



Business Insurance

Product Disclosure Statement
and policy wording

Index

- Part A: Your rights and responsibilities
 - Questions or complaints.....8
 - General Insurance Code of Practice8
- Part B: Information for some policyholders only
 - Section 1:** Information for when you are insuring a home building9
 - Section 2:** Information when insuring against an accident or illness..... 13
 - Section 3:** Other information about cost of insurance 15
- Part C: Business Insurance Policy Wording
 - Policy Section 1: Fire and other damage20
 - Policy Section 2: Business interruption31
 - Policy Section 3: Accidental damage38
 - Policy Section 4: Burglary43
 - Policy Section 5: Money.....49
 - Policy Section 6: Glass.....52
 - Policy Section 7: Public and products liability54
 - Policy Section 8: Goods in transit.....66
 - Policy Section 9: Fraud and dishonesty.....69
 - Policy Section 10: Equipment breakdown72
 - Policy Section 11: General property80
 - Policy Section 12: Tax audit86
 - Policy Section 13: Personal Accident and Illness90
 - General conditions97
 - General claims conditions.....99
 - General exclusions102

Product Disclosure Statement (PDS)

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

- a home building under policy sections 1, 3, 4 or 6; or
- against personal accident or illness under policy section 13.

This PDS and policy wording has 3 parts:

- **Part A** contains information about your rights and responsibilities, the General Insurance Code of Practice and how to contact us if you have a question or complaint. Part A applies to all policy sections and should be read by all persons who take out this policy.
- **Part B** contains information that only applies to some policyholders. Section 1 contains information for persons insuring a home building and section 2 contains information for persons insuring against a personal accident or illness. Section 3 provides additional information for these policyholders.
- **Part C** contains your Business Insurance policy wording. It applies to all persons who take out this policy.

To understand the full terms and conditions of your policy you must read Part A and Part C. If you are insuring a home building or insuring against a personal accident or illness, you should also read the relevant sections of Part B.

Part A:

Your rights and responsibilities

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

When you buy insurance from us, you are responsible for keeping your details up to date with us and providing correct information to us.

Your Duty of Disclosure

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

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

The information you tell us can affect:

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

You do not need to tell us of anything which:

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

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

Cooling off period

You have 21 days to consider the information in your policy. This is the cooling off period.

If you wish, and provided you have not made a claim, you can cancel your insurance within 21 days from the day cover began. We will refund in full any premium you have paid.

Not meeting your responsibilities

If you do not meet with your responsibilities outlined in your Business insurance policy, or if you do not tell us everything relevant to our decision whether or not to insure you, or if you mislead us, we can refuse to pay a claim or reduce the amount we pay or cancel your policy. If fraud is involved, we can treat your policy as if it never existed.

The amount of your premium

If you decide to buy Business insurance from us, the price will include Stamp Duty, Goods and Services Tax (GST) and Fire Services Levy (FSL) if applicable. These will be included in the amount payable which is shown on your schedule.

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

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

Paying your premiums

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

You must pay the premium by the due date to get this insurance cover.

If you do not pay the premium in full, we will reduce the period of insurance so it is in line with the amount you paid.

Paying monthly by direct debit

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

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

If you do not pay the premium in full, we will reduce the period of insurance so it is in line with the amount you paid.

Cancellations

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

We can cancel your policy at any time according to law. If you make a yearly payment, we can cancel your cover if you do not pay the premium by the due date. If you pay by monthly instalments and an instalment is unpaid for more than **1 month**, we can cancel your cover.

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

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

Excess

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

The amount and type of excess that applies to your policy is shown on your schedule.

If you claim under more than one policy section, then you only pay the largest excess shown on your schedule.

Fraudulent claims

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

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

Other information

GST and your sum insured

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

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

The amount that we pay you for any claim will take into account any input tax credits that you are or would have been entitled to receive for the GST that is included in the cost of repairing or replacing any insured property or the GST included in any insured expense.

Questions or complaints

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

- phone us on 1800 689 762 (FREE CALL)
- fax us on 1300 767 337
- write to us at Reply Paid 1453 Customer Relations Unit RE058,
GPO Box 1453 BRISBANE QLD 4001 or
- email us on customerrelations@suncorp.com.au

We will try to settle your complaint within 1 working day. If we can't, we will tell you within 3 working days that we have received your complaint and try to settle it within 21 days.

For more information on our complaints handling process, please contact us.

