

- (a) any amount **we** pay for this Additional Benefit will be in addition to the **insured amount** for "Contents"; and
- (b) if **loss of or damage to these personal effects** is covered under this Additional Benefit and under Additional Benefit 3 – "Directors' and employees' personal effects" in Policy Section 4 – Money, then the maximum **we** will pay under both these Policy Section Additional Benefits in total is \$10,000 for any **period of insurance**.

✗ What we exclude

If the tools of trade or **personal effects** are covered under another insurance policy (other than a policy entered into by **you**), **we** will only pay for **loss or damage** not otherwise covered by the other policy

We will not pay for loss or damage to musical instruments, curios, works of art, money or payment cards.

3. Employee dishonesty

✓ What we cover

We will cover you for loss of contents and stock as a direct result of employee dishonesty during the period of insurance if discovered within thirty-one (31) days of the employee dishonesty occurring.

The most **we** will pay under this Additional Benefit is:

- (a) \$2,500 for any one (1) claim for **employee** dishonesty; and
- (b) \$5,000 in total for all claims for **employee** dishonesty during the **period of insurance**.

Further, if an act of **employee** dishonesty is covered under this Additional Benefit and under Additional Benefit 1 – "Employee dishonesty" of Policy Section 4 – Money, then the maximum **we** will pay under both these Policy Section Additional Benefits is \$10,000 in total for any **period of insurance**.

✗ What we exclude

This Additional Benefit does not cover:

- (a) any **loss** arising from the conduct of an **employee** after **you** were aware that the **employee** had previously committed an act of fraud or dishonesty before or after the date of commencement of employment by **you**;
- (b) any **loss** arising from the conduct of an **employee** outside Australia;
- (c) any **loss** where **you** are unable to identify which **employee** is responsible;
- (d) any **loss** or part of a **loss** arising from the conduct of an **employee**, where the proof of the **loss**, either as to its occurrence or as to its amount, is solely dependent upon an inventory stock take or a profit and loss calculation;
- (e) fraud or dishonesty committed by **your family**; or
- (f) fraud or dishonesty committed by any of **your employees** committed with **your** knowledge or consent.

We will not cover any claims under this Additional Benefit if you are insured under Optional Insurance 1 – "Employee dishonesty" in Policy Section 7 – Management Liability.

4. Developing security images

✓ What we cover

We will cover you for the cost of developing images stored on media from security cameras following a theft or attempted theft of property insured at the buildings during the period of insurance.

The most **we** will pay under this Additional Benefit for any one (1) **event** is \$1,000.

Further, if the cost of developing such images is covered under this Additional Benefit and under Additional Benefit 2 – "Developing security images" in Policy Section 4 – Money, then the maximum **we** will pay under both these Policy Section Additional Benefits in total for any **period of insurance** is \$1,000.

5. Death following assault

✓ What we cover

If any director, officer, **employee**, or business partner sustains an injury from an assault during a **theft** or attempted **theft** in the **period of insurance** of **property insured** which is owned by **you** or for which **you** are legally responsible and dies within six (6) months of, and as a direct result of, the assault, **we** will pay \$10,000, to the estate of the deceased person.

Further, if this payment in respect of that fatality is covered under this Additional Benefit and under Additional Benefit 4 – “Death following assault” in Policy Section 4 – Money, then the maximum **we** will pay under both these Policy Section Additional Benefits in total for any one (1) fatality is \$10,000.

6. Theft without forced entry

✓ What we cover

We will cover **you** for **loss** or **damage** occurring during the **period of insurance** to **contents** and **specified items** in the **building** as a result of **theft** where there are no signs of forcible and violent entry to or exit from the **building**.

The most **we** will pay under this Additional Benefit for any one (1) claim is \$5,000.

✗ What we exclude

We do not cover **loss** of, or **damage** to, **stock** under this Additional Benefit.

7. Temporary cover for new premises

✓ What we cover

We cover **loss** of, or **damage**, to **stock** or **contents** as a result of **theft** at any newly occupied location which **you** first occupy during the **period of insurance**, as if that location was specified in **your policy schedule** as an insured **premises**, provided that:

- (a) the business carried on at or from the newly occupied location is the same as the **business** specified in **your policy schedule**;
- (b) the **stock** or **contents** at the newly occupied location would have been covered if located at one of the **premises** specified in **your policy schedule**; and
- (c) the newly occupied location has the same or superior security features as one of the **premises** specified in **your policy schedule**.

In order for **you** to continue this cover beyond sixty (60) days or be insured for the appropriate **insured amount**, **you** must provide **us** with full details of the new **premises**. If **we** agree to cover **stock** or **contents** at the new **premises**, **we** will let **you** know if payment of an additional premium is required.

The most **we** will pay under this Additional Benefit is 20% of the applicable **insured amount** for “Stock” or “Contents” specified in **your policy schedule** for this Policy Section.

Further, if the **loss** of, or **damage**, to **stock** or **contents** at any newly occupied location is covered under this Additional Benefit and under Additional Benefit 8 – “Temporary removal of stock or contents” in this Policy Section, then the maximum **we** will pay under both these Additional Benefits in total is 20% of the applicable **insured amount**.

This Additional Benefit ends once **you** have contacted **us** to have the newly occupied location added to **your policy** or sixty (60) days after **you** first occupy the newly occupied location.

✗ What we exclude

We will not cover **loss** of, or **damage**, to **stock** which does not belong to **you**, for which **you** are not legally responsible or which consists of tobacco, tobacco products, cigars, cigarettes or alcoholic beverages.

We will not cover **you** for any **loss** of or **damage** to **stock** or **contents** at the newly occupied location that occurs more than sixty (60) days after **you** first occupy the new location.

8. Temporary removal of stock or contents

✓ What we cover

We cover **you** for **loss** of, or **damage** to, **stock** or **contents** caused by theft or attempted theft while they are temporarily removed from the **premises** or while in transit to or from the **premises**, by **road**, railway, inland waterway or air.

The most **we** will pay under this Additional Benefit is 20% of the **insured amount** for "Stock" or "Contents" specified in **your policy schedule** for this Policy Section.

Further, if **loss** of, or **damage**, to **stock** or **contents** while they are temporarily removed from the **premises** or while in transit to or from the **premises**, by **road**, railway, inland waterway or air is covered under this Additional Benefit and under Additional Benefit 7 – "Temporary cover for new premises" in this Policy Section, then the maximum **we** will pay under both these Additional Benefits in total is 20% of the applicable **insured amount**.

✗ What we exclude

We will not pay for **loss** of, or **damage** to, **stock** or **contents** arising from or in connection with:

- (a) **theft** or attempted theft from an unattended **vehicle**, unless all of the doors and windows of the **vehicle** are closed and locked with any alarm or immobiliser activated; or
- (b) **theft** from an open space, whether fenced or unfenced, outside the walls of an enclosed building.

We do not cover **stock** or **contents** which have been removed from the **premises** for more than ninety (90) consecutive days, unless **we** have agreed in writing during the **period of insurance** that the **stock** or **contents** could be removed for a longer period and that period has not been exceeded.

What we will pay

We will:

(a) with respect to **stock**:

- (i) pay **you** the cost to replace or repair the **stock** with property of equal quality, standard and specification at the time of damage unless the **stock** has become **obsolete stock**; or
- (ii) pay **you** the market value, at the time of the **loss** or **damage**, of **obsolete stock** or its purchase price, whichever is the lesser, but no more than the original cost to **you**.

(b) with respect to **contents** or **specified items** pay **you** the cost of repair or replacement of the **contents** or **specified item**.

The maximum amount **we** will pay in respect of **contents** is the "Contents" **insured amount** in **your policy schedule**.

The maximum amount **we** will pay in respect of **stock** is the "Stock" **insured amount** in **your policy schedule**.

The maximum amount **we** will pay in respect of a **specified item** is the **insured amount** noted for that item under the heading "Other" in **your policy schedule**. We will settle any **claim** by paying **you**. This means that **we** will not repair or replace or arrange for a service. We will pay **you** by cheque or direct deposit into **your** bank account.

Excess

You must pay the **excess** specified in **your policy schedule** that applies to each claim under this Policy Section. Please refer to General Claims Condition 11 – "Paying your excess" for information about the options for paying the **excess**.

The **excess** that applies to Additional Benefit 1 – "Theft of external property" is the greater of the **excess** shown on **your policy schedule** or \$200.

Policy Section Conditions

These conditions apply to all covers and claims under this Policy Section in addition to the General Policy Conditions on pages 16 to 18 that apply to this Policy Section.

If **you** do not comply with these Policy Section Conditions, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your policy**.

1. Monitored burglar alarms

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

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

2. Valuables

You must ensure that any **stock** and **contents** that are precious stones, gold and silver articles, jewellery, watches, trinkets, stamps, coins and personal ornaments, which are individually of the value of \$500 or more, are contained in a securely locked **safe or strongroom** outside **your business** hours.

3. Seasonal increase period

You do not have to tell **us** what the dates of the **seasonal increase period** are. However, if **you** make a claim under this Policy Section then **your** financial records over the previous two (2) years must substantiate the period as a **seasonal increase period**.

If the **business** is less than 2 years old, **you** can use the financial records of **your business** from the date of commencement until the date of the **loss** or **damage** to substantiate **your** claim.

Definitions

The following defined words in this Policy Section have the meanings given to them as set out below. These meanings only apply to this Policy Section and the terms and conditions of this **PDS** as they apply to this Policy Section and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Contents

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

- (a) unused stationery and printed books;
- (b) **money** up to \$250;
- (c) plant and **machinery**, communications systems, fixtures and fittings and floor coverings;
- (d) **electronic equipment** including but not limited to mobile phones, laptops, palm pilots, computers, scanners, printers, word processors, electronic processing systems, photocopiers, facsimile machines, electronic cash registers, electronic scales and electronic testing or analysing equipment used by **you** in the **business**;
- (e) **media** and tangible records, documents, manuscripts, plans, drawings, designs and **business** books, but only for the value of these materials in their unused or uninstalled state or as blank stationery;
- (f) current patterns, models, moulds and dies used in the **business** but limited, unless repaired or replaced, to the value stated in **your** financial records at the time of **damage**; or
- (g) works of art, antiques and curios.

Contents does not mean:

- (a) **stock**;
- (b) directors' and **employees'** tools of trade and **personal effects**;
- (c) **money** where the **loss** or **damage** is greater than \$250;
- (d) jewellery, precious metals or stones, bullion or furs;
- (e) **vehicles** registered for road use, caravans, trailers, **watercraft**, **hovercraft**, **aircraft**, rolling stock and locomotives or their accessories;
- (f) live **animals**; or
- (g) plants, shrubs, landscaping materials or growing crops, pastures or standing timber.

Specified item(s)

Each item of property that is specifically described under the heading "Other" in **your policy schedule** for this Policy Section.

Theft

Means:

- (a) theft or any attempt at theft following actual forcible and violent entry to or exit from the **building** where such force and violence has resulted in physical damage to property;;
- (b) theft or any attempt at theft by a person concealed in the **building** during **business** hours and, who after hours, breaks out of the **building** using force and violence that results in physical damage to property; or
- (c) theft or any attempt at theft following assault or violence or immediate threat to **you** (or **your employees**) or any other person lawfully at the **building** (including armed holdup).

Policy Section 3 – Glass

Please note that if **you** are insuring against the **breakage** of **glass** which forms part of **your home building** under this Policy Section **you** should also read Part F of this **PDS**.

About this Policy Section

This Policy Section covers **loss** of, or **damage** to, **glass** at the **premises**.

You can claim for **loss** of, or **damage** to, **glass** as described under “Insuring clause – What we cover” if:

- ▼ “Glass” is shown as insured on **your policy schedule**;
- ▼ the **loss** or **damage** occurs during the **period of insurance**;
- ▼ the **loss** or **damage** is not excluded under “What we exclude”; and
- ▼ the **loss** or **damage** is not excluded by any of the General Exclusions on pages 23 to 27.

Your insurance under this Policy Section

✓ Insuring clause – What we cover

We cover **loss** of, or **damage** to, **glass** which **you** own or for which **you** are legally responsible, occurring during the **period of insurance** at the **premises**.

✗ What we exclude

This Policy Section does not cover:

1. Heat, fire or flood

Loss of, or **damage** to, **glass** caused by or arising out of fire, the application of heat or **flood**.

2. Some types of glass:

Glass:

- (a) when in transit or whilst being fitted into position or removed from its fitting;
- (b) forming part of stock in trade or merchandise;
- (c) in light fittings;
- (d) that is cracked or imperfect prior to **loss** or **damage**;
- (e) that is not fit for the purpose intended; or
- (f) that is in a radio, television, computer screen or any domestic item normally carried by hand such as a vase or crystal china.

3. Glasshouse

Glass that is in a glasshouse or conservatory.

4. Tiles

Breakage of tiles on shopfronts and office fronts, other than around the broken **glass**.

5. Extra costs or other losses

Loss of profit or income, loss of use, loss of earning capacity, loss caused by delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not covered under this Policy Section.

Extra Cover

If a claim for **loss** of or **damage** to **glass** is covered by this Policy Section, **we** will also pay or provide the Extra Cover set out below. Any amounts payable under this Extra Cover apply in addition to the **insured amount**. If **we** pay a claim under this Extra Cover, **we** will settle **your** claim in accordance with this Extra Cover. **We** will only settle the claim by paying **you**. This means that **we** will not repair or replace or arrange for a service.

1. Costs

✓ What we cover

We will pay for the following costs provided they are reasonably incurred by **you** and are directly related to **loss** of, or **damage** to, the **glass** covered under this Policy Section:

- (a) the cost of temporary shuttering necessary pending replacement of the **lost** or **damaged glass**;
- (b) the costs incurred in replacing sign-writing, ornamentation, reflective materials and burglar alarm tapes and connections attached to the **glass**;
- (c) the cost value (excluding profit of any kind) of **your stock** and **contents** (as defined in Policy Section 2 – Theft) spoiled by the **damaged glass**;
- (d) the cost incurred in repairing or replacing **damage** to window, door or showcase frames and their fittings;
- (e) the cost incurred in repairing or replacing tiles on shop and office fronts and around the broken **glass**; or
- (f) the cost of replacing any window tinting or window tinting film.

The most **we** will pay under this Extra Cover for any one (1) **event** is \$8,000.

✗ What we exclude

We will not cover **you** for the cost of repairing or replacing bars, grilles or shutters, except for temporary shuttering

Additional Benefit

We will also provide the following Additional Benefits in this Policy Section subject to the General Exclusions and all the terms, conditions and exclusions and any **endorsement** applicable to this Policy Section.

Any amounts payable under these Additional Benefits will apply in addition to the **insured amount** specified in **your policy schedule** for this Policy Section, unless stated otherwise. This cover applies even if there is no other **damage to glass**.

If **we** pay a claim under this Additional Benefit, **we** will settle **your** claim in accordance with that Additional Benefit. **We** will settle this Additional Benefit by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

1. Broken signs cost

✓ What we cover

We will cover **you** for **loss** of, or **damage** to, plastic or Perspex signs at the **premises** if they are **lost** or **damaged** during the **period of insurance**.

The most **we** will pay under this Additional Benefit for any one (1) **event** is \$8,000.

Optional Insurance

We will provide the following Optional Insurance when requested by **you**, when **you** pay any additional premium required and when shown as insured on **your policy schedule**.

This Optional Insurance is provided subject to the General Exclusions and all the terms, conditions and exclusions that apply to this Policy Section, unless stated otherwise.

Any amount payable under this Optional Insurance applies in addition to the **insured amount**.

1. Additional broken signs costs

✓ What we cover

We will cover **you** for **loss** of, or **damage** to, plastic or Perspex signs at the **premises** if they are **lost** or **damaged** during the **period of insurance**.

The most **we** will pay under this Optional Insurance for any one (1) claim is the "Additional broken signs costs" **insured amount** specified in **your policy schedule**.

This **insured amount** will be in addition to the amount covered under Additional Benefit 1 – "Broken signs costs" of this Policy Section.

What we will pay

We will pay for the cost of replacement of **lost** or **damaged glass** covered under this Policy Section with **glass** of similar manufacture and quality. **We** will also pay the extra cost necessarily incurred to comply with the minimum requirements of any statutory authority in relation to glass when replacing the **glass**.

We will not pay any additional costs to comply with any requirements that **you** were required to comply with before the **loss** of or **damage** to **glass** occurred. If it is not practical or possible for **us** to arrange for the replacement of **lost** or **damaged glass** by a member of our repair network, **we** will settle any claim by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

Excess

The **excess** that applies is specified in **your policy schedule** for each claim **you** make. Please refer to General Claims Condition 11 – “Paying your excess” for information about the options for paying the **excess**.

Worked Dollar Claim Example

The following worked dollar claim example is designed to assist **you** in understanding some of the benefits in this Policy Section and how claims are calculated. The example does not cover all scenarios or all benefits and does not form part of **your policy** terms and conditions. The following example should be used for general guidance only. **We** always determine real claim payments on an individual basis, after **we** have assessed each claim.

All amounts are shown in Australian dollars and are GST inclusive unless indicated otherwise. **You** should read the **PDS** and Policy Wording and **your policy schedule** for full details of what **we** cover as well as what **policy** limits, conditions and exclusions apply.

<i>You have cover for a building that is used as both a café and residence. For this reason, it is a home building. The excess is \$250. The window glass in the café and the Perspex sign out on the front are broken after rocks are thrown at them. The cost of replacing the glass is \$1,500, the cost of replacing the damaged sign writing is \$500 and the cost of replacing the damaged Perspex sign is \$1,000.</i>		
How much we pay		Further information
Cost of replacing the glass	\$1,500	We pay the cost of replacing the glass .
Cost of re-applying the sign writing	\$500	The damaged window has signage painted on it. The cost of re-painting the signage is \$500.
Cost of replacing the damaged perspex sign	\$1,000	The cost to replace the damaged sign is covered under the Additional Benefit 1 – “Broken signs cost” and we will pay \$1,000.
Less excess	-\$250	We deduct this from the amount we pay. We may ask you to pay this amount directly to the glass repairer.
Total claim	\$2,750	We normally pay this amount to you or, if we are arranging the replacement through a member of our repair network, directly to the repairer.

Definitions

The following defined words in this Policy Section have the meanings given to them as set out below. These meanings only apply to this Policy Section and the terms and conditions of this **PDS** as they apply to this Policy Section and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Breakage/Damage

Means:

- for plate or sheet **glass** or porcelain, a fracture extending through the entire thickness of the **glass** or porcelain; or
- for laminated **glass**, a fracture extending through the entire thickness of a lamination but not any other damage or disfiguration.

Glass

Means **external glass**, **internal glass** and **sanitary fittings**.

Policy Section 4 – Money

About this Policy Section

This Policy Section covers the **loss** of, or **damage** to, **your business's money**. The **money** may be **in transit** or at the **premises** or **in custody** at a private residence.

You can claim for **loss** or **damage** described under “Insuring clause – What we cover” if:

- ▼ “Money” is specified in **your policy schedule**;
- ▼ the **loss** or **damage** occurs during the **period of insurance**;
- ▼ the **loss** or **damage** is not excluded under “What we exclude”; and
- ▼ the **loss** or **damage** is not excluded by any of the General Exclusions on pages 23 to 27.

Your insurance under this Policy Section

✓ Insuring clause – What we cover

We cover **loss** of, or **damage** to, **money** occurring during the **period of insurance** while:

- (a) **in transit**;
- (b) in the **building** during **business hours**;
- (c) in the **building** outside of **business hours**;
- (d) in the **building** in a securely locked **safe** or **strongroom**; or
- (e) **in custody**.

We will also cover **you** for **loss** of, or **damage** to, **safes** or **strongrooms** in the **building** as a result of theft or attempted theft of **money** occurring during the **period of insurance**.

✗ What we exclude

This Policy Section does not cover:

1. Missing money

Loss of, or **damage** to, **money**:

- (a) due to shortages resulting from clerical or accounting errors, breakdown or malfunction of any machine or electrical or electronic device or **loss** due to errors in receiving or paying out;
- (b) by any intentional or wilful act or omission by **you** or **your employees** with **your** knowledge or consent;
- (c) by any fraudulent or dishonest acts committed by **you**, **your family** or **your employees** acting alone or in collusion with others, except as expressly provided by Additional Benefit 1 – “Employee dishonesty” of this Policy Section.

2. Key or combination in building

Loss of, or **damage** to, **money** from any **safe** or **strongroom** opened by a key or by use of details of a combination that are left in the **building** outside **business hours**, unless such an action resulted from assault or violence or immediate threat of violence (including armed holdup).

3. Unattended vehicle

Loss of, or **damage** to, **money** in or from an unattended **vehicle**. A **vehicle** is unattended when the driver or any passenger are not able to keep the **vehicle** under observation and /or not able to observe an attempt to interfere with it and would be unable to prevent such interference.

4. Professional carrier

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

5. Loss outside Australia

Loss of, or **damage** to, **money** occurring outside Australia except as expressly provided by Additional Benefit 5 – “Travellers Money”, of this Policy Section.

x What we exclude (cont'd)

6. Extra costs or other losses

Loss of profit or income, loss of use, loss of earning capacity, loss caused by delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not covered under this Policy Section.

7. ATMs

Loss of, or damage to, money that does not belong to you or for which you are not legally responsible, in or from an ATM.

8. Discovery of loss

Loss not discovered within seven (7) working days of the loss occurring except as expressly provided by Additional Benefit 1 – “Employee dishonesty” of this Policy Section.

9. Unattended premises

Loss of money when the premises is left unattended unless any burglar alarm system which protects the premises is:

- (a) turned on when the premises is left unattended and remains turned on during the period the premises is unattended; and
- (b) maintained in good working condition.

Extra Covers

If a claim for:

- ▼ loss of, or damage to, money; or
- ▼ for damage to a safe or strongroom, caused by theft or attempted theft.

is covered by this Policy Section, we will also pay or provide the Extra Covers set out below.

Unless stated otherwise, any amounts payable under these Extra Covers apply in addition to the insured amount. If we pay a claim under an Extra Cover, we will settle your claim in accordance with that Extra Cover. For all Extra Covers except '1. Reinstatement', we will only settle the claim by paying you. This means that we will not repair or replace or arrange for a service.

1. Reinstatement

✓ What we cover

If we pay an amount for a claim under this Policy Section, we will automatically reinstate the insured amount to the amount specified in your policy schedule. You will not have to pay any additional premium.

2. Temporary protection

✓ What we cover

We will pay the reasonable and necessary costs incurred by you in effecting temporary protection, or the employment of guards or watchman by you, to safeguard the money at the premises as a result of theft or attempted theft covered under this Policy Section.

The most we will pay under this Extra Cover for any one (1) claim is \$10,000.

Further, if these costs are covered under this Extra Cover and under Additional Benefit 1 – “Prevention of loss or damage” in Policy Section 1 – Property Damage and / or under Extra Cover 3 – “Temporary protection” in Policy Section 2 – Theft, then the maximum we will pay under all these Policy Sections in total in any one (1) period of insurance is \$25,000.

3. Replacement of locks and keys

✓ What we cover

We will pay the reasonable cost of:

- (a) replacing locks, keys and combinations used in the business if, as a result of theft of money covered under this Policy Section, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated; and
- (b) opening safes and strongrooms because of the theft of keys or combinations during theft of money covered under this Policy Section.

The most we will pay under this Extra Cover for any one (1) event is \$5,000.

Further, if these costs are covered under this Extra Cover and under Extra Cover 4 – “Replacement of locks and keys” in Policy Section 2 – Theft, then the maximum we will pay under both these Policy Section Extra Covers in total for any one (1) event is \$5,000.

4. Seasonal increase on money

✓ What we cover

We will automatically increase the applicable **insured amount** in respect of **money** by either:

- (a) 35% during the **seasonal increase period**; or
- (b) 100%, or \$75,000, whichever is less, during any long weekend which occurs as a result of the government gazetting Monday or Friday as a public or bank holiday. The increase shall apply up until the bank closing time on the next business day after such holiday.

You can nominate different **seasonal increase period(s)** or higher percentage increases of the **money insured amount**. If **you** do it will be specified in **your policy schedule** and **you** must pay any additional premium that applies.

5. Rewards

✓ What we cover

To the extent permitted by law, **we** will pay up to \$5,000 for any one (1) insured **event** for the reasonable cost of any reward paid by **you** for information which results in the:

- (a) apprehension; and
 - (b) entry of judgment against, or conviction of,
- the person(s) responsible for the **loss** or **damage** covered under this Policy Section.

You must provide reasonable evidence that the reward has been paid.

If the reward is covered under this Extra Cover and under Extra Cover 14 – “Rewards” in Policy Section 1 – Property Damage and / or under Extra Cover 7 – “Rewards” in Policy Section 2 – Theft, then the maximum **we** will pay under all these Policy Section Extra Covers in total for any one (1) **event** is \$5,000.

x What we exclude

We do not cover any reward paid by **you**:

- (a) to **your** directors or officers, any **employee**, partner of **your business**, **your** tenant, or **your family**; or
- (b) for information already held by or provided to **us** or any law enforcement authority.

Additional Benefits

We will also provide the following Additional Benefits in this Policy Section subject to the General Exclusions and all the terms, conditions and exclusions and any **endorsements** applicable to this Policy Section.

Any amounts payable under these Additional Benefits apply in addition to the **insured amount** shown on **your policy schedule**, unless stated otherwise. If **we** pay a claim under these Additional Benefits, **we** will settle your claim in accordance with those Additional Benefits.

We will settle those Additional Benefit by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

1. Employee dishonesty

✓ What we cover

We will cover **you** for **loss** of **money** as a direct result of **employee** dishonesty during the **period of insurance** if discovered within thirty-one (31) days of the **employee** dishonesty occurring.

The most **we** will pay under this Additional Benefit is:

- (a) \$2,500 for any one (1) act of **employee** dishonesty; and
- (b) \$10,000 in total for all claims for **employee** dishonesty during the **period of insurance**.

Further, if an act of **employee** dishonesty is covered under this Additional Benefit and under Additional Benefit 3 – “Employee dishonesty” of Policy Section 2 – Theft, then the maximum **we** will pay under both these Policy Section Additional Benefits is \$10,000 in total in any one **period of insurance**.

✘ What we exclude

This Additional Benefit does not cover:

- (a) any **loss** arising from the conduct of an **employee** after **you** were aware that the **employee** had previously committed an act of fraud or dishonesty before or after the date of commencement of employment by **you**;
- (b) any **loss** arising from the conduct of an **employee** outside Australia;
- (c) any **loss** where **you** are unable to identify which **employee** is responsible;
- (d) any **loss** or part of a **loss** arising from the conduct of an **employee**, where the proof of the **loss**, either as to its occurrence or as to its amount, is solely dependent upon an inventory stock take or a profit and loss calculation;
- (e) fraud or dishonesty committed by **your family**; or
- (f) fraud or dishonesty committed by any of **your employees** committed with **your** knowledge or consent.

We will not pay any claims under this Additional Benefit if **you** are insured under Policy Section 7 – Management Liability, Optional Insurance 1 – “Employee dishonesty”.

2. Developing security images

✔ What we cover

We will cover **you** for the cost of developing images stored on **media** from security cameras following a theft or attempted theft of **money** covered under this Policy Section.

The most **we** will pay under this Additional Benefit for any one (1) **event** is \$1,000.

Further, if the cost of developing such images is covered under this Additional Benefit and under Additional Benefit 4 – “Developing security images” in Policy Section 2 – Theft, then the maximum **we** will pay under both these Policy Section Additional Benefits in total for any one (1) **event** is \$1,000.

3. Directors' and employees' personal effects

✔ What we cover

We will cover **you** for **loss** of, or **damage** to, the **personal effects** of **your** directors and **employees** during a theft or attempted theft of **money** covered under this Policy Section.

The most **we** will pay under this Additional Benefit is \$5,000 for any one director or **employee** and \$10,000 in total for any **period of insurance**.

Further if **loss** of or **damage** to these **personal effects** is covered under this Additional Benefit and under Additional Benefit 2 – “Directors' and employees' tools of trade and personal effects” in Policy Section 2 – Theft, then the maximum **we** will pay under both these Policy Section Additional Benefits in total is as set out above.

✘ What we exclude

We will not cover **you** for **loss** or **damage** to musical instruments, curios, works of art, **money** or payment cards.

If the **personal effects** are covered under another insurance policy (other than a policy entered into by **you**), **we** will only pay for **loss** or **damage** not otherwise covered by the other policy.

4. Death following assault

✔ What we cover

If any director, officer, **employee**, or business partner sustains an injury from assault during a theft or attempted theft in the **period of insurance** of **money** owned by **you** or for which **you** are legally responsible and dies within six (6) months of, and as a direct result of, the assault, **we** will pay \$10,000, to the estate of the deceased person.

Further, if this payment in respect of that fatality is covered under this Additional Benefit and under Additional Benefit 5 – “Death following assault” in Policy Section 2 – Theft, then the maximum **we** will pay under both these Policy Section Additional Benefits in total for any one (1) fatality is \$10,000.

5. Travellers' money

✓ What we cover

We will cover **you** for **loss of money** during the **period of insurance** in **your** custody, or in the custody of an **employee**, whilst travelling on business anywhere in the world, outside Australia.

The most **we** will pay under this Additional Benefit:

- (a) for any one (1) **event** is \$5,000; and
- (b) \$10,000 in total for any one (1) **period of insurance**.

6. Counterfeit money

✓ What we cover

We will cover the **loss** sustained by **you** due to the acceptance in good faith of counterfeit Australian currency notes during the **period of insurance**.

The most **we** will pay for all claims covered under this Additional Benefit in total is \$750 in any **one** (1) **period of insurance**.

What we will pay

1. We will pay **you** the amount of any **money** that is **lost** or **damaged**.
2. If the **safe** or **strongroom** is **lost** or **damaged** we will:
 - (a) if the **loss** or **damage** is confined to part of the **safe** or **strongroom**, pay **you** the cost of repair of that part plus the cost of any necessary dismantling and reassembling; or
 - (b) pay **you** the cost of repairing or replacing the **safe** or **strongroom**.
3. We will not pay the cost of any alterations, improvements or overhauls that are additional to the cost necessary to repair or replace the **lost** or **damaged safe** or **strongroom**.
4. In the case of **loss** or **damage** to certificates of stock, bonds, coupons and all other types of securities covered under this Policy Section, the amount of the securities will be calculated as follows:
 - (a) if the securities can with **our** approval be replaced, the cost of replacement paid or payable by **you**; or
 - (b) otherwise, the greater of:
 - (i) the price for which **you** purchased them; or
 - (ii) the closing market value on the last business day prior to the date of discovery by **you** of the **loss** or destruction of the securities, or if the time of discovery by **you** is after the close of the market, their discovery by **you**.
5. In the case of a **loss** of subscription, conversion or redemption privileges through the **loss** of any security, the value of such privileges will be the value immediately preceding the expiration of the subscription, conversion or redemption, in the currency in which the **loss** was sustained.
6. **Losses** sustained in currencies other than Australian dollars will be calculated by converting the amount of **loss** to Australian dollars at the market buy rate at the time of **loss** or such other rates as may have been expressly agreed with **us**.
7. In the case of **loss** or **damage** to any travellers' cheques, discount house vouchers or lottery tickets covered under this Policy Section, the amount will be calculated at the original purchase price incurred by **you**.
8. The maximum amount **we** will pay in respect of the following **loss** or **damage** covered under this Policy Section:
 - (a) for **money in transit** at the time of the **loss** or **damage** is the "money in transit" **insured amount** specified in the **policy schedule**;
 - (b) for **money** on the **premises** during **business hours** at the time of the **loss** or **damage** is the "money on the premises during business hours" **insured amount** specified in the **policy schedule**;
 - (c) for **money** on the **premises** outside **business hours** at the time of the **loss** or **damage** is \$3,000 plus the "additional money on the premises outside business hours" **insured amount** specified in the **policy schedule**;
 - (d) for **money** in a locked **safe** or **strongroom** at the time of the **loss** or **damage** is the "money in a locked safe or strongroom" **insured amount** specified in the **policy schedule**; or
 - (e) for **money** in a private residence at the time of the **loss** or **damage** is \$3,000 plus the "additional money in private residence" **insured amount** specified in the **policy schedule**.
9. We will settle any claim by paying **you**. This means that **we** will not repair or replace or arrange for a service. We will pay **you** by cheque or direct deposit into **your** bank account.

Policy Section Condition

This condition applies to all covers and claims under this Policy Section in addition to the General Policy Conditions on pages 16 to 18 that apply to this Policy Section.

If **you** do not comply with this Policy Section Condition, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your** policy.

1. Seasonal increase period(s)

You do not have to tell **us** the dates of the **seasonal increase period(s)**. If **you** make a claim under this Policy Section then **your** financial records over at least the previous two (2) years must substantiate the period as a **seasonal increase period**.

If the **business** is less than two (2) years old, **we** will use the financial records of **your business** from the date of commencement until the date of the **loss** or **damage** to substantiate **your** claim.

Excess

The **excess** that applies for any one (1) event is specified in **your policy schedule**. Please refer to General Claims Condition 11 – “Paying your excess” for information about the options for paying the **excess**.

Definitions

The following defined words in this Policy Section have the meanings given to them as set out below. These meanings only apply to this Policy Section and the terms and conditions of this **PDS** as they apply to this Policy Section and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

ATM

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

Business hours

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

Financial services provider

A financial organisation such as a bank, building society or credit union or an agency for any of these, that is in the business of providing banking services to the public.

In custody

Means:

- (a) in **your** custody and control at **your** private residence; or
 - (b) in the custody and control of persons authorised by **you** at their private residence,
- until the close of opening hours on the next day when the monies can be deposited with a **financial service provider** or before the end of that day if an afterhours deposit service is used.

In transit

Means:

- (a) **money** in **your** personal custody or in the custody of persons authorised by **you** during a journey to or from the **premises** to or from anywhere within Australia until the close of opening hours on the next day when the monies can be deposited with a **financial service provider** or before the end of that day if an afterhours deposit service is used;
- (b) **money** while deposited in the night safe, night depository chute or **ATM** of any **financial service provider** where **you** normally transact business; and
- (c) wages and salaries collected from a **financial service provider** but not paid to **employees** until it is physically in the control of **your employees**.

Money

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

Money does not include collectable items (for example coin or stamp collections), anticipated revenue or any kind of crypto-currency.

Seasonal increase period

Any period of time during the **period of insurance** when the amount of **your business's money** increases by at least 35% compared to other times during the **period of insurance**. The total number of days **we** will allow for a seasonal increase period is 120 days for any one (1) **period of insurance** unless a different period is specified in **your policy schedule**.

Policy Section 5 – Business Interruption

About this Policy Section

This Policy Section covers a reduction in **your business** income as a result of **loss** or **damage** caused by or arising from one or more Insured Events 1 to 12 in this Policy Section.

You can claim for a reduction in **your business** income if the **business** is interrupted as a result of **loss** or **damage** as described under “Insuring clause – What we cover” if:

- ▼ “Business Interruption” is shown as insured on **your policy schedule**;
- ▼ the **loss** or **damage** occurs during the **period of insurance**;
- ▼ the claim is not excluded under “What we exclude”; and
- ▼ the **loss** or **damage** is not excluded by any of the General Exclusions on pages 23 to 27.

Your insurance under this Policy Section

✓ Insuring clause – What we cover

Provided “Business Interruption” is shown as insured in **your policy schedule**, we will cover **you** for:

1. a reduction in **your**:
 - (a) **gross profit** and **gross rentals** if “Gross Profit” is specified in the **policy schedule**;
 - (b) **gross rentals** if “Gross Rentals” is specified in the **policy schedule**;
 - (c) **gross income** if “Gross Income” is specified in the **policy schedule**; or
 - (d) **weekly income** if “Weekly Income” is specified in the **policy schedule**; and
2. **your** increased costs of working only if “Increased Cost of Working Only” is specified in the **policy schedule**, arising from the interruption or interference to **your business** as a result of **loss** or **damage** caused by or arising from one or more Insured Events numbered 1 to 12 below occurring during the **period of insurance**.