If you are dissatisfied with our decision or the way we handled your complaint, please let us know.

Otherwise, you can contact the Insurance Ombudsman Service. You need to do this within 3 months of receiving our final decision.

You can contact the Insurance Ombudsman Service by:

- phoning 1300 780 808 for the cost of a local call
- writing to PO Box 561 Collins Street West Post Office,
Melbourne Victoria 8007
- faxing (03) 9621 2060 or
- visiting insuranceombudsman.com.au

The Insurance Ombudsman Service provides a free service and is a totally independent and impartial body.

They will tell you if they can help you, as their services are not available to all customers. If you want more information on the Insurance Ombudsman Service, please ask us for a brochure.

General Insurance Code of Practice

We support and adhere to the General Insurance Code of Practice. A copy of the Code can be obtained from the Insurance Council of Australia by visiting www.ica.com.au or phoning (02) 9253 5100.

Part B: Information for some policyholders only

This Part of your PDS only applies to some policyholders and only those policyholders need to read it. Section 1 of this Part applies when you are insuring a home building. Section 2 of this Part applies when you are insuring against personal accident or illness under policy section 13. If either Sections 1 or 2 of this Part applies to you then you should also read Section 3 of Part B.

Section 1: Information for when you are insuring a home building

This section sets out information we are required to provide to persons insuring home buildings. It only applies when you have insured a home building and under one (or some) of the following policy sections described in Part C of your PDS:

- Fire and other damage (Policy section 1)
- Accidental damage (Policy section 3)
- Burglary (Policy section 4)
- Glass (Policy section 6)

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

An example of what is considered a home building, is where the building is a commercial 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 our Business insurance policy.

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

The tables below summarise the cover available under policy sections 1, 3, 4 and 6 when you are insuring a home building.

For full details of the covers, options, conditions, limitations and exclusions and the amounts we will pay for any claim for loss or damage to your home building, please read the relevant policy sections in Part C of this PDS.

Policy section 1: Fire and other damage

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

Summary of insured events	Page
Fire	22
Lightning	22
Explosion or implosion	22
Storm and wind (but not flood)	22
Water damage (from any pipe or water system)	23
Impact (by certain objects)	23
Riots or civil commotion	24
Malicious acts, including by vandals and thieves	24
Earthquake, subterranean fire or volcanic eruption	24
Summary of Additional features for buildings	Page
Reinstatement of sum insured	25
Removal of debris	25
Professional fees	25
Fire extinguishment costs (up to \$5,000)	25
Extra costs of reinstatement	25
Loss of floor space	26
Landscaping up to \$3,000	27

Policy section 3: Accidental damage

You may insure a home building under this policy section against accidental loss or damage during your period of insurance. You can not insure a home building under this policy section unless you own the building.

Summary of insured events	Page
Unexpected or not intended loss or damage from your standpoint	38
Summary of Additional features for home buildings	Page
Reinstatement of sum insured	39
Removal of debris	39

Policy section 4: Burglary

If you insure stock, electronic equipment or other business contents against burglary under this policy section we will also cover you for some damage that occurs to the home building as a result of the burglary. You may also insure for damage to the building you rent, for which you are legally liable, if the building is damaged as a result of a burglary during your period of insurance.

Summary of insured events	Page
Not applicable	–
Summary of Additional features for home buildings	Page
Temporary protection costs (up to \$2,000)	45
Replacement of locks and keys (up to \$1,000)	45
Summary of Optional cover	Page
Damage to rented premises if legally liable	46

Policy section 6: **Glass**

Under this policy section you may insure against the breakage of external and/or internal glass which forms part of your home building during your period of insurance. Cover for the accidental breakage of glass or the breakage by thieves or vandals is not provided under any other policy section.

Please refer to page 52 for an explanation of what glass means.

Summary of insured events	Page
Breakage of glass that is fixed and forming part of or fixed to the exterior of the building including glass in fixed signs	52
Breakage of fixed internal glass including glass in furniture, counters, shelving, washbasins, sinks, toilet pans and cisterns in the building	52
Summary of Additional Features	Page
Costs related to the breakage of glass including temporary shuttering, stock spoilage and replacing sign writing	52

Section 2: Information for when insuring against an accident or illness

This section sets out information we are required to provide if you are insuring against an accident or illness to you or another person (such as an employee). It only applies when you have applied for and obtained insurance under the Personal Accident and Illness policy section (policy section 13).