✗ What we exclude

We do not cover **you**, or your **cover** may be reduced, if, during the **period of insurance** or **indemnity period**, any of the following occur:

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

Insured Events

1. Loss or damage

✓ What we cover
<p>(a) Interruption of or interference with the business as a result of loss or damage for which you are covered by the insuring clause (or would have been but for the application of the excess) under:</p> <ul style="list-style-type: none">(i) Policy Section 1 – Property Damage;(ii) Policy Section 2 – Theft;(iii) Policy Section 3 – Glass;(iv) Policy Section 4 – Money;(v) Policy Section 8 – Portable and Valuable Items;(vi) Policy Section 12 – Goods in Transit; or(vii) any other policy insuring the same events and for which the insurers have admitted liability, or would have admitted liability if it was not for the application of an excess, <p>provided you are not only covered by an Additional Benefit in the above listed Policy Sections.</p> <p>(b) If you are a strata owner or a tenant of the building and do not insure the building, loss or damage to the building which:</p> <ul style="list-style-type: none">(i) if it had been insured under this policy would have been covered by the insuring clause of Policy Section 1 – Property Damage of this policy (or would have been but for the application of the excess), but not if it would only have been covered by an Additional Benefit in Policy Section 1; and(ii) is indemnifiable under any other policy insuring the same events as are covered by the insuring clause of Policy Section 1 – Property Damage of this policy (or would have been, but for the application of an excess or but for the actions of the insured under that other policy).

2. Boiler explosion

✓ What we cover
<p>Interruption of or interference with the business as a result of loss or damage as a result of the self-explosion or collapse of any pressure vessels, including boilers, compressors or economiser at the premises.</p>

✗ What we exclude
<p>We will not cover loss or damage to pressure vessels or their contents which require certification under any statutory obligations, by-laws and regulations.</p>

3. Utilities extension

✓ What we cover
<p>Damage to the following utilities:</p> <ul style="list-style-type: none">(a) any electricity generation facility or supply network;(b) any gas supply system or gas works;(c) any water supply or sewage works; or(d) any telecommunications system, <p>that is land-based within Australia and supplies your business if the following apply:</p> <ul style="list-style-type: none">(i) the damage would have been covered under an Insured Event specified on pages in 34 to 39 Policy Section 1 – Property Damage if such damage had been to property insured under that Policy Section;(ii) the damage results in hindering or stopping the supply of electricity, gas, water or telecommunications to the premises or sewage from the premises;(iii) the damage results in interruption of, or interference with, the business; and(iv) the interruption of the supply extends for greater than 48 hours if the utility which was damaged was at, or immediately adjacent to, your premises. <p>The most we will pay in respect of this insured event is 20% of the insured amount shown against “Gross Profit”, “Gross Income”, “Gross Rentals”, “Weekly Income” or “Increased Cost of Working Only” in your policy schedule, whichever is applicable, for any one (1) event.</p>

4. Premises in the immediate vicinity (prevention of access)

✓ What we cover

Damage to property in the immediate vicinity of the **premises** if the following apply:

- (a) the **damage** would have been covered under an Insured Event specified on pages 34 to 39 in Policy Section 1 – Property Damage if such **damage** had been to **property insured** under that Policy Section;
- (b) the **damage** prevents or hinders the use of, or access to, the **premises**; and
- (c) the **damage** results in interruption of, or interference with, the **business**.

✗ What we exclude

Damage to property that is not in the immediate vicinity of the **premises**.

5. Unspecified suppliers' or customers' premises extension

✓ What we cover

Damage to property at the Australian premises of:

- (a) any suppliers, manufacturers or processors of component goods, materials or services which supplies **your business** directly (other than those services provided by any utilities); or
- (b) any customer to whom **you** supply component goods, materials or services directly,

where the **damage** would have been covered under an Insured Event specified on pages 34 to 39 in Policy Section 1 – Property Damage if such **damage** had been to **property insured** under that Policy Section and the **damage** results in interruption of, or interference with, the **business**.

The most **we** will pay in respect of this insured event is 20% of the **insured amount** shown against "Gross Profit", "Gross Income", "Gross Rentals", "Weekly Income" or "Increased Cost of Working Only" in **your policy schedule**, whichever is applicable, for any one (1) **period of insurance**.

6. Business that attracts customers

✓ What we cover

Damage to property of a major tenant if the following apply:

- (a) **your business** is located within a multi-tenanted retail shopping complex or commercial complex;
- (b) the **damage** would have been covered under an Insured Event specified on pages 34 to 39 in Policy Section 1 – Property Damage if such **damage** had been to **property insured** under that Policy Section;
- (c) the **damage** results in a reduced pedestrian count in the shopping complex; and
- (d) the **damage** results in the interruption of, or interference with, **your business**.

7. Roads, bridges and railway lines

✓ What we cover

Damage to **roads**, bridges and railway lines within Australia over which **stock**, components and materials used in **your business** are conveyed to and from **your premises** if the following apply:

- (a) the **damage** would have been covered under an Insured Event specified on pages 34 to 39 in Policy Section 1 – Property Damage if such **damage** had been to **property insured** under that Policy Section;
- (b) the **damage** results in not being able to convey **stock**, components or materials used in **your business** to and from **your premises**; and
- (c) the **damage** results in interruption of, or interference to, **your business**.

The most **we** will pay in respect of this Insured Event is 20% of the **insured amount** shown against "Gross Profit", "Gross Income", "Gross Rentals", "Weekly Income" or "Increased Cost of Working Only" in **your policy schedule**, whichever is applicable, for any one (1) **event**.

8. Infectious diseases, murder, suicide

✓ What we cover

Interruption to **your business** as a result of the closure or evacuation of the whole or part of the **premises** by order of a competent government, public or statutory authority as a result of:

- (a) the occurrence of, or the discovery of any legionella species likely to result in, legionellosis at **your premises**;
- (b) vermin or pests at **your premises**;
- (c) defects in the drains or other sanitary arrangements at **your premises**;
- (d) injury or illness of customers arising from salmonella, campylobacter, staphylococcus aureus, bacillus cereus, clostridium, shigella, escherichia coli, listeria species or toxins present in shellfish only, directly caused by the consumption of food or drink provided on **your premises**;
- (e) murder or suicide occurring at **your premises**; or
- (f) shark or crocodile attack occurring within a twenty (20) kilometre radius of **your premises**.

Interruption to **your business** occurring under this insured event will be deemed to be **loss** or **damage** for the purposes of **your** cover under this Policy Section.

For the purpose of this insured event only, General Exclusion 10 – “Communicable disease” does not apply to those substances or agents specified in (a) or (d) above of this insured event.

The most **we** will pay in respect of this **insured event** is 20% of the insured amount shown against “Gross Profit”, “Gross Rentals”, “Gross Income”, “Weekly Income” or “Increased Cost of Working Only” in **your policy schedule**, whichever is applicable, up to a maximum of \$250,000, for any one (1) **period of insurance**.

✗ What we exclude

We will not cover **you** for a reduction in **your business** income and the increased costs of working arising from the interruption or interference with **your business** during the first 48 hours of any closure or evacuation of the whole or part of the **premises** by order of a competent government, public or statutory authority.

We will not pay for:

- (a) cleaning, repairing or checking at **your premises**;
- (b) forensic cleaning of the premises following an act of violence which occurs at **your premises**.

9. Computer installation

✓ What we cover

Damage to a computer installation, including any ancillary equipment and **data** processing media utilised by **you** in **your business** anywhere in Australia, other than at the **premises**, if the following apply:

- (a) the **damage** would have been covered under an Insured Event specified on pages 34 to 39 in Policy Section 1 – Property Damage if such **damage** had been to **property insured** under that Policy Section;
- (b) the **damage** results in not being able to utilise a computer installation or any ancillary equipment in **your business**; and
- (c) the **damage** results in interruption of, or interference with, the **business**.

10. Documents temporarily removed

✓ What we cover

Damage to **your** tangible documents or tangible documents held in trust by **you** as part of **your business** that are:

- (a) temporarily removed to other premises anywhere in Australia; or
- (b) in transit to any place in Australia,

where the **loss** or **damage** would have been covered under an Insured Event specified on pages 34 to 39 in Policy Section 1 – Property Damage if such **damage** had been to **property insured** under that Policy Section and the **damage** results in the interruption of, or interference with, the **business**.

The most **we** will pay in respect of this insured event is 20% of the **insured amount** shown against “Gross Profit”, “Gross Income”, “Gross Rentals”, “Weekly Income” or “Increased Cost of Working Only” in **your policy schedule**, whichever is applicable, for any one (1) **event**.

11. Registered motor vehicles owned or operated by you

✓ What we cover

Accidental loss or damage to any registered **vehicle** or trailer owned or operated by **you** when they are at the **premises** or in buildings anywhere in Australia and the **loss** or **damage** results in the interruption of or interference with the **business**.

✗ What we exclude

We will not pay for **loss** or **damage** to any registered **vehicle** whilst on a **road**.

12. Transit

✓ What we cover

Interruption to **your business** from **damage** to **stock** whilst in transit by **road**, rail, sea or air within Australia and away from **your premises** where the **damage** would have been covered under an Insured Event specified on pages 34 to 39 in Policy Section 1 – Property Damage if such **damage** had been to **property insured** under that Policy Section.

The most **we** will pay in respect of this insured event is 10% of the **insured amount** shown against “Gross Profit”, “Gross Income”, “Gross Rentals”, “Weekly Income” or “Increased Cost of Working Only” in **your policy schedule**, whichever is applicable, for any one (1) **event**.

Extra Covers

If a claim is covered under “Insuring Clause – What we cover” in this Policy Section, **we** will also pay or provide the Extra Covers set out below. Unless stated otherwise, any amounts payable under these Extra Covers apply in addition to the **insured amount** specified in **your policy schedule** for this Policy Section.

We will not pay or provide the Extra Covers if **you** are insured for “Increased Cost of Working Only”.

1. Included claims preparation costs (Professional fees)

✓ What we cover

We will pay the reasonable professional accountants’, auditors’ and claim consultants’ fees and other reasonable **expenses** incurred by **you** for the preparation of claims under this Policy Section.

The most **we** will pay under this Extra Cover for any one (1) claim is \$25,000.

If **you** want to increase the amount of cover for claims preparation costs, **you** must have selected Optional Insurance 1 – “Additional claims preparation costs”, of this Policy Section.

2. Included increased cost of working

✓ What we cover

We will pay the additional expenditure reasonably incurred by **you** during the **indemnity period** for all costs not otherwise recoverable that are necessarily incurred for the sole purpose of resuming or maintaining normal **business** operations or services following **loss** or **damage** covered by this Policy Section.

The most **we** will pay under this Extra Cover for any one (1) claim is \$10,000.

If **you** want to increase the amount of cover for increased cost of working, **you** must have selected Optional Insurance 2 – “Additional increased cost of working”, of this Policy Section.

3. Included outstanding accounts receivable

✓ What we cover

We will pay the amounts which **you** cannot recover from **your** debtors following **damage** to **your** debt records if the **damage** is caused by an insured event covered under:

- (a) Policy Section 1 – Property Damage;
- (b) Policy Section 2 – Theft;
- (c) Policy Section 8 – Portable and valuable items, or
- (d) Policy Section 12 – Goods in Transit,

Provided that:

- (i) **we** have admitted liability for **your** claim; and
- (ii) as soon as reasonably possible at the end of each month, **you** keep a record of the total of the **outstanding accounts receivable**, and keep these figures for a period of twelve (12) months. **You** must be able to access these records even if access to **your premises** is not possible due to an insured event, for example by keeping the records in a cloud storage service or at **your** accountant's, auditor's, or alternative premises.

The most **we** will pay under this Extra Cover for any one (1) claim is the lesser of:

- (a) \$10,000; or
- (b) the difference between:
 - (i) the **outstanding accounts receivable**, and
 - (ii) the total of the amount received or traced in respect of the **outstanding accounts receivable**.

Note: If **you** want to increase the amount of cover for **outstanding accounts receivable**, **you** must have selected Optional Insurance 3 – “Additional outstanding accounts receivable,” of this Policy Section.

4. Reinstatement of insured amount

✓ What we cover

If **we** pay an amount for a claim under this Policy Section, **we** will automatically reinstate the **insured amount**. **You** will not have to pay any additional premium.

✗ What we exclude

We will not reinstate the **insured amount** if **we** pay the full **insured amount** in respect of a single claim under this Policy Section.

5. Departmental provision

✓ What we cover

We will apply the cover provided by this Policy Section to each department of **your business** separately if:

- (a) **your business** is conducted in departments; and
- (b) each department has independent trading results which are ascertainable.

We will not pay more than the **insured amount** specified against “Gross Profit”, “Gross Income”, “Gross Rentals” or “Weekly Income” in the **policy schedule**, for all **losses** resulting from the same **event**.

Optional Insurances

We will provide the following Optional Insurance when requested by **you**, when **you** pay any additional premium required and when specified in **your policy schedule**.

These Optional Insurances are provided subject to the General Exclusions and all the terms, conditions and exclusions that apply to this Policy Section, unless stated otherwise.

Any amounts payable under these Optional Insurances apply in addition to the **insured amount** for "Gross Profit", "Gross Rentals", "Gross Income" or "Weekly Income" specified in your policy **schedule** for this Policy Section.

The following Optional Insurances are not available if **you** are insured for "Increased Cost of Working Only".

1. Additional claims preparation costs

✓ What we cover

We will pay the reasonable professional fees (including those of an auditor or accountant) and other reasonable expenses incurred by **you** for the preparation of claims under this Policy Section.

We will pay up to the "Claims Preparation Costs" **insured amount** specified in **your policy schedule** for any one (1) claim under this Optional Insurance.

This **insured amount** will be in addition to the amount covered under Extra Cover 1 – "Included claims preparation costs (Professional fees)" of this Policy Section.

2. Additional increased cost of working

✓ What we cover

We will pay the additional expenditure reasonably incurred by **you** during the **indemnity period** for all costs not otherwise recoverable that are necessarily incurred for the resumption or maintenance of normal business operations or services following **damage** covered by this Policy Section.

We will pay up to the "Additional increased cost of working" **insured amount** specified in **your policy schedule** for any one (1) claim under this Optional Insurance.

This **insured amount** will be in addition to the amount covered under Extra Cover 2 – "Included increased cost of working" of this Policy Section.

3. Additional outstanding accounts receivable

✓ What we cover

We will cover **you** for:

- (a) the difference between the amount owed to **you** by customers for the supply of goods and services and recorded in **your** financial records as **outstanding accounts receivable** and the amount actually paid by customers after the **damage**; and
- (b) the expenditure necessarily and reasonably incurred by **you** to trace and establish the **outstanding accounts receivable**, provided that:
 - (i) the **loss** or **damage** occurs during the **period of insurance** for which **you** are covered by **us** (or would have been but for the application of the **excess**) under:
 - a. Policy Section 1 – Property Damage;
 - b. Policy Section 2 – Theft;
 - c. Policy Section 8 – Portable and Valuable Items; or
 - d. Policy Section 12 – Goods in Transit; or
 - (ii) the **loss** or **damage** occurs during the **period of insurance** for which **you** are covered under any of the same events as (i) a. to d. above under any other policy and for which the insurers have admitted liability, or would have admitted liability if it was not for the application of an **excess**; or
 - (iii) if **you** are a strata owner or a tenant of the **building** and do not insure the **building, loss** or **damage** occurs during the **period of insurance** which:
 - a. if it had been insured under this **policy** would have been covered by the insuring clause of the Policy Section 1 – Property Damage of this **policy** (or would have been but for the application of the **excess**); and
 - b. is indemnifiable under any other policy, under any of the same events also covered by the insuring clause of Policy Section 1 – Property Damage of this **policy** (or would have been, but for the application of an **excess** or but for the actions of the insured under that other policy); or

✓ What we cover (cont'd)

- (iv) **your** financial records are damaged; and
- (v) **you** cannot follow **your** normal **outstanding accounts receivable** management processes.

This Optional Insurance will only apply if, as soon as reasonably possible at the end of each accounting period (usually one month), **you** have a copy of **your** financial records stored away from the **premises**, including a full copy (customer by customer) of **your outstanding accounts receivable** ledger.

The most **we** will pay for such amounts and expenditure for any one (1) claim is the "Outstanding Accounts Receivable" **insured amount** specified in **your policy schedule**.

The **loss** or **damage** under (i), (ii) or (iii) above must be as a result of an insurable **event** and not only from the cover provided by an Additional Benefit, whether covered under this **policy** or another policy.

What we will pay

Gross profit cover

If **your policy schedule** shows that **you** are insured for "Gross Profit" and a claim is covered under this Policy Section, **we** will pay for:

- (a) a reduction in **gross profit**. This amount is calculated by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** falls short of the **standard turnover** as a consequence of the **damage** covered by this Policy Section;
- (b) a reduction in **gross rentals**. This is the amount by which the **gross rentals** during the **indemnity period** falls short of the **standard gross rentals** as a consequence of the **damage** covered by this Policy Section; and
- (c) increased cost of working. This is the expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** or **gross rentals** of the **business** caused by the **damage** covered by this Policy Section. However, **we** will not pay the amount of any such expenditure incurred to avoid the reduction that exceeds the reduction in **gross profit** or **gross rentals** (less any **expenses** saved as a result of the **damage**).

Gross rentals cover

If **your policy schedule** shows that **you** are insured for "Gross Rentals" and a claim is covered under this Policy Section, **we** will pay for:

- (a) a reduction in **gross rentals**. This is the amount by which the **gross rentals** during the **indemnity period** falls short of the **standard gross rentals** as a consequence of the **damage** covered by this Policy Section; and
- (b) increased cost of working. This is the expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **gross rentals** of the **business** caused by the **damage** covered by this Policy Section. However, **we** will not pay the amount of any such expenditure incurred to avoid the reduction that exceeds the reduction in **gross rentals** (less any **expenses** saved as a result of the **damage**).

Gross income cover

If **your policy schedule** shows that **you** are insured for "Gross Income" and a claim is covered under this Policy Section, **we** will pay for:

- (a) the amount by which, as a consequence of **damage** covered by this Policy Section, the **gross income** earned during the **indemnity period** falls short of the **standard income**; and
- (b) in respect of the increased costs to avoid a reduction in **gross income** as a consequence of **damage** covered by this Policy Section and increased costs necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the shortage in **annual income**, provided the costs are less than, or equal to, the amount **we** would have paid under a reduction in **gross income**.

Weekly income cover

If **your policy schedule** shows that **you** are insured for "Weekly Income" and a claim is covered under this Policy Section, **we** will pay the same percentage of the **weekly benefit** specified in **your policy schedule** as the reduction in **your weekly income** bears to the **average weekly income**. For example, if **your weekly income** is reduced by 25% when compared to **your average weekly income**, **we** will pay 25% of the **weekly benefit**.

Increased cost of working only cover

If the **policy schedule** shows that **you** are insured for “Increased Cost of Working Only” cover and a claim is covered under this Policy Section, **we** will pay the additional expenditure such as general and administrative day to day operating expenses, including:

- ▼ additional costs in respect of additional staff and overtime;
- ▼ additional advertising costs;
- ▼ the cost of moving to and from and the additional rent (above that of **your** existing rent) of temporary premises; and
- ▼ additional expenses incurred in equipping the new temporary premises to make them suitable for the purposes of the **business**,

that are necessarily and reasonably incurred by **you** during the **indemnity period** and in consequence of the **damage** for the sole purpose of avoiding or diminishing a reduction **your business** income or for the purpose of resuming or maintaining normal business operations.

The maximum **indemnity period** allowed for “Increased Cost of Working Only” cover is twelve (12) months.

Limits to what we will pay

Gross Profit, Gross Rentals and Gross Income covers

The most **we** will pay for:

- (a) **gross profit** including **gross rentals** is the **insured amount** for “Gross Profit” specified in **your policy schedule**;
- (b) **gross rentals** is the **insured amount** for “Gross Rentals” specified in **your policy schedule**; or
- (c) **gross income** is the **insured amount** for “Gross Income” specified in **your policy schedule**.

Weekly Income cover

The most **we** will pay for **weekly income** is the **insured amount** for “Weekly Benefit” specified in **your policy schedule**. **We** will pay up to the number of weeks shown in the **indemnity period**, for all claims made during the **period of insurance**.

We will not pay any claim where the interference or interruption to the **business** is for a period of less than 3 full consecutive days.

Increased cost of working only cover

The most **we** will pay for increased costs of working only is the **insured amount** for “Increased Cost of Working Only” specified in **your policy schedule**.

Policy Section Conditions

These conditions apply to all covers and claims under this Policy Section in addition to the General Policy Conditions on pages 16 to 18.

If **you** do not comply with these Policy Section Conditions, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your policy**.

1. Loss of rent

We will not pay for any loss of rent amounts:

- (a) when there is no rental agreement or periodic tenancy agreement in place at the time of the **damage**;
- (b) if **you** choose not to rebuild **your property insured**;
- (c) due to rent default.

If the **indemnity period** specified in **your policy schedule** has not expired at the time the **premises** are fit for occupation following repair, replacement or reinstatement of the **property**, the maximum **we** will pay is the lesser of the loss of rent:

- (a) from the date the **premises** are fit for occupation until the date the **premises** are tenanted;
- (b) from the date the **premises** are fit for occupation until the date the **indemnity period** ends; or
- (c) for three (3) months from the date the **premises** are fit for occupation.

2. Underinsurance

Gross Profit, Gross Rentals and Gross Income cover are subject to the following underinsurance provision which requires you to insure for full value. If **you** do not, **we** may pay **you** a lower amount after taking into account the proportion of underinsurance as stated below.

- (a) For a claim for loss of **gross profit**, the amount payable will be proportionately reduced if the "Gross Profit" **insured amount** is less than the sum produced by applying the **rate of gross profit** to 80% of the **annual turnover** (proportionally increased if the **indemnity period** exceeds twelve (12) months);
- (b) For a claim for reduction of **gross rentals**, the amount payable will be proportionately reduced if the "Gross Rentals" **insured amount** is less than 80% of the **annual gross rentals** (proportionally increased if the **indemnity period** exceeds twelve (12) months); or
- (c) For a claim for loss of **gross income**, the amount payable will be proportionately reduced if the "Gross Income" **insured amount** is less than 80% of the **annual income** (proportionally increased if the **indemnity period** exceeds twelve (12) months).

3. Other factors

In deciding the amount by which **your gross income, gross profit, gross rentals** or **weekly income** has been reduced or how much is payable under the "Increased Cost of Working Only" cover, **we** will consider:

Savings to the business

The amount saved during the **indemnity period** for **expenses** of the **business** which cease or are reduced as a consequence of the **damage** covered by this Policy Section.

Other events and trends

Any events or trends which **your business** is affected by, whether before or after, the interruption took place and adjust the **standard turnover, standard income, standard gross rentals** or **average weekly income** accordingly to reasonably reflect the likely **gross profit, gross income, gross rentals** or **weekly income** of the **business** during the **indemnity period**.

Alternative trading

Any other trading that **you** carry out or which is carried out on **your** behalf, or for **your** benefit at any other premises.

Accumulated stocks

Any run down of accumulated **stock** which is carried out to postpone any reduction or shortage of **gross profit, gross income** or **weekly income**.

New business

The results of **your business** to the date of the **damage** as the basis to settle **your** claim if the **loss** or **damage** covered under this Policy Section occurs before the end of the first financial year of **your business**.

4. Indemnity period shorter than twelve months

If **you** select an **indemnity period** that is shorter than twelve (12) months, then the amount that **you** nominate as **your "Gross Profit" insured amount, "Gross Rentals" insured amount** or **"Gross Income" insured amount** must be for a twelve (12) month period. If **your insured amount** does not reflect the twelve (12) month period, **you** may be underinsured and Policy Section Condition 2 – "Underinsurance" may apply to **your** claim. **We** will use the **indemnity period** **you** nominate to calculate a reduced premium to account for any **indemnity period** that is shorter than twelve (12) months.

Excess

You must pay the **excess** specified in **your policy schedule** for each claim under this Policy Section.

If a claim for **loss** of, or **damage** to, **your property insured** is covered under Policy Section 1 – Property Damage, then **you** do not have to pay the **excess** specified in **your policy schedule** for this Policy Section.

Definitions

The following defined words in this Policy Section have the meanings given to them in the General Definitions as set out below. These meanings only apply to this Policy Section and the terms and conditions of this **PDS** as they apply to this Policy Section and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Annual gross rentals

Means:

- (a) the **gross rentals** during the twelve (12) months immediately before the date of the **damage**; or
- (b) if the **business** has been operating for less than one year at the date of the **damage**, the proportional equivalent, for a period of twelve (12) months, of the **gross rentals** realised during the period between the commencement of the **business** and the date of the **damage**.

Annual income

Means:

- (a) the **gross income** during the twelve (12) months immediately before the date of the **damage**; or
- (b) if the **business** has been operating for less than one year at the date of the **damage**, the proportional equivalent, for a period of twelve (12) months, of the **gross income** realised during the period between the commencement of the **business** and the date of the **damage**.

Annual turnover

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

Average weekly income

Means:

- (a) the average **weekly income** for the twelve (12) months before the date of **damage**; or
- (b) if the **business** has been operating for less than one year at the date of the **damage**, then the average weekly **gross income** for the period it has operated for.

Damage

Physical loss, destruction or damage occurring during the **period of insurance** caused by one or more of the Insured Events numbered 1 to 12 in this Policy Section.

Expenses

Expenses are the operating costs of the **business** and include, but are not limited to, wages, rent, consumables and **stock**. The **business** may also incur extra costs to get back into business, such as temporary rental, relocation and subcontracting costs.

Gross income

The money paid or payable to **you** for goods sold or services rendered, less the purchase price of **stock**.

Gross profit

The amount by which the **turnover** plus the amount of closing stock exceeds the aggregate of the amount of opening stock and **uninsured working expenses**. For the purposes of this definition the terms "opening stock" and "closing stock" have the meaning **you** usually give them in **your** books and accounts and opening stock and closing stock is to be calculated in accordance with **your** normal accounting methods, having regard to depreciation (if any).

Gross rentals

The amount paid or payable to **you** by tenants (including base rental, turnover rental and contributions to outgoings) in respect of the rental of the **premises** and for services rendered by **you** or on **your** behalf in connection with the rental.

Indemnity period

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

- (a) when the **business** is no longer affected by the **damage**;
- (b) that any of the circumstances that we do not cover listed on page 72 in "Your Insurance under this Policy Section," under "What we exclude" (a) to (f) occurs; or
- (c) the "Indemnity Period" specified in **your policy schedule** ends.

Outstanding accounts receivable

The total amount owed to the **business** by customers as at the end of the month immediately prior to the date of the **damage**, adjusted for:

- (a) bad debts;
- (b) amounts debited (or invoiced but not yet debited) and credited (including credit notes and cash not passed through the books at the time of the **damage**) to customers' accounts in the period between the date to which the last statement relates, and the time of the **damage**; and
- (c) any abnormal condition of trade which had, or could have had, a material effect on the **business**.

Rate of gross profit

The rate of **gross profit**, expressed as a percentage, earned on the **turnover** during:

- (a) the financial year immediately before the date of the **damage**; or
- (b) if the **business** has been operating for less than one year at the date of the **damage**, the period between the date of commencement of the **business** and the date of the **damage**.

Standard gross rentals

Means:

- (a) the **gross rentals** during the twelve (12) months immediately before the date of the **damage** which corresponds with the **indemnity period**; or
- (b) if the **business** has been operating for less than one year at the date of **damage**, the proportional equivalent, for a period equal to the **indemnity period**, of the **gross rentals** realised during the period between the commencement of the **business** and the date of the **damage**.

Standard income

Means:

- (a) the **gross income** during the twelve (12) months immediately before the date of the **damage** which corresponds with the **indemnity period**; or
- (b) if the **business** has been operating for less than one year at the date of **damage**, the proportional equivalent, for a period of twelve (12) months, of the **gross income** realised during the period between the commencement of the **business** and the date of the **damage**.

Standard turnover

Means:

- (a) the **turnover** during the twelve (12) months immediately before the date of the **damage** which corresponds with the **indemnity period**; or
- (b) if the **business** has been operating for less than one year at the date of **damage**, the proportional equivalent, for a period equal to the **indemnity period**, of the **turnover** realised during the period between the commencement of the **business** and the date of the **damage**.

Turnover

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

Uninsured working expenses

The operating expenses of **your business** that vary in direct proportion to **turnover** / sales (for example: purchase of raw materials, postage, consumables, packaging materials, staff wages) which **you** have elected not to insure under this Policy Section. These operating expenses and a percentage (%) of them can be specified in **your policy schedule** as "Uninsured Working Expenses" and will not be included in the "Gross Profit" **insured amount**.

Weekly benefit

The amount specified in **your policy schedule**.

Weekly income

The **gross income** received by **you** for each week the **business** is in operation, during the **indemnity period**.

Policy Section 6 – Public and Products Liability

About this Policy Section

This Policy Section covers **your legal liability** to pay compensation for **personal injury, property damage, or advertising liability** which happens during the **period of insurance** within the **geographic limitations** and is caused by an **occurrence** in connection with the **business or your products** and was not intended or expected by **you**.

You can claim for **legal liability** as described under “Insuring clause – What we cover”, if:

- ▼ “Public and products liability” is shown as insured on **your policy schedule**;
- ▼ it is not excluded by any of the exclusions under “What we exclude”; and
- ▼ it is not excluded by any of the General Exclusions listed on pages 23 to 27.

Your insurance under this Policy Section

✓ Insuring clause – What we cover

Provided “Public Liability” specified in in **your policy schedule**, we will cover **you** for **your legal liability**.

Provided “Products Liability” specified in in **your policy schedule**, we will cover **you** for **your legal liability** caused by **your products**.

What is legal liability?

Legal liability means that **you** are legally liable to pay compensation for:

- (a) **property damage** in respect of property owned or controlled by someone else; or
- (b) **personal injury** to another person (other than **employees**); or
- (c) **advertising liability**,

which:

- (i) occurs during the **period of insurance**;
- (ii) is caused by an **occurrence** in connection with the **business**;
- (iii) occurs within the **geographic limitations**; and
- (iv) was not intended or expected by **you**.

✗ What we exclude

This Policy Section (including the Additional Benefits unless expressly stated otherwise) does not cover **you** for liability arising directly or indirectly out of, or caused by, through, or in connection with, or for:

1. Types of advertising liability

In respect of **advertising liability**:

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

x What we exclude (cont'd)

2. Pollution

- (a) the discharge, dispersal, release or escape of **pollutants** into or upon land, the atmosphere or water unless such discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended from **your** standpoint and takes place in its entirety at a specific time and place;
- (b) the cost of preventing, removing, nullifying or cleaning up any **contamination** or pollution as a consequence of the discharge, dispersal, release or escape of any **pollutants**, unless removal, nullifying or cleaning up costs are consequent upon a sudden, identifiable, unexpected and unintended happening which takes place in its entirety at a specific time and place; or
- (c) the actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of **pollutants** caused by any of **your products** that has been discarded, dumped, abandoned or thrown away by others.

3. Asbestos

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

4. Employers liability

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

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

5. Vehicles

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

- (a) which is registered;
- (b) in respect of which registration or insurance is required by virtue of any legislation relating to **vehicles**;
- (c) in respect of which compulsory liability insurance or statutory indemnity is required by virtue of any legislation (whether or not insurance is effected); or
- (d) which was being driven by, or is in the charge of, someone :
 - (i) under the influence of any illegal substance or intoxicating liquor;
 - (ii) in whose blood the level of alcohol, as shown by analysis of the person's breath or blood, is equal to or in excess of that level at which it is an offence to drive or be in charge of a motor vehicle under the relevant law in which the analysis is conducted; or
 - (iii) who fails or refuses to provide a specimen or sample of their breath, blood or urine for the purpose of analysis when required by police or any other authorised person; or
 - (iv) who was not licenced, not correctly licenced or not complying with the conditions of their licence.

However, sub-paragraphs '(i)', '(ii)' and '(iii)' above will not apply if it can be demonstrated that the alcohol, drug or medication intake did not contribute to the **occurrence**.

Sub-paragraphs '(a)', '(b)' and '(c)' will not apply to the cover provided by Additional Benefit 3 – "Vehicles," of this Policy Section. For the purposes of this Policy Section, the meaning of **vehicle** is modified to mean any type of machine on wheels or on self-laid tracks made or intended to be propelled by other than manual power and any trailer made or intended to be drawn by any such machine while attached to it.

6. Aircraft and watercraft

- (a) the ownership, legal possession, legal control or use by **you** or the use on **your** behalf of:
 - (i) any **aircraft**; or
 - (ii) any **watercraft** exceeding ten (10) metres in length unless such a **watercraft** is owned and operated by others and used by **you** for **business** entertainment;
- (b) the selling or manufacturing of **aircraft** or the manufacture, assembly or supply of any products that are used with **your** knowledge in **aircraft**;
- (c) the leasing, hiring or chartering of **aircraft** to or from **you**;
- (d) the repair, service or maintenance of **aircraft** or **aircraft** products or the installation of any products into **aircraft** unless such repair, service, maintenance or installation does not affect the flying capabilities or safety of the **aircraft** and **your policy** has been endorsed accordingly; or
- (e) the repair, service or maintenance of **watercraft** exceeding ten (10) metres in length or the installation of any products into **watercraft** exceeding ten (10) metres in length unless such repair, service, maintenance or installation does not affect the navigation, propulsion or safety of such **watercraft**.

x What we exclude (cont'd)

7. Professional duty

- (a) the rendering or failure to render professional advice or service, or any act, error or omission connected to such professional advice or service, by **you** or on **your** behalf;
- (b) the performance of treatment to humans or **animal(s)** for beautification, cosmetic enhancement or to remedy illness, mental or physical deficiency, disease or injury;
- (c) the prescribing of activities, pharmaceuticals, medical or herbal remedies to improve performance or appearance, or to alleviate pain, illness, mental or physical deficiency, disease or injury; or
- (d) the dispensing of drugs, medicines, pharmaceutical supplies or artificial aids.

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

8. Fines, penalties and punitive damages

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

9. Product and known defects

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

10. Product recall

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

11. Loss of use

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

- (a) delay in or lack of performance by **you** or on **your** behalf of any contract or agreement; or
- (b) the failure of **your products** or work performed by **you** to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by **you**.

However, paragraph (b) above does not apply to loss of use of other tangible property resulting from sudden and **accidental damage** to or destruction of **your products** after **your products** have been put to use by any person or organisation other than **yourself**.

12. Faulty workmanship

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

13. Defective design

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

14. Aircraft landing areas

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

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

x What we exclude (cont'd)

15. Jurisdiction limits

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

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

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

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

16. Preventing our right of recovery

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

17. Contractual liability

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

- (a) liability which would have been implied or imposed by law in the absence of such contract or agreement;
- (b) liability assumed under those contracts specified in the **policy schedule**;
- (c) liability assumed under any written lease of, or agreement for the rental of real property, where such lease or agreement does not include an obligation by **you** to insure such property;
- (d) liability assumed under a written contract with a public authority for the supply to **you** of water, gas, electricity or communication services except where such contract is a contract by which **you** agree to perform work for or on behalf of that public authority; or
- (e) the cover provided by Additional Benefit 4 – “Principals” and Additional Benefit 5 – “Interested parties” of this Policy Section.

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

18. Data, cyber, privacy breach, confidential or personal information breach and internet and computer operations

- (a) any access to or disclosure of any **private and confidential information** or **personal information**;
- (b) (i) total or partial destruction, distortion, erasure, corruption, theft, misappropriation, misuse or alteration of **data**;
- (ii) total or partial inability or failure to receive, send, access, manipulate or use **data** for any time or at all; or
- (iii) any **loss of use**, reduction in functionality, restriction of access or inability to manipulate, repair, replacement, restoration or reproduction of any **data**;
- (c) any corruption, **loss of use** or misuse of or inability to access, process, use or operate any **computer system**;
- (d) **your internet operations**. However, this exclusion (d) does not apply to **legal liability** covered by this Policy Section for **personal injury** or **property damage** arising out of the use of any material prepared by the manufacturer in respect of product use, safety instructions or warnings which is reproduced on your website; or
- (e) any liability for **property damage** to **media** arising directly or indirectly out of or caused by, through or in connection with the provision of computer or telecommunications services by **you** or on **your** behalf.

This exclusion does not apply to:

- (i) **property damage, bodily injury** or **advertising liability** arising out of the circumstances described in sub-paragraphs (a), (b) or (c) above; or
- (ii) mental anguish, mental injury, shock, fright or loss of consortium arising out of the circumstances described in sub-paragraph (c) above. For avoidance of doubt, the exclusion continues to apply to mental anguish, mental injury, shock, fright or loss of consortium arising out of the circumstances described in sub-paragraphs (a) and (b) above.

For the purposes of this exclusion only, **property damage** means loss of, physical damage to or destruction of tangible property including the loss of use thereof resulting therefrom. Tangible property does not include **data**.

x What we exclude (cont'd)

19. Defamation:

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

20. Property in physical or legal control

Damage to, or **loss** of:

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

However, this exclusion will not apply to the cover provided by Additional Benefit 2 – “Property in your physical or legal control” or paragraphs (e) to (g) of Additional Benefit 3 – “Vehicles” of this Policy Section.

21. Hot work

Flame cutting, flame heating, arc or gas welding, metal grinding or any similar operation in which welding, metal grinding or cutting equipment is used, unless such use is carried out in strict compliance with all relevant workplace health and safety law and Australian Standards AS 1674.1 – 1997 Safety in welding and allied processes – Fire precautions and AS 1674.2 -2007 Safety in welding and allied processes – Electrical (or if not current any subsequent amendments or replacements), available from www.standards.org.au.

22. Underground works

Any underground works including digging, trenching or excavation, unless **you** can establish that **you, your employees** or anyone else carrying out the work on **your** behalf:

- (a) strictly complied with all relevant workplace health and safety law and, as applicable to the work, Australian Standards:
 - ▼ AS 2885 Gas and liquid petroleum (General Requirements);
 - ▼ AS 4645-2005 Gas distribution network management;
 - ▼ AS 4801:2001 Occupational Health and Safety Management Systems;
 - ▼ AS 5488 Classification of Subsurface Utility Information;
 - ▼ AS 5577 Electricity network safety management systems; and
 - ▼ AS/NZS 3012 Electrical installations – Construction and demolition sites,(or if not current any subsequent amendments or replacements), available from www.standards.org.au; and
- (b) in carrying out this work, located all underground services before undertaking any underground work, including by making a “Dial Before You Dig” inquiry, where appropriate.

23. Weakening of support to property

Damage to any land, property or building or contents of a building caused by or arising out of any:

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

24. Molestation

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

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

25. Contract works

The erection, construction, demolition of or alteration or addition to buildings or structures, or installation work, by **you**, or on **your** behalf, except where the contract value of such work payable to **you** or by **you** does not exceed \$500,000.

26. Silicosis

The actual, alleged, threatened or suspected presence, ingestion, inhalation or absorption of silicon dioxide (occurring in crystalline, amorphous/non-crystalline and impure forms), silica particles, silica dust or silica compounds or any mixture or combination of silica and other dust or particles.

Extra Covers

If a claim is covered under “Insuring clause – What we cover” in this Policy Section, **we** will also pay or provide the Extra Cover set out below.

1. Legal costs

✓ What we cover

We will pay all charges, expenses and legal costs incurred by **us** or by **you**, with **our** prior written consent, in the settlement or defence of the claim for compensation made against **you**.

Any amount payable under this Extra Cover is in addition to the **limit of liability**.

Additional Benefits

We will also provide the following Additional Benefits in this Policy Section subject to the General Exclusions and all the terms, conditions and exclusions and any **endorsement** applicable to this Policy Section, unless stated otherwise.

Any amounts payable under these Additional Benefits do not apply in addition to the **limit of liability** for this Policy Section, unless stated otherwise

All **loss, damage** or injury that is covered by these Additional Benefits must occur during the **period of insurance**.

1. First aid costs

✓ What we cover

We cover expenses incurred by **you** for first aid to others at the time of an **occurrence** during the **period of insurance** which gives rise to **your legal liability** covered by this Policy Section.

2. Property in your physical or legal control

✓ What we cover

Under this Additional Benefit, **we** will pay a claim for **your legal liability** covered under this Policy Section:

(a) to any customer, **principal** or person for whom **you** perform work in the course of the **business** for:

- (i) the cost of replacing keys or security cards which are **damaged**, destroyed, **lost** or stolen whilst in **your** physical or legal control or that of another person or entity who undertakes or has undertaken work on **your** behalf;
- (ii) the cost of replacing, recalibrating or re-keying locks, locking mechanisms or other security devices which results from the **damage**, destruction, **loss** or theft of keys or security cards whilst in **your** physical or legal control or that of another person or entity who undertakes or has undertaken work on **your** behalf; or
- (iii) the loss of use of keys, security cards, locks, locking mechanism or other security devices caused by the **damage**, destruction, **loss** or theft of keys or security cards whilst in **your** physical or legal control or that of another person or entity who undertakes or has undertaken work on **your** behalf,

subject to a maximum of \$5,000 in respect of any one **occurrence** and in the aggregate for any one (1) **period of insurance** unless some other limit of liability is specified in the **policy schedule** or attached by **endorsement**.

- (b) for **property damage** to **premises** which are leased or rented by **you** for the purpose of carrying on **your business** and the liability does not arise from **your** failure to insure the **premises** as required in the lease or rental agreement;
- (c) for **property damage** to or **loss** of **employees’** and directors’ property to the extent it is not otherwise covered under Policy Section 1 – Property Damage;
- (d) for **property damage** to premises temporarily occupied by **you** for the purpose of carrying out work in connection with the **business** or **damage** to or **loss** of the contents of such premises; or
- (e) for **property damage** to or **loss** of property not owned by **you** but in **your** physical or legal control (other than property referred to in subparagraphs (a) to (d) of this Additional Benefit and (e) to (g) of Additional Benefit 3 – “Vehicles” of this Policy Section), subject to a maximum of \$250,000 for any one (1) **occurrence** or any other greater amount specified in **your policy schedule**.

This Additional Benefit 2 applies as if the words “owned or controlled by someone else” were deleted from the definition of **legal liability**. Policy Section Exclusion 20 – “Property in physical or legal control” does not apply to this Additional Benefit 2.

3. Vehicles

✓ What we cover

Under this Additional Benefit, **we** cover **your legal liability** under this Policy Section for:

- (a) **personal injury** arising out of an **occurrence** which is partially (to the extent of that part) or totally outside the indemnity afforded under such compulsory liability insurance or other legislation relating to **vehicles** and where the reason the **occurrence** is outside the indemnity afforded by compulsory liability insurance or statutory indemnity does not involve a breach by **you** of legislation relating to **vehicles**;
- (b) **property damage** arising out of and during loading or unloading of goods to or from any **vehicle** in the course of the **business**;
- (c) **property damage** caused by the operation or use of any **vehicle** which is principally designed for lifting, lowering, loading or unloading any goods and is not also a road transport **vehicle** whilst being operated or used by **you** or on **your** behalf in the course of the **business**;
- (d) **property damage** caused by the use of any tool or plant forming part of or attached to or used in connection with any **vehicle** other than when travelling to or from any work site or transporting or carting goods;
- (e) **loss** of, or **damage** to, **vehicles** (not belonging to **you** or used by **you** or on **your** behalf) in **your** physical or legal control when such loss or **damage** occurs whilst any such **vehicle** is in a car park owned or operated by **you** provided that as part of **your** business **you** do not operate such car park for reward;
- (f) **property damage** to **vehicles** not belonging to **you** or used by **you** or on **your** behalf, but in **your** physical or legal control as part of **your business**; or
- (g) **property damage** caused by the use of any **vehicle** not belonging to **you** but in **your** physical or legal control whilst being driven or moved as part of **your business**,

provided that in relation to paragraphs (e) to (g) above:

- (i) the **damage** results from an **occurrence** taking place on **your premises** or on a private property where the repair and/or servicing of the vehicle was being undertaken and the **vehicle** is under the control of a driver with a licence that is valid in Australia in relation to the class of **vehicle**; and
- (ii) the most **we** will pay for **your legal liability** in respect of any one (1) **occurrence** is \$250,000 unless some other sub-limit is specified for "Property in Your Custody or Control" in **your policy schedule** or attached by **endorsement**.

This Additional Benefit applies as if the words "owned or controlled by someone else" were deleted from the definition of **legal liability**.

Policy Section Exclusion 5 – "Vehicles" does not apply to the whole of this Additional Benefit.

Policy Section Exclusion 20 – "Property in physical or legal control" does not apply to subparagraphs (e) through to (g) of this Additional Benefit.

Excess

In relation to paragraphs (e) to (g) under "What we cover", the following **excesses** are payable:

- (a) \$1,000 when the **vehicle** is being driven by a person under 25 years of age; and/or
- (b) \$250 when the **vehicle** is being driven by a person who has not held a driving licence in relation to the class of **vehicle** for two or more consecutive years.

These **excesses** are cumulative to the extent that one or more of the above circumstances apply and they are also in addition to the amount of any other applicable **excess** specified in this Policy Section or in **your policy schedule**.

4. Principals

✓ What we cover

Under this Additional Benefit, **we** will extend the cover for **legal liability** covered by this Policy Section to a **principal** of **yours** who shall be subject to the terms and conditions of this **policy**, including without limitation, the General Claims Conditions and General Exclusions.

This Additional Benefit will only apply:

- (a) to legal liability for **personal injury** or **property damage** incurred by the **principal** which arises directly from **your** negligence in the performance of the contract between **you** and the **principal**;
- (b) to the extent the cover under this Additional Benefit is required by the contract between **you** and the **principal**; and
- (c) where a claim made by **you** in relation to the **occurrence** which gives rise to the **principal's** legal liability would not be excluded or otherwise outside the cover provided by this Policy Section.

The **principal** does not need to be noted on the **policy schedule** for this Additional Benefit to apply.

x What we exclude

This Additional Benefit will not extend to any **legal liability** incurred by a **principal** which:

- (a) arises out of or in connection with the **principal's** own negligence, acts, errors or omissions;
- (b) arises independently of **your** performance of the contract between **you** and the **principal**; or
- (c) arises from an **occurrence** in respect of which **you** or the **principal** is entitled to be indemnified pursuant to a policy which provides workers compensation insurance or any other policy or scheme which provides cover against liability for injuries to workers or **employees**.

5. Interested parties

✓ What we cover

Under this Additional Benefit, **we** will extend the cover for **legal liability** provided by this Policy Section to an **interested party** subject to the same terms and conditions which apply to **you**, including without limitation, the General Claims Conditions and General Exclusions.

This Additional Benefit will only apply:

- (a) to **legal liability** for **personal injury** or **property damage** incurred by the **interested party** that arises directly from **your** negligence in the carrying out of work or services in connection with **your business** as part of an undertaking or contract entered into between **you** and the **interested party**;
- (b) to the extent the cover under this Additional Benefit is required by the contract or agreement between **you** and the **interested party**; and
- (c) where a claim made by **you** in relation to the **occurrence** which gives rise to the **interested party's legal liability** would not be excluded or otherwise outside the cover provided by this Policy Section.

x What we exclude

This Additional Benefit will not extend to **legal liability** incurred by an **interested party** which:

- (a) arises out of or in connection with the **interested party's** own negligence, acts, errors or omissions;
- (b) arises independently of **your** performance of any contract or agreement between **you** and the **interested party**; or
- (c) arises from an **occurrence** in respect of which **you** or the **interested party** is entitled to be indemnified pursuant to a policy which provides workers compensation insurance or any other policy or scheme which provides cover against liability for injuries to workers or **employees**.

This Additional Benefit will not extend to an **interested party** that is also a **principal**.

6. Non-manual work worldwide cover

✓ What we cover

We will pay a claim for compensation in respect of which **your legal liability** covered by this Policy Section arises from **business** visits by **you** anywhere in the world provided that at the time of the work being carried out, the person carrying out that work is normally a resident in Australia or New Zealand.

x What we exclude

This Additional Benefit will not extend to **legal liability** arising from, or in connection with, the performance of manual work, or the supervision of manual work, by **you**.

7. Representation costs

✓ What we cover

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

What we will pay

Public liability

We will pay up to the “Public Liability” **limit of liability** specified in **your policy schedule** for all amounts which **you** become legally liable to pay for compensation for **personal injury, property damage or advertising liability** covered by this Policy Section resulting from an **occurrence**.

Products liability

We will pay up to the “Products Liability” **limit of liability** specified in **your policy schedule** in total for all **occurrences** that give rise to **your legal liability** to pay compensation for **personal injury or property damage** covered by this Policy Section and that happen during the **period of insurance** in connection with **your products**.

Legal costs

Unless stated otherwise, Extra Cover 1 – “Legal costs” is in addition to the **limit of liability**. Subject to the terms and conditions of Exclusion 15 – Jurisdiction limits paragraph (b) of this Policy Section, for any claim arising from a recognition or enforcement action brought or instituted within Australia or New Zealand relating to a judgment obtained against **you** within the **United States or Canada** arising from **business** visits (but not **manual labour** or supervision of **manual labour** and not in respect of **advertising liability** arising from **business** visits to the **United States or Canada**) by travelling directors and **employees** of the **named insured** normally resident in Australia or New Zealand, the **limit of liability** is inclusive of the Extra Cover 1 – “Legal costs” and Additional Benefits.

Application of limit of liability to claims that exceed the limit

If we pay the **limit of liability** in respect of any **occurrence** we will not be obliged to defend any legal action against **you**. We will have no further liability under this Policy Section with respect to the **occurrence**, except for those legal costs covered under Extra Cover 1 – “Legal costs” that were incurred with respect to the **occurrence** by **you** with **our** permission prior to the date of payment of the **limit of liability**.

If a payment exceeding the **limit of liability** has to be made to dispose of a claim, or legal action against **you**, **our** liability to pay legal costs covered under Extra Cover 1 – “Legal costs”, with respect to the **occurrence**, will be limited to that proportion of those legal costs as the **limit of liability** bears to the amount paid to dispose of the claim or legal action.

Example:

Limit of liability = \$10,000,000.

Payment to dispose of the claim = \$20,000,000.

Legal costs incurred under Extra Cover 1 = \$100,000.

Limit of liability is 50% of amount paid to dispose of the claim.

Our liability for legal costs is limited to 50% of \$100,000 = \$50,000 (less any applicable **excess**).

Excess

The **excesses** that are specified in **your policy schedule** apply. Other **excesses** set out in this Policy Section or any **endorsement** may also apply. Please refer to General Claims Condition 11 – “Paying your excess” for information about the options for paying the **excess**.

Policy Section Conditions

These conditions apply to all covers and claims under this Policy Section in addition to the General Policy Conditions on pages 16 to 18.

If **you** do not comply with these Policy Section Conditions, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your policy**.

1. Joint insureds

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

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

2. Exercise care and take action

You must:

- (a) exercise care to avoid and minimise **personal injury or property damage**, which includes taking measures to

maintain all **premises**, fittings and plant in sound condition; and

- (b) at **your** own expense take action to trace, recall or modify any, or all, of **your products** containing any defect or problem of which **you** have knowledge, or reason to suspect. This includes any compulsory recall or ban imposed by a government or statutory agency.

3. Inspection of property

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

Definitions

The following defined words in this Policy Section have the meanings given to them as set out below. These meanings only apply to this Policy Section and the terms and conditions of this **PDS** as they apply to this Policy Section and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Advertising liability

- (a) any infringement of copyright or passing off of title or slogan;
(b) unfair competition, piracy or idea misappropriation contrary to an implied contract; or
(c) invasion of privacy,

committed or alleged to have been committed during the **period of insurance** in any advertisement, publicity article, broadcast or telecast and caused by or arising out of **your** advertising activities.

Bodily injury

Death, bodily injury, sickness or disease sustained by a person. **Bodily injury** does not include mental impairment, mental injury, mental anguish, shock, fright, mental illness, humiliation, discrimination or any injury arising out of invasion of privacy, breach of confidentiality, defamation and/or loss of consortium.

Geographic limitations

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

Interested party

Any person, company or legal entity specified in the **policy schedule** as the interested party.

Internet operations

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

Legal liability

You are legally liable to pay compensation for:

- (a) **property damage** in respect of property owned or controlled by someone else; or
(b) **personal injury** to another person (other than **employees**); or
(c) **advertising liability**,

which:

- (i) occurs during the **period of insurance**;
(ii) is caused by an **occurrence** in connection with the **business**;
(iii) occurs within the **geographic limitations**; and
(iv) was not intended or expected by **you**.

Loss of use

The inability to obtain the intended benefit which is not resulting from damage to tangible property.

Named insured

The person, company or legal entity specified as the **insured** in **your policy schedule**.

Occurrence

An **event** neither expected nor intended from **your** standpoint including continuous or repeated exposure to substantially the same general conditions. A series of occurrences arising from the one original cause will be deemed to be the one occurrence.

Personal injury

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

Principal

A party who **you** have entered into a written contract with in connection with **your business** where **you** agree to perform work, provide **your** services or supply **your products** to the party and the contract requires **you** to obtain insurance for legal liabilities incurred by that party which arise from **your** performance of the contract.

Property damage

Means:

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

Vehicle

Any type of machine on wheels or on self-laid tracks made or intended to be propelled by other than manual power and any trailer made or intended to be drawn by any such machine while attached to it.

Your product(s)

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

You, your, yours, yourself

The term "**you**" means:

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

Policy Section 7 – Management Liability

This Policy Section covers the management liability of **you, your** directors, officers and employees. The cover in this Policy Section (apart from Optional Insurance 1 – “Employee dishonesty”) is issued on a “claims made and notified” basis, which is discussed on page ii.

You can also choose to purchase Optional Insurance 1 – “Employee dishonesty” which will cover **you** for theft of **your covered property** or money by any of **your employees** which occurs during the **period of insurance**.

You can claim for **financial loss** as described under “Insuring clause – What we cover” if:

- ▼ “Management Liability” is shown as insured on **your policy schedule**;
- ▼ the **claim** was first made against **you** and notified to **us** during the **period of insurance** (or **discovery period**, if applicable);
- ▼ the **financial loss** is not excluded by any of the exclusions under “What we exclude”; and
- ▼ the **financial loss** is not excluded by any of the General Exclusions listed on pages 23 to 27.

Your insurance under this Policy Section

✓ Insuring clause – What we cover

We will cover **you** for **financial loss** above the **excess** resulting from **claims** first made against **you** and notified to **us** during the **period of insurance** (or **discovery period**, if applicable).

✗ What we exclude

This Policy Section does not cover:

Exclusion 1 – Bodily injury and property damage

Financial loss resulting from **claims**:

- (a) for bodily injury, any form of psychiatric, psychological or mental injury, illness, disease or death of any person; or
- (b) for **damage** to or destruction of any tangible property including any resulting consequent loss of use.

This Exclusion will not apply to any actual or alleged psychiatric, psychological or mental injury alleged in any **claim** by any **insured person** resulting from any **employment wrongful act**.

Exclusion 2 – Dishonest or criminal intent or improper conduct

Financial loss resulting from **claims** against **you** arising directly or indirectly from or in respect of:

- (a) any **wrongful act** committed by **you** with wilful, reckless, dishonest, fraudulent, malicious or criminal intent;
- (b) an **insured person** or **trustee** improperly using their position to gain an advantage for themselves or someone else or to cause a detriment to the **company** or the **superannuation fund**; or
- (c) an **insured person** or **trustee** improperly using information obtained as a result of their position to gain an advantage for themselves or someone else or to cause a detriment to the **company** or the **superannuation fund**,

in each case only if established by formal written admission by **you** or final decision of a court or tribunal.

For the purpose of this Exclusion, the fact that one of **you** has committed or is alleged to have committed the conduct described in subparagraphs (a), (b) or (c) above will not be imputed to any other of **you**.

This exclusion does not apply to Optional Insurance 1 – “Employee dishonesty”, of this Policy Section.

Exclusion 3 – Known claims and circumstances

Financial loss resulting from **claims** arising directly or indirectly from or in respect of any fact, **event**, circumstance or **wrongful act**:

- (a) known to **you** at the inception of this **policy** and which a reasonable person in the circumstances might reasonably expect to give rise to a **claim**;
- (b) which has been or should reasonably have been the subject of any written notice given under any insurance **policy** of which this **policy** is a direct or indirect renewal or replacement; or
- (c) alleged in, discovered in, relating to or underlying any **claim** made against **you** prior to the commencement of the **period of insurance**.

x What we exclude (cont'd)

Exclusion 4 – Certain company losses

Financial loss, other than **defence costs**, resulting from any **claim** brought by or on behalf of the **company** except for any **claim**:

- (a) brought as a statutory derivative action under section 236 of the Corporations Act 2001, but not voluntarily solicited or assisted by the **company**;
- (b) by or at the direction of any liquidator, administrator, or receiver or equivalent in any jurisdiction; or
- (c) by the **company** pursuant to section 50 of the Australian Securities and Investments Commission Act 2001.

This exclusion does not apply to Optional Insurance 1 – “Employee dishonesty”, of this Policy Section.

Exclusion 5 – Contractual liability

Financial loss resulting from **claims** against the **company** arising directly or indirectly from or in respect of the **company’s** liability under any contract or agreement, other than liability that would have attached in the absence of such contract or agreement, except that this exclusion will not apply in respect of a **claim** for an **employment wrongful act**.

Exclusion 6 – Pollution

Financial loss resulting from **claims** arising directly or indirectly from or in respect of **pollution**.

Exclusion 7 – Intellectual property rights

Financial loss resulting from **claims** against the **company** arising directly or indirectly from or in respect of any alleged or actual breach of any other party’s intellectual property rights, or infringement or violation of any trade secret.

Exclusion 8 – Restrictive trade practices

Financial loss resulting from **claims** against the **company** arising directly or indirectly from or in respect of any alleged or actual restrictive trade practices including but not limited to, Part IV of the Competition and Consumer Act 2010 (Commonwealth) or similar legislation in other jurisdictions, or tortious interference with any other party’s business or contractual relationships.

Exclusion 9 – Professional services

Financial loss resulting from **claims** arising directly or indirectly from or in respect of:

- (a) any breach of duty in respect of any professional services or professional advice by **you**; or
 - (b) any breach of any contract for the provision of professional services or professional advice by **you**,
- except that this exclusion will not apply in respect of any actual or alleged professional services or professional advice which is provided by an **insured person** when acting solely in their capacity as an **insured person**, or in circumstances where such professional services or professional advice is provided to **you** and not to third parties in the course of the **company’s business**.

Exclusion 10 – Public capital raisings

Financial loss resulting from **claims** arising directly or indirectly from or in respect of any public offer for the raising of capital by debt or equity, including but not limited to any prospectus.

Exclusion 11 – Jurisdiction limits

- (a) **Financial loss** resulting from any action brought or instituted against **you** or any judgment obtained against **you** (whether or not such judgment is enforced by the courts of Australia or New Zealand) in any country other than Australia or New Zealand, regardless of whether **you** are represented by a branch or by an **employee** domiciled in that country or by a company, firm or individual holding **your** power of attorney.
However, this exclusion does not apply to actions and judgments arising from business visits (but not **manual labour** or supervision of **manual labour**) by travelling directors or **employees** of the company normally resident in Australia or New Zealand, to any country other than the **United States** or **Canada**; or
- (b) **Financial loss** resulting from any actions brought or instituted against **you** or any judgment obtained against **you** (whether or not such judgment is enforced by the courts of Australia or New Zealand) within the **United States** or **Canada**.
However, this exclusion does not apply to any recognition or enforcement action brought or instituted within Australia or New Zealand relating to a judgment obtained against **you** within the **United States** or **Canada** arising from **business** visits (but not **manual labour** or supervision of **manual labour**) by travelling **directors** or **employees** of the **company** normally resident in Australia or New Zealand.

Exclusion 12 – Retroactive date

Financial loss resulting from any **wrongful act** occurring or committed prior to the **retroactive date**.

Exclusion 13 – Subrogation waiver

Any liability incurred solely by reason of **you** entering into a deed or agreement excluding, limiting or delaying the legal rights of recovery against another.

✘ What we exclude (cont'd)

Exclusion 14 – Workplace health and safety law

Financial loss resulting from **claims** arising directly or indirectly from or in respect of any breach of workplace health and safety law.

Exclusion 15 – Subsidiaries

Financial loss resulting from any **wrongful act** committed or alleged to have been committed by a **subsidiary** or its directors, officers or employees prior to its acquisition or creation by **you**.

Exclusion 16 – Cyber act or malware or similar mechanism

Financial loss resulting from **claims** against the **company** arising out of, in connection with or in respect of any **cyber act** or **malware or similar mechanism**.

Exclusion 17 – Privacy or confidential information breach

Financial loss resulting from **claims** against the **company** arising out of, in connection with or in respect of any alleged or actual **privacy or confidential information breach**.

Additional Benefits

We will also provide the following Additional Benefits in this Policy Section subject to the General Exclusions and all the terms, conditions, exclusions, any **endorsement** that apply to this Policy Section, unless stated otherwise.

Any amounts payable under these Additional Benefits do not apply in addition to the "Management Liability" **insured amount**.

1. Advancement of defence costs and representation expenses

✔ What we cover

We will advance **defence costs** and, **representation expenses** covered under this Policy Section including under Additional Benefit 5 – "Workplace health and safety expenses" and Additional Benefit 6 – "Pollution expenses" of this Policy Section.

However, if and to the extent that **you** are not entitled to cover for **financial loss** under the terms of this Policy Section, then **we** will cease to advance **defence costs** and **representation expenses** and any amounts previously advanced shall be repaid to **us** by **you**.

If a **claim** alleges a **wrongful act** or illegal or improper conduct as described in Exclusion 2 – "Dishonest or criminal intent or improper conduct", then **we** will advance **defence costs** and **representation expenses** in respect of such **claim**.

Provided that if it is found by way of a formal written admission by **you** or final decision of a court or tribunal, that **you** did commit such **wrongful act** or engage in such illegal or improper conduct, then any amounts previously advanced shall be repaid to **us** by **you**.

2. Continuity

✔ What we cover

In the absence of fraudulent non-disclosure or fraudulent misrepresentation, where a **claim** that would otherwise be covered by this Policy Section is excluded by Exclusion 3 – "Known claims and circumstances", then cover is provided under this Policy Section, provided that:

- (a) **you** were insured against the **wrongful act** by **us** at the time when **you** first became aware of such fact, **event**, circumstance or **wrongful act** and have since been insured continuously by **us**, under an insurance policy of which this Policy Section is a replacement; and
- (b) no **related claim** has been made against **you** prior to the **period of insurance**.

The cover provided under this Additional Benefit will be in accordance with this Policy Section, except that:

- (i) if the excess applicable to the insurance policy in force at the time when **you** first became aware of such fact, **event**, circumstance or **wrongful act** is higher than the **excess** specified in **your policy schedule**, then that higher amount will be deemed to be the **excess** specified in **your policy schedule** in respect of such **claim**; and
- (ii) if the insured amount applicable to the insurance policy in force at the time when **you** became aware of such fact, **event**, circumstance or **wrongful act** is lower than the **insured amount** specified in **your policy schedule**, then that lower amount will be deemed to be the **insured amount** in respect of such **claim**.

3. Acquisition or creation of new subsidiaries

✓ What we cover

If, during the **period of insurance**, the **policyholder** acquires or creates a new **subsidiary** that has total assets (by reference to the new **subsidiary's** most recent financial statements as at the time of acquisition or creation) that are no greater than the total assets of the **policyholder** (by reference to the **policyholder's** most recent financial statements as at the time of acquisition or creation), then the definition of **company** will be extended to include the new **subsidiary** with effect from the date of acquisition or creation of such **subsidiary** by the **policyholder**.

✗ What we exclude

The definition of **company** does not include any new **subsidiary** acquired or created by the **policyholder** that:

- (a) has any of its securities listed on any exchange in the **United States**; or
- (b) is domiciled or incorporated in the **United States**.

4. Outside directorships

✓ What we cover

This Policy Section is extended to include as an **insured person** a person who, at the written request of the **company** was prior, during or after the **period of insurance** a **director** or **officer** of, or occupies a position of equivalent status in, any **non-profit outside entity** or **outside entity**.

Any cover provided under this Additional Benefit will be specifically in excess of:

- (a) any indemnity; or
- (b) to the extent permitted by law any insurance contract specified by **endorsement**, available from or through the **non-profit outside entity** or **outside entity**.

5. Workplace health and safety expenses

✓ What we cover

Subject to the provisions of Additional Benefit 1 – “Advancement of defence costs and representation expenses” and notwithstanding Exclusion 1 – “Bodily injury and property damage”; Exclusion 14 – “Workplace health and safety law” and General Exclusion 3 – “Non-compliance”; **we** will:

(a) pay on behalf of **you**:

- (i) **defence costs** incurred in defending **claims** (other than a civil claim for compensation or damages) first made against **you** and notified to **us** during the **period of insurance**, based upon workplace health and safety law which results from a **wrongful act**;
- (ii) **representation expenses**, where the subject matter of the **official investigation**, examination, inquiry or other proceedings is workplace health and safety law; and

(b) cover **you** for fines or penalties to the extent permitted by law imposed upon **you** resulting from **claims** first made against **you** and notified to **us** during the **period of insurance** based upon workplace health and safety law.

For the purposes of this Additional Benefit, **representation expenses** also includes necessary and reasonable costs, charges and expenses (other than regular or overtime wages, salaries, fees or **benefits** of an **insured person**) **we** have first agreed to pay, in representing and assisting **you** at a visit from an inspector of a workplace health and safety authority in connection with and following a workplace safety incident, provided that notice of the visit is given to **you** and is notified to **us** during the **period of insurance**.

The cover provided under this Additional Benefit will only apply to **claims** made in jurisdictions within Australia and New Zealand and pursuant to the relevant laws of Australia or New Zealand.

If there is an entitlement to payment under Additional Benefit 6 – “Pollution expenses” of this Policy Section, then there is no entitlement to payment under this Additional Benefit.

6. Pollution expenses

✓ What we cover

Subject to the provisions of Additional Benefit 1 – “Advancement of defence costs and representation expenses” and notwithstanding Exclusion 1 – “Bodily injury and property damage”, Exclusion 6 – “Pollution” and General Exclusion 3 – “Non-compliance”, **we** will pay on behalf of **you**:

- (a) **defence costs** incurred in defending **claims** (other than a civil claim for compensation or damages) first made against **you** and notified to **us** during the **period of insurance**, based on **pollution** which results from a **wrongful act**; and
- (b) **representation expenses**, where the subject matter of the **official investigation** is **pollution**.

The cover provided under this Additional Benefit will only apply to **claims** made within the jurisdiction of Australia and New Zealand and pursuant to the relevant laws of Australia or New Zealand.

7. Emergency costs

✓ What we cover

If, due to an emergency, **you** are unable to request **our** agreement to the incurring of **defence costs** or **representation expenses** in respect of **claims** covered under the terms of this Policy Section, then **you** may incur reasonable **defence costs** and **representation expenses** without first obtaining **our** agreement until such time as **you** contact or reasonably could have contacted **us**.

8. Personal tax liability

✓ What we cover

The definition of **financial loss** is extended to include any personal liability an **insured person** incurs with respect to unpaid taxes if the **company** becomes insolvent.

The most **we** will pay for all **claims** covered under this Additional Benefit is \$25,000 in total for any one (1) **period of insurance**.

9. Public relations expenses

✓ What we cover

The definition of **financial loss** is extended to include the reasonable costs, charges, fees and expenses **we** have first agreed to pay, of a public relations firm or consultant which **you** engage to prevent or limit the adverse effects or negative publicity that results from or is anticipated to result from a **claim**.

The most **we** will pay under this Additional Benefit is \$25,000 in total for any one (1) **period of insurance**.

10. Business crisis consultant fees

✓ What we cover

We will pay on behalf of the **company**, **business crisis consultant fees** incurred by the **company** in responding to a **business crisis event** that first occurs during the **period of insurance**.

The most **we** will pay under this Additional Benefit for any one (1) **business crisis event** is \$25,000.

11. Spouses and legal representatives

✓ What we cover

If an **insured person** dies or becomes legally incapable, insolvent or bankrupt, then this Policy Section will cover **financial loss** resulting from **claims** first made against the **insured person's** estate, heirs, executors or other legal representatives during the **period of insurance**, provided that the estate, heirs, executors or other legal representatives must comply with the terms of this Policy Section.

If a **claim** against an **insured person** includes a **claim** against that **insured person's spouse** solely by reason of:

- (a) the **spouse's** legal status as a **spouse** of the **insured person**; or
- (b) the **spouse's** ownership interest in property which the claimant seeks as recovery for **claims** made against the **insured person**,

then all **financial loss** for which the **spouse** becomes legally liable that would otherwise be covered by this Policy Section will be treated for the purposes of this Policy Section as **financial loss**, except to the extent the **claim** alleges any act, error or omission by the **insured person's spouse**.

12. Retired directors and officers

✓ What we cover

In the event that this Policy Section is neither renewed or replaced with or by **us** or another insurer, for any reason, other than for non-payment of premium, then any **director** or **officer** who retires from all paid employment and office with a **company** during the **period of insurance**, but prior to any **merger or acquisition**, shall be entitled to an automatic **discovery period** of 84 months following expiry of the **period of insurance**.

13. Automatic discovery period

✓ What we cover

In the event that this Policy Section is neither renewed or replaced for any reason other than for non-payment of premium, and provided that no **merger or acquisition** has occurred, the **policyholder** will be entitled to a **discovery period** of ninety (90) days at no additional premium.

Discovery periods are non-cancellable, and any **claim** made during a **discovery period** will be deemed to have been first made during the immediately preceding period of insurance.

The entitlement to a **discovery period** will not increase or reinstate the **insured amount** specified in **your policy schedule**.

Optional Insurance

We will provide the following Optional Insurance when requested by **you**, when **you** pay any additional premium required and when shown as insured on **your policy schedule**.

This Optional Insurance is provided subject to the General Exclusions and all the terms, conditions and exclusions that apply to this Policy Section, unless stated otherwise.

Any amounts payable under this Optional Insurance are in addition to the "Management Liability" **insured amount**.

1. Employee dishonesty

✓ What we cover

Provided "Employee Dishonesty" is specified in **your policy schedule**, **we** will cover **you** for **fidelity loss** that occurs during the **period of insurance** and is **discovered** within twelve (12) months of the expiry of the **period of insurance** in which it occurred.

A series of related, continuous or repeated acts of fraud or dishonesty (whether by any one (1) **employee** or any number of **employees** in collusion) will be treated as a single act of fraud or dishonesty even if committed during more than one (1) period of insurance insured with **us**.

However, if the act of fraud or dishonesty is committed during more than one (1) period of insurance insured with **us**, **you** shall be entitled to elect in which of these **periods of insurance** the act of fraud or dishonesty will be deemed to have occurred. The most **we** will pay will be determined by the **insured amount** that applied in the elected period of insurance.

✗ What we exclude

We will not cover **you** for any **fidelity loss** arising from any act of dishonesty committed more than twelve (12) months before the inception of this Policy Section.

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

- (a) the **insured amount** specified in **your policy schedule**; or
- (b) the amount that would have been paid under any previous insurance policy had it continued in force until the **discovery** of the **fidelity loss**.