The types of cover you can choose to insure against an accident or illness

The table below summarises the cover available under policy section 13. For full details of the cover, conditions, limitations and exclusions and the amounts we will pay for any claim apply please read policy section 13.

Your Cover	Details	Page
Lump sum benefit for accident or illness	<p>Payment of up to 100% of the sum insured for death or bodily injury to the named person, as shown in benefit Table A.</p> <p>The death of injury must:</p> <ul style="list-style-type: none">• be the result of accident or illness which occurs or first appears during the period of insurance and• occur within 12 months of the accident or• occur within 12 months of the named person first receiving medical treatment for the illness. <p>Compensation paid as a weekly benefit will be deducted from any lump sum we pay for the same injury.</p>	92

Your Cover	Details	Page
Weekly benefit for an accident	<p>Payments of up to 100% of the sum insured for partial or total disablement of the named person caused by an accident, as shown in benefit Table B.</p> <p>The total or partial disablement must:</p> <ul style="list-style-type: none"> • be the result of an accident which occurs during the period of insurance and • begin within 12 months of the accident 	94
Weekly benefit for an illness	<p>Payments of up to 100% of the sum insured for partial or total disablement of the named person caused by an illness, as shown in benefit Table C.</p> <p>The total or partial disablement must:</p> <ul style="list-style-type: none"> • be the result of an illness which first appears during the period of insurance; and • begin within 12 months of the named person first receiving medical treatment 	94

Additional features	Lump sum benefit – accident & illness	Weekly benefit – accident	Weekly benefit – illness	Page
Funeral expenses	✓	✓	✓	95

Section 3:

Other information about the cost of insurance

If you are insuring a home building or insuring against personal accident or illness under policy section 13 we are required to provide you with information about the costs, fees and charges that you might have to pay for this insurance.

How we calculate premiums

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

- the total cost of current and future claims; and
- our business expenses, including administration costs and profit margins

The premium paid by you for policy sections 1, 3, 4, 6 and 13 is calculated using a wider range of factors called rating factors. These are outlined below.

(A) Information about the cost of the insurance for your home building

For the Fire and other damage policy section,	The amount you pay depends on many factors, with some of the main ones being the occupation or type of business carried on in your building, your building sum insured, the amount of your excess, the location and construction of the property and the security and fire protection measures.
For the Accidental damage policy section,	The amount you pay depends on your sum insured and location of the property.
For the Burglary policy section,	The amount you pay depends on your sum insured, the location and security measures, along with the options you choose (see page 45 to 46).
For the Glass policy section	The amount you pay depends on the amount of external and internal glass you are insuring and whether you choose the broken signs option (see page 53).

(B) Information about the cost of accident or illness insurance

The amount you pay for the Personal Accident and Illness policy section depends on many factors, with some of the main ones being the type of cover you choose (lump sum benefits &/or weekly benefits) the type of work the named person performs, the sum insured of each named person and the number of people covered.

Please contact us (see the outside back cover) to get a quote based on your individual circumstances and the cover you want.

Why the cost of insurance can change

Each time you renew your insurance your premium is likely to change, even if your circumstances have not changed. This is because premiums are affected by:

- The total cost of current and future claims; and
- The cost of claims we expect to pay in the future
- Any changes in government taxes or charges
- Our expenses of doing business.

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

Premium discounts

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

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

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

Other costs fees and charges

The costs, fees and charges that you might have to pay for home building or accident or illness insurance are listed in the table below.

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

Part C:

Your Business Insurance Policy

- Based upon the information provided by you and subject to the premium being paid, we agree to insure you during the period of insurance as set out in this policy.
- The policy provides insurance only for the parties shown on the schedule unless otherwise stated in individual policy sections.
- You are insured under those policy sections that are shown as insured on the schedule. Those policy sections then form part of your policy.
- The policy, the schedule and any endorsements should be read as if they are one document.
- We will not pay any more than the sum insured or limit of liability for each policy section that is shown on your schedule.
- The general conditions, general definitions, general claims conditions, and general exclusions form part of this policy. These apply to each of the policy sections, including any additional benefits or optional insurances in those policy sections.
- Specific conditions, definitions and exclusions also apply to individual policy sections and any additional benefits or optional insurances in those policy sections.
- Your period of insurance starts on the date shown on your schedule and finishes at 4:00pm on the expiry date shown on your schedule.