This Optional Insurance does not cover **you** for:

- (a) any **fidelity loss** arising from the conduct of an **employee**, **discovered** later than:

- (i) twelve (12) months after the expiry of the **period of insurance**; or
- (ii) twelve (12) months after the termination of employment of the relevant **employee(s)**,

whichever occurs first; or

- (b) any **fidelity loss** arising from the conduct of an **employee** after **you** were aware that the **employee** had previously committed an act of fraud or dishonesty before or after the date of commencement of employment by **you**;

x What we exclude (cont'd)

- (c) **fidelity loss** arising from the conduct of an **employee** outside of Australia or New Zealand;
- (d) **fidelity loss** or part of a **fidelity loss** where the proof of the **fidelity loss** is solely dependent upon an inventory stock take or a profit and loss calculation;
- (e) fraud or dishonesty by any of **your employees** committed with **your** knowledge or consent;
- (f) loss of profit or income, loss of use, loss of earning capacity or any other loss or damage including but not limited to that caused by delay, lack of performance, loss of contract or depreciation in value that is not insured **fidelity loss**;
- (g) **fidelity loss** arising directly or indirectly from or in respect of the actual or alleged theft of confidential information or intellectual property;
- (h) **fidelity loss** arising directly or indirectly from or in respect of access to or disclosure of any confidential information, including but not limited to trade secret information, computer programs, confidential processing methods or other confidential information of any kind except where such access to or disclosure enables the commission of any act otherwise covered under "What we cover" in this Optional Insurance; or
- (i) loss of or damage to records, manuscripts, accounts, microfilms, tapes or other records or the cost of reproducing any information contained in such lost or damaged records.

Optional Insurance Extra covers

If a claim is covered under Optional Insurance 1 – "Employee dishonesty", **we** will also pay or provide the Extra Covers set out below.

1. Claims preparation costs

✓ What we cover

We will pay for the reasonable cost of auditors' fees and other reasonable expenses **we** have first agreed to pay, for the preparation of claims under this Optional Insurance.

The most **we** will pay for all claims preparation costs under this Optional Insurance Extra Cover is \$25,000 in total for any one (1) **period of insurance**.

Any amounts payable for claims preparation costs are included in and not in addition to the "Employee dishonesty" **insured amount** applicable to this Optional Insurance.

2. Retroactive cover

✓ What we cover

If Optional Insurance 1 – "Employee dishonesty" replaces any previous fraud and dishonesty insurance **policy** held by **you** that is terminated, cancelled or allowed to expire at the time of the replacement, **we** will cover any **fidelity loss** that is within the period of cover of the consecutive previous insurance policy provided that:

- (a) the **fidelity loss** would have been recoverable by **you** under the consecutive previous insurance policy except for the fact that the time within which to **discover** any **fidelity loss** had expired; and
- (b) the **fidelity loss** would have been covered under this Policy Section if it had been in force when the acts or defaults causing the **fidelity loss** were committed.

3. Welfare, social or sporting club cover

✓ What we cover

The definition of "**you**" is extended to include any welfare, social or sporting club formed with **your** knowledge or consent which is exclusively for the benefit of **employees** and their families.

Unless stated otherwise, any amounts payable in respect of this extension of the definition of "**you**" are included in and not in addition to the 'Employee dishonesty' **insured amount** applicable to this Optional Insurance.

What we will pay

Our liability to **you** under this Policy Section in respect of **financial loss** covered under this Policy Section resulting from **claims** first made against **you** and notified to **us** during the **period of insurance** (or the **discovery period**, if applicable) will not exceed the "Management Liability" **insured amount** in the aggregate for all **financial loss** covered under the Policy Section during the **period of insurance**.

Except as provided by Optional Insurance 1 – "Employee dishonesty", **we** have no liability for any amount above the "Management Liability" **insured amount**.

Any **discovery period** will not increase or reinstate the "Management Liability" **insured amount** or any sub-limit of liability, which will be **our** maximum liability for the **period of insurance** and **discovery period**, combined.

In respect of Optional Insurance 1 – "Employee dishonesty", **we** will:

- (a) pay **you** the amount of lost **money**; or
- (b) replace lost **covered property** or pay the market value of the **covered property** if the item is unable to be replaced.

Notwithstanding that the act of fraud or dishonesty may have been committed during more than one (1) **period of insurance**, the maximum amount **we** will pay for all claims covered under Optional Insurance 1 – "Employee dishonesty" in the **period of insurance** is the "Employee Dishonesty" **insured amount**.

Excess

The **excess** that applies to each **claim** for **financial loss** covered by this Policy Section is specified in **your policy schedule**. Please refer to General Claims Condition 11 – "Paying your excess" for information about the options for paying the **excess**.

If a **claim** is covered under Additional Benefit 2 – "Continuity" then a higher **excess** will apply if the **excess** applicable to the Management Liability Policy Section in force at the time when **you** first became aware of such fact, event, circumstance or **wrongful act** is higher than the **excess** specified in **your policy schedule**.

The **excess** that applies to each claim for **fidelity loss** covered by Optional Insurance 1 – "Employee dishonesty" is specified in **your policy schedule**.

You are liable for the amount of **financial loss** or **fidelity loss** up to the **excess** for each **claim** under this Policy Section.

The **excess** is deducted from **financial loss** payable before the application of the "Management Liability" **insured amount** or, in respect of Optional Insurance 1 – "Employee dishonesty", from **fidelity loss** payable before the application of the "Employee Dishonesty" **insured amount**.

Policy Section Conditions

These conditions apply to all covers and claims under this Policy Section in addition to the General Policy Conditions and General Claims Conditions on pages 19 to 22 that apply to this Policy Section.

If **you** do not comply with these Policy Section Conditions, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your policy**.

1. Acquisition, merger or winding up of policyholder

If, during the **period of insurance**, any of the following events occur:

- (a) a **merger or acquisition** of the **policyholder**; or
- (b) the appointment of a receiver, controller, administrator or liquidator to the **policyholder**, or the commencement of a scheme of arrangement or compromise or a winding up process in respect of the **policyholder**,

then this Policy Section will remain in force until the expiry of the **period of insurance**, but only in respect of **financial loss** resulting from **claims** based on **wrongful acts** committed or alleged to have been committed prior to the events described in (a) or (b) above.

2. Severability and imputation

For the purposes of this Policy Section, any knowledge or information possessed by any past, present or future chief executive officer, chief operating officer, chief financial officer, chief legal officer (or similar positions) or chairman of the board of **directors** shall be imputed to the **company**.

The proposal made to **us** prior to entering into this **policy** shall be construed as separate applications for cover by each of **you** and, except as provided for above, no information provided by or representation made by one, will be imputed to another.

A breach of this Policy Section or knowledge or information possessed by one of **you** will not be imputed to another except as provided for above.

3. Related claims

For the purpose of the calculation of the **insured amount**, any sub-limit or **excess**, all **related claims** will be deemed to be one **claim** and cover for all **related claims** will be provided as follows:

- (a) if the first **related claim** is first made during the **period of insurance** and notified to **us** during the **period of insurance** or any applicable **discovery period**, then cover for all subsequent **related claims** will only be provided under this **policy**; and

- (b) if the first **related claim** was first made and notified to **us** during a period prior to the current **period of insurance**, during which **you** had cover with **us**, then cover for all **related claims** will only be provided under that earlier policy with **us**, subject to the terms, **excess** and **insured amount** of that earlier policy; and
- (c) if the first **related claim** was first made during a period prior to the **period of insurance**, during which **you** did not have cover with **us**, then no cover for any **related claim** will be provided under this **policy**.

This Policy Section Condition does not apply to Optional Insurance 1 – “Employee dishonesty”.

4. Notification

The **policyholder** must give **us** notification of any **claim** made against **you**, or any **financial loss**, as soon as reasonably practicable within the **period of insurance**.

Each notification of a **claim** must include so far as practicable:

- (a) the identity of the claimant or potential claimant;
- (b) the nature of the **claim**; and
- (c) the likely quantum of the **claim**.

The **policyholder** must provide **us** notification of any **business crisis event** as soon as reasonably practicable and during the **period of insurance**. Each notification of a **business crisis event** must include a full description of the event.

The **policyholder** must provide **us** with such further information and documentation as **we** may reasonably require.

If the **policyholder** does not notify **claims**, **financial loss** or **business crisis events** as soon as reasonably practicable within the **period of insurance**, **our** liability may be reduced by an amount that fairly represents the extent to which **our** interests were prejudiced as a result of **your** delay in notifying **us** of the **claim**, **financial loss** or **business crisis event**.

5. Claims conduct

In relation to **claims** against **you**, **we** have the right and full discretion to conduct **claims**. **We** may engage legal or other representatives to assist in the conduct of a **claim**. At all times **we** reserve the right to negotiate and settle a **claim** on terms **we** consider appropriate. **You** must allow **us** to make admissions, settle or defend **claims** made against **you** on **your** behalf.

We reserve entirely **our** rights under this **policy**, including **our** right to agree or deny cover while **we** assess a **claim** or conduct a defence. **Our** rights under this Policy Section are not affected if **we** do not conduct the defence.

Neither **you** nor **we** will be required to contest or litigate any **claim** if, in the opinion of Senior Counsel (or equivalent), reasonable attempts should be made to settle the **claim**. The Senior Counsel (or equivalent) shall be mutually agreed upon, or in the absence of such agreement, as nominated by the President of the Bar Association of the relevant State or Territory jurisdiction. The cost to obtain the opinion will be paid by **us** and treated as **defence costs**.

Senior Counsel (or equivalent) shall provide the opinion in writing. In formulating the opinion Senior Counsel (or equivalent) shall consider commercial matters including the amount of the **claim**, the actual and potential **financial loss** (including **defence costs**) that may reasonably be incurred in contesting the **claim**, the liability prospects and the prospect of recovering costs against the claimant in the event that the defence is successful. Senior Counsel (or equivalent) will also provide a settlement range within which reasonable attempts should be made to settle the **claim**.

If it is the opinion of Senior Counsel (or equivalent) that reasonable attempts should be made to settle the **claim**, **you** will not object to **our** attempt to do so.

6. Settlement

You must not settle or offer to settle any **claim**, incur any **defence costs**, or **representation expenses** or otherwise assume any contractual obligation or admit any liability in respect of any **claim** without **our** prior written consent.

If **you** object to a proposal by **us** to settle or compromise any **claim** payable under this Policy Section and wish to contest or litigate the matter, then **you** may so elect, but **our** liability in respect of any such **claim** so contested or litigated will not exceed the amount for which, but for such election, it could have been settled or compromised by **us**, together with **defence costs** payable in accordance with the terms of this Policy Section and incurred up to the time of such election.

7. Allocation of loss

When allocation of loss applies

In the event that:

- (a) a **claim** against **you** results in:
 - (i) **financial loss** which is partly covered and partly not covered by this Policy Section; or
 - (ii) **financial loss** for which some of **you** are covered and some of **you** are not covered by this Policy Section (whether the **claim** is made against **you** jointly or severally); or
- (b) a claim is made against **you** and also against other persons not covered by this Policy Section which results in **financial loss**, some of which is covered and some of which is not covered by this Policy Section (whether the claim is made against **you** jointly or severally),

(together "Loss to be Allocated"), then **we** must decide a fair and reasonable allocation between the covered and uncovered **financial loss** and/or the covered and uncovered persons.

This fair and reasonable allocation of the covered part of the Loss to be Allocated among the relevant **insureds** and **us** will have regard to the extent of each **insured's** comparative responsibility for the Loss to be Allocated.

What we must take into account of when deciding allocation

Our consideration of what is fair and reasonable will include without limitation, the following factors:

- (a) the nature of the **claim** against each insured;
- (b) the issues of fact and law in relation to each **insured**;
- (c) the content and the manner of the conduct of any defence of the **claim**;
- (d) the relative degree of personal responsibility for the **financial loss**;
- (e) the extent to which the **insured's** responsibility for the **financial loss** is joint, several or shared;
- (f) the extent to which any person or entity, other than that **insured**, would obtain a benefit from the payment by **us**;
- (g) the extent to which the **financial loss** is solely of that **insured**;
- (h) the extent to which the issues in the **claim** against that **insured** are in common with the issues in the claim against any other person or entity;
- (i) the extent to which the **financial loss** is partly covered and partly not covered under this Policy Section; and
- (j) in the event of a settlement, the likely comparative responsibility had the settlement not occurred.

If you do not agree with our allocation decision

If **you** wish to dispute **our** decision in respect of the allocation, each party agrees that the dispute must be referred for expert determination in accordance with the Australian Disputes Centre ("ADC") current Rules for Expert Determination (the Rules), available from www.disputescentre.com.au, to an expert agreed by the parties, or if the parties do not agree on an expert, an expert nominated by ADC in accordance with the Rules.

Each party agrees to sign an agreement with the expert that confirms the following matters, unless contrary to the Rules or the requirements of the ADC:

- (a) the payment of fees for the appointed expert (Note: refer to "Cost of the Expert Determination" below for more information); and
- (b) the expert may:
 - (i) consider relevant industry practice;
 - (ii) consider all information presented to the expert by either party;
 - (iii) request more information from either party;
 - (iv) request a meeting with the parties to which they may bring their legal representatives or other persons with information or knowledge relevant to the determination of the allocation (in accordance with the Rules, the meeting is not a hearing); and
- (c) the expert must provide a determination, subject to receiving all information required, within thirty (30) days after the agreement is signed, unless:
 - (i) another time is agreed between the parties, in which case the agreement will provide for this timeframe; or
 - (ii) the expert must comply with a timeframe as set by the ADC, in which case the agreement will provide for this timeframe; and
- (d) the expert must provide written reasons for the determination; and
- (e) the expert's decision will be binding on the parties and final; and
- (f) all liability of the expert to either party will be excluded (including liability for negligence) to the full extent permitted by law.

This allocation applies for all purposes under this Policy Section including Additional Benefit 1 – "Advancement of defence costs and representation expenses" and Policy Section Condition 8 – "Recoveries" and General Claims Condition 15 – "Rights of recovery"

Any allocation of **financial loss** will not apply to or create a presumption with respect to the allocation of other **financial loss** on account of such **claim**.

Cost of the Expert Determination

We will pay for the cost of the Expert Determination above, including **your** share of the costs.

The ADC may require each party to bear the cost of the Expert Determination in equal proportions and require each party to individually pay their share of any cost required directly (including any fee, deposit or other amount charged). Where this is required, **you** must pay the costs accordingly and **we** will separately reimburse **you** for the cost of the Expert Determination.

Example of allocation:

A **claim** is made against both the **directors** and the **company** for breach of a third party's intellectual property rights. The **claim** against the **company** is excluded by Exclusion 7 – Intellectual property rights but this exclusion does not apply to the **claim** against the **directors**. The **claim** is settled for \$10,000,000 and legal costs of \$2,000,000 are incurred on behalf of both the **company** (not covered) and the **directors** (covered). **We** decide in settling the **claim** that 40% of the legal costs and 40% of the compensation component relates to the **insured directors'** liability for the loss.

We pay \$800,000 of legal costs and \$4,000,000 of compensation and claimant's costs.

8. Recoveries

All money recovered from other parties before settlement of any **claim** under this Policy Section will be held for the benefit of **us** and applied as stated immediately above after settlement, if any is made.

Recoveries do not include any amount recovered from insurance, surety, reinsurance, security or indemnity taken for the benefit of **us**.

9. Authorisation

The **policyholder** is the agent for each of **you** and each of **you** is bound by any statement, act or omission of the **policyholder** for all purposes under this Policy Section, subject to Policy Section Condition 2 – "Severability and imputation" and Policy Section Condition 5 – "Claims conduct".

If the **policyholder** is more than one entity, then the first entity listed in the **policy schedule** will be deemed to be the **policyholder**.

10. Confidentiality

You must not disclose the existence or terms of this Policy Section, including without limitation the **insured amount**, the nature of the insurance or the premium payable to any person who is not insured except where:

- (a) **you** are required by law or stock exchange rules to do so; or
- (b) **we** provide **our** prior written consent to such disclosure.

If **you** disclose the existence or terms of this Policy Section without obtaining **our** prior written consent, unless **you** are required by law or stock exchange rules to do so, **we** may refuse to pay **your** claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** disclosure).

Definitions

The following defined words in this Policy Section have the meanings given to them as set out below. These meanings only apply to this Policy Section and the terms and conditions of this **PDS** as they apply to this Policy Section and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions),

Benefits

Means:

- (a) fringe benefits and perquisites;
- (b) amounts due or payments made in connection with superannuation or an employee benefit plan or pension scheme;
- (c) share or stock options or any other right to purchase, acquire or sell shares or stock; or
- (d) bonuses, or employee or management incentive schemes or similar.

Business crisis consultant fees

The reasonable costs, charges, fees or expenses of an independent management consultant engaged to minimise the effect of the **business crisis event**, but only during the first thirty (30) days immediately following the **business crisis event**.

Business crisis event

Any one of the following unforeseen **events** which, in the reasonable opinion of the Managing Director (or equivalent) of the **company**, if left unmanaged has the potential to lead to an imminent decrease of 30% or more of the **company's** consolidated revenues:

- (a) the loss of a major customer or contract of the **company**;
- (b) the sudden and unexpected death or injury of any **insured person**;
- (c) the unexpected imposition of a tax bill;
- (d) the unexpected recall of any product manufactured, distributed or sold by the **company**; or
- (e) the illegal tampering with or **contamination** of any product manufactured, distributed or sold by the **company**.

Claim

Means:

- (a) a written communication, including electronic communication, to **you**, containing:
 - (i) a demand for compensation or damages; and
 - (ii) allegations of an act, error, omission, conduct, facts or circumstances that may constitute a **wrongful act**;
- (b) a civil proceeding commenced against **you** by the service of a written complaint, summons, statement of claim, writ or similar pleading or an arbitral process, cross-claim, or counter claim against **you** alleging an act, error, omission, conduct, facts or circumstances that may constitute a **wrongful act**;
- (c) any criminal proceeding commenced against **you** by a summons or charge arising from a **wrongful act**; or
- (d) any **official investigation**.

Company

Means:

- (a) the **policyholder**; and
- (b) a **subsidiary** of the **policyholder** prior to or as at the commencement of the **period of insurance**.

Covered property

Tangible property other than **money**. **Covered property** does not include **data**.

Defence costs

Reasonable costs, fees and expenses incurred by **you** in defending, investigating or settling **claims**.

Director

Any natural person who prior to, during or after the **period of insurance**, is a validly appointed director (as defined in the Corporations Act 2001 (Commonwealth) or any equivalent provision in the jurisdiction in which the **company** is incorporated) of the **company**.

Discover/Discovered/Discovery

When **you** first become aware of facts which would cause a reasonable person in the circumstances to believe that **fidelity loss** has occurred, or is likely to occur, regardless of when the act or acts causing or contributing to such **fidelity loss** occurred and even though the exact amount or details of the **fidelity loss** may not then be known.

When **you** are a **company**, "**you**" means any past, present or future chief executive officer, chief operating officer, chief financial officer, chief legal officer (or similar positions) or chairman of the board of directors of the **company**.

Discovery period

A period of time immediately following the expiry of the **period of insurance** during which written notice may be given to **us** of a **claim** first made after the expiry of the **period of insurance**, and based on **wrongful acts** occurring prior to the expiry of the **period of insurance**.

Employee

Any natural person who was prior to, during or after the **period of insurance**, an employee of the **company**, (which includes trainees, casual, part-time, seasonal, temporary, voluntary and work experience personnel) acting in such capacity, but excludes **directors** and independent contractors.

Employment wrongful acts

Any employment related act, error, omission, or conduct constituting actual, constructive or alleged:

- (a) wrongful dismissal, discharge or termination of employment;
 - (b) wrongful failure to employ or promote;
 - (c) wrongful deprivation of career opportunity;
 - (d) misleading representation or advertising in respect of employment;
 - (e) wrongful disciplinary action;
 - (f) negligent **employee** evaluation;
 - (g) wrongful demotion;
 - (h) breach of employment contract;
 - (i) sexual or workplace harassment (including the creation of a workplace environment conducive to such harassment);
 - (j) wrongful discrimination;
 - (k) failure to grant tenure; or
 - (l) invasion of privacy or defamation,
- committed by **you** in respect of **employees** or prospective employees of the **company**.

Fidelity loss

Direct financial or **loss** of **money** or **covered property** belonging to **you**, or leased by **you** or in **your** care, custody or control, and caused by any dishonest or fraudulent act committed by an **employee** (whether acting alone or in collusion with any other person) while working for **you** in connection with the **business**.

Fidelity loss does not mean:

- (a) regular or overtime wages, salaries, fees or **benefits** earned in the normal course of employment;
- (b) damages of any type, including but not limited to punitive, exemplary or aggravated damages;
- (c) securities; or
- (d) shares, stocks, bearer instruments, derivatives, bonds, warrants, debentures, units in shares, units in trusts (including any evidence of indebtedness or other equity or debt security), rights under a depositary receipt or other securities (or interests therein) of whatever nature.

Financial loss

- (a) any amount, whether determined by judgment, verdict or award for which **you** are legally liable to pay including compensation orders, pre- and post-judgment interest, awards of costs or settlements including claimant's costs;
- (b) **defence costs**;
- (c) **representation expenses**;
- (d) reasonable expenses **we** have first agreed to pay, incurred by **you** solely to investigate, prove and substantiate the amount of the **claim**;
- (e) fines or penalties, to the extent allowed by law; and
- (f) with respect to any **claim** for an **employment wrongful act** in the event of an order to reinstate or re-employ an **employee**, the cost to **you** of complying with any order to pay salary or wages, or damages calculated by reference to salary or wages, to an **employee** for the period from the date of the purported dismissal or termination to the date on which the court, tribunal or similar body delivered its judgment to the parties but does not mean **employee** entitlements or **benefits**.

Financial loss does not mean:

- (a) any amount that **we** are prohibited from paying under the laws applicable to this **policy**;
- (b) any amount representing a profit or advantage to which **you** are not legally entitled; or
- (c) with respect to any **claim** for an **employment wrongful act**:
 - (i) any amounts payable in respect of a specified contractual obligation;
 - (ii) compensation payable in respect of contractual or statutory notice periods;
 - (iii) future salary or wages if the **company** was ordered to reinstate an **employee** but does not;
 - (iv) salary or wages earned prior to the date of termination; or
 - (v) **benefits**.

Insured person

Any natural person who was prior to, or is during or after the **period of insurance**:

- (a) a **director** or **officer** but only in his or her capacity as such; or
- (b) a member of a committee established by or approved by the **company** whether by statute or otherwise but only in his or her capacity as such; or
- (c) an **employee** (whether salaried or not) of the **company**:
 - (i) to the extent that such **employee** is acting in a managerial or supervisory capacity; or
 - (ii) with respect to any claim alleging an **employment wrongful act**; or
 - (iii) in connection with an **official investigation**; or
 - (iv) to the extent that such **employee** is implicated in a claim along with a **director** or **officer**; or
- (d) acting on behalf of the **company** at the direction of an **officer** or board or committee of management of the **company** but only in his or her capacity as such.

Management wrongful acts

Any act, error, omission, conduct, misstatement, misleading statement, neglect or breach of duty, trust, contract, warranty of authority, statute or confidentiality, actually or allegedly committed by:

- (a) the **company**; or
- (b) a **director** or **officer** of the **company**, or as the holder of a position of equivalent status in, any **non-profit outside entity** or **outside entity**, in that capacity; or
- (c) a **trustee** of a **superannuation fund** in that capacity, but does not include an **employment wrongful act**.

Merger or acquisition

Means:

- (a) the **policyholder** or the **company** consolidating with, merging into or selling all or substantially all of its assets such that the **policyholder** or the **company** is not the surviving entity; or
- (b) any entity obtaining control (as that term is defined in the Corporations Act 2001 (Commonwealth)) of the **policyholder** or the **company**.

Money

- (a) cash, bank notes, currency notes, negotiable cheques, negotiable securities, travellers' cheques, debit and credit card vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines; or
- (b) any **superannuation fund** or pension fund formed by **you** and exclusively for the benefit of **employees** but does not include any scheme that is administered by a professional funds manager.

Money does not mean any form of crypto-currency.

Non-profit outside entity

Any non-profit organisation of any kind that is exempt from the payment of income tax, other than a **subsidiary**.

Officer

Any natural person who was prior to the **period of insurance**, or is during or after the **period of insurance**:

(a) a company secretary of the **company**; or

(b) a person:

- (i) who makes, or participates in making, decisions that affect the whole, or a substantial part, of the **business** of the **company**;
- (ii) who has the capacity to significantly affect the **company's** financial standing; or
- (iii) in accordance with whose instructions or wishes the **directors** of the **company** are accustomed to act (excluding advice given by the person in the proper performance of functions attaching to the person's professional capacity or their business relationship with the **directors** or the **company**), other than:
 - ▼ a receiver, or receiver and manager;
 - ▼ an administrator or an administrator of a deed of company arrangement;
 - ▼ a liquidator; or
 - ▼ a trustee or other person administering a compromise or arrangement made between the **company** and someone else.

Official investigation

Any formal investigation, examination, inquiry, or other formal proceeding into the affairs of the **company** or the conduct of **directors**, **officers**, **employees** or **trustees** in that capacity, as ordered or commissioned by any authoritative or governmental body that has legal authority to conduct such a proceeding, and in which the **company** or its **directors**, or **officers** or **employees** in that capacity, are required or requested to attend or produce documents.

An **official investigation** is deemed to have started when **you** or any of the above named persons or entities are first required or requested to attend or produce documents.

Outside entity

Any company, other than a **subsidiary**, that:

(a) is not domiciled or incorporated in the **United States**;

(b) is not a bank, building society, credit union, stockbroker, venture capital company, private equity company, insurance or reinsurance company, investment manager, fund manager or similar entity; and

(c) does not have any of its securities listed on an exchange.

Policy committee

A prescribed **policy** committee for the purposes of Part 9 of the Superannuation Industry (Supervision) Act 1993.

Policyholder

The person or entity named as such in **your policy schedule**.

Pollution

Means:

(a) the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of **pollutants** into or on real or personal property, water or the atmosphere; or

(b) any direction or request to test for, monitor, clean up, treat, detoxify or neutralise **pollutants**.

Privacy or confidential information breach

An incident involving the unauthorised interference with or disclosure, loss, modification, misuse or access of:

(a) **private and confidential information**; or

(b) **personal information**.

Related claims

All **claims** arising directly or indirectly from or in respect of the same or causally related or continuous or repeated **wrongful acts** whether committed by one or more of **you** and whether directed to or affecting one or more than one person or legal entity.

Representation expenses

Reasonable costs, fees and expenses of preparing for, attending, cooperating with, or being represented at an **official investigation**.

Retroactive date

The date specified as such in **your policy schedule**.

Spouse

A lawful spouse, domestic partner (including same sex partner) or any person deriving similar status by reason of the common law or statute.

Subsidiary

Means:

- (a) a subsidiary of the **policyholder** as defined in the Corporations Act 2001 (Commonwealth); or
- (b) any body corporate in which the **policyholder**:
 - (i) controls the composition of the board of the body corporate;
 - (ii) is in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the body corporate; or
 - (iii) holds more than one-half of the issued share capital of the first body (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
- (c) any body corporate which is a subsidiary of a body corporate described in (a) or (b) above; or
- (d) any other body corporate whose accounts are consolidated into those of the **policyholder** in accordance with the relevant Australian Accounting Standard.

Superannuation fund

A corporate superannuation fund established for the benefit of **employees** of the **company**, but excludes any industry, master or self managed **superannuation fund**.

Trustee

Any **insured person** who:

- (a) was prior to the **period of insurance**, or is during or after the **period of insurance**:
 - (i) duly appointed trustee of the **superannuation fund**; or
 - (ii) member of the **policy committee** of the **superannuation fund**, to the extent that such person's activities concern the administration of that **superannuation fund** as is contemplated under the Superannuation Industry (Supervision) Act 1993; or
- (b) was prior to or at the commencement of the **period of insurance** a **trustee** of the **superannuation fund** duly appointed by a court or regulatory body or pursuant to statute.

Wrongful act

Management wrongful acts or **employment wrongful acts**.

You or your

Means:

- (a) the **company**;
- (b) an **insured person**; and/or
- (c) a **trustee**.

Policy Section 8 – Portable and Valuable Items

About this Policy Section

This Policy Section covers portable or valuable items that **you** usually carry around with **you** in the course of **your business** anywhere in the world. Any individual item with a replacement value of more than \$2,500 must always be shown on **your policy schedule** as a **specified item** to receive cover up to the replacement of that item.

You can claim for **accidental loss** of, or **damage** to, a **specified item** or **unspecified item** as described under “Insuring clause – What we cover” if:

- ▼ “Portable and Valuable Items” is specified in **your policy schedule**;
- ▼ the **accidental loss** or **damage** occurs during the **period of insurance**;
- ▼ the **accidental loss** or **damage** is not excluded by any of the exclusions under “What we exclude”; and
- ▼ the **accidental loss** or **damage** is not excluded by any of the General Exclusions listed on pages 23 to 27.

Your insurance under this Policy Section

✓ Insuring clause – What we cover

We will cover **you** for **accidental loss** of, or **damage** to, **property insured** occurring anywhere in the world during the **period of insurance**.

For **specified items** we cover up to the full replacement value.

For **unspecified items** we cover up to \$2,500 per item.

✗ What we exclude

We do not cover:

- (a) an amount greater than \$2,500 for any one (1) item unless it is a **specified item**;
- (b) any **unspecified item** unless **your policy schedule** shows that **you** have cover for **unspecified items** and that **unspecified item** is part of the group or class of **unspecified items** shown on **your policy schedule**;
- (c) **loss** or **damage** caused by or arising out of:
 - (i) the actual process of cleaning, maintenance, overhaul, repair or renovation, alteration, addition or undergoing a trade process;
 - (ii) wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause;
 - (iii) moths, termites or other insects or vermin;
 - (iv) scratching, biting or chewing by any **animal**;
 - (v) chipping, scratching, denting or marring that does not materially affect the use or operation of the **property insured**;
 - (vi) change in colour, loss of weight, change in flavour, texture or finish;
 - (vii) the action of light, atmospheric conditions, any form of **fungus** or extremes of temperature, rust or oxidation, wet or dry rot, corrosion, inherent vice or latent defect;
 - (viii) mechanical, hydraulic, electrical or electronic breakdown, burnout, failure, malfunction or derangement of any equipment or device;
 - (ix) soot or smoke from industrial operations (other than sudden and unforeseen resultant damage);
 - (x) any faults or defects in any item of **property insured** that **you** or any of **your employees** knew about before taking out cover under this Policy Section;
 - (xi) unexplained inventory shortage, disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials;
 - (xii) testing, experimentation, intentional overloading, misuse or abuse;
 - (xiii) cracking, scratching or breakage of **glass** or fragile items unless as a consequence of **loss** or **damage**;
 - (xiv) fraud or dishonesty by **you** or any other person;

x What we exclude (cont'd)

- (xv) kidnapping, bomb threat, threat of **contamination**, hoax, trickery, extortion or any attempt at any of these;
- (xvi) detention, confiscation or disappearances by customs or any lawful authority;
- (xvii) the sea, including tidal wave, tsunami, storm surge or high water;
- (xviii) **flood**;
- (xix) faulty materials or faulty workmanship;
- (xx) error, failure or omission in design plan or specification;
- (xxi) spontaneous combustion, fermentation or heating;
- (xxii) persons taking part in riots or civil commotion; or
- (d) **loss** of, or **damage** to, **money** or documents of any kind;
- (e) **loss** of, or **damage** to, tools of trade, sporting equipment, any remote controlled devices, guns or musical instruments while they are in use;
- (f) **loss** of, or **damage** to, **property insured** undergoing any process involving the application of heat;
- (g) loss of profit or income, loss of use, loss of earning capacity, loss caused by delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not covered under this Policy Section;
- (h) **you** for any **loss** or **damage** caused by or arising out of theft:
 - (i) committed by any person or any member of **your family** or by any of **your employees** whilst lawfully permitted to enter, be on or at the **premises**; or
 - (ii) of unattended **property insured** in the open air.
- (i) **you** for any **loss** or **damage** caused by or arising out of theft from any building or **vehicle** unless the **property insured** was:
 - (i) securely locked in a **vehicle** and the theft was consequent upon forcible and violent entry which causes visible **damage** to the **vehicle**;
 - (ii) securely affixed to a **vehicle** and theft is consequent upon forcible and violent removal of the **property insured**;
 - (iii) securely chained to a **vehicle** by a steel chain and a padlock;
 - (iv) securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building. However **we** will not cover any theft:
 - ▼ committed by any person while lawfully in the building or a tenant; or
 - ▼ of **property insured** which is unattended in areas of the building accessible by the general public; or
 - (v) stolen as a consequence of armed hold up or the threat of physical violence.

Extra Cover

If a claim for **accidental loss** or **damage** to **your property insured** is covered by this Policy Section, **we** will also provide the Extra Cover set out below.

1. Reinstatement of insured amount

✓ What we cover

If **we** pay an amount less than the full **insured amount** for a claim under this Policy Section, **we** will automatically reinstate the **insured amount** to the amount specified in **your policy schedule**. **You** will not have to pay any additional premium.

Additional Benefit

We will also provide the following Additional Benefit in this Policy Section subject to the General Exclusions and all the terms, conditions and exclusions and any **endorsement** that apply to this Policy Section, unless stated otherwise.

Any amounts payable under this Additional Benefit apply in addition to the **insured amount**. All **loss** or **damage** that is covered by this Additional Benefit must occur during the **period of insurance**.

1. Theft of other property

✓ What we cover

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

The most **we** will pay for all claims covered under this Additional Benefit in total is \$2,000 in any one (1) **period of insurance**.

✗ What we exclude

We will not cover **you** for:

- (a) any **loss** or **damage** caused by or arising out of theft committed by any member of **your family** or by **your employees**.
- (b) any **loss** or **damage** caused by or arising out of theft from any **building** or **vehicle** unless the property was:
 - (i) securely locked in a **vehicle** and the theft was consequent upon forcible and violent entry to the **vehicle**;
 - (ii) securely and permanently affixed to a building and theft is consequent upon forcible and violent removal;
 - (iii) securely and permanently affixed to a **vehicle** and theft is consequent upon forcible and violent removal which causes visible **damage** to the securing devices;
 - (iv) in a **vehicle** and was securely chained to that **vehicle** by a steel chain (having a link diameter of 10mm or more) and a padlock (with a security rating of 6 or more under AS 4145.4 as amended) and theft is consequent upon forcible and violent removal which causes visible **damage** to the securing devices;
 - (v) in **your** private residence or the private residence of **your employee** who had been authorised by **you** to have the custody and control of the property. However, **we** will not cover any theft by a tenant;
 - (vi) securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building. However, **we** will not cover any theft:
 - ▼ committed by any person while lawfully in the building; or
 - ▼ of property which is unattended in areas of the building; or
 - (vii) stolen as a consequence of armed hold-up or the threat of physical violence.

What we will pay

If a claim for **accidental loss** of, or **damage** to, **property insured** is covered under this Policy Section **we** will:

- (a) pay **you** the amount shown on **your proof of purchase** for **specified items**; or
- (b) pay the reasonable cost of repairing or replacing the **specified items** or **unspecified items** to a condition substantially the same as, but not better or more extensive than, its condition when new.

We will settle any **claim** by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into your **bank** account.

If **we** pay the cost of replacing any **specified item**, **you** will need to contact **us** to update the details of the replacement item to continue the cover.

When the **loss** or **damage** is confined to a part or component of the **property insured**, **we** will only pay for that part or component plus the cost of any necessary dismantling and reassembling up to the **insured amount** for a **specified item** shown on **your policy schedule** or up to a value of \$2,500 per item for an **unspecified item**.

The most we will pay

The most **we** will pay for a **specified item** is the **insured amount** specified in **your policy schedule**.

The most **we** will pay for any **unspecified item** is \$2,500. If an item has a replacement value of more than \$2,500 it must be recorded as a **specified item** otherwise **we** will not pay more than \$2,500.

Excess

The **excess** that applies to each claim **you** make is specified in **your policy schedule**. Please refer to General Claims Condition 11 – “Paying your excess” for information about the options for paying the **excess**.

Definitions

The following defined words in this Policy Section have the meanings given to them as set out below. These meanings only apply to this Policy Section and the terms and conditions of this **PDS** as they apply to this Policy Section and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Property insured

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

Specified items

Each item of property that is specifically described in **your policy schedule**.

Unspecified items

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

Unspecified items does not include any item worth more than \$2,500.

Policy Section 9 – Equipment Breakdown

About this Policy Section

This Policy Section covers the **breakdown** of **insured equipment** at **your premises** and any **loss** or **damage** to **property insured** as a result of that **breakdown**.

You can claim for **loss** or **damage** as described under “Insuring clause – What we cover” if:

- ▼ “Equipment Breakdown” is specified in **your policy schedule**;
- ▼ the **breakdown** occurs during the **period of insurance**;
- ▼ the **breakdown, loss** or **damage** is not excluded under “What we exclude”; and
- ▼ the **breakdown, loss** or **damage** is not excluded by any of the General Exclusions listed on pages 23 to 27.

Your insurance under this Policy Section

✓ Insuring clause – What we cover

If during the **period of insurance** a **breakdown** of **insured equipment** occurs at **your premises**, we will cover:

- (a) **loss** of, or **damage** to, **insured equipment** directly resulting from the **breakdown**; and
- (b) any **loss** of, or **damage** to, **property insured** directly caused by the **breakdown**.

✗ What we exclude

We will not cover you for:

- (a) **loss** or **damage** to **air conditioners** unless **your policy schedule** shows that they are covered;
- (b) **loss** or **damage** caused by or arising out of:
 - (i) earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption;
 - (ii) storm, hail, lightning, thunder, wind, rainwater;
 - (iii) the sea, including tidal wave, tsunami, storm surge or high water;
 - (iv) **flood**;
 - (v) fire, smoke or combustion explosion;
 - (vi) water, liquids or substances discharged or other means used to extinguish a fire;
 - (vii) escape of water or liquids resulting from a **breakdown**;
 - (viii) **aircraft** or other aerial devices or articles dropped from them or sonic boom;
 - (ix) riot, civil commotion or sabotage; or
 - (x) vandalism or malicious damage;
- (c) (i) delay or interruption of **your business**;
- (ii) lack of power, light, heat, steam or refrigeration; or
- (iii) any other indirect result of a **breakdown** including loss of profit or income, loss of use, loss of earning capacity, loss caused by delay, lack of performance, loss of contract, or depreciation in value or any other loss that is not covered under this Policy Section;
- (d) **loss** or **damage** caused by or arising out of pollution, **contamination** or **damage** by a **hazardous substance**, however caused, except as provided for in Extra Cover 1 – “Hazardous Substances”;
- (e) **loss** caused by or resulting from the partial or total failure, malfunction or loss of use of any **electronic equipment**, computer system, information repository, microchip, integrated circuit or other similar device due to the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility.

However, **we** will pay for **losses** that result solely from the **breakdown** of any other **insured equipment** which is covered by this Policy Section.

x What we exclude (cont'd)

(f) **breakdown, loss or damage:**

- (i) caused during the course of maintenance, inspection, repair, alteration, modification or overhaul;
- (ii) caused during installation, erection or relocation or dual lifting;
- (iii) arising out of plant being subject to tests involving abnormal stresses or arising out of plant being deliberately overloaded;
- (iv) caused by a deliberate act, neglect or omission on **your** part; or
- (v) for which the manufacturer or supplier or other parties are responsible under any maintenance or warranty agreement, however, this exclusion will not apply to **loss or stock** covered under Optional Insurance 1 – “Deterioration of stock”;

(g) **damage** to foundations, brickwork, and refractory materials other than as a result of **breakdown**;

(h) the costs incurred in repairing wear and tear or gradual deterioration including:

- (i) wear and tear due to normal operation;
- (ii) wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation;
- (iii) damage to a safety or protective device caused by its own operation;
- (iv) the chipping or scratching of painted or polished surfaces; or
- (v) slowly developing deformation or distortion,

unless required as part of repairing the **insured equipment** following a **breakdown**.

(i) the cost of:

- (i) repair or replacement of **expendable items** other than **expendable items** which are necessary for the repair;
- (ii) alterations, improvements or overhauls unless it is required for the repair or replacement;
- (iii) modifying the **machinery** so that it operates with a more ozone friendly refrigerant gas;
- (iv) carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
- (v) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation;
- (vi) modification or alteration of insured plant to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
- (vii) repair of scratches chipping or discolouration to painted or polished surfaces, unless resulting from **damage** covered by this Policy Section;
- (viii) repair of a slowly developing deformation, distortion or fatigue of any part;
- (ix) repair of blisters, laminations, flaws or grooving even when accompanied by leakage;
- (x) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking;
- (xi) repairs to shaft keys requiring tightening, fitting or renewal;
- (xii) **damage** caused by the movement of foundations, masonry or brick work unless this results from **breakdown** of any **insured equipment** or any part of the **insured equipment**; or
- (xiii) removal or installation of underground pumps and well casings. Unless specifically noted on **your policy schedule**, this exclusion does not apply to submersible pumps.

(j) **breakdown** of any **insured equipment** which:

- (i) **you** knew or reasonably should have known to be defective before the **breakdown** occurred; or
- (ii) is useless or **obsolete** to **your business**.

Extra Covers

The nature and extent of cover under the Extra Covers of this Policy Section will depend on whether **you** have nominated an **insured amount** which states:

(a) Insured Amount;

If **you** have selected an **insured amount** for "Equipment Breakdown"; as shown on **your policy schedule**, and **we** pay a claim under this Policy Section for **breakdown** or direct **damage** as a result of a **breakdown**, **we** will also pay or provide the Extra Covers set out below. Any amounts payable under these Extra Covers will be included in the **insured amount**; or

(b) "Repair and Replacement";

If **you** have selected "Repair and Replacement" is shown on **your policy schedule** and **we** pay a claim under this Policy Section for **breakdown** or direct **loss** or **damage** as a result of **breakdown**, **we** will also pay or provide the Extra Covers set out below. Any amounts payable under these Extra Covers will be in addition to the repair and replacement amount paid under "Insuring clause – What we cover".

If **we** pay a claim under an Extra Cover, **we** will settle **your** claim in accordance with that Extra Cover. For all Extra Covers except "4. Reinstatement", **we** will only settle the claim by paying **you**. This means that we will not repair or replace or arrange for a service.

1. Hazardous substances

✓ What we cover

If a **hazardous substance** is involved in or released by a **breakdown** of **insured equipment**, **we** cover **you** for the increase in cost to repair, replace, clean up or dispose of **damaged property insured**.

The most **we** will pay under this Extra Cover for any one (1) claim is \$25,000.

2. Expediting expenses

✓ What we cover

We will pay for the reasonable extra cost, including overtime work and express or rapid means of transportation, necessary to:

- (a) make temporary repairs;
 - (b) expedite permanent repairs; or
 - (c) expedite permanent replacement,
- of the **insured equipment** which was **damaged**.

The most **we** will pay under this Extra Cover for these expediting expenses in total for any one (1) **breakdown** is \$25,000.

✗ What we exclude

We will not pay those costs related to **insured equipment** or other **property insured** installed to replace the function of the **insured equipment** on a temporary basis.

We will not cover any claims under this Extra Cover if **we** have provided cover under Extra Cover 3 – "Temporary hire costs", of this Policy Section.

3. Temporary Hire costs

✓ What we cover

We will pay the reasonable costs of hiring temporary property necessary to keep the **business** operating as nearly as practical as before the **breakdown**.

We will pay such hire costs up to 50% of the cost to repair or replace the **damaged insured equipment** and other **property insured** which was **damaged** up to a maximum of \$25,000 for any one (1) **breakdown**.

✗ What we exclude

We will not cover any claims under this Extra Cover if **we** have provided cover under Extra Cover 2 – "Expediting expenses", of this Policy Section.

4. Reinstatement

✓ What we cover

If **we** pay an amount less than the full **insured amount** for any claim under this Policy Section, **we** will automatically reinstate the **insured amount** to the amount specified in **your policy schedule**. **You** will not have to pay any additional premium.

Additional Benefit

We will also provide the following Additional Benefit in this Policy Section, subject to the **policy** limits, conditions, exclusions and any **endorsement** that apply to this Policy Section, unless stated otherwise.

Any amount payable under the following Additional Benefit does not apply in addition to the **insured amount** shown on **your policy schedule** for this Policy Section. If we pay a claim under this Additional Benefit, we will settle **your** claim in accordance with the Additional Benefit. We will settle this Additional Benefit by paying **you**. This means that we will not repair or replace or arrange for a service. We will pay **you** by cheque or direct deposit into **your** bank account.

1. Laptop computers, notebooks, or mobile electronic equipment away from premises

✓ What we cover

We cover **breakdown** of **your** laptop **computer equipment** or mobile **electronic equipment** anywhere in Australia if the laptop **computer equipment** or mobile **electronic equipment** is listed in **your policy schedule** under Policy Section 8 – Portable and valuable items as a specified item.

Optional Insurance

We will provide the following Optional Insurance when requested by **you**, when **you** pay any additional premium required and when specified in **your policy schedule**.

These Optional Insurances are provided subject to the General Exclusions and all the terms, conditions and exclusions that apply to this Policy Section, unless stated otherwise.

Any amounts payable under an Optional Insurance is in addition to the **insured amount**.

1. Deterioration of stock

✓ What we cover

We will pay **you** for the **loss** of **refrigerated stock** that spoils during the **period of insurance** due to a rise or fall in temperature as a result of:

- (a) a **breakdown** of **insured equipment** which is covered by this Policy Section; or
- (b) the operation or failure of any switch, thermostat, controls, fuses, circuit breakers or overload devices which are owned by **you**, but not including **loss** or **damage** due to the manual operation or setting of such switches, thermostats, controls, fuses, circuit breakers or overload devices.

If there is a **breakdown** of equipment not owned, leased, operated or controlled by **you**, we will cover **you** for **loss** of **refrigerated stock** which spoils as a result, but only if the equipment is:

- (a) of a type described in the definition of **insured equipment** in this Policy Section;
- (b) owned by the owner of the **building** at the **premises** or by a utility company; and
- (c) used to supply telephone, electricity, air conditioning, heating, gas, water or steam services to **your business** at the **premises** and the **breakdown** occurs during the **period of insurance**.

The most we will pay under this Optional Insurance in total in any one (1) **period of insurance** is the **insured amount** for "Deterioration of stock" specified in **your policy schedule**.

✗ What we exclude

We do not cover:

- (a) **loss** or **deterioration** resulting from any scheme of rationing which is not necessitated solely by damage to the generating or supply equipment of a supply authority;
- (b) **loss** or **deterioration** caused by disease, improper storage, damaged packaging material or inadequate ventilation or air circulation;
- (c) **loss** or **deterioration** of **refrigerated stock** that is alive or of a bacterial nature;
- (d) **loss** or **deterioration** of **refrigerated stock** stored in mobile **machinery** or a **boiler** and **pressure plant**;
- (e) **loss** or **deterioration** of **refrigerated stock** which has exceeded its use by date however, we will pay for the disposal costs of such **refrigerated stock**; or
- (f) **loss** or **deterioration** occurring while the **refrigerated stock** is in transit or is situated in any **vehicle**.

2. Restoration of computer data

✓ What we cover

We will pay **you** for the reasonable costs of restoring **data** stored on **media** if:

- (a) **we** pay a claim under this Policy Section for **loss** or **damage** as a result of **breakdown** to **insured equipment**;
- (b) the **data** is lost, damaged or distorted during the **period of insurance** as a direct result of the **breakdown**;
and
- (c) the **media** which contains the **data** is:
 - (i) at the **premises**;
 - (ii) at a location away from the **premises** where copies of **media** are stored;
 - (iii) temporarily at any alternative location for processing purposes; or
 - (iv) in transit between any of the locations listed in (i)-(iii) above.

The most **we** will pay under this Optional Insurance in total in any one (1) **period of insurance** is the **insured amount** for "Restoration of Computer Data" specified in **your policy schedule**.

✗ What we exclude

We do not cover:

- (a) loss or distortion of **data** due to defects in the **media**;
- (b) restoration of **data** other than that is lost or distorted after the most recent functional back-up; or
- (c) expenses or costs incurred in connection with the loss or distortion of **data** if they are not incurred within twelve (12) months of the **breakdown**;
- (d) loss or damage of, or distortion to, **data** caused by a **computer virus**;
- (e) loss or damage of, or distortion to, **data** caused by or resulting from the partial or total failure, malfunction or loss of use of any **electronic equipment, computer equipment**, information repository, microchip, integrated circuit or other similar device due to:
 - (i) the erasure, destruction, corruption, misappropriation or misinterpretation of **data**;
 - (ii) any error or omission in creating, amending, entering, deleting or using **data**;
 - (iii) the inability to receive, transmit or use **data**; or
 - (iv) the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or any internet address, website or similar facility,except to the extent that such loss, damage or distortion results solely from the **breakdown** of **insured equipment** covered by this Policy Section.

3. Increased cost of working

✓ What we cover

Following a **breakdown** during the **period of insurance** to any **insured equipment**, **we** will cover **you** for the increased costs of operating **your business**, including hiring substitute equipment, transport costs, additional personnel and working at an off-site facility if:

- (a) **we** pay a claim under this Policy Section for **loss** or **damage** as a result of **breakdown** of **insured equipment**;
and
- (b) the increased costs of operating **your business** occur during the **period of insurance** and are a direct result of the **breakdown**.

The most **we** will pay under this Optional Insurance in total in any one (1) **period of insurance** is the **insured amount** for "Increased Cost of Working" specified in **your policy schedule**.

✗ What we exclude

We will not pay any amount under this Optional Insurance for:

- (a) costs incurred in respect of the first two (2) business days following **breakdown** of **your computer equipment**;
- (b) fines or liability incurred for breach of contract or for late or incomplete orders or for any loss of bonus or any kind of penalties;
- (c) any increased costs that are not necessary or reasonable to minimise any interruption to the **business**;
- (d) costs incurred after ninety (90) days from the date of **loss** or **damage**;
- (e) expenses that are incurred in the replacement of the **media**; or
- (f) the cost of reinstating the **data** contained on the **media**.

What we will pay

What **we** will pay for any one (1) **breakdown** which gives rise to **loss** or **damage** covered under this Policy Section is determined by whether **you** have chosen an **insured amount** or have chosen "Repair and replacement" **We** will settle any **claim** by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

Insured Amount

If **you** have chosen an **insured amount**, the maximum **we** will pay for any one (1) **breakdown** is the **insured amount** for this Policy Section specified in **your policy schedule**.

Repair and Replacement

If **you** have chosen "Repair and replacement", the maximum **we** will pay under this Policy Section is determined by the **insured amount** specified in **your policy schedule** for Policy Section 1 – Property Damage.

The maximum amount **we** will pay for any claim or series of claims caused by or arising out of a **breakdown** which gives rise to **loss** or **damage** covered under this Policy Section is:

- (a) if **you** own the **building(s)** at the **premises** – the **insured amount** for **building(s)** specified in **your policy schedule** for Policy Section 1 – Property Damage; or
- (b) if **you** do not own the **building(s)** at the **premises** – the total of the "Contents" **insured amount** and "Specified Items" **insured amount** specified in **your policy schedule** for Policy Section 1 – Property Damage.

Specified Amount

Where **your policy schedule** specifies a dollar figure as the **insured amount**, in the event of a claim for **loss** or **damage** covered under this Policy Section **we** will pay with respect to:

- (a) **media** – the cost of replacing the **media** with blank material;
- (b) exposed film, records, manuscripts and drawings – the cost of replacement with blank material plus the cost of transcription;
- (c) all other **insured equipment** and other **property insured**:
 - (i) if **you** can repair it, **we** will pay the cost of repair; or
 - (ii) if it cannot be repaired for less than the cost of replacement, **we** will replace the **damaged** property with similar property of like kind, capacity, size, quality and function; and
- (d) joints, gaskets, seams, drivebelts, filters, chains, brickwork, foundation or refractories, seals, shaft seals, flexible drives or flexible pipes, soft rollers, refrigerant, brine or other transfer media which are necessary for the repair – the reasonable costs of replacing those items.

However, **we** shall not pay:

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

If it is necessary to replace parts that are unavailable, **we** will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, **we** will not pay more than the manufacturers or suppliers latest list price.

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

Depreciation applied for replacement of computers

If **we** pay **you** the cost to replace a laptop computer, notebook or desktop computer rather than repair it, **we** will apply depreciation based on the age of the computer, but not as a result of improvements in technology or functionality.

We will apply depreciation at the rate of 10% per annum for each year from the date of manufacture, subject to a maximum reduction of 80% of the installed current replacement cost.

Optional Insurance 1 – Deterioration of Stock

For claims covered under Optional Insurance 1 – "Deterioration of stock", **we** will pay **you** the cost of replacing the **refrigerated stock**.

We are not liable to pay more than the purchase price **you** paid for the **refrigerated stock**, together with any handling costs **you** incurred.

If **deterioration** occurs or is likely to occur to **refrigerated stock** by any of the **events** covered under this Policy Section, **we** will also pay the reasonable costs incurred by **you** to prevent or minimise the **loss** of, or **damage** to, **refrigerated stock**.

Where **we** pay a claim or agree to pay a claim, **we** will also pay any reasonable costs incurred and associated with the removal and disposal of the **deteriorated refrigerated stock**. This additional cover will be subject to the "Deterioration of Stock" **insured amount** not already being paid in full.

Optional Insurance 2 – Restoration of Computer Data

For claims covered under Optional Insurance 2 – "Restoration of computer data", **we** will pay **you** the reasonable costs incurred in restoring the lost, damaged or distorted **data** to a condition equivalent to that existing prior to the **breakdown**. **Data** may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in its original form.

Optional Insurance 3 – Increased Cost of Working

For claims covered under Optional Insurance 3 – "Increased cost of working", **we** will pay **you** the actual amount of the increased costs of working, less the charges and **expenses** of the **business** that cease or are reduced as a consequence of the **loss** or **damage**.

Excess

The **excess** that applies to any one (1) claim under this Policy Section is the "Equipment Breakdown" **excess** specified in **your policy schedule**. Please refer to General Claims Condition 11 – "Paying your excess" for information about the options for paying the **excess**.

If a claim is made under the insuring clause and under one of the Optional Insurances in this Policy Section, which arises from the same **event**, only one "Equipment Breakdown" **excess** applies.

If a claim is only made under Optional Insurance 1 – "Deterioration of stock", **you** must pay the "Deterioration of Stock" excess specified in **your policy schedule**.

Policy Section Conditions

These conditions apply to all covers and claims under this Policy Section in addition to the General Policy Conditions on pages 16 to 18 that apply to this Policy Section.

If **you** do not comply with these Policy Section Conditions, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your policy**.

1. Adherence to statutory requirements

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

2. Inspection

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

3. One breakdown

If either:

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

they will all be considered as one **breakdown** for the purpose of applying the **excess**, the "Equipment Breakdown" **insured amount** and any other limit or sub-limit in this Policy Section.

Definitions

The following defined words in this Policy Section have the meanings given to them as set out below. These meanings only apply to this Policy Section and the terms and conditions of this **PDS** as they apply to this Policy Section and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Actual cash value

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

Boiler and pressure plant

- (a) those parts of the permanent structure of a boiler or pressure equipment owned by **you**, or for which **you** are legally responsible, which are normally subject to vacuum or internal pressure (other than atmospheric pressure or static pressure of contents) including:
- (i) fittings and direct attachments which are connected to the permanent structure without intervening valve or cock;
 - (ii) supporting structures of the boiler or pressure equipment (other than foundations, masonry, brickwork, refractory and insulating material) such as furnace doors, access doors, external combustion chambers, smoke boxes and casings; and
 - (iii) metal parts of pressure and water gauges and their connections to the permanent structure, even if separated from the structure by valve or cocks.
- (b) any pressure pipe system, associated with boiler or pressure equipment, with valves, fittings, traps and separators which contains steam condensate, gas or fluids under pressure (other than atmospheric pressure), including any feed water piping between boiler and its feed pump or injector.
- (c) in respect of refrigeration and air-conditioning systems specified in **your policy schedule**, the interconnecting heat exchangers, coils and pipework containing transfer media.

However **boiler and pressure** plant does not include any pipe system which forms part of any other vessel or apparatus, or any mechanical, hydraulic or electrical machine, or electrical apparatus, **computer equipment** or **electrical equipment**.

Breakdown

Any sudden, unforeseen and accidental failure of, or damage to, an item of **insured equipment** or part thereof, resulting in physical damage to the item of **insured equipment** which requires the repair or replacement of all or part of the **insured equipment** before normal operation of it can be resumed and may include, but is not limited to the actual breaking, seizing, deformation or burning out sufficient to prevent the item undertaking its normal operation and necessitating repair or replacement.

However **breakdown** does not mean:

- (a) depletion, deterioration, corrosion or erosion of material or the need to clean any component;
- (b) wear and tear;
- (c) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (d) vibration or misalignment;
- (e) the functioning of any safety device or protective device;
- (f) the failure of any structure, foundation or setting supporting the **insured equipment** or a part of the **insured equipment**; or
- (g) the cracking of any part of a gas turbine exposed to the products of combustion.

Computer equipment

Electronic **data** processing equipment comprising a central processing unit with flexible programming ability, video display units, printers, cartridges, hard disk, disk drives (CD, DVD or other), micro diskettes including read or writer heads, electro or mechanical motors and passive components, but does not include software.

Deteriorated / Deterioration

The adverse change in physical condition or characteristics of **refrigerated stock**, so that it is no longer able to be used for its original intended purpose.

Domestic type hot water system

Any heating or hot water system used for domestic purposes not exceeding 500 litres and normally operating at a temperature not exceeding ninety nine degrees Celsius.

Electronic equipment

Any equipment used for:

- (a) for the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio or telephone signals;
- (b) research, diagnostic, treatment, experimental or other medical or scientific purposes;
- (c) computing, data processing, duplicating, inventory control, monitoring, surveillance, audio visual amplification, lighting, scanning, point of sale or office services; or
- (d) starting, stopping, controlling or monitoring one or more items of **insured equipment**.

Expendable items

Means:

- (a) electrical and electronic glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements; and
- (b) tracks, rails, wear plates, cutting edges, tools, dies, engraved cylinders, moulds, patterns, shear pins, filters, chains, belts, tyres, tracks or conveyor belts and any other part or parts which require periodic replacement.

Hazardous substance

Means:

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

Insured equipment

Any of the following provided it is owned, leased, operated or controlled by **you**, or for which **you** are legally responsible:

- (a) **boiler and pressure plant**;
- (b) **computer equipment**;
- (c) **electronic equipment**; or
- (d) **machinery**.

However, **insured equipment** does not include:

- (a) any **vehicle, watercraft or aircraft**;
- (b) any **domestic type hot water system**; or
- (c) any elevator, escalator, crane, hoist or conveyor.

Machinery

Any mechanical, hydraulic or electrical machine or electrical apparatus used for the generation, transmission, control, transformation or utilisation of mechanical, hydraulic or electrical power. It includes **air conditioners** only if they are specified in **your policy schedule**.

Machinery does not include **computer equipment** or **electronic equipment**.

Property insured

Means:

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

Refrigerated stock

Refrigerated goods owned by **you** or for which **you** are legally responsible while contained within any storage which is cooled by **insured equipment**. It includes items such as food stuffs and their packaging that are subject to decay, rot, ruin or spoilage.

Policy Section 10 – Tax Probe

About this Policy Section

This Policy Section covers **professional fees** (such as accountant's fees) incurred by **you** in connection with a **tax audit** of a **return** by the Australian Taxation Office, or by a Commonwealth, State or Territory department, body or agency.

You can claim for **professional fees** as described under "Insuring clause – What we cover" if:

- ▼ "Tax Probe" is specified in **your policy schedule**;
- ▼ the **tax audit** was commenced and is notified to **us** during the **period of insurance**;
- ▼ the claim is not excluded under "What we exclude"; and
- ▼ the claim is not excluded under the General Exclusions listed on pages 23 to 27.

Your insurance under this Policy Section

✓ Insuring clause – What we cover

We cover **professional fees** reasonably and necessarily incurred by **you** in connection with a **tax audit** by an **authority**, which is commenced and notified to **us** during the **period of insurance**.

The type and extent of cover under this Policy Section will depend on whether **you** select:

- (a) Business Audit Only – with Investigation Cover (which excludes Extra Cover 2 – "Directors' Personal Tax Returns"); or
- (b) Business AND Directors Audit – with Investigation Cover (which includes Extra Cover 2 – "Directors' Personal Tax Returns"); or
- (c) Individual Cover (which provides cover for **insureds** who are not companies but excludes Extra Cover 2 – "Directors' personal tax returns").

✗ What we exclude

1. Returns not prepared by a tax agent

Any **professional fees** relating to, arising from or in connection with any income **return** that has not been prepared or reviewed prior to dispatch by **your tax agent**. However, this exclusion does not apply to any **return** for:

- (a) Goods and Services Tax;
- (b) income derived from:
 - (i) any payment under a contract of employment of service between **you** and any other person, company or entity, other than when that payment is paid by a company for which **you** are a director or have a controlling interest;
 - (ii) any payment from superannuation, pension or other retirement benefit; or
 - (iii) personal investments that **you** are not wholly or mainly dependent on.

2. Representations, errors in information and improper conduct

Any **professional fees** relating to, arising from or in connection with:

- (a) **you** or **your tax agent** making a statement to the **authority** that is false or misleading except that this exclusion will not apply where a false or misleading statement results from **you** being misled by the **authority** or where **you** did not and could not be expected to know that a statement was false or misleading;
- (b) any fraudulent act or fraudulent omission or statement made to an **authority** arising from any act committed deliberately or with **your** wilful intent;
- (c) an **authority**, or its authorised representative, having assessed **your** behaviour as being a case of **intentional disregard** or **recklessness**;
- (d) any **return** lodged or submitted dishonestly or fraudulently where the supporting documents have been falsely created or collected; or
- (e) any error or deficiency with information already provided to the relevant **authority** which **you** do not notify to the relevant **authority** within ninety (90) days of **you** discovering the error or deficiency with the information.

x What we exclude (cont'd)

3. Delay

Any **professional fees** relating to, arising from or in connection with:

- (a) a **tax audit** which is commenced due to **your** failure to lodge a taxation or any other **return** within the time limit prescribed by law or within the extended time granted by an **authority**;
- (b) a **tax audit** which is commenced due to **your** failure to pay all taxes by the due date or within any extension of time granted by the **authority**; or
- (c) **your** failure to respond to the **authority** within the time it has specified for **you** to give **your** response.

4. Imposition of penalties

The imposition of or the seeking to impose any tax, penalty tax, costs, interest, fine or penalty by any **authority**, court or tribunal.

5. Shortfall tax audits

Any **professional fees** relating to, arising from or in connection with a **tax audit** where an **authority** imposes or seeks to impose a penalty due to any **shortfall amount**, or part of that amount, resulting from:

- (a) **intentional disregard** of a **designated tax** by **you** or **your tax agent**; or
- (b) **recklessness** by **you** or **your tax agent** as to the operation of a **designated tax**.

6. Subrogation agreements

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

7. Territorial limitations

- (a) Any tax **return**:
 - (i) prepared by a person who ordinarily resides outside Australia and its external territories; or
 - (ii) for a company, firm or entity which operates outside Australia and its external territories;
- (b) Any **professional fees** that are:
 - (i) associated with any **return** lodged outside Australia and its external territories; or
 - (ii) in respect of any person or organisation ordinarily resident outside Australia and its external territories;

8. Prior tax audits

Any claim arising from or in connection with any **tax audit** for which verbal or written notice or information was received by **you** or **your tax agent** before the inception of this Policy Section.

9. Unjustified refusal or failure to comply

Any claim or claims caused by or arising from any improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by the **authority**.

10. Professional fees after completion of tax audit

Any **professional fees** incurred after the **tax audit** has been completed.

x What we exclude (cont'd)

11. Other Matters

- (a) Any **professional fees** relating to, arising from or in connection with:
- (i) any criminal prosecution;
 - (ii) any **tax audit** relating to customs legislation;
 - (iii) any **tax audit** conducted by the Australian Prudential Regulation Authority; or
 - (iv) any **tax audit** that includes a refund or claim for tax or duty relief arising out of an arrangement, facility, financial structure or the like adopted for the principal purpose of obtaining that refund or relief, unless the arrangement has received prior written approval from the relevant government or government authority or agency before being offered to **you** or the general public.
- (b) Any claim or claims caused by, arising from or in connection with:
- (i) amounts sought by any amended notice of assessment, additional tax, duty government impost or the like;
 - (ii) costs to pursue or defend any legal actions against **you** or initiated by **you** (unless it is agreed to by **us**);
 - (iii) any inquiry from an **authority** which is not related to either an identified intention to conduct a **tax audit** or is not directed at obtaining information or **data** for a possible future **tax audit**;
 - (iv) any routine enquiries, or enquiries from a **tax agent** which are not identified as being either preliminary to, or relating to a **tax audit** of a **return**; or
 - (v) any form of activity involving a periodic review, routine inquiry or compliance review relevant to **you** maintaining industry status, licence, compliance, membership, any form of workplace health and safety compliance or similar requirements.

Extra Covers

If a claim for **professional fees** is covered by this Policy Section, **we** will also pay or provide the following Extra Covers.

1. Reinstatement of insured amount

✓ What we cover

If **we** pay an amount for a claim under this Policy Section, **we** will automatically reinstate the **insured amount** under the Policy Section. **You** will not have to pay any additional premium.

2. Directors' personal tax returns

✓ What we cover

If **your policy schedule** shows that **you** have selected "Business and Directors Audit – with Investigation Cover" and **you** are a company and the directors' work full time in the **business**, **we** will cover the **professional fees** reasonably and necessarily incurred by each director in connection with a **tax audit** by an **authority** of the director's personal income tax returns that are lodged with that **authority** which is commenced and notified to **us** during the **period of insurance**.

This Extra Cover only covers a **tax audit** of each director's personal income tax return that was prepared by the same **tax agent** that prepared the income tax return for the **business** for that same year.

The amounts payable under this Extra Cover are included in, and do not apply in addition to, the "Business and Directors Audit – with Investigation Cover" **insured amount**.

x What we exclude

This Extra Cover will not apply if **your policy schedule** shows that **you** have selected "Business Audit Only – with Investigation Cover" or "Individual Cover".

3. Travel and accommodation expenses

✓ What we cover

We will reimburse **you** for travel and accommodation expenses incurred by **you** or **your employees** if they are reasonably and necessarily incurred to substantiate a claim under this Policy Section.

What we will pay

Subject to Extra Cover 1 – “Reinstatement of insured amount”; if **your policy schedule** shows the cover **you** have selected is:

- (a) Business Audit Only – with Investigation Cover, then the most **we** will pay for a **tax audit** commenced during the **period of insurance** is the **insured amount** specified in **your policy schedule** for this Policy Section; or
- (b) Business AND Directors Audit – with Investigation Cover, the most **we** will pay for a **tax audit** commenced during the **period of insurance** relating to:
 - (i) the **policyholder** named in **your policy schedule** or any company, firm, partnership or trust in which the **policyholder** named in **your policy schedule** holds 50% or more ownership, interest or shareholding; and
 - (ii) each director named in **your policy schedule**,is the **insured amount** specified in **your policy schedule** for this Policy Section; or
- (c) Individual Cover, the most **we** will pay for a **tax audit** commenced during the **period of insurance** relating to all **individuals** named in **your policy schedule** as **policyholders** is the **insured amount** specified in **your policy schedule** for this Policy Section.

When we will pay

We will pay the **professional fees** reasonably and necessarily incurred by **you** in connection with assisting **you** to respond to an **official tax** audit by an **authority** where:

- (a) **your** claim is covered under “Insuring clause – What we cover” of this Policy Section;
- (b) **your** claim is not excluded under “What we exclude” of this Policy Section;
- (c) **your** claim is not excluded under the General Exclusions on pages 23 to 27; and
- (d) the **tax audit** has been completed (as defined in Policy Section Condition 2 – “Commencement and completion of a tax audit” below).

Excess

The **excess** that applies for each claim **you** make is specified in **your policy schedule**. Please refer to General Claims Condition 11 – “Paying your excess” for information about the options for paying the **excess**.

Policy Section Conditions

These conditions apply to all covers and claims under this Policy Section in addition to the General Policy Conditions on pages 16 to 18 that apply to this Policy Section.

If **you** do not comply with these Policy Section Conditions, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your policy**.

1. Your obligations

You must:

- (a) make a genuine attempt to comply with obligations enforced under taxation law;
- (b) lodge **your tax return** or statement on time;
- (c) engage a registered **tax agent** or BAS agent to lodge **your return** or statement;
- (d) not make any false or misleading statement;
- (e) provide **your tax agent** or BAS agent with details of all **your** assessable income; and
- (f) have the necessary records to prove expense claims.

2. Commencement and completion of a tax audit

A **tax audit** commences at the time **you** or **your tax agent** first receives notice (verbal or written) of an audit, inquiry, investigation, examination or review.

A **tax audit** is complete when, the earliest of the following occurs:

- (a) the officer authorised by the **authority** has given written notice to that effect;
- (b) the officer authorised by the **authority** notifies **us** in writing of its decision in connection with **your returns** including any written statement which is intended by such officer to be its findings in connection with a **return** or the basis upon which it proposes to act in connection with a **return**;

- (c) when the officer authorised by the **authority** has issued an assessment or amended assessment of **your returns**; or
- (d) in the absence of subparagraphs (a), (b) or (c) where **your tax agent** declares in writing that such a **tax audit** has been concluded.

3. Authority matters

You must:

- (a) submit all taxation and other **returns** within the time limits prescribed by all relevant legislation or regulations or as requested by or on behalf of the relevant **authority** or within the extensions of time granted by the relevant **authority**;
- (b) make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation or regulation, and **you** must take reasonable care to not omit from any such disclosure any matter or thing without which the disclosure is misleading or likely to mislead any person or **authority** who relies on that disclosure;
- (c) be registered for GST purposes, if required by legislation or regulations; and
- (d) ensure all correspondence, requests or inquiries from an **authority** are dealt with within the required time and where there is no required time, a reasonable time.

4. Claims

For any claim:

- (a) **you** must notify **us** within thirty (30) days of **you** first becoming aware of the first notice of a **tax audit**;
- (b) **you** must keep **us** informed of all developments as they occur;
- (c) **you** must take all reasonable steps to minimise any delays and costs incurred or likely to be incurred, for example by ensuring all correspondence, requests or inquiries from an **authority** is dealt with within the required time and where there is no required time, a reasonable time; and;
- (d) **you** must submit to **us** all accounts for **professional fees** that relate to **your** claim upon completion of the **tax audit**.

Definitions

The following defined words in this Policy Section have the meanings given to them as set out below. These meanings only apply to this Policy Section and the terms and conditions of this **PDS** as they apply to this Policy Section and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Authority

Means:

- (a) the Australian Taxation Office;
- (b) a revenue office of an Australian State or Territory; or
- (c) a Commonwealth, State or Territory government department, body or agency, duly authorised to conduct a **tax audit**.

Designated tax

Any tax assessable in accordance with the provisions, as those laws are amended, and includes any associated regulations, of the following legislation:

- (a) Income Tax Assessment Act 1936 (Cth);
- (b) Income Tax Assessment Act 1997 (Cth);
- (c) Taxation Administration Act 1953 (Cth);
- (d) Fringe Benefits Tax Assessment Act 1986 (Cth);
- (e) A New Tax System (Goods and Services Tax) Act 1999 (Cth);
- (f) Superannuation Guarantee (Administration) Act 1992 (Cth); or
- (g) any legislation of an Australian State or Territory relating to payroll tax.

Individual

Means:

- ▼ sole trader; or
- ▼ a partner in a partnership.

Note: Each “partner” will need to have a separate policy.

Individual does not include:

- ▼ an employee; or
- ▼ any trust beneficiary; or
- ▼ any director who is not covered under the “Business AND Directors Audit – with Investigation Cover”

Intentional disregard

You are fully aware of a clear tax obligation and **you** disregard the obligation with the intention of bringing about certain results (e.g. underpaying tax or over-claiming an entitlement).

Policyholder

The sole trader, a partner or a business entity named as such in **your policy schedule**.