General definitions

Unless defined differently in individual policy sections, these definitions apply to and should be read in conjunction with all policy sections.

1. **additional benefit *means***
Cover we will automatically provide under a policy section. You do not have to tell us you want these benefits
2. **business *means***
The business(es) shown on the schedule.
3. **data media *means***
Facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.
4. **endorsement *means***
Documentary evidence of an alteration to the policy which forms part of the policy.
5. **excess *means***
The amount which is payable by you for each claim made under this policy.

6. **flood means**
The overflow of any lake, river, stream or other watercourse, whether natural or altered, or of any reservoir, dam, channel or canal onto land not normally covered by water.
7. **home building means**
A building which is used or intended to be used, principally and primarily as a place of residence.
8. **input tax credits means**
The amount you are entitled to claim as a credit against Goods and Services Tax that you have paid.
9. **insured/you/your means**
Any person, company or legal entity shown on the schedule as the insured.
10. **money means**
Current coins, bank notes, currency notes, cheques, promissory notes, postal notes or orders, money orders, unused postage or tax stamps, state transit authority tickets, instant lottery tickets, travellers cheques, bonds, credit cards, phone cards and credit card sales vouchers or negotiable instruments of every description.
Money does not include collectable items (for example coin or stamp collections) or anticipated revenue.
11. **optional benefits means**
Cover under a policy section that we do not automatically provide. Optional benefits only apply when requested by you and when shown on your schedule as applying
12. **period of insurance means**
The period of time shown on the schedule during which insurance is provided under this policy.
13. **policy section means**
Any part of this policy numbered and described as a policy section.
14. **the/this policy means**
This booklet, the schedule and any endorsements.
15. **property insured means**
The property as described on the schedule in respect of each policy section.
16. **schedule means**
The record of the particulars of your insurance which forms part of this policy. The schedule is issued when we have accepted your insurance. At each renewal of your policy, the renewal schedule becomes your current schedule. Updated schedules or endorsements may also be sent to you showing alterations to your policy.
17. **situation means**
The places listed in the schedule at which and from which you operate your business. The situation includes buildings and land within the legal boundaries.
18. **sum insured or limit of liability means**
The amount shown as the sum insured or limit of liability on the schedule for each policy section or part of a policy section.

19. terrorism means

An act, including the use of force or violent (or threat of force or violence) by any person or group of people acting alone, or on behalf of or in connection with any organisation or government that is done for political, religious, ideological or ethnic reasons with the intention to influence any government or put the public or any section of the public in fear.

20. we/us/our means

GIO General Limited ABN 22 002 861 583.

Policy Section 1: Fire and other damage

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

Definitions

For the purposes of this policy section:

1. **building(s) means**

The building(s) at the situation.

Building(s) includes:

- (a) buildings being constructed, erected, altered, or added to when the value of the work is less than \$250,000 or 10% of the total declared value, whichever is the lesser; and
- (b) walls, foundations, landlord's fixtures and fittings and floor coverings, storage tanks, awnings, exterior lights, masts, antennae and aerials, fixed external signs, walls, gates, fencing, pavements, roads and other structural improvements pertaining to the building(s).

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

2. **business contents means**

Business and office furniture and equipment used by you in the business.

Business contents includes:

- (a) unused stationery and printed books;
- (b) where you are a tenant of leased or rented premises, landlords' fixtures and fittings and floor coverings for which you are liable under the terms of a lease or similar agreement and fixtures and fittings installed for your use in the business;
- (c) money up to \$500;
- (d) plant and machinery, 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) computer systems records, documents, manuscripts, plans, drawings, designs and business books of every description, but only for the value of these materials in their unused state or as blank stationery together with necessary costs of rewriting, replacing or restoring the records and necessary legal and incidental costs paid to rewrite, replace or restore the records;
- (g) works of art, antiques and curios (or a pair or set of such items) – up to \$5,000 or the amount shown on the schedule for each work of art, antique or curio (or pair or set);

- (h) directors' and employees' tools of trade and clothing – insurance is limited to \$5,000 per person; and
- (i) current patterns, models, moulds, dies and lasts used in the business but limited, unless repaired or replaced, to the value stated in your financial records at the time of damage.