Professional fees

Fees, costs and disbursements payable to a **tax agent** or professional person (other than **you** or **your employee**) in connection with a **tax audit** by an **authority**.

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

- (a) charged by a **tax agent** for administrative services;
- (b) that relate to any subsequent objection lodged with an **authority** in respect of a **tax audit**;
- (c) that relate to, or are associated with the preparation of any accounts, financial statements or documents which would or should have been ordinarily or prudently prepared prior to or at the time that the lodgement of any **return** or documents was required to be lodged;
- (d) incurred after the **tax audit** has been completed; or
- (e) incurred twelve (12) months after the commencement date of a **tax audit** other than when **you** can demonstrate to **our** satisfaction that the delay in completing the **tax audit** was caused primarily by the **authority**.

Recklessness

A reasonable person in the same circumstances would have been aware that there was a real risk of a **shortfall amount** arising and **you**, or **your tax agent** disregarded, or showed indifference to, that risk.

Return

Any return legally required to be, and that is actually, lodged with an Australian Commonwealth, State or Territory government department, body or agency by **you** or on **your** behalf.

Shortfall amount

A shortfall amount arises in the following situations:

- (a) **your** tax related liability, worked out on the basis of **your** disclosure or statement, is less than it would be if the disclosure or statement was not false or misleading;
- (b) an amount the **authority** must pay or credit to **you** under a **designated tax**, worked out on the basis of **your** disclosure or statement, is more than it would be if the disclosure or statement was not false or misleading.

Tax agent

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

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

Tax audit

Means:

- (a) the **audit** by an **authority** of a **return** in respect of **your** liability to pay any **designated tax** (including the amount of tax payable or refundable) following lodgement of a **return** for that **designated tax**;
- (b) any official inquiry, investigation, examination or review undertaken by an **authority** in respect of **your** liability to pay any **designated tax** (including the amount of tax payable) following lodgement of a **return** for that **designated tax**;
- (c) a workers’ compensation wage audit or investigation by an **authority** in respect of **your** liability to pay a workers’ compensation premium; or

(d) the audit by an **authority** of a director's personal income tax return only to the extent that Extra Cover 2 – "Directors' personal tax returns" applies.

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

You / Your / Yours

Includes:

- (a) the business entity named as the **policyholder**;
- (b) any company, firm, partnership or trust in which **you** hold a 50% or more ownership, interest or shareholding; and
- (c) any director but only to the extent that Extra Cover 2 – "Directors' personal tax returns" applies.

Policy Section 11 – Commercial Motor

Please note that if **you** are insuring **vehicles** not exceeding 2 tonnes under this Policy Section **you** should also read Part F of this **PDS**.

About this Policy Section

This Policy Section covers:

- ▼ **your vehicles** described on **your policy schedule**;
- ▼ an additional **vehicle** that **you** acquire, purchase or lease (but not hire or borrow) during the **period of insurance** and that is covered for the period of time set out in, and subject to the terms of, “Cover for additional vehicles” on page 132;
- ▼ these accessories if they are attached to or are in or on **your vehicle**:
 - ▼ baby capsule/car seat
 - ▼ decals
 - ▼ bonnet protector
 - ▼ protective mouldings
 - ▼ built in refrigerator
 - ▼ rear louvre sunshade
 - ▼ bull bar
 - ▼ registration plate covers
 - ▼ CB and/or 2 way radio
 - ▼ seat covers
 - ▼ dash mats
 - ▼ side steps for a 4WD
 - ▼ decorative wheel trims
 - ▼ sign writing
 - ▼ driving lights
 - ▼ sound system (fitted as standard by manufacturer)
 - ▼ fire extinguishers
 - ▼ spare wheel cover
 - ▼ fixed GPS units
 - ▼ steering locks
 - ▼ fixed roof/ladder racks
 - ▼ tarpaulins
 - ▼ floor mats
 - ▼ tools supplied as standard by the manufacturer or similar replacement
 - ▼ headlamp guards
 - ▼ tow bars
 - ▼ mud flaps
 - ▼ tool boxes
 - ▼ paint protection
 - ▼ weather shield
 - ▼ panel/rust protection
 - ▼ winch
 - ▼ pin striping

But **we** do not cover sound systems not fitted as standard by the manufacturer nor the contents of a tool box, unless one of the items listed above.

- ▼ other vehicle accessories or modifications if **we** have agreed to insure them as part of **your vehicle** and they are specified in **your policy schedule**.

Cover options

You can choose between three (3) different types of cover for each **vehicles**. Not all types of cover are available for all types of **vehicles**. The cover **you** have chosen will be displayed next to each **vehicle** in **your policy schedule** and is detailed below.

Cover options	Description of cover provided
Comprehensive	Part 1 “Loss or damage to your vehicle”, insured events 1 to 5 (inclusive) apply. Part 2 “Legal liability” applies.
Legal Liability, Fire and Theft	Part 1 “Loss or damage to your vehicle”, insured events 1 to 4 (inclusive) only apply. Part 2 “Legal liability” applies.
Legal Liability Cover only	Part 1 “Loss or damage to your vehicle”, does not apply. Part 2 “Legal liability” applies.

The insured **events** are listed in “Insuring clause – What we cover”. An insured **event** does not include any of the items, events or circumstances set out in “What we exclude”.

You can ask **us** at any time to change the cover option for any **vehicle** and if **we** agree, there may be an additional premium or a refund of premium.

Cover for additional vehicles

We automatically provide cover for any additional **vehicle you** acquire, purchase or lease (but not hire or borrow) during the **period of insurance** provided that **you** tell **us** about the additional **vehicle** within thirty (30) days of getting it and pay any extra premium **we** request.

If **we** are unable to continue covering the additional **vehicle**, **we** will tell **you** and give **you** fourteen (14) days from the date **we** tell **you** so **you** can organise to insure the vehicle elsewhere. Cover for the additional **vehicle** will then end at 4:00pm fourteen (14) days after **we** have told **you** **we** are unable to continue covering the additional **vehicle**.

If **you** have only one (1) type of cover option for **your vehicles**, for example "Comprehensive cover"; that will be the cover option for any additional **vehicle you** obtain during the **period of insurance** (unless **you** tell **us** **you** want another cover option).

If **you** have **vehicles** insured with **us** for more than one (1) type of cover option, for example, "Comprehensive cover" and "Legal Liability, Fire and Theft cover"; **we** will automatically provide the cover option with the better cover for any additional **vehicle you** get during the **period of insurance** (unless **you** tell **us** **you** want another cover option).

The **insured amount** of any additional **vehicle** will be its **market value**. However, unless a higher amount is specified in **your policy schedule** for additional **vehicles** or **we** have agreed to insure an additional **vehicle** that is similar for a higher amount, the most **we** will pay for **loss** of, or **damage** to, an additional **vehicle** is:

- ▼ \$100,000 if the additional **vehicle** is a motorcycle, caravan, car, 4WD, utility or van of not more than 2 tonne carrying capacity;
- ▼ \$300,000 for any other additional **vehicle** type.

The most **we** will pay for **legal liability** arising from the use of an additional **vehicle** is the relevant amount stated in Part 2 of this Policy Section.

Additional **vehicles** that **you** have advised **us** of and that **we** have agreed to insure will be noted on **your policy schedule** and will be insured for **insured amount**, **market value** or **agreed value** as agreed by **you** and **us**.

Cover for two-wheel or box trailers

Additional Benefit 1 – "Two-wheel or box trailers" provides cover of up to a limit of \$2,000 for **loss** of, or **damage** to, **your** two-wheel or box trailer caused by an **event** during the **period of insurance**. **You** can ask **us** to insure **your** two-wheel or box trailer for more than \$2,000 as a separate **vehicle** under **your policy**. **You** may be required to pay an additional premium.

Part 1 – Loss or damage to your vehicle

You can claim for **loss** of, or **damage** to, **your vehicle** as described under "Insuring clause – What we cover" if:

- ▼ "Commercial Motor" is specified in **your policy schedule**;
- ▼ **your vehicle** is insured for "Comprehensive Cover" or "Legal Liability, Fire and Theft Cover";
- ▼ the **event** which causes the **loss** or **damage** happens during the **period of insurance**;
- ▼ the **loss** or **damage** occurs within Australia or its external territories;
- ▼ the **loss** or **damage** is not excluded by anything under "What we exclude";
- ▼ the **loss** or **damage** is not excluded by any of the Policy Section Exclusions on pages 155 to 157;
- ▼ the **loss** or **damage** is not excluded by the General Exclusions on pages 23 to 27; and
- ▼ the **loss** or **damage** is not excluded by any **endorsement**.

✓ Insuring clause – What we cover

When “Comprehensive Cover” is specified in **your policy schedule**, we cover the theft, **loss** of, or **damage** to **your vehicle**:

- ▼ caused by an **event** which happens during the **period of insurance**; and
- ▼ occurs within Australia or its external territories.

When “Legal Liability, Fire and Theft Cover” is specified in **your policy schedule** we cover theft, **loss** of, or **damage** to **your vehicle**:

- ▼ caused by one of the following **events** during the **period of insurance**:
 1. Fire;
 2. Explosion;
 3. Lightning;
 4. Theft or attempted theft; and
 5. if **your vehicle** is insured for “Comprehensive cover”, any other cause; and
- ▼ which occurs within Australia or its external territories.

✗ What we exclude

We do not cover:

- ▼ **loss** of, or **damage** to, tyres caused by punctures, bursts, road cuts or the application of brakes;
- ▼ **loss** or **damage** due to neglect, wear and tear, weathering, rusting, mould, mildew, corrosion or depreciation;
- ▼ any **vehicle** accessories other than those:
 - ▼ supplied by the manufacturer of **your vehicle** as original equipment;
 - ▼ stated within the definition of **vehicle**; or
 - ▼ accessories specified in **your policy schedule**;
- ▼ structural, mechanical, electrical, or electronic failure or breakdown;
- ▼ **loss** or **damage** caused by **your** reckless failure, when safe to do so, to protect **your vehicle** or prevent or diminish further **loss** or **damage** to **your vehicle** after:
 - ▼ it breaks down;
 - ▼ it is **damaged** in an **event**; or
 - ▼ **you** have been notified that **your** stolen **vehicle** has been found, for example, by moving **your vehicle** off the road, using the **vehicle’s** hazard lights or advising **us** that **your** stolen **vehicle** has been found so that **we** can arrange for it to be recovered and **you** recognise that failing to take such steps is likely to lead to damage to **your vehicle** and **you** decide not to take steps to avert the risk of **damage** or take ineffective steps;
- ▼ **loss** of, or **damage** to, **your vehicle** due to using incorrect fuel or additive;
- ▼ **loss** or **damage** to **your vehicle’s** engine, gearbox or transmission because it was driven in a **damaged** condition after an **event** unless **you** were not aware this could lead to further **damage**, or **you** were acting to prevent further **loss** or **damage** such as driving it from a busy motorway;
- ▼ **loss** or **damage** caused by or arising from any person or organisation who lawfully takes possession of **your vehicle**; or
- ▼ **loss** or **damage** caused by an **event** which is not fire, explosion, lightning, theft or attempted theft, if **your vehicle** is insured for Legal Liability, Fire and Theft Cover only.

Extra Covers

If **your** claim for **loss** or **damage** to **your vehicle** is covered under Part 1 “Insuring clause – What we cover” of this Policy Section, **we** will also pay or provide the following Extra Covers in relation to that claim.

Some Extra Covers only apply to Comprehensive Cover and this is specified in the “What **we** cover” for the applicable Extra Cover. In some circumstances **we** may decide to make an Extra Cover available to **you** before **we** accept or agree to pay **your** claim. If **we** do this, it does not mean that **your** claim has or will be accepted.

We will not pay if the **loss** or **damage** is excluded by any of the applicable exclusions (to avoid doubt, including the exclusions in Part 1 and Part 2 of this Policy Section, this Policy Section Exclusions, the General Exclusions or any **endorsement**). If **we** pay a claim under an Extra Cover, **we** will settle **your** claim in accordance with that Extra Cover. For the Extra Covers: ‘2. Personal effects’, ‘3. Death of Driver’, ‘4. Personal Accident’, ‘5. Emergency repairs’, ‘6. Emergency travel’, ‘7. Emergency accommodation’ and ‘9. Vehicle modifications’, **we** will only settle the claim by paying **you**. This means that **we** will not repair or replace or arrange for a service (for example, emergency accommodation).

We will pay **you** by cheque or direct deposit into **your** bank account.

1. New vehicle after total loss

✓ What we cover

Only applicable if **your vehicle** is insured for Comprehensive cover and is not insured for **agreed value**.

If:

- (1) **your vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity, trailer or rigid body truck; and
- (2) because of the **event** it is a **total loss**,

then **we** will replace **your vehicle** with a new replacement vehicle, provided that:

- (a) **you** are the first registered owner of **your vehicle** or **you** purchased **your vehicle** as an “ex demonstration” model from a licensed motor dealer who was the first registered owner of the **vehicle**;
- (b) the **loss** or **damage** occurred less than two (2) years from the date of original registration of **your vehicle**; and
- (c) anyone who financed **your vehicle** provides **us** with written consent.

We will:

- (i) replace **your vehicle** with a new vehicle of the same make, model and series to **your vehicle** provided a new vehicle is available within ninety (90) days of **your vehicle** being declared a **total loss**; or
- (ii) if one is not available at all within that time, provide **you** with a new vehicle that is available within the time stated above and which is a similar make or model to **your vehicle** (including similar accessories, modifications, tools and spare parts); and
- (iii) pay for the initial registration, Compulsory Third Party (CTP) or Motor Accident Injuries (MAI) insurance, delivery charges and stamp duty costs for the new vehicle.

The new vehicle will be covered under this Policy Section until this **policy’s** expiry date or, if it is cancelled, its cancellation.

If:

- (a) **you** choose not to accept a replacement vehicle; or
- (b) an agreement cannot be reached between us on a replacement vehicle; or
- (c) a replacement vehicle cannot be provided under (i) or (ii) above,

we will pay **you** the original purchase price of **your vehicle**, less the **excess** and applicable deductions for unpaid premium, unused registration or CTP or MAI insurance (see “Settlement conditions applicable if your vehicle is a total loss” on pages 142 and 143).

If **your vehicle** is a trailer or rigid body truck **we** do not cover more than 112.5% of the **insured amount** of **your vehicle**.

✗ What we exclude

This Extra Cover does not apply if:

▼ **your vehicle**:

- ▼ has a stock, tanker or vacuum application;
- ▼ is a concrete agitator vehicle;
- ▼ is a garbage compactor;
- ▼ is a concrete pumping truck or trailer;
- ▼ is any other specialised rigid vehicle body type; or
- ▼ is insured for **agreed value**.

- ▼ **we** have made a payment under Extra Cover 12 or Extra Cover 13 of Part 1 of this Policy Section.

2. Personal effects

✓ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover.

We will cover the costs of repair or replacement if **you** or the **authorised driver's personal effects** are **damaged** or **lost** as a result of **your vehicle** being:

- ▼ **damaged** as a result of the **event**; or
- ▼ stolen as a result of forcible entry to **your vehicle**.

If the **vehicle**, the subject of the claim is only insured for Legal Liability, Fire and Theft Cover, this Extra Cover will only apply when the **event** is fire, lightning or theft.

The most **we** will pay under this Extra Cover for any one (1) **event** is \$1,000.

✗ What we exclude

We will not pay for **personal effects** insured under another policy, unless **you** entered into that policy in **your** own name.

3. Death of driver

✓ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover.

If the driver of **your vehicle** sustains a fatal injury during the **event** covered under Part 1 – “Loss or damage to your vehicle” of this Policy Section, **we** will pay:

- ▼ \$10,000 to the estate of the deceased person; and
- ▼ up to \$10,000 for any one (1) **event** for travel costs within Australia and its external territories for members of the deceased driver's immediate family to attend the deceased driver's funeral.

This benefit will not be reduced by any accident compensation.

✗ What we exclude

We will not pay:

- ▼ any claim if the driver of **your vehicle** dies:
 - ▼ more than twelve (12) months from the date of the **event**; or
 - ▼ because the driver committed suicide; or
- ▼ any claim if **we** have paid an amount under Extra Cover 4 – “Personal Accident” of Part 1 of this Policy Section.

4. Personal accident

✓ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover.

We will pay under this Extra Cover provided:

- ▼ **your vehicle** was being driven by **you** or any **authorised driver**; and
- ▼ as a direct and sole result of the **event**, the driver:
 - ▼ permanently and totally loses sight in one or both eyes; or
 - ▼ permanently and totally loses the use of one or both hands or feet.
- ▼ The most **we** will pay under this Extra Cover in total for any one (1) **event** is \$5,000.

We will pay the driver.

The driver's entitlement to any benefit under any other insurance or statutory scheme will not reduce any amount payable under this Extra Cover.

x What we exclude

We will not pay:

- ▼ any claim if the permanent and total loss happens:
 - ▼ more than twelve (12) months from the date of the **event**; or
 - ▼ because the driver attempted to commit suicide; or
- ▼ any claim if **we** have paid an amount under Extra Cover 3 – “Death of driver” of Part 1 of this Policy Section.

5. Emergency repairs

✓ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover.

We will cover the reasonable costs of **emergency repairs** incurred by **you** if they are necessary to get **your vehicle** to **your** destination or a repairer after the **event**.

You should ensure that before the **emergency repairs** are carried out, where reasonably practicable, photographic images of the **damage** are recorded and can be provided to **us** so that **we** can establish the condition of **your vehicle** prior to the repairs. **You** are required to produce reasonable evidence of the costs incurred if **we** ask for them. Reasonable evidence may include tax invoices or receipts.

The most **we** will pay under this Extra Cover for any one (1) **event** is:

- ▼ \$1,000 if **your vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity; or
- ▼ \$3,000 if **your vehicle** is any other type of **vehicle**.

6. Emergency travel

✓ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover.

We will cover the reasonable costs of emergency travel for **you** or the **authorised driver** and any **vehicle** occupants if **your vehicle** is unroadworthy or unsafe to drive following the **event**, to reach **your** or their intended or revised destination or to return to the point of departure.

You are required to produce reasonable evidence of the costs incurred if **we** ask for them. Reasonable evidence may include tax invoices or receipts.

The most **we** will pay under this Extra Cover for any one (1) **event** is \$2,000 in total.

7. Emergency accommodation

✓ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover.

We will cover the reasonable costs:

- ▼ for **you** or the **authorised driver's** emergency accommodation if the **event** was more than 100km from **your** home or the **authorised driver's** home and **your vehicle** was unroadworthy or unsafe to drive; or
- ▼ for temporary accommodation if **your vehicle** is an unregistered on-site caravan and it is **damaged** by an **event**, provided that the unregistered on-site caravan is **your** only home and **you** cannot live in it as a result of the **event**.

You are required to produce reasonable evidence of the costs incurred if **we** ask for them. Reasonable evidence may include tax invoices or receipts.

The most **we** will pay under this Extra Cover for any one (1) **event** is \$2,000 in total.

8. Removal of debris

✓ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover.

If **you** are liable to pay the cost of cleaning up or removing goods that have fallen off **your vehicle** because it was in a collision or it overturned, **we** will cover those reasonable costs.

You are required to produce reasonable evidence of the costs incurred if **we** ask for them. Reasonable evidence may include tax invoices or receipts.

The most **we** will pay under this Extra Cover for any one (1) **event** is \$25,000.

9. Vehicle modifications

✓ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover.

We will cover the costs necessary to modify the **vehicle** for any driver of **your vehicle** who is permanently disabled following the **event**.

The most **we** will pay under this Extra Cover for any one (1) **event** is \$5,000.

10. Towing and storage

✓ What we cover

We will cover the reasonable costs of towing **your vehicle** to one of the following locations, when as a result of the **event your vehicle** cannot be driven to one of these locations:

- ▼ **our** nearest assessing centre;
- ▼ a **recommended repairer** that **we** nominate; or
- ▼ a repairer **we** agree to; or
- ▼ **your premises** or to another repairer if **you** did not obtain **our** agreement prior to the towing.

We will also pay the reasonable costs of storing **your vehicle**.

You are required to produce reasonable evidence of the costs incurred if **we** ask for them. Reasonable evidence may include tax invoices or receipts.

If **you** withdraw **your** claim or **we** refuse to accept it, **you** must refund **us** any payments for towing or storage **we** have already made if **we** ask **you** to.

✗ What we exclude

We do not cover:

- ▼ storage costs for any period before **your** claim is lodged (unless it was not reasonably possible for **you** to lodge the claim at the time of the **event**) or after **your** claim is settled or declined and it is reasonably possible to access the storage facility to remove **your vehicle** so as not to incur further storage costs; or
- ▼ the costs of towing or storage of **your vehicle** if it is insured for "Legal Liability, Fire and Theft Cover" only and the **event** was not fire, lightning, theft or attempted theft.

11. Hire vehicle after theft

✓ What we cover

We will cover:

- ▼ the cost of hiring a vehicle of similar make and model to **your vehicle** from **our** provider, if **our** provider has such a vehicle available, and is within a reasonable distance of **your** location; or
- ▼ the reasonable cost incurred by **you** of hiring a vehicle of a similar make and model to **your vehicle**, if there is no such vehicle available from one of **our** providers within a reasonable distance of **your** location,

if **your vehicle** is stolen and either not found or is found but is not drivable.

We will cover this cost for up to thirty (30) days. This benefit stops before the thirty (30) day limit if and when:

- ▼ **your vehicle** is returned undamaged;
- ▼ **we** repair **your vehicle** and return it to **you**; or

✓ What we cover (cont'd)

▼ **we** have settled **your** claim.

You are required to produce reasonable evidence of the costs incurred if **we** ask for them. Reasonable evidence may include tax invoices or receipts.

If **you** withdraw **your** claim or **we** refuse to accept it, **you** must refund **us** any payments for the hire vehicle **we** have already made if **we** ask **you** to.

The most **we** will pay under this Extra Cover for any one (1) **event** is \$3,000.

Please see Additional Benefit 3 – “Hire vehicle” of Part 1 of this Policy Section for details of the cover provided when **you** hire a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity.

✗ What we exclude

We will not pay:

- ▼ any running costs and extras of the hire vehicle, including paying the deposit, security bond, fuel and any upgrade costs; or
- ▼ any costs for any period **you** continue to use the hire vehicle after this Extra Cover stops.

12. Lease payout – motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity

✓ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover, is not insured for **agreed value** and is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity.

If **your vehicle** is a **total loss**, then **we** will cover the difference when the amount owing by **you** under a lease or a hire purchase agreement is greater than the **market value** of **your vehicle**, less:

- ▼ any amounts or interest in arrears at the time of the **loss** or **damage**; and
- ▼ any discounts, in respect of finance charges or interest for the unexpired term of the financial agreement.

The most **we** will pay under this Extra Cover is 20% of the **market value** of **your vehicle**.

✗ What we exclude

We will not pay any claim under this Extra Cover if:

- ▼ **your vehicle** is insured for **agreed value**;
- ▼ **your vehicle** was purchased via a personal loan or line of credit;
- ▼ the **loss** of, or **damage** to, **your vehicle** was caused by fire or theft; or
- ▼ **we** have replaced **your vehicle** or made a payment under Extra Cover 1 – “New vehicle after total loss” of Part 1 of this Policy Section.

13. Lease payout – vehicle other than those referred to in Extra Cover 12

✓ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover and is not a **vehicle** referred to in Extra Cover 12 of Part 1 of this Policy Section.

If **your vehicle** is a **total loss**, then **we** will cover the difference when the amount owing by **you** under a lease or hire purchase agreement is greater than the **market value** of **your vehicle**, less:

- ▼ any amounts or interest in arrears at the time of the **loss** or **damage**; and
- ▼ any discounts, in respect of finance charges or interest for the unexpired term of the financial agreement.

The most **we** will pay under this Extra Cover is 12.5% of the **insured amount** of **your vehicle**.

✗ What we exclude

We will not pay any claim under this Extra Cover if:

- ▼ the **loss** of, or **damage** to, **your vehicle** was caused by fire or theft;
- ▼ **your vehicle** was purchased via a personal loan or line of credit; or
- ▼ **we** have replaced **your vehicle** or made a payment under Extra Cover 1 – “New vehicle after total loss” of Part 1 of this Policy Section.

Additional Benefits

We will also provide the following Additional Benefits in this Policy Section if **your vehicle** is insured for Comprehensive Cover.

All of the terms, conditions and exclusions of this **policy** apply to the Additional Benefits unless otherwise specified including, without limitation, the exclusions applicable to Part 1 and Part 2 of this Policy Section, the General Exclusions and any **endorsement**.

You do not need to make a claim under Part 1 of this Policy Section to be eligible for these Additional Benefits. If we pay a claim under an Additional Benefit, we will settle your claim in accordance with that Additional Benefit. For Additional Benefit '2. Locks and keys' we will only settle the claim by paying you. This means that we will not repair or replace or arrange for a service.

We will pay you by cheque or direct deposit into your bank account.

1. Two-wheel or box trailer

✓ What we cover

We cover **loss** of, or **damage** to, your two-wheel or box trailer while it is attached or being towed by your vehicle caused by an **event** during the **period of insurance**.

The most we will pay under this Additional Benefit for any one (1) **event** is \$2,000.

Note: If we agree, you can insure your trailer for more than \$2,000 if you insure it as a separate insured vehicle under your policy.

Excess

No **excess** is applicable for any claim under this Additional Benefit.

2. Locks and keys

✓ What we cover

We cover the cost of replacing the keys or re-coding your vehicle's locks if during the **period of insurance**, the keys to your vehicle:

- ▼ have been stolen (even if your vehicle was not);
- ▼ have been **damaged** or **lost** after an **event** as a result of which we have paid a claim under Part 1 of this Policy Section; or
- ▼ may have been duplicated and there are reasonable grounds to believe so.

The most we will pay under this Additional Benefit is \$5,000 for any one (1) **event** and \$10,000 in total during any one (1) **period of insurance**.

Excess

You must pay the basic **excess** applicable to your vehicle for any claim under this Additional Benefit.

3. Hire vehicle

✓ What we cover

If you hire a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity in Australia for the purposes of your **business**, for a period of no longer than thirty (30) days, and you:

(a) do not insure it with the hiring company, we will cover:

- ▼ theft of, **loss** of, or **damage** to, that hire vehicle during the **period of insurance**; and
- ▼ your **legal liability** for another person's **personal injury** or **damage** to another person's property in the **period of insurance** which you or an **authorised driver** cause while you or an **authorised driver** are driving or in control of the hire vehicle.

(b) do insure it with the hiring company for theft, **loss** or **damage** or **legal liability**, we will cover any excess you are required to pay to the hiring company under that insurance for theft, **loss** or **damage** to that hire vehicle during the **period of insurance**.

The most we will pay under this Additional Benefit for any one (1) **event** is:

- ▼ in respect of (a) above, up to \$50,000 in total for the theft of or **loss** or **damage** to the hire vehicle; or
- ▼ in respect of (b) above, the hire vehicle excess.

Legal liability has the meaning shown in Part 2 – Legal liability of this Policy Section on page 147.

Excess

You must pay us an **excess** of \$1,000 (unless another amount is specified in any **endorsement** in which case that amount applies) in addition to any age or **inexperienced driver excess** that is applicable for any claim under this Additional Benefit.

4. Recovery costs – no damage

✓ What we cover

If **your vehicle** is immobilised, bogged or stranded in the **period of insurance**, even if there is no **damage** to **your vehicle** we cover the reasonable cost of extricating or moving it so that it is no longer immobilised, bogged or stranded.

You are required to produce reasonable evidence of the costs incurred if we ask for them. Reasonable evidence may include tax invoices or receipts.

The most we will pay under this Additional Benefit for any one (1) **event** is \$5,000.

x What we exclude

We will not pay any claim where **your vehicle** is immobilised, bogged or stranded solely as a result of **vehicle** failure or breakdown.

This Additional Benefit does not cover any recovery costs after **your vehicle** has been removed to a place of safety.

Excess

You must pay the basic **excess** applicable to **your vehicle** for any claim under this Additional Benefit.

5. Theft of certain vehicle accessories

✓ What we cover

We **cover** the reasonable cost to replace any of the following accessories that would normally be attached to or in or on **your vehicle** if they are stolen during the **period of insurance**, even if the theft occurs while they are not attached to **your vehicle** or if they are not specified in **your policy schedule**:

- | | | |
|------------------|-------------------|----------------|
| ▼ Buckets | ▼ Ramps | ▼ Rock breaker |
| ▼ Chain trencher | ▼ Ripper | ▼ Sweeper |
| ▼ Hammer | ▼ Pallet forks | |
| ▼ Laser | ▼ Post hole borer | |

Please refer to General Claims Condition 17 – “Motor vehicle claims” on page 22 for details of what information we may ask for to support **your** claim for these accessories.

x What we exclude

We will not cover theft of the accessories listed in “What we cover” above if upon request by us:

- ▼ you do not give us reasonable evidence of the value of the accessory so that we can establish that the **insured amount** reflects the **value of your vehicle** plus the accessories; or
- ▼ you cannot provide reasonable proof that you owned the accessories.

Reasonable evidence or proof may include photographs, sales receipts, tax invoices, accounts and bank or credit card statements that provide a description of the accessory and show the purchase price, date and location.

Excess

You must pay the basic **excess** applicable to **your vehicle** for any claim under this Additional Benefit unless you have already paid the **excess** applicable to **your vehicle** because it was also stolen in the **event**.

6. Vehicles being test driven by you

✓ What we cover

If a vehicle (not exceeding 2 tonnes) is being demonstrated to **you** or test driven by **you** or **your authorised driver** during the **period of insurance**, we will cover **your legal liability** for:

- ▼ theft of, **loss** of, or **damage** to, that vehicle; and
- ▼ another person's **personal injury** or **property damage** in connection with the use of that vehicle.

The most **we** will pay under this Additional Benefit for liability for theft of, **loss** or **damage** to the demonstration or test driven vehicle is \$100,000.

The most **we** will pay in total under this Additional Benefit for another person's **personal injury** or **property damage** in connection with the use of that vehicle is the amount set out in "Limits to what we will pay" in Part 2 of this Policy Section.

Legal liability has the meaning shown in Part 2 – legal Liability of this Policy Section on page 147.

✗ What we exclude

We will not pay if the demonstration or test driven vehicle is:

- ▼ a customer's vehicle; or
- ▼ being test driven for the purposes of repair, restoration or modification.

Excess

No **excess** is payable for any claim under this Additional Benefit.

7. Non-owned trailer in control

✓ What we cover

If **your vehicle** is a prime mover or rigid body truck of 2 tonne carrying capacity or more, **we** will cover the **loss** or **damage** in the **period of insurance** to a trailer **you** do not own, lease or hire when:

- ▼ the trailer was in **your** legal possession or control at the time the **loss** or **damage** occurred; and
- ▼ **you** or an **authorised driver** was using it in conjunction with **your vehicle**.

The most **we** will pay under this Additional Benefit for any one (1) **event** is \$50,000, regardless of the number of trailers **your vehicle** may have under its control at the time of the **event**.

✗ What we exclude

We will not pay for **loss** or **damage** to goods or property being carried in the trailer.

Excess

You must pay **us** an **excess** of \$2,500 for any claim under this Additional Benefit. This **excess** is additional to any **excess** payable for **your vehicle**.

What we will pay under Part 1

If **your** claim is covered under Part 1 of this Policy Section, **we** will either pay **you** for a **partial loss** or a **total loss**.

This is determined by whether **your vehicle** would be uneconomical or unsafe to repair, including where the combined repair costs and salvage value are likely to be more than the **value of your vehicle** or when **your vehicle** has been stolen and not recovered within fourteen (14) days of its theft and **we** accept **your** claim for theft of **your vehicle**. **We** will also have regard to the law in relation to what is considered a write off that applies in **your** State or Territory when determining whether **your vehicle** is to be written off.

If a claim for **legal liability** is covered under any Additional Benefit in this Part, the "Limits to what we will pay" in Part 2 of this Policy Section will apply, unless specified otherwise.

Total loss

If **your vehicle** is a **total loss** and the conditions applying to Extra Cover 1 – "New vehicle after total loss" are met, **we** will settle **your** claim with a new replacement vehicle or by a payment, as provided for in Extra Cover 1.

Where Extra Cover 1 – "New vehicle after total loss" does not apply, **we** will settle **your** claim in one of the following ways:

(A) Market Value or Insured amount

If the **vehicle** is specified in **your policy schedule** as having **market value**, and the **insured amount** does not show a figure in dollars, **we** will pay you the market value of **your vehicle**.

If the **vehicle** is specified in **your policy schedule** as having a **market value**, and the **insured amount** does show a figure in dollars, **we** will pay **you** the lesser of the **market value** or the **insured amount**.

For example, where the **insured amount** of **your vehicle** is specified in the **policy schedule** as \$60,000 and **your vehicle** is involved in an **event** that could lead to **your vehicle** being declared a **total loss**, it will be examined and details recorded such as general condition, fixtures, fittings and kilometres travelled. If, due to the poor condition of **your vehicle**, excessive kilometres travelled, wear and tear and rust the **market value** is calculated as \$40,000, **we** will pay **you** this lesser amount.

In the case of additional **vehicles** that are not specified in **your policy schedule** what **we** pay is as set out under "Cover for additional vehicles" on page 132.

The **market value** or **insured amount** of **your vehicle** includes accessories within the definition of **vehicle** plus any agreed accessory specified in **your policy schedule**.

We will deduct any **excess** that is payable from the amount **we** pay. When **we** pay the **market value** or **insured amount** as a result of a **total loss**, then **your** cover for that **vehicle** comes to an end. There will be no refund of the premium.

(B) Agreed value

If the **vehicle** is specified in **your policy schedule** as having **agreed value**, **we** will pay **you** the **insured amount** specified in **your policy schedule** for **your vehicle**.

The **insured amount** for **your vehicle** includes accessories within the definition of **vehicle** plus any agreed accessory specified in **your policy schedule**.

The **agreed value** specified in **your policy schedule** is the most **we** will pay for theft, **loss** of, or **damage** to, **your vehicle**. **We** will not deduct any **input tax credit** from the amount of the **agreed value** specified in **your policy schedule**. **We** will deduct any **excess** that is payable from the **agreed value**.

When **we** pay the **agreed value** as a result of a **total loss** then **your** cover for that **vehicle** comes to an end. There will be no refund of the premium.

(C) Legal liability, fire and theft

If the **vehicle** is specified in **your policy schedule** as having Legal Liability, Fire and Theft cover, **we** will pay **you** the **market value** or the **insured amount** for **your vehicle**, whichever is less. The **market value** of **your vehicle** includes accessories within the definition of **vehicle** plus any agreed accessory specified in **your policy schedule**. **We** will deduct any **excess** that is payable.

When **we** pay the **market value** or **insured amount** as a result of a **total loss** then **your** cover for that **vehicle** comes to an end. There will be no refund of the premium.

Settlement Conditions Applicable if your vehicle is a total loss

We will deduct any unpaid premium from any amount that **we** pay **you** for a **total loss**.

Your vehicle or salvage of **your vehicle**, including any unexpired premium, registration and Compulsory Third Party (CTP) or Motor Accident Injuries (MAI) insurance (unless the law requires otherwise), becomes **our** property when **we** pay **you** for the **total loss**. Where **you** are entitled or required by law to obtain a refund for unused registration or CTP or MAI insurance, **we** will deduct those amounts from what **we** pay **you** for the **total loss**. If **we** are unable to collect any unexpired registration or CTP or MAI insurance ourselves, **you** must provide reasonable assistance to help **us** to do so if **we** ask.

If another party (e.g. a finance provider) has an interest in **your vehicle** and **your vehicle** is a **total loss**, we pay them (instead of **you**) what **you** owe them up to the amount **you** are entitled to under this **policy**. If this amount is less than the full amount payable under the **policy**, we pay **you** the balance.

When **you** make a claim and another party (e.g. a finance provider) is entitled to the salvage of **your vehicle**, we will pay **you** or them the **insured amount** specified in **your policy schedule**, less **our** estimate of the salvage value, less any **excess** and unpaid premium.

For an example of how we settle a **total loss** claim, see pages 157 and 158 of this **PDS**.

Partial loss

If **your vehicle** is a **partial loss**, we will do the following (depending on the exact circumstances of the claim):

- ▼ repair the **damage** or replace the **damaged** parts of **your vehicle** using a **recommended repairer** or **you** may choose **your** own repairer. If **you** choose **your** own repairer we will authorise repairs for the amount of the **assessed quote** from **your** repairer;
- ▼ pay **you** the amount of the **assessed quote** from a **recommended repairer** when a **recommended repairer** is able to complete the repair of the **damage** or replace the **damaged** parts of **your vehicle**, but **you** request a cash settlement; or
- ▼ pay **you** the amount of the **assessed quote** from **your** repairer if a **recommended repairer** cannot complete the repair of the **damage** or replace the **damaged** parts of **your vehicle** or if we do not authorise repairs based upon **your** repairer's quote.

If we settle **your** claim by paying **you** the amount of the **assessed quote**, and **you** do not carry out the repairs to **your vehicle**, it may lead us to reduce or refuse to pay any subsequent claim by **you** in respect of that particular **vehicle**.

For an example of how we settle a **partial loss** claim, see pages 158 and 159 of this **PDS**.

Choice of repairer and parts policy

If **your vehicle** is a **partial loss**, we can arrange the repairs with a **recommended repairer** if one is available, or alternatively **you** can choose **your** own repairer and we will authorise repairs for the amount of the **assessed quote** from **your** repairer.

Where we are able to provide **you** with access to one of **our recommended repairers**, we will offer **you** a choice if there is more than one in **your** area. However, we may only be able to nominate one **recommended repairer** if there are no others available.

Where we are unable to provide **you** with access to one of **our recommended repairers**, we will require **you** to choose **your** own repairer.

If we authorise repairs with a **recommended repairer** or **your** own repairer, we will:

- ▼ authorise the repair of **your vehicle** to the same or reasonably similar condition and standard immediately before the **event**;
- ▼ except for windscreens and window glass, authorise only the use of new parts or where available parts which are consistent with the age and condition of **your vehicle** (which may include using reusable parts where available);
- ▼ replace **damaged** windscreen or window glass with glass which may not be produced by the original manufacturer but will meet Australian Design Rules;
- ▼ authorise only the use of manufacturer's approved parts if **your vehicle** is under warranty, but not when **your vehicle** has an extended warranty or for windscreen replacement;
- ▼ if the same part as a damaged part is not available, give **you** the option to accept the **market value** of the obsolete part or to use an equivalent part (if available) to complete the repair. Where the damaged or equivalent part is not available and **your vehicle** cannot be safely repaired, we will declare **your vehicle** a **total loss**; and
- ▼ guarantee the quality of materials and workmanship in respect of the repairs for the life of the **vehicle**.

Any repairer we authorise to repair **your vehicle** may sub-contract some of the repairs to a person of their choice. This will usually occur when the repairer is unable to perform the repairs themselves.

If **you** choose **your** own repairer and we do not authorise repairs for the amount of the **assessed quote** from **your** repairer, we:

- ▼ will pay **you** an amount equal to the **assessed quote** from **your** repairer; and
- ▼ will not provide any guarantee for the quality of materials and workmanship in respect of the repairs.

We are not responsible for any costs or losses which occur because of delays in delivery of parts. If a part is not available in Australia, we will pay the cost of surface freight from the nearest reasonable source of supply.

You are responsible for the cost of any air-conditioning refit, re-gas or modification required by law.

If **we**:

- ▼ pay **you** the amount of the **assessed quote** from a **recommended repairer** because a **recommended repairer** is able to complete the repairs or replace the damaged parts of **your vehicle** but **you** have requested a cash settlement; or
- ▼ pay **you** the amount of the **assessed quote** from **your** repairer because a **recommended repairer** cannot complete the repairs or replace the damaged parts of **your vehicle**,

we also do not authorise the repairs. **We** will not provide any guarantee for the quality of materials and workmanship in respect of the repairs.

Contribution to repair work

You may have to contribute to the cost of replacing or repairing tyres, engines, accessories, paintwork, bodywork, radiators, batteries, interior trims, or caravan annexes affected by neglect, wear and tear, weathering, rust, mould, mildew or corrosion ("pre-existing damage"). How much **you** are required to contribute will depend on how affected by such pre-existing damage these items were when the **damage** happened.

If **you** do not want to contribute to this cost and the repairs cannot be carried out due to the pre-existing damage, instead of carrying out the repairs:

- (i) if **we** have obtained a quote from a **recommended repairer** (and **you** have not obtained a quote from **your** repairer) **we** will pay **you** the amount of the **assessed quote** from **our** repairer, excluding the cost to replace or repair the pre-existing damage; or
- (ii) if **you** have obtained a quote from **your** repairer that includes the cost to replace or repair the pre-existing damage **we** will pay **you** the amount of the **assessed quote** from **your** repairer excluding the cost to replace or repair the pre-existing damage.

We will subtract any **excess** that may apply.

For an example of how **we** settle a **partial loss** claim, please see pages 158 and 159 of this **PDS**.

Part 1 – Policy Section Conditions

These conditions apply to all covers and claims under Part 1 of this Policy Section in addition to the General Policy Conditions on pages 16 to 18.

If **you** do not comply with these Policy Section Conditions, **we** may:

- (a) refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your** policy.

Lifetime guarantee for repairs

If **we** authorise repairs for **your vehicle**, **we** will guarantee the repairs against any defect due to workmanship or faulty material for the life of **your vehicle**. The parts used in any lifetime guarantee repairs to a **vehicle** will be the same as those described in “Choice of repairer and parts policy” above. If **you** are concerned about the quality of the repairs to a **vehicle**, **you** must contact **us** and make **your vehicle** available to **us**. **You** must not authorise any rectification work without **our** written authority. **We** will inspect the repair and arrange any necessary rectification work.

If it would not be safe or economical to carry out the rectification work required, **we** will declare the **vehicle** a **total loss** and **pay** you an amount under (A) – “Market value or insured amount” or (B) – “Agreed value” (see page 142), whichever applies to **your vehicle**.

If **we** pay **reasonable repair costs** **we** do not authorise repairs and **you** will not be entitled to the lifetime guarantee on repairs **we** do not authorise. If **we** pay **you** the amount of the **assessed quote** **we** do not authorise repairs and you will not be entitled to the lifetime guarantee on repairs that **we** do not authorise.

Vehicle identification

Where **your vehicle's** identification, such as its compliance, build or VIN plate or label, has been **damaged**, **we** will try to source a replacement from its manufacturer. If **we** cannot source it for **you**, **we** will attempt to obtain a letter from the manufacturer to confirm **your vehicle's** identity and that its original identification has been **damaged**. **We** will still repair **your vehicle** without replacing any **damaged** identification, unless an alternative form of identification is required by law.

Underinsurance

If at the time of the **event your vehicle** was insured for less than 80% of its **market value** and **we** decide **your vehicle** is:

- ▼ a **total loss**, **we** will not apply this underinsurance condition; or
- ▼ a **partial loss**, **we** will pay the same proportion of the **loss** as the **insured amount** bears to 80% of the **market value** of **your vehicle**.

For an example of how **we** settle a **partial loss** claim where the underinsurance condition applies, please see page 159 of this **policy**.

In assessing the amount **we** pay, prime movers and attached trailers and dollies are regarded as separate and distinct insured **vehicles**.

This underinsurance condition does not apply if **your vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity.

How you earn a No Claim Bonus

A No Claim Bonus recognises **your** good driving and claims history record where **you** are insured for Comprehensive Cover.

Your policy schedule will show the type of No Claim Bonus **you** are entitled to (if any), and **your** premium will be charged accordingly.

If **you** are not entitled to a maximum No Claim Bonus, **you** will earn an entitlement to a bonus for the next **period of insurance** if there have been no claims that fall within the definition of a **penalty claim**.

A **penalty claim** is an **event** or claim where **you** are at fault, or a claim where **we** are not able to recover the costs of repairing or replacing **your vehicle**.

The following will apply if **you** qualify for a No Claim Bonus:

For cars, utilities, 4WDs or vans of not more than 2 tonne carrying capacity:

Year	Existing bonus	Renewal bonus
1st Year	0%	25%
2nd Year	25%	45%
3rd Year	45%	55%
4th Year	55%	65%
Subsequent Years	65%	65%

For all other **vehicles**:

Year	Existing bonus	Renewal bonus
1st Year	0%	20%
2nd Year	20%	30%
3rd Year	30%	40%
4th Year	40%	50%
Subsequent Years	50%	50%

Protected No Claim Bonus

If **you** are entitled to a maximum No Claim Bonus of 65% for cars, utilities, 4WDs or vans of not more than 2 tonne carrying capacity, and **you** are insured for Comprehensive cover, **we** may provide the option when **you** first take out the **policy**, or upon renewal, to protect **your** No Claim Bonus for that **vehicle**.

It costs extra to choose to protect **your** No Claim Bonus. **We** can give **you** a price with and without the Protected No Claim Bonus Optional Insurance (details on page 153) to help **you** decide whether the option suits **your** needs.

How making a claim could affect your No Claim Bonus

If you do not lodge a penalty claim

If **you** did not lodge a **penalty claim** during the **period of insurance**, then **your** No Claim Bonus will not be detrimentally affected at renewal of **your policy**.

Windscreen claims

When **you** renew **your policy**, **your** No Claim Bonus will not be affected for any windscreen or window glass claim **you** make.

Other claims

When **you** renew **your policy**, **we** reduce your No Claim Bonus for each **penalty claim you** have made during the **period of insurance**. This does not apply if **you** have purchased Protected No Claim Bonus Optional Insurance and it applies to the claim. If **you** have purchased Protected No Claim Bonus Optional Insurance and it applies to the claim in respect of **your vehicle** involved in an **event**, we will not count the first **penalty claim** on that **vehicle** during the **period of insurance**.

If **you** have purchased Protected No Claim Bonus Optional Insurance and it applies to the claim in respect of **your vehicle** involved in an **event**, **we** will not count the first **penalty claim** on that **vehicle** during the **period of insurance**.

The amount **we** reduce **your** No Claim Bonus to is set out below:

For cars, utilities, 4WDs or vans of not more than 2 tonne carrying capacity:

Your current No Claim Bonus	Following 1 penalty claim	Following more than one penalty claim
65%	45%	Nil
55%	25%	Nil
45%	Nil	Nil
25%	Nil	Nil
Nil	Nil	Nil

For all other vehicles:

Your current No Claim Bonus	Following 1 penalty claim	Following more than one penalty claim
50%	30%	Nil
40%	20%	Nil
30%	Nil	Nil
20%	Nil	Nil
Nil	Nil	Nil

When you make a claim for:	Does this detrimentally impact your No Claim Bonus?
An event where you are not at fault and we are able to recover	No
Windscreen or window glass only*	No
An event where you are at fault**	Yes

*If **you** have selected and paid for the “Windscreen excess waiver” Optional Insurance, then **you** will not have to pay any **excess** for that claim. This Optional Insurance is only available for a car, utility, 4WD or van of not more than 2 tonne carrying capacity.

** **your** No Claim Bonus might not be affected if **you** have purchased “Protected No Claim Bonus” Optional Insurance, see page 153 for details.

Part 2 – Legal liability

What your vehicle also means

For the purposes of Part 2, **your vehicle** also means:

- ▼ a trailer;
- ▼ a caravan; or
- ▼ another vehicle which has broken down, that is being towed by **your vehicle** or a **substitute vehicle** legally and not for reward; and
- ▼ a **substitute vehicle**.

What is legal liability?

Legal liability means that:

- ▼ **you**;
- ▼ an **authorised driver**;
- ▼ a passenger in **your vehicle**; or
- ▼ **your** employer, principal or business partner,

are legally responsible to pay compensation for:

- (i) **loss of, or damage to property**, owned or controlled by someone else; or
- (ii) **personal injury** to another person (but only where the **legal liability** is not covered or capable of being covered by any compulsory third party insurance or public liability insurance, unless **you** entered into that public liability insurance policy in **your own name**),

caused by an **event** which occurs during the **period of insurance** in Australia or its external territories.

You can claim for **your legal liability** as described under “Insuring clause – What we cover” if:

- ▼ “Commercial Motor” is specified in **your policy schedule**;
- ▼ the **legal liability** is not expected or intended and the insured **event** occurs during the **period of insurance** in Australia or its external territories;
- ▼ it is not excluded by anything under “What we exclude”;
- ▼ it is not excluded by this Policy Section Exclusions on pages 155 to 157;
- ▼ it is not excluded by the General Exclusions on pages 23 to 27; and
- ▼ is not excluded by any **endorsement**.

✓ Insuring clause – What we cover

We will cover **your legal liability** if the **event** giving rise to the **legal liability** was not expected or intended, and the **event** was caused by:

- ▼ **you** or an **authorised driver** driving, using or being in charge of **your vehicle**;
- ▼ goods being carried by or falling from **your vehicle**;
- ▼ loading goods onto **your vehicle** from a fixed place of rest directly beside **your vehicle**;
- ▼ unloading goods off **your vehicle** to a fixed place of rest directly beside **your vehicle**; or
- ▼ a passenger in **your vehicle** with **your** permission while travelling or getting in or getting out of **your vehicle**.

✗ What we exclude

We will not cover **legal liability**:

- ▼ for anything excluded by any other “What we exclude” section in Part 1 or Part 2 of this Policy Section;
- ▼ which is a direct or indirect result of discharge or escape of **contaminants** or **pollutants** or **dangerous goods** from **your vehicle** unless they are substances **you** are legally allowed to carry;
- ▼ for **loss** of, or **damage** to **property** **you** own, control or are responsible for, or which belongs to someone who normally lives with **you**. However, this exclusion will not apply to **your legal liability** for **damage** to motor vehicles belonging to an **employee** or visitor which occurs within the confines of a private car park owned or operated by **you**;
- ▼ for **personal injury** to anyone who was **your employee** at the time of the **event**;
- ▼ for **personal injury** if **you** were or anyone else was required by law to have insurance for compensation, damages or similar insurance for injury (e.g. compulsory third party insurance or workers compensation required by law);
- ▼ for **personal injury** if **your vehicle** is registered in the Northern Territory of Australia;
- ▼ where **you** cause **your** or their own **personal injury**, or if **you** injure or cause the death of someone who normally lives with **you**;
- ▼ occurring because **you**, an **authorised driver** of **your vehicle**, a passenger in **your vehicle**, or **your** employer, principal or **business** partner agreed to accept liability;
- ▼ because of an agreement **you** or anyone insured under this **policy** has entered into, unless **legal liability** would have applied anyway;
- ▼ for **personal injury** if at the time of the **event** **your vehicle** was being used as a show, carnival or festival attraction, parade float or for any similar activity;
- ▼ if at the time of the **event** **your vehicle** was being driven or used at, in or on any **aircraft** hangar or any part of an airport or airfield used by **aircraft** for loading, unloading, taxiing, take-offs or landings;
- ▼ resulting from the use of **your vehicle** if it was unregistered at the time of the **event**, unless **your vehicle** is an unregistered on-site caravan;
- ▼ in respect of fuel contamination caused by **you** delivering:
 - ▼ the incorrect type of fuel; or
 - ▼ the fuel to the incorrect place;
- ▼ for **damage to property** resulting from an **event** arising out of the use of **your vehicle** while it is digging, excavating, boring or drilling. However, **we** will pay if **your vehicle** is being used for the sole purpose of travelling to or from any work site or transporting or carting goods at the time of the event and is not being used at the time of the **event** for any other purpose including any specific activity for which the **vehicle** was designed;
- ▼ to pay fines or punitive, exemplary or aggravated damages;
- ▼ arising directly or indirectly from:
 - ▼ the transportation, distribution and/or storage of asbestos; or
 - ▼ any material containing asbestos or any process of decontamination, treatment or control of asbestos.

x What we exclude (cont'd)

This will only apply to **personal injury** arising in consequence of inhalation of asbestos fibre, and to **loss or damage to property** due to the presence of asbestos.

- ▼ for **personal injury** or **loss** of, or **damage to property** arising directly or indirectly out of the actual, alleged or threatened discharge, seepage, dispersal, migration, release or escape of **contaminants** or **pollutants**:
 - ▼ into or upon any property, land, the atmosphere, water course or body of water (including ground water); or
 - ▼ caused by any product or physical liquid item that has been discarded, dumped, abandoned or thrown away by **you, your employee**, other person under **your** control or by others.

However, this exclusion does not apply to Additional Benefit 3 – “Pollution” of Part 2 of this Policy Section.

Additional Benefits

We will also provide the following Additional Benefits in this Policy Section, subject to the **policy** terms and conditions, the General Exclusions and Policy Section Exclusions including the exclusions in Part 1 and Part 2 of this Policy Section and any **endorsement**. The **event** giving rise to the **legal liability** must not have been expected or intended.

1. Damage by uninsured drivers

✓ What we cover

If **your vehicle** is insured for Legal Liability, Fire and Theft Cover or Legal liability only, **we** cover **loss** of, or **damage to, your vehicle** during the **period of insurance** in an **event** as a result of a collision with another vehicle driven by an uninsured driver within Australia or its external territories.

A driver is uninsured if neither the driver nor the owner of the other vehicle had an insurance policy that would cover them for the **loss** or **damage to your vehicle**.

We only pay if:

- ▼ **you** show the **event** was the fault of the uninsured driver; and
- ▼ the name and address of the person at fault and the registration number of the vehicle involved are provided.

The most **we** will pay under this Additional Benefit for **loss** of, or **damage to your vehicle** in total in any one (1) **period of insurance** is \$5,000 or the **market value** of **your vehicle** (whichever is less).

If due to the circumstances of the accident, **you** are unable to obtain the name and address of the person at fault and/ or the registration number of the vehicle involved, please contact **us** on 1300 888 073.

x What we exclude

We will deduct:

- ▼ any **excess** that may apply to **your** vehicle; and
- ▼ the residual value of the **vehicle** as determined by **our** assessor if it is not repairable (**you** keep the damaged **vehicle**).

2. Emergency services

✓ What we cover

If a claim is covered under Part 1 or Part 2 of this Policy Section during the **period of insurance**, **we** will cover the reasonable costs and charges levied by the police force or any fire brigade or other authority due to **your vehicle** causing the attendance at the accident site of a member of the:

- ▼ fire brigade or authority for the purpose of fire extinguishment or other emergency response; and/or
- ▼ police force.

3. Pollution

✓ What we cover

We cover **your legal liability** arising directly or indirectly out of the actual, alleged or threatened discharge, dispersal, release or escape of **contaminants** or **pollutants** into or upon any property, land, the atmosphere, water course or body of water (including ground water), where such discharge, dispersal, release or escape:

- ▼ is caused by or in connection with the operation, ownership, possession or use by **you** or on **your** behalf of any **vehicle**;
- ▼ is caused by a sudden identifiable, unintended and unexpected **event**;
- ▼ takes place in its entirety at a specific point in time during the **period of insurance** and within Australia or its external territories; and
- ▼ does not relate to any property, land, air, water course or body of water which **you** own, occupy or have in **your** custody or control.

We will also only pay for clean-up or removal costs if they are caused by such an incident within Australia or its external territories.

The most we will pay for all claims covered under this Additional Benefit is \$500,000 in total in any one (1) **period of insurance**.

✗ What we exclude

We will not pay if the **contaminants** or **pollutants** are **dangerous goods**.

4. Legal liability for unregistered on-site caravans

✓ What we cover

If **your vehicle** is an unregistered on-site caravan, **you** are covered for **your legal liability**, caused by **your** use or occupation of the unregistered on-site caravan during the **period of insurance** in Australia or its external territories.

✗ What we exclude

We will not pay for:

- ▼ amounts **you** must pay which are covered, or should be covered, by Medicare, workers compensation or another government scheme or arrangement, or private medical insurance; or
- ▼ **loss** of, or **damage** to, the unregistered on-site caravan, unless the caravan is an insured **vehicle** and **we** have accepted a claim for it under Part 1 of this Policy Section.

5. Non-owned vehicle liability

✓ What we cover

We cover **your legal liability** in respect of any vehicle not owned or supplied by **you** while that vehicle is being used or driven by **you** or an **authorised driver** in connection with **your business** during the **period of insurance** in Australia or its external territories.

Excess

You must pay **us** an **excess** of \$500 for each claim under this Additional Benefit.

6. Legal liability for caravans and trailers

✓ What we cover

You are covered for **your legal liability** as a result of :

- ▼ the actions of a caravan or trailer while it is being towed by **your vehicle**;
- ▼ a caravan or trailer running out of control after separating from **your vehicle** while **your vehicle** is moving; or
- ▼ another vehicle colliding or acting to avoid a collision with:
 - ▼ property falling off a caravan or trailer while it is being towed by **your vehicle**; or
 - ▼ property being loaded or unloaded from a caravan or trailer attached to **your vehicle**,during the **period of insurance** in Australia or its external territories.

✗ What we exclude

We do not cover **loss** or **damage** to:

- ▼ the caravan or trailer unless it is a **vehicle** insured under Part 1 of this Policy Section; or
- ▼ the property which is loaded or unloaded from or which falls from the caravan or the trailer.

We do not cover the cost to remove the trailer or caravan debris, unless the caravan or trailer is an insured **vehicle** and the claim for **loss** of or **damage** to it is covered under Part 1 of this Policy Section.

Excess

The **excess** applicable to **your vehicle** applies to any claim under this Additional Benefit.

What we will pay under Part 2

If a claim for **legal liability** is covered under Part 2 of this Policy Section, **we** will pay:

- ▼ the compensation;
- ▼ legal costs and expenses if **we** have first agreed to pay these costs;
- ▼ costs and charges reasonably and necessarily incurred by **you** in removing or cleaning up debris, unless stated otherwise; and
- ▼ costs and charges reasonably and necessarily incurred to extinguish a fire that **your vehicle** has caused.

We will also pay for legal costs in representing **you** or any other person covered at any inquest or other inquiry relating to an **event** which may give rise to **you** being legally liable, if **we** have first agreed to pay these costs.

For an example of how **we** settle a **legal liability** claim, see page 159 of this **PDS** and Policy Wording.

Limits to what we will pay

The most **we** will pay for all claims for **legal liability** covered under this Policy Section, arising directly or indirectly from one (1) **event** is \$50,000,000 (unless another amount is specified in **your policy schedule**) but restricted to:

- ▼ \$1,000,000 for any one (1) **event** occurring within the external territories of Australia, but only in respect of the death or bodily injury to another person;
- ▼ \$1,000,000 (unless another amount is specified in **your policy schedule**) where **your vehicle** is being used for the transportation of **dangerous goods** or is attached to, or is towing, a vehicle used for the transportation of **dangerous goods**; and
- ▼ \$500,000 during the **period of insurance** in respect of all claims under Additional Benefit 3 – “Pollution” of Part 2 of this Policy Section.

These amounts include all legal costs and expenses and any covered debris clean-up costs and fire extinguishment costs.

These limits also apply to any cover for **your legal liability** provided under any Extra Cover, Additional Benefit or Optional Insurance (both Parts 1 and 2) or **endorsement** unless a lower limit is specified in the Extra Cover, Additional Benefit or any **endorsement**.

These limits are the most **we** will pay even if there are several claims against **you** relating to the one (1) **event**.

Optional Insurance

We provide the following Optional Insurances when requested by **you**, when **you** pay any additional premium required and when specified in on **your policy schedule**. These Optional Insurances are provided subject to the General Exclusions and all the terms, conditions and exclusions that apply to this Policy Section, unless stated otherwise.

The Optional Insurances are available for Comprehensive cover only. Optional Insurance 1 – “Windscreen excess waiver” only applies to certain type of vehicle.

Optional Insurance 4 – “Damage to towed vehicles” only applies if **your vehicle** is a registered tow truck.

1. Windscreen excess waiver

✓ What we cover

You will not have to pay the basic **excess** for the first windscreen or window glass claim for a **vehicle** in any **period of insurance**. If **you** have any additional windscreen or window glass claims during the same **period of insurance** for the same **vehicle**, the basic **excess** will apply.

This Optional Insurance only applies if **your vehicle** is a car, utility, 4WD or van of not more than 2 tonne carrying capacity.

2. Rental vehicle after accident

✓ What we cover

If **your vehicle** cannot be driven or is in need of repair following **loss** or **damage** as a result of an **event** (other than theft) covered under Part 1 of this Policy Section, **we** will:

- ▼ pay the cost of hiring a replacement vehicle that is a similar make and model to **your vehicle** from **our** provider, if **our** provider has such a vehicle available, and is within a reasonable distance of **your** location; or
- ▼ if a similar make and model is not available from **our** provider, reimburse **you** for the cost of hiring a replacement vehicle that is a similar make and model,

from the date **your vehicle** is left at the repairers.

The most **we** will pay under this Optional Insurance for any one (1) **event** is \$1,500.

Please see:

- ▼ Additional Benefit 3 – “Hire vehicle” in Part 1 of this Policy Section for cover applicable to and caused by the rental vehicle; or
- ▼ Extra Cover 11 – “Hire vehicle after theft” of Part 1 of this Policy Section for cover applicable if **your vehicle** is stolen.

✗ What we exclude

We will not pay:

- ▼ if **your vehicle** is anything other than a car, utility, 4WD or van of not more than 2 tonne carrying capacity;
- ▼ if **your vehicle** is stolen;
- ▼ to hire a vehicle for any period after the first business day after repairs to **your vehicle** have been completed;
- ▼ after **your** claim has been paid if **your vehicle** is a **total loss**;
- ▼ the running costs of the rental vehicle; or
- ▼ for any other non-rental costs which **you** may be liable to pay for under a hire agreement.

3. Protected No Claim Bonus

✓ What we cover

Where a **penalty claim** would affect **your** No Claim Bonus, it will not be affected for that insured **vehicle** provided that **you** have not made a previous **penalty claim** for an insured **event** occurring in the **period of insurance** for that **insured vehicle**.

✗ What we exclude

This Optional Insurance does not apply:

- ▼ if **your vehicle** is anything other than a car, utility, 4WD or van of not more than 2 tonne carrying capacity; and
- ▼ unless **you** are entitled to a maximum No Claim Bonus for **your vehicle**.

4. Damage to towed vehicles

✓ What we cover

If **your vehicle** is a registered tow truck, **we** cover all amounts **you** become legally liable to pay for **loss** of, or **damage** to, any vehicle being towed, retrieved or carried by **your vehicle**, in the **period of insurance** in Australia or its external territories caused by an **event**.

The most **we** will pay under this Optional Insurance for any one (1) **event** is \$150,000 for **loss** of, or **damage** to, any vehicle(s) being towed, retrieved or carried by **your vehicle**.

✗ What we exclude

We will not pay if **your vehicle** and the vehicle being towed, retrieved or carried are being operated contrary to any law or regulation relating to the use of a tow truck.

Excess

An **excess** is the amount **you** will have to pay if **you** claim under this Policy Section, unless stated otherwise. Please refer to General Claims Condition 11 – “Paying your excess” for information about the options for paying the **excess**.

Excesses are cumulative and apply to all claims, unless otherwise stated. If **you** also claim under another Policy Section for one (1) **event**, the **excesses** payable under this Policy Section apply in addition to all other **excesses**.

For each **event**, or series of **events** arising from the one (1) originating cause, **you** will bear the amount of the **excess** in respect of each and every insured **vehicle**, unless stated otherwise.

Under Extra Cover 10 – “Towing and storage” of Part 1 of this Policy Section, if **you** withdraw a claim or **we** refuse to accept it **you** do not have to pay an **excess**, however **you** must refund any towing or storage costs **we** have incurred if **we** ask **you** to.

Under Extra Cover 11 – “Hire vehicle after theft” of Part 1 of this Policy Section, if **you** withdraw a claim or **we** refuse to accept it **you** do not have to pay an **excess**, however **you** must refund any hire costs **we** have incurred if **we** ask **you** to.

Under Additional Benefit 6 – “Legal liability for caravans and trailers” of Part 2 of this Policy Section, the **excess** that applies is the one applicable to **your vehicle**.

The basic **excess** is specified in **your policy schedule**. The amounts for any other **excesses** (or where the amounts can be found in this **PDS**) are detailed below on pages 154 to 155. **You** might have to pay more than one type of **excess** when **you** claim.

You must pay the **excesses** in full.

When and how you pay the excess

When **you** make a claim the following options are available to pay the **excess**:

- (a) **you** can pay the **excess** directly to **us** before **we** finalise **your** claim. In the case of a new replacement vehicle, **we** may require **you** to pay the **excess** before taking delivery of the new **vehicle**;
- (b) the **excess** can be deducted from the amount **we** pay **you** for **your** claim (if any);
- (c) in some instances, the **excess** can be paid to the appointed repairer when **you** pick up **your vehicle** after it has been repaired or to the supplier; or
- (d) in some instances, the **excess** can be deducted from the amount **we** pay to another person for **loss** or **damage** to their property.

We will not cover any legal or other costs that arise because of any delay in paying the **excess**.

When your excess will be waived if the driver of your vehicle is not at fault

You do not pay any **excess** when **your vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity and if:

- ▼ another vehicle is involved in the **event**, and the driver of **your vehicle** is not at fault and **you** provide the name and address of the other driver at fault and the registration number of the other vehicle; or
- ▼ no other vehicle is involved in the **event**, and the driver of **your vehicle** is not at fault and **you** provide the name, address and phone number of the person at fault.

A failure to provide this information means **we** will not be able to waive **your excess**. It does not otherwise impact the cover under **your policy** for **loss** or **damage** to **your vehicle** under this Policy Section. However, if **your vehicle** is insured for Legal Liability, Fire and Theft or Legal Liability only, then cover for **loss** or **damage** to **your vehicle** under Additional Benefit 1 – “Damage by uninsured drivers” of Part 2 of this Policy Section is only provided if **you** provide the name and address of the at fault driver and the registration number of the vehicle involved.

Types of excesses

Basic excess

The basic **excess** is the amount specified in **your policy schedule**.

Age or inexperienced drivers excess

An age or **inexperienced driver excess** applies if a driver under 25 years of age or an **inexperienced driver** was in charge of **your vehicle** at the time of an **event**. This **excess** will not apply to glass, **damage** while parked, fire, malicious **damage**, theft or storm claims.

In the case of a claim where the driver was under 25 years of age or was an **inexperienced driver**, the following age or **inexperienced driver excesses** will apply to the claim when:

- ▼ the **vehicle** is a car, 4WD, utility or van of not more than 2 tonne carrying capacity:
 - ▼ for drivers under 21 years of age – \$500;
 - ▼ for drivers 21 years of age or older – \$300;
 - ▼ for **inexperienced drivers** – \$250.
- ▼ the **vehicle** is a prime mover and:
 - ▼ the **insured amount** for the prime mover is less than \$100,000 or it is insured for Legal Liability only – the age or **inexperienced driver excess** is \$2,500 or \$3,500 if the prime mover was towing more than one trailer at the time of the **event**;
 - ▼ the **insured amount** for the prime mover is \$100,000 or more but not more than \$200,000 – the age or **inexperienced driver excess** is \$10,000 or \$15,000 if the prime mover was towing more than one trailer at the time of the **event**;
 - ▼ the **insured amount** for the prime mover is more than \$200,000 – the age or **inexperienced driver excess** is \$25,000 or \$37,500 if the prime mover was towing more than one trailer at the time of the **event**.
- ▼ the **vehicle** is not a car, 4WD, utility, van of not more than 2 tonne carrying capacity or prime mover – the age or **inexperienced driver excess** is \$750.

You must pay the age or **inexperienced driver excess** in addition to any other **excess** for **your vehicle** that may be payable. For the purposes of the application of these age or **inexperienced driver excess**, a dolly is considered a trailer.

Tipping excess

A tipping **excess** applies if **your vehicle** is a trailer or rigid body truck and it is **damaged** while the tipping hoist is partly or fully extended. The tipping **excess** is \$1,000 and **you** pay this in addition to any other **excess** payable for **your vehicle**.

Theft excess

A theft **excess** of \$2,500 applies to each claim for theft or **damage** occasioned by theft of:

- ▼ **your** skid steer loader, excavator, loader, backhoe or bobcat; or
- ▼ any of their accessories, whether these accessories are attached to **your vehicle** at the time of the theft or **damage** or not.

You pay this in addition to any other **excess** for **your vehicle** that may be applicable.

Endorsement excess

An **endorsement excess** may apply if **you** have **endorsements** to **your policy**. Any **endorsement excess** applicable to **your policy** will be specified in the **endorsement** wording.

You pay the **endorsement excess** specified in the **endorsement** wording in addition to any other **excess** for **your vehicle** that may be payable.

Radius excess

A radius **excess** applies if **we** accept a claim for **loss** or **damage** to **your vehicle** or **legal liability** and, at the time of the **event**, **your vehicle** was on a journey to or from a destination beyond the maximum radius of operation specified in **your policy schedule** measured from **your vehicle's** garaged postcode specified in **your policy schedule**.

The **radius excess** is:

- ▼ \$500 if **your vehicle** is a truck or bus;
- ▼ \$2,500 if **your vehicle** is a trailer which at the time of the **event** was being towed by a prime mover or \$500 if being towed by a truck; or
- ▼ \$7,500 if **your vehicle** is a prime mover.

You pay the radius **excess** in addition to any other **excess** for **your vehicle** that may be payable.

Additional Benefit excesses

An **excess** of \$1,000 applies to any claim under Part 1, Additional Benefit 3 – “Hire vehicle” of this Policy Section (unless another amount is specified in any **endorsement** in which case that other amount applies).

An **excess** of \$2,500 applies to any claim under Part 1, Additional Benefit 7 – “Non-owned trailer in control” of this Policy Section. This **excess** is additional to any **excess** payable for **your vehicle**.

An **excess** of \$500 applies to any claim under Part 2, Additional Benefit 5 – “Non-owned vehicle liability” of this Policy Section.

Application of excess involving trailer and towing vehicle

If a trailer being towed by **your vehicle** **damages** the property of another person and:

- ▼ only the trailer was **damaged**, the **excess** for the towing **vehicle** will apply; or
- ▼ there is no **damage** to either the trailer or towing **vehicle**, the **excess** for the towing **vehicle** will apply.

Policy Section Exclusions

This Policy Section does not provide cover:

- ▼ for an **event** occurring when **your vehicle** is being driven by, or is in the charge of, someone who:
 - ▼ was under the influence of, or had their judgement affected by any drug or medication;
 - ▼ had more than the legal limit of alcohol in their breath, blood, urine or saliva as shown by analysis;
 - ▼ refused to take a test for alcohol, drugs or medication; or
 - ▼ was not licensed, not correctly licensed or not complying with the conditions of their licence.

However, **we** will cover **you**:

- ▼ if **you** were not the driver or person in charge of your vehicle at the time of the event and you can satisfy us that you did not know, and could not have reasonably known, of any of the above circumstances; or
- ▼ if and to the extent that it can be demonstrated that the alcohol, drugs or medication intake did not contribute to the **event**.

If **we** pay a claim, **we** can recover those costs from the person who was driving or in charge of **your vehicle**, unless the law prohibits recovery by **us**.