Business contents does not include:

- (a) stock;
- (b) jewellery, precious metals or stones, bullion or furs;
- (c) motor vehicles registered for road use, caravans, trailers, watercraft, aircraft, rolling stock and locomotives or their accessories;
- (d) live animals, birds or fish or any other living creature;
- (e) plants, shrubs, lawns, growing crops, pastures and standing timber; or
- (f) customers' goods other than customer's records and documents held or created by you as part of your business, unless specified on your schedule.

3. insured event *means*

Any event(s) listed in this policy section as an insured event.

4. obsolete stock *means*

Stock which can no longer be sold for its full value, for example out-of-season fashion, superseded computers or goods beyond their used by date.

5. stock *means*

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

6. total declared value *means*

The total declared value shown on your schedule, or adjusted in this policy section, whichever is the higher.

Your insurance

We will insure you for loss or damage to buildings, business contents or stock at the situation arising from any insured event during your period of insurance. You only have insurance for buildings, business contents or stock, if shown on the schedule.

Insured events

1. Fire

This insured event does not include:

- (a) loss or damage to stock or business contents caused by:
 - (i) spontaneous combustion or fermentation;
 - (ii) the direct application of heat; or
 - (iii) any business process involving the application of heat.

However this insured event does include loss or damage by fire to the building and the remainder of the stock or business contents at the situation.

- (b) loss or damage occurring within 48 hours from the commencement of this policy caused by a bushfire; or
- (c) loss or damage caused by smog, soot, ash or heat damage where there has been no flame at the situation or at adjacent properties.

2. Lightning

This insured event only includes loss or damage where you are able to provide:

- (a) evidence that lightning caused the loss or damage; or
- (b) meteorological evidence that lightning struck in your area at the time the loss or damage occurred.

3. Explosion or implosion

This insured event does not include loss or damage to pressure vessels which require certification under any statutory obligations, by-laws and regulations and their contents.

4. Storm and wind

This insured event includes 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. This insured event only includes storm, tempest, wind, rainwater (including cyclones and tornadoes), snow and hail.

This insured event does not include damage by:

- (a) flood;
- (b) the action of the sea, tidal wave, storm surge or high-water;
- (c) erosion, landslide, mud slide, subsidence or any earth movement;
- (d) steam or condensation;
- (e) water seeping or percolating the building from outside;
- (f) a named cyclone where the damage occurs within 48 hours from the commencement of this policy; or
- (g) water entering the building as a result of structural defects, faulty design, faulty workmanship or lack of maintenance.

This insured event does not include damage to:

- (a) landscaping, gates, fences (other than those made of stone, brick or concrete), retaining walls, shade-cloth, hail nets, exterior textile awnings or blinds;
- (b) 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; or
- (c) any building (or its contents) in course of construction or reconstruction, unless the building is enclosed and under roof with all outside doors and windows permanently in place.

5. **Water damage**

This insured event only includes loss or damage caused directly or indirectly by the discharge or leaking of water from any pipe or water system (including a fire protection system) installed in and servicing the building or of water from a water main in the immediate vicinity of the building.

If this insured event occurs, we will pay:

- (a) the reasonable exploratory costs incurred in locating the source of the destruction or damage, provided it is your responsibility to pay for these costs. The maximum amount that we will pay for all exploratory costs incurred during any one period of insurance is \$5,000; and
- (b) if the discharge is from a fire protection system, any expenses incurred by you for the attendance of the Fire Brigade for the purpose of shutting off the water supply following an accidental discharge of water from a fire protection system.

We will not pay for the cost of repair or replacement of the defective part or parts of the pipe or water system that caused the damage.

6. **Impact**

This insured event only includes impact by:

- (a) vehicles designed primarily for use on land;
- (b) animals, but not destruction or damage by eating, chewing, clawing or pecking of animals or birds or impact by pets or guard dogs;
- (c) aircraft or other aerial devices or articles dropped from them and satellites or space debris; or
- (d) falling trees or branches, masts, satellite dishes, antennae and aerials but not destruction or damage caused directly or indirectly by any tree lopping or removal activity arranged by you at the situation.

7. Riot or civil commotion

This insured event only includes 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, but excluding destruction or damage caused by total or partial cessation of work or the retarding or interruption or cessation of any process or operation; and
- (b) any lawful authority in connection with the strike, lockout, labour disturbance or political violence.