- ▼ if **you** or an **authorised driver**, with **your** knowledge or consent does something or neglects to do something that is not in accordance with this **policy** or does not give **us** the reasonable information or assistance that **we** ask for in respect of a claim;
- ▼ for theft of, or malicious **damage** to, **your vehicle** when anyone insured under this **policy** has not taken steps to prevent this **loss** or **damage** by:
 - ▼ ensuring the **vehicle** was locked whilst unattended;
 - ▼ ensuring the **vehicle** was parked in a garage/car-port if available; or
 - ▼ ensuring goods and valuables inside the **vehicle** are hidden and out of sight;
- ▼ for the following financial and non-financial loss or extra costs following **loss** or **damage** to **your vehicle** covered by this Policy Section:
 - ▼ loss caused by delay, confiscation or detention, for example by Customs or another lawful authority;
 - ▼ lack of market or lack of any type of performance;
 - ▼ loss occurring because **you** cannot use **your vehicle**;
 - ▼ reduction of **your vehicle's** value (including its trade in or resale value) after being repaired;
 - ▼ reduction of **your vehicle's** working life;

- ▼ loss of income or wages, medical expenses or loss related to stress or anxiety, unless part of a claim for compensation against **you** for which **your legal liability** is covered under this Policy Section;
- ▼ professional, expert, legal consulting or valuation costs, cleaning costs, travel costs or other types of costs because **you** cannot use **your vehicle**, unless expressly covered by this Policy Section; or
- ▼ loss or costs, including the costs of **your** time to prove **your loss** or **damage** to help **us** with **your** claim, except for Claims Preparation expenses covered by this **policy**;
- ▼ for **loss** of, or **damage** to, a drill rod or bit attached to **your vehicle** while the drill rod or bit is being used for its designed purpose. For the purposes of this exclusion, a drill rod or bit includes any part attaching to or forming part of the drill rod or bit including but not limited to pipes, guides, filters, gaskets, plugs, caps, beacon housings, tool heads, nozzles and/or any other electronic mechanism;
- ▼ for the cost to repair or replace burnt out electric motors or wiring of appliances in **your** caravan;
- ▼ for **damage** to **your** caravan, caravan annexe, trailer or personal effects caused by biting, chewing or scratching by an animal or bird;
- ▼ for **damage** to **your** caravan, caravan annexe or **personal effects** caused by any tenant;
- ▼ if **your** unregistered on-site caravan is unoccupied for sixty (60) consecutive days. (If **you** want cover over 60 days, **you** need to ask **us** for an extension of time and **we** must agree in writing. **We** might charge an extra premium or impose special terms);
- ▼ for **loss** or **damage** to **your** caravan caused by the sea or rising water, but not rainwater runoff;
- ▼ for **loss** or **damage** or **legal liability** caused or contributed to by or arising from or involving any actual or threatened use, existence or release of biological, bacterial, infectious, viral, germ, chemical or poisonous **contaminants** or **pollutants** or any looting or rioting following these **occurrences** (except for any cover provided under Additional Benefit 3 – “Pollution” of Part 2 of this Policy Section), or the action taken by a public authority to prevent, limit or remedy the actual or threatened release of any such materials;
- ▼ for theft by anyone who has hired or leased **your vehicle** or who has taken it as security for a debt;
- ▼ for any **loss**, **damage** or **legal liability** caused by any person or organisation who lawfully destroys or takes away **your** ownership or control of any property or **vehicles** covered under this Policy Section,
- ▼ for any **loss**, **damage** or **legal liability** which happens before the **period of insurance** or which arises from an **event** before the **period of insurance** starts unless specifically stated otherwise;
- ▼ for an **event** that occurs outside Australia or its external territories;
- ▼ for **loss**, **damage** or **legal liability**, if another person is, or could have been, liable to compensate **you** for such **loss**, **damage** or **legal liability**, but **you** have agreed with that person either before or after the **loss**, **damage** or **legal liability** occurred that **you** would not seek to recover any moneys from that person;
- ▼ if the **event** that is the subject of the claim was intentionally or recklessly caused by **you** or the driver of **your vehicle** or someone acting with **you** or their express or implied consent;
- ▼ if the **event**, **loss**, **damage** or legal **liability** is excluded by any **endorsement**;
- ▼ if, at the time of an **event**, **your vehicle** was **damaged**, unsafe or unroadworthy. However, **we** will cover **you**, if the **damaged**, unroadworthy or unsafe condition of **your vehicle**:
 - ▼ did not cause or contribute to the **loss**, **damage** or **legal liability** being incurred; or
 - ▼ could not reasonably have been detected by **you**;
- ▼ if, at the time of an **event**, **your vehicle** was:
 - ▼ being used in a race, contest, trial, test, hill climb or any similar activity;
 - ▼ being used on a competition race track, circuit, course or arena;
 - ▼ being used for illegal purposes (such as a criminal act) by **you** or for which **you** gave encouragement, assistance or consent (either expressly or impliedly);
 - ▼ carrying passengers for payment or reward unless it was a car pool, child care arrangement or fare paying passenger bus;
 - ▼ carrying more passengers than it was designed for, or than the driver is permitted to carry by law;
 - ▼ conveying, towing, lifting or carrying a load not secured according to law or more than that which it was designed to convey, tow, lift or carry;
 - ▼ being used to move **dangerous goods** or substances that pollute or contaminate unless this was done legally;
 - ▼ travelling on railway lines; or
 - ▼ being operated, transported or driven in an underground mine or mining shaft (but **we** will cover **you** if **your vehicle** was being used for open cut mining);
- ▼ for theft of or **damage** to **your vehicle** if the **vehicle** is left unattended, unlocked and with the keys left in the **vehicle**;

- ▼ for theft, **loss** of, or **damage** to, a hire vehicle **you** have insured with the hire company, except as covered under Additional Benefit 3 – “Hire vehicle” of Part 1 of this Policy Section; or
- ▼ for any **legal liability** **you** or an **authorised driver** cause or incur in connection with **your** or the **authorised driver’s** use of a hire vehicle **you** have insured with the hire company, except as covered under Additional Benefit 3 – “Hire vehicle” of Part 1 of this Policy Section.

Work dollar claim examples

The following worked dollar claim examples are designed to assist **you** in understanding some of the benefits in this Policy Section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of **your policy** terms and conditions. The following should be used as a general guide only. **You** should consider all examples as each example covers different benefits and scenarios.

All amounts are shown in Australian dollars and are GST inclusive unless indicated otherwise. **You** should read the **PDS** and Policy Wording and **your policy schedule** for full details of what **we** cover as well as what Policy Section limits, conditions and exclusions apply.

Example: Total loss – Market value

*A car that has a carrying capacity of not more than 2 tonnes is comprehensively insured for **market value**. The basic **excess** is \$500. The **vehicle** is **damaged** in an accident and the cost of repair is \$20,000.*

*The **market value** is determined as follows:*

*The **vehicle** is an 8 year old sedan in poor condition. A motor vehicle guide records the value at \$20,000 for good condition. The **market value** is \$15,000 (GST inclusive).*

*The **vehicle** contains no modifications or accessories and it is a **total loss**.*

How much we pay		Further information
Market value	\$15,000	The vehicle is a total loss with an agreed value of \$15,000. In this case, the vehicle is a total loss since it is not economical to repair. Normally a vehicle is a total loss if the complete repair cost exceeds its agreed value less salvage value.
Less input tax credit	- \$1,364	If you are registered for GST and entitled to an input tax credit we will deduct this entitlement. In this example you are entitled to a full input tax credit (100%). We will not deduct this entitlement if your vehicle is insured for agreed value .
Less outstanding premium	- \$300	If you paid your premium by monthly instalments, we will deduct the remaining instalments for the period of insurance . In this example, there are three monthly instalments of \$100 each remaining when the total loss occurs.
Less excess	- \$500	Only the basic excess applies in this example. We deduct this from the amount we pay to you .
Total claim	\$12,836	We would normally pay this amount directly to you in a total loss situation.
Plus lease payout	\$2,200	If, instead of owning your vehicle outright, your vehicle was purchased under a finance lease and the amount owing was \$17,200 (excluding any payments in arrears and resulting interest), we will pay the difference between the amount owing under the finance arrangement and the market value (\$17,200 – \$15,000). This Extra Cover has a limit of 20% of the market value (\$3,000).
Less input tax credit	- \$200	In this example you are entitled to a full input tax credit (100%).
Total claim	\$14,836	We would normally pay the claim directly to your financier and not to you in circumstances of a lease payout. You pay your financier any amounts left owing.

*If the **vehicle** in the previous example was less than 2 years old at the time of the insured **event**, instead of paying the previous claim, **you** can choose to accept a replacement vehicle including similar accessories and parts plus on-road costs e.g. registration, compulsory third party, pre-delivery. **You** must pay the **excess** to the dealership that has provided the replacement vehicle or **us**.*

*If the **vehicle** salvage is valued at \$1,000, the salvage becomes **our** property and **we** are entitled to keep the \$1,000 proceeds of its sale plus any registration and compulsory third party insurance refund. This does not affect the calculations above unless **you** obtain these refunds directly, in which case **we** will deduct these costs from the total claim above.*

Example: Total loss – Agreed value

A utility that has a carrying capacity of not more than 2 tonnes is comprehensively insured for an **agreed value** of \$45,000. The **vehicle** is **damaged** in an accident that was not **your** fault and **you** have identified the at fault party and provided all their details that **we** require.

The cost of repair of **your** vehicle is \$46,000, and it is a **total loss**. The **vehicle** is not subject to finance. The basic **excess** is \$500.

How much we pay		Further information
Agreed value	\$45,000	The vehicle is a total loss with an agreed value of \$45,000. In this case, the vehicle is a total loss since it is not economical to repair. Normally a vehicle is a total loss if the complete repair cost exceeds its agreed value less salvage value.
Less input tax credit	\$0	We do not deduct any input tax credit when your vehicle is comprehensively insured for agreed value .
Less excess	\$0	No basic excess applies in this example as the accident was not your fault and you have provided all the details of the at fault party that we require.
Total claim	\$45,000	We would normally pay the total claim amount directly to you in a total loss situation, unless your vehicle is subject to finance.

If the **vehicle** salvage is valued at \$10,000, the salvage becomes **our** property and **we** are entitled to keep the \$10,000 proceeds of its sale plus any registration and compulsory third party insurance refund. This does not affect the calculations above unless these refunds are paid to **you** directly in which case **we** will deduct these costs from the total claim.

Example: Partial loss – Repair

A **vehicle** that has a carrying capacity of not more than 2 tonnes is comprehensively insured for **market value**, in this case \$12,000.

The **vehicle** is stolen and subsequently recovered, **damaged**, 13 days after its theft. The cost of repairs is \$5,500. The basic **excess** is \$500.

How much we pay		Further information
Damage to vehicle	\$5,500	In this case, the vehicle is safe and economical to repair.
Less excess	- \$500	Only the basic excess applies in this example. Normally you pay the excess directly to the repairer.
Total claim	\$5,000	We would normally pay this amount directly to the repairer in a partial loss situation.

If **personal effects** to the value of \$350 are also stolen during the theft:

Plus personal effects	+ \$350	Even though you are registered for GST and entitled to an input tax credit , the amount we pay you for personal effects will include GST. Personal effects cover is limited to \$1,000 per event . The sub-limit of this Extra Cover is in addition to the market value of the vehicle .
Less input tax credit	\$0	We do not deduct an input tax credit from payments for personal effects .
Total claim	\$5,350	We normally pay the \$350 for personal effects to you (and the remaining \$5,000 directly to the repairer).

If a replacement vehicle of a similar type for a cost of \$100 per day is arranged by **us**:

Plus vehicle hire cost	+ \$1,700	The cost per day multiplied by the number of days until the vehicle is repaired is 17 x \$100 (it takes 4 days to repair it). This benefit has a limit of up to 30 days and we will not pay more than \$3,000. Note: This benefit would not apply if the vehicle was damaged in an accident instead of being stolen, unless you also selected Optional Insurance 2 – “Rental vehicle after accident”
Total claim	\$7,050	We normally pay the \$1,700 for vehicle hire directly to the hire company (the \$350 to you and the \$5,000 to the repairer).

Example: How underinsurance applies to partial loss claims

Your vehicle, a truck, is damaged.

*Your vehicle's insured amount is \$70,000 and the cost to repair **damage** is \$10,000.*

*Your vehicle's market value is \$100,000 and is therefore insured for 70% of its **market value**. The underinsurance condition applies to the repair costs because it is insured for less than 80% of its **market value**.*

*There is a basic **excess** of \$500 on your policy.*

How much we pay		Further information
Damage to vehicle	\$10,000	In this case the vehicle is safe and economical to repair
After underinsurance	\$8,750	Insured amount X repair costs 80% of market value
Less excess	- \$500	Only the basic excess applies in this example. Normally you pay the excess directly to the repairer.
Total claim	\$8,250	We would normally pay this amount directly to the repairer in a partial loss situation
Amount you pay	\$1,750	You pay this amount, usually directly to the repairer. This amount includes the excess .

Example: Legal liability

*A **vehicle** is insured for Legal Liability cover. The **vehicle** is involved in an accident and the other driver claims that the driver of **your vehicle** has a **legal liability** for the accident. The **damage** to the other **vehicle** would be assessed by a court at \$12,500. There is a basic **excess** of \$500 on **your policy**. The legal costs to defend **your legal liability** are \$3,000.*

How much we pay		Further information
Damage to other vehicle	\$12,500	We normally pay the cost of repairs directly to the third-party claimant.
Less excess	- \$500	Only the basic excess applies in this example. Normally you pay this amount to us .
Plus our legal costs	+ \$3,000	We incur and do not charge you for these costs
Total claim	\$15,000	

*If the driver of **your vehicle** was not at fault and the driver of the other vehicle was at fault but was not insured. **You** provide **us** with the details of the other driver. The basic **excess** is \$500. For the purposes of this example it is assumed that **your vehicle** is not comprehensively insured:*

"Damage by uninsured drivers" Additional Benefit	\$4,500	Your vehicle is not covered for own damage because Legal liability only cover was purchased. However, the damage by uninsured drivers Additional Benefit provides limited cover in these circumstances for up to \$5,000. For the purposes of this example, the damage to your vehicle will cost more than its market value of \$4,500. It is not repairable and it is a total loss .
Less input tax credit	- \$409.09	If you are registered for GST and entitled to an input tax credit we will deduct this entitlement. In this example you are entitled to a full input tax credit (100%).
Less excess	- \$500	Only the basic excess applies in this example. We deduct this from the amount we pay you .
Less residual value of wreck	- \$500	The remaining value of your damaged vehicle . We deduct this from the amount we pay you .
Total claim	\$3,090.91	We normally pay this directly to you . You will keep the damaged vehicle .

Definitions

The following defined words in this Policy Section have the meanings given to them as set out below. These meanings only apply to this Policy Section and the terms and conditions of this PDS as they apply to this Policy Section and prevail over any other meaning given to them in other parts of the PDS and Policy Wording (including in the General Definitions).

Agreed value

The amount **we** agree to insure **your vehicle** for, as specified in **your policy schedule**.

Assessed quote

An experienced motor vehicle assessor **we** appoint assesses the quote to make sure it meets industry standards including appropriateness of materials, repair method, labour costs, material costs, safety and overall cost effectiveness of the repairs. The quote may be adjusted or reduced on the recommendation of the assessor.

This assessed quote to repair **damage** to or replace the **damaged** parts of **your vehicle** may be less than what it would cost **you** to arrange the repairs with **your** own repairer, or equal to or less than the amount of repairs quoted by **your** repairer or that **you** have paid. **We** are able to secure supplier discounts from **our recommended repairers**.

Authorised driver

A person controlling, driving or using **your vehicle** with **your** consent.

Contaminants or pollutants

Includes smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials, or other irritants and other contaminants or pollutants. **Contaminants or pollutants** do not include **dangerous goods**.

Damage to property

Means:

- ▼ physical **loss** of, or **damage** to, or destruction of, tangible property including resultant **loss** of use; or
- ▼ **loss** of use of tangible property which has not been physically **damaged** or destroyed provided such **loss** of use is caused by an **event**.

Dangerous goods

Means:

- ▼ substances which are shown in the Australian Code for the Transport of Dangerous Goods by Road or Rail (available from www.ntc.gov.au);
- ▼ liquid fuels, liquefied or compressed gases, toxic chemicals, acids, organic peroxides or corrosives;
- ▼ infectious, explosive radioactive or oxidising substances; or
- ▼ substances with a flashpoint of below twenty two point seven degrees Celsius (22.7°C).

Emergency repairs

Repairs which are essential for **you** to be able to drive **your vehicle** safely from an accident or **event** causing **damage**.

Employee

Any person:

- ▼ engaged in **your business** under a contract of service or apprenticeship; or
- ▼ supplied to **you** pursuant to a contract of labour hire.

Event or Events

For Part 1 – “Loss or damage to your vehicle” means, in relation to Comprehensive Cover, the events numbered 1 to 5 specified in “Insuring clause – What we cover” on page 133.

For Part 1 – “Loss or damage to your vehicle” means, in relation to Legal Liability, Fire and Theft Cover, the events numbered 1 to 4 specified in “Insuring clause – What we cover” on page 133.

For Part 2 – “Legal liability” of this Policy Section means one incident or all incidents of a series consequent on, or attributable to, one source or original cause covered under Part 2 of this Policy Section.

Inexperienced driver

A person who is 25 years or over and has not held a drivers licence for that class of **vehicle** being driven at the time of the **event** for the past two (2) consecutive years.

Insured amount

Means:

- ▼ for a **vehicle** specified in **your policy schedule** – the corresponding **market value** or dollar amount stated in **your policy schedule** for that **vehicle**; or
- ▼ for a **vehicle** that is not specified in **your policy schedule** (because it is an additional **vehicle** as defined in “Cover for additional vehicles” on page 132) – the **market value** of that **vehicle** unless **we** have agreed to insure the **vehicle** for a different amount.

The **insured amount** of **your vehicle** includes accessories within the definition of **vehicle** plus any agreed accessory specified in **your policy schedule**.

Legal liability

Has the meaning given to it on page 147.

Market value

The amount that the market would pay for **your vehicle** or damaged parts that are obsolete. The market value of **your vehicle** takes into account many factors such as the age, make, model, kilometres travelled and general condition of **your vehicle** immediately before the **loss** or **damage**. **We** may use recognised industry publications to assist **us** in calculating the amount.

Partial loss

Your vehicle is a partial loss when the **loss** or **damage** is not a **total loss**.

Penalty claim

An **event** or claim where **you** are at fault, or a claim where **we** are not able to recover the costs of repairing or replacing **your vehicle**.

Personal effects

Clothing and personal belongings normally worn or carried but excluding computers, laptops, iPad and tablet devices, personal navigation equipment, jewellery of any type, unset jewels or stones, musical instruments, curios, works of art, money or payment cards.

Personal injury

Death, bodily injury, sickness, disease, disability, shock, fright, mental injury, mental anguish, or loss of consortium resulting from any of them.

Recommended repairer

A repairer who has been appointed by **us** as a **recommended repairer** because **we** have assessed the repairer as capable of meeting **our** strict standards of quality workmanship, timeliness, efficiency and cost effectiveness.

Substitute vehicle

A vehicle which does not belong to **you** and which **you**, **your** spouse, defacto partner or an **employee** is using while **your vehicle** is not in use because **your vehicle** is unroadworthy or undergoing repair.

Total loss

Your vehicle is a total loss if it is stolen and not recovered within fourteen (14) days of its theft, and **we** accept **your** claim for theft of **your vehicle**, or **your vehicle** is uneconomical or unsafe to repair, including where the combined repair costs and salvage value are likely to be more than the **value of your vehicle**.

We will also have regard to the law in relation to what is considered a write off that applies in **your** State or Territory when determining whether **your vehicle** is to be written off.

Value of your vehicle

The **market value** or **agreed value**, whichever is specified in **your policy schedule**.

Vehicle

Means:

- ▼ the vehicle(s) specified in **your policy schedule**; and
- ▼ an additional vehicle that **you** acquire, purchase or lease (but not hire or borrow) during the **period of insurance** and that is covered for the period of time set out in, and subject to the terms of, "Cover for additional vehicles" on page 132.

The following accessories will also be insured if they are attached to or are in or on **your vehicle**:

- | | |
|---------------------------|---|
| ▼ baby capsule/car seat | ▼ decals |
| ▼ bonnet protector | ▼ protective mouldings |
| ▼ built in refrigerator | ▼ rear louvre sunshade |
| ▼ bull bar | ▼ registration plate covers |
| ▼ CB and/or 2 way radio | ▼ seat covers |
| ▼ dash mats | ▼ side steps for a 4WD |
| ▼ decorative wheel trims | ▼ sign writing |
| ▼ driving lights | ▼ sound system (fitted as standard by manufacturer) |
| ▼ fire extinguishers | ▼ spare wheel cover |
| ▼ fixed GPS units | ▼ steering locks |
| ▼ fixed roof/ladder racks | ▼ tarpaulins |
| ▼ floor mats | ▼ tools supplied as standard by the manufacturer or similar replacement |
| ▼ headlamp guards | ▼ tow bars |
| ▼ mud flaps | ▼ tool boxes |
| ▼ paint protection | ▼ weather shield |
| ▼ panel/rust protection | ▼ winch |
| ▼ pin striping | |

But **we** do not cover sound systems not fitted as standard by the manufacturer nor the contents of a tool box, unless one of the items listed above.

It also includes other **vehicle** accessories or modifications if **we** have agreed to insure them as part of **your vehicle** and they are specified in **your policy schedule**.

For the purpose of Part 2 of this Policy Section, **vehicle** is extended to also mean:

- ▼ a trailer;
- ▼ a caravan; or
- ▼ another vehicle which has broken down,

that is being towed by **your vehicle** or a **substitute vehicle** legally and not for reward; and

- ▼ a **substitute vehicle**.

Policy Section 12 – Goods in Transit

About this Policy Section

This Policy Section covers **you** for **loss** of or **damage** to **goods you** sell, buy or use in **your business** when they are in **transit**. **You** have a choice of two types of cover in this Policy Section. **You** may insure under either:

- ▼ Option A – Specified Perils; or
- ▼ Option B – Accidental Damage.

The option **you** choose will be specified in **your policy schedule**.

You can claim for **loss** or **damage** as described under “Insuring clause – What we cover” if:

- ▼ “Goods in Transit” is specified in **your policy schedule**;
- ▼ the **loss** or **damage** to **goods** occurs during the **period of insurance**;
- ▼ the **loss** or **damage** is not excluded by any of the exclusions under “What we exclude”; and
- ▼ the **loss** or **damage** is not excluded by any of the General Exclusions listed on pages 23 to 27.

Your insurance under the Policy Section

✓ Insuring clause – What we cover

We cover **you** for **loss** of, or **damage** to, **goods** during the **period of insurance** when they are in **transit** and **you** have selected either:

- ▼ Option A – Specified Perils; or
- ▼ Option B – Accidental Damage.

Option A – Specified Perils

Where Option A – Specified Perils is recorded in **your policy schedule**, **we** will cover **you** for **loss** of, or **damage** to, the **goods** during **transit**, directly caused by any of the following **insured events** occurring during the **period of insurance**:

1. fire;
2. explosion;
3. lightning;
4. **flood**;
5. collision of the conveying **vehicle** with any external object other than the road, gutter, or similar surrounding surfaces;
6. overturning, jack-knifing or derailment of the land **conveyance**;
7. impact of the **goods** with something that is not on or part of the conveying **vehicle** provided the **loss** of, or **damage** to, the **goods** is caused by **insured events** (1) to (6) listed above;
8. theft or attempted theft from a locked and unattended transporting **vehicle** following forcible and violent entry which causes identifiable **damage** to the transporting **vehicle**;
9. collision, crashing or forced landing of the conveying **aircraft**; or
10. jettison, washing overboard and **loss** or **damage** incurred in time of peril.

Option B – Accidental Damage

Where Option B – Accidental Damage is specified in **your policy schedule**, **we** will cover **loss** of, or **damage** to, the **goods** in **transit**, including **loading** and **unloading**, directly caused by any of the following **insured events** occurring during the **period of insurance**:

1. **accidental loss** of, or **damage** to, the **goods** during the **transit**;
2. acts of strikers, locked-out workers or persons taking part in labour disturbances, riots or civil commotions;
3. malicious acts of persons, unless caused or directed by **you**;
4. insufficiency or unsuitability of packing or preparation of the **goods**, unless such was caused, directed or agreed by **you**; or
5. unexpected deterioration of **temperature controlled goods**.

✓ What we cover (cont'd)

If the **transit** is interrupted or terminated due to the insolvency or financial default of the carrier, whether or not **loss** or **damage** is caused to the **goods**, **we** will pay the extra costs of freight or storage to forward the **goods** to their intended destination, or to return the **goods** to the place from which they were dispatched, up to a maximum of 10% of the **insured amount** of the **goods**.

✗ What we exclude

Whether **you** choose Option A – Specified Perils or Option B – Accidental Damage, this Policy Section will not cover **you** for:

- ▼ **loss** or **damage** which **you** knew and could reasonably have been expected to know that existed or occurred prior to the commencement of the **transit**;
- ▼ **loss** or **damage** caused by dismantling, erection, commissioning, testing or storage other than in the ordinary course of **transit**;
- ▼ **loss** of, or **damage** to, **goods** directly or indirectly as a result of mechanical, electrical or electronic breakdown or malfunction where there is no external evidence of **damage** in **transit** from an **insured event** specified under Option A – Specified Perils cover or Option B – Accidental Damage cover;
- ▼ **loss** or **damage** caused directly or indirectly because **you** do not comply with the Australian Code for the Transport of Dangerous Goods by Road and Rail or the Australian Code for the Transport of Explosives by Road or Rail current at the time of the **loss** or **damage** (or any subsequent replacement or amendment Code);
- ▼ loss of profit or income, loss of use, loss of earning capacity, delay of any kind or the results of delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not insured **loss** or **damage**, unless and to the extent specifically covered under this Policy Section;
- ▼ **loss** of, or **damage** to, livestock;
- ▼ **loss** or **damage** caused directly or indirectly by the un-roadworthy condition of the conveying **vehicle** if it is owned by **you**;
- ▼ confiscation or detention by Customs or any lawful authority;
- ▼ unexplained inventory shortage, disappearance resulting from clerical errors, or shortage in the supply or delivery of goods; or
- ▼ **loss** or **damage** caused directly or indirectly by:
 - ▼ rust, oxidisation, discolouration, mildew, moths, mould, vermin or insects;
 - ▼ heating, sweating or any variation in temperature;
 - ▼ the inherent nature or characteristic of the **goods**;
 - ▼ ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear; or
 - ▼ scratching, denting, chipping, cracking or breakage of **glass** or any fragile items.

Extra Covers

If a claim for **loss** of, or **damage** to, **goods** in **transit** is covered by this Policy Section, **we** will also pay or provide the Extra Covers set out below. Any amounts payable under these Extra Covers are in addition to the **insured amount**. If **we** pay a claim under an Extra Cover, **we** will settle **your** claim in accordance with that Extra Cover. For all Extra Covers except Extra Cover 6 **we** will only settle the claim by paying **you**. This means that **we** will not repair or replace or arrange for a service.

1. Air freight of replacement parts

✓ What we cover

We will cover **you** for the cost of sending replacement parts, for the parts covered under “Insuring clause – What we cover” in this Policy Section that were **lost** or **damaged** in **transit**, from suppliers to the original destination by air freight, even if the original **transit** was not by air freight.

The most **we** will pay under this Extra Cover for any one (1) claim is \$10,000.

2. Clean up costs

✓ What we cover

We will cover **you** for the clean up and disposal costs at any accident site, where **you** are legally or contractually obliged to pay those costs.

The most **we** will pay under this Extra Cover for any one (1) claim is \$25,000.

3. Transport and disposal costs

✓ What we cover

We will cover **you** for the reasonable costs and expenses incurred in cleaning up or decontaminating **your premises** following the delivery or return of salvaged **goods**, plus the cost of transport and disposal costs to remove those **goods**.

The most **we** will pay under this Extra Cover for any one (1) claim is \$25,000.

4. Freight and salvage charges

✓ What we cover

We will cover **you** for any additional freight or salvage charges that **you** are required to pay to remove **your goods** from any accident site, including the cost of transport to forward the goods to their intended destination or to return the **goods** to the place from which they were dispatched.

The most **we** will pay under this Extra Cover for any one (1) claim is \$10,000.

5. Minimisation costs

✓ What we cover

We will cover **you** for the reasonable costs incurred to avoid or minimise any further **loss** of, or **damage** to, the **goods**.

The most **we** will pay under this Extra Cover for any one (1) claim is \$10,000.

6. General average and salvage contribution

✓ What we cover

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

Additional Benefit

We will also provide the following Additional Benefit in this Policy Section subject to the General Exclusions and Policy Section Exclusions. Any amount payable under this Additional Benefit does not apply in addition to the **insured amount** specified in **your policy schedule** for this Policy Section. If we pay a claim under this Additional Benefit, we will settle **your** claim in accordance with that Additional Benefit.

We will settle the Additional Benefits by paying **you**. This means that we will not repair or replace or arrange for a service. We will pay **you** by cheque or direct deposit into **your** bank account.

1. Buyer and seller protection

✓ What we cover

We cover **you** for the **loss** of, or **damage** to, **goods** if, as a buyer or seller, **you** retain a contingent financial interest in the **goods** in **transit**, and provided that:

- ▼ the **goods** are **lost** or **damaged** during the **period of insurance**;
- ▼ the **loss** or **damage** to the **goods** is caused by one or more **insured events** covered by **your policy** under this Policy Section;
- ▼ the other party under the terms of sale is legally liable to pay **you** for the **goods** or for the **loss** or **damage**, but fails to pay **you** for the **loss** or **damage**;
- ▼ **you** have taken all steps to safeguard the **goods** and to recover payment from the other party; and
- ▼ **you** have not disclosed to any party interested in the **goods** the existence of this cover.

What we will pay

What we will pay **you** for **loss** of, or **damage** to, **goods** covered under this Policy Section is as follows:

Plant, machinery and computers up to five years old

For **loss** of, or **damage** to, **goods** that are plant, machinery and computers up to five (5) years old, we will pay **you**:

- (a) the cost of repairing or reinstating such **goods** to a condition equal to but no better or more extensive than that when new (including the reasonable costs of any necessary overtime);
- (b) in the case of such **goods** that are for purchase or sale, the purchase or sale price plus the cost of packing and transport; or
- (c) in the case of movement of such **goods** that are returns (inwards or outwards) or **stock** transfers and the movement of such **goods** other than for the reason of purchase or sale, the new replacement cost or, if not available, the cost to replace as near as possible to the same make, model and specifications as is available.

Plant, machinery and computers more than five years old

For **loss** of, or **damage** to, **goods** that are plant, machinery and computers more than five (5) years old, we will pay **you**:

- (a) the cost of repairing or reinstating such **goods** to a condition equal to but no better or more extensive than their condition immediately prior to the **loss** or **damage** (including the reasonable cost of any necessary overtime);
- (b) in the case of such **goods** that are for purchase or sale, the purchase or sale price plus the cost of packing and transport; or
- (c) in the case of movement of such **goods** that are returns (inwards or outwards) or **stock** transfers and the movements of such **goods** other than for the reason of purchase or sale, we will pay the written down book value in **your** books of account or the current market value, whichever is less.

Goods other than plant, machinery and computers

For **loss** of, or **damage** to, **goods** other than plant, machinery and computers, we will pay **you** the lesser of:

- (a) the cost of repairing or reinstating such **goods** to a condition equal to but no better or more extensive than their condition immediately prior to the **loss** or **damage** (including the reasonable cost of any necessary overtime); or
- (b) the invoice value covering such **goods** while in **transit** (including freight if separately invoiced to the receiver of such **goods**), or if there is no invoice value, the cost of replacing such **goods** with **goods** of the same age and condition, or as near as possible to that age and condition.

Temperature controlled goods

For **loss** of, or **damage** to, **temperature controlled goods** other than plant, machinery and computers, we will pay **you** the lesser of:

- (a) the cost to re-condition such **goods** (including the reasonable costs of any necessary overtime); or
- (b) the invoice value covering such **goods** while in **transit** (including freight if separately invoiced to the receiver of such **goods**), or if there is no invoice value, the cost of replacing such **goods** with similar goods of the same quality or as near as possible to that quality, whichever is less.

Brands and labels

For any **damaged goods** bearing identifying brands or labels or other permanent markings, the **goods** may be retained by **you** to dispose of as **you** see fit. **We** will deduct an amount for the value of the **goods you** retain from the amount of the claim settlement. Where only the labels or packaging are affected, **we** will pay **you** only the costs to recondition or replace those labels or packaging.

Limits to what we will pay

The most **we** will pay under this Policy Section for all **goods** in any one (1) **conveyance** is the **insured amount** specified in the **policy schedule** for this Policy Section provided that;

- ▼ the most **we** will pay under this Policy Section for trade samples in **transit** in **your** or **your employee's** care, custody and control, is \$10,000 for any one (1) claim or series of claims arising from any one (1) **event**; and
- ▼ the most **we** will pay under this Policy Section for shipping containers in **your** care, custody or control to the extent that **you** are legally liable to pay for any **loss** or **damage** to them is \$20,000.

The limits specified in the **policy schedule** and the Extra Cover limits referred to in this Policy Section apply to any one (1) claim or series of claims arising from any one (1) **event**. **We** will settle any claim by paying **you**. This means that **we** will not repair or replace or arrange for a service. **We** will pay **you** by cheque or direct deposit into **your** bank account.

Excess

The **excess** that applies for each claim **you** make is specified in **your policy schedule**. Please refer to General Claims Condition 11 – “Paying your excess” for information about the options for paying the **excess**.

Definitions

The following defined words in this Policy Section have the meanings given to them as set out below. These meanings only apply to this Policy Section and the terms and conditions of this **PDS** as they apply to this Policy Section and prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording (including in the General Definitions).

Conveyance

Any ship, vessel, **aircraft**, postal service (except in the case of **temperature controlled goods**), rail and road **vehicle** used to transport the **goods**.

Goods

Your goods that **you** sell, buy or use in **your business** being the following:

- ▼ merchandise;
- ▼ **temperature controlled goods** if specified in the **policy schedule**;
- ▼ trade samples;
- ▼ returned goods;
- ▼ **stock** transfers;
- ▼ retail and sales packaging;
- ▼ **customer goods your business** intends to or has repaired, serviced or maintained; and
- ▼ shipping containers in **your** care, custody or control.

Goods do not include:

- ▼ **money**, deeds, securities, bonds, bills of exchange;
- ▼ livestock;
- ▼ antiques;
- ▼ explosives, or any oxidising or radio-active substances or liquid fuel, liquid gas, toxic chemicals, corrosive acids, compressed gases, organic peroxides;
- ▼ jewellery, precious metals or stones, bullion or furs unless these items form part of **your** normal **stock**;
- ▼ **aircraft**, aerial devices, **watercraft**, **hovercraft** or **vehicles** registered for road use;
- ▼ **your** directors' or **employees'** tools of trade or **personal effects**; or
- ▼ cigarettes, tobacco, wines, spirits or other alcoholic beverages.

Insured events

The events listed on page 163 for Option A – Specified Perils or Option B – Accidental Damage, whichever is specified in **your policy schedule**.

Loading

The period commencing from the time the **goods** are lifted from the transporting **vehicle** or **conveyance** and ending when the **goods** are placed on the ground or loading dock immediately adjacent to the transporting **vehicle** or the **conveyance**.

Temperature controlled goods

Goods belonging to **you** that require a controlled temperature environment for **transit**.

Transit

The transportation of **goods** by a **conveyance** within Australia.

Transit does not include any period of storage other than in the ordinary course of transit.

Each transit commences at **loading**.

Each transit terminates when:

- ▼ each item of **goods** are delivered to the buyers **premises** or other final warehouse or place of storage; or
- ▼ forty-eight (48) hours after **unloading** from the final **conveyance** in the transit,

whichever occurs first.

If the **goods** are being delivered to **you** for the purpose of servicing, maintenance or repair as part of **your business**, then the transit will terminate when each item of **goods** is delivered to **your premises**.

If the **goods** are being delivered to any exhibition or display (other than at **premises you** control or own), then the transit will terminate when each item of **goods** is **unloaded** at the exhibition or display. Where the **goods** are being returned to **you** from any exhibition or display, the transit will terminate when each item of **goods** is **unloaded** at **your premises**.

For **temperature controlled goods**, the transit terminates when each item of **goods** is delivered to the intended destination either in the receiver's premises or such other place as the receiver may instruct, whichever occurs first.

Unloaded/Unloading

The period commencing from the time the **goods** are lifted from the transporting **vehicle** or **conveyance** and ending when the **goods** are placed on the ground or loading dock immediately adjacent to the transporting **vehicle** or **conveyance**.