8. Malicious acts (including by vandals and thieves)

This insured event does not include:

- (a) loss or damage caused by your tenants;
- (b) loss or damage caused by persons rioting or participating in civil commotion;
- (c) loss of any property insured that is stolen.
- (d) loss or damage caused by total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of data media; or
- (e) loss or damage caused by breakdown or malfunction of the processing system including operator error or omission in creating, amending, loading, deleting or using data media;
- (f) loss or damage caused by total or partial inability or failure to receive, send, access or use data media for any time or at all; or
- (g) breakage of glass, washbasins, sinks, toilet pans or cisterns. We will also not pay for the cost of replacing signwriting, ornamentation, reflective materials and burglar alarm tapes attached to broken glass.

9. Earthquake, subterranean fire or volcanic eruption

An excess of 1% of the total declared value applies to loss or damage caused by earthquake, subterranean fire or volcanic eruption or fire resulting from any of these, during any period of 48 consecutive hours. The maximum excess applicable is \$20,000.

Additional benefits

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

1. Reinstatement of sum insured

If we pay an amount under this policy section that is less than eighty percent (80%) of the total declared value then, if you agree to carry out any improvements recommended by us, we will reinstate the sum insured. You will not have to pay any additional premium.

If we pay an amount under this policy section that is more than eighty percent (80%) of the total declared value, the sum insured will be reinstated provided you pay the additional premium required by us.

2. Removal of debris

If you are insured under this policy section for loss or damage, we will pay the reasonable costs of removal, storage and disposal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs and temporary protection incurred by you.

3. Professional fees

If you are insured under this policy section for loss or damage, 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 buildings.

4. Fire extinguishment costs

If there are fires at or immediately adjacent to the situation and your employees fight the fires to minimise the risk of damage to the property insured where that damage is insured under this policy section, we will pay the cost of employees' wages and the cost of replenishing fire fighting appliances.

The maximum we will pay under this additional benefit is \$5,000.

5. Extra cost of reinstatement

If you are insured under this policy section for loss or damage to any building on a reinstatement or replacement basis, we will also pay the extra cost of reinstatement or replacement. These extra costs are the cost necessarily incurred to comply with the requirements of any Act of Parliament or regulation or any by-law or regulation of any Municipal or other statutory authority. The following conditions apply:

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

If the cost of reinstatement of the property insured is less than fifty percent (50%) of what would have been the cost of reinstatement if that property had been totally destroyed, then the amount we will pay will:

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

6. Loss of floor space

If, following the loss of a building insured under this policy section on a reinstatement or replacement basis it 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 pay you the difference between:

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

7. Seasonal increase on stock

The sum insured for stock is automatically increased by the percentage stated in the schedule during the period(s) stated in the schedule.

Where Easter and Christmas is the period stated in the schedule, the period is:

- (a) 45 days before Christmas Day to the 20th day following, both days inclusive; and
- (b) from 30 days before Easter Sunday to 10th day following, both days inclusive.

You may request not to receive this additional benefit. If we agree, your schedule will show you are not insured and we may offer to reduce the premium payable for this policy section.

8. Temporary removal of stock and business contents

We will pay up to ten percent (10%) of the sum insured for stock or business contents if the stock or business contents have been temporarily removed from the situation to anywhere in Australia and they are damaged during the period of insurance by an insured event.

This additional benefit does not apply to:

- (a) directors' and employees' tools of trade and clothing;
- (b) motor vehicles, except for fork lift trucks and similar appliances that are used for hauling or conveying goods at the situation;
- (c) stock on consignment;
- (d) stock or business contents whilst in transit or in the open air, when the damage is caused by insured event 4 or insured event 6;

- (e) stock or business contents that have been removed from the situation in excess of 90 days; or
- (f) stock or business contents whilst stored in a temporary storage facility, self storage unit or bulk storage facility unless we have agreed to insure you and you have paid any additional premium required by us.

9. Damage to business records away from the situation

We insure you if computer systems records, documents, manuscripts, plans, drawings, designs and business books of every description used for the purposes of your business are lost or damaged in a motor vehicle accident or they are stolen from a locked vehicle during the period of insurance.

10. Landscaping

We will pay up to \$3,000 for damage to landscaping, which includes trees, shrubs, plants and lawns at the situation during the period of insurance by an insured event other than insured event 4.

Optional insurance

We will provide the following optional insurance when shown on the schedule as applying.

1. Damage to customers' goods

If your schedule shows that you have insurance for customers' goods and customers' goods are in your physical or legal control because the business repairs, services, maintains or stores those goods, we will insure you under this policy section as if the goods were business contents.

We will not pay a for loss of or damage to money under this optional insurance.

The maximum we will pay under this optional insurance for any one claim is the damage to customers goods sum insured shown on the schedule.

Amount of insurance

1. Building(s) or business contents

Reinstatement or replacement

Unless the schedule shows you are insured for "Indemnity" then, when buildings or business contents are destroyed we will, at our option:

- (a) rebuild the buildings at the situation shown on your schedule or at another site;
- (b) replace business contents by similar property; or
- (c) pay the cost of rebuilding or replacing.

If the property insured is damaged, then we will, at our option:

- (a) repair or replace the property insured; or
- (b) pay the cost of repairing or replacing the property insured.

Reinstatement or replacement is subject to the following conditions:

- (a) the work of rebuilding, replacing or repairing must be commenced and completed by you within a reasonable time otherwise the amount we pay will be the indemnity value of the property. This means we will reduce the amount we pay you to take into account age, wear, tear and depreciation;
- (b) When rebuilding at another site, we will not pay more than we would pay to rebuild at the situation;
- (c) When any property insured is damaged, we will not pay more than the amount that we could have been called upon to pay for if that property had been destroyed; and
- (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.

Indemnity

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

- (a) repair, reinstate or replace the property insured;
- (b) pay you the market value of the property insured at the time of its loss or damage; or
- (c) pay the cost of repair or replacement.

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

2. Stock

If stock is lost or damaged, we will, at our option:

- (a) pay the market value of the stock at the time of the loss or damage;
- (b) pay you the market value of obsolete stock or its purchase price (net of Goods & Services Tax), whichever is the lesser, but no more than the original cost to you;
- (c) replace or repair the stock with property or materials equal to or of a similar standard and specification as the stock at the time it was lost or damaged; or
- (d) pay the cost of repair or replacement.

Excess

The excess that applies is shown on the schedule.

An excess of 1% of the total declared value applies to loss or damage caused by earthquake, subterranean fire or volcanic eruption or fire resulting from any of these, during any period of 48 consecutive hours. The maximum excess applicable is \$20,000.

Maximum amount of insurance

The maximum we will pay for any one claim under this policy section is the total declared value. Unless stated otherwise, the additional benefits and optional insurance are not in addition to the maximum amount of insurance.

Conditions

These conditions apply to this policy section.

1. Hazardous goods

Hazardous goods used in the business must be stored in quantities and manner as permitted by statutory obligations, by-laws, regulations, public authority requirements and safety requirements.

2. Under-insurance

In the event of loss or damage caused by an insured event:

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

This condition does not apply if the amount of any loss or damage (net of any input tax credit that you could claim) is less than 5% of the total declared value at the situation.

3. Sprinklers and fire alarm systems

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

4. Indexation

If shown on the schedule that indexation applies, we will automatically adjust the total declared value each year according to the most appropriate price index (as determined by us) and any other relevant indices published by the Australian Bureau of Statistics. The premium you pay will be based on the adjusted total declared value.

Exclusions

These exclusions apply to this policy section.

1. Power surge

This policy section does not insure damage to any electrical appliance or device (including wiring) caused by power surge, failure or fluctuation unless caused by lightning. If fire occurs as a result of this destruction or damage, we will pay only that portion of the damage directly caused by the ensuing fire.

2. Maintenance or defects

This policy section does not insure damage caused by or arising out of:

- (a) rust or corrosion;
- (b) inherent or structural defects;
- (c) faulty design or workmanship; or
- (d) gradual deterioration of property insured, or existing defects or lack of maintenance to property insured, unless you can show you did not know about the deterioration, defect or lack of maintenance. You can not claim for repairing the deterioration or defect or the maintenance.

3. Consequential loss

This policy section does not insure loss of use, loss of earning capacity and any other consequential loss.

Policy Section 2: Business interruption

Definitions

For the purposes of this policy section:

1. **damage means**
Loss or damage occurring during the period of insurance for which you are insured by us (or would have been but for the application of the excess) under policy sections 1, 3 or 4.
2. **rate of gross profit means**
The rate of gross profit earned on the turnover during the financial year immediately before the date of the damage.
3. **annual turnover means**
The turnover during the 12 months immediately before the date of the damage.
4. **standard turnover means**
The turnover during the 12 months immediately before the date of the damage which corresponds with the indemnity period.
5. **annual gross rentals means**
The gross rentals during the 12 months immediately before the date of the damage.
6. **standard gross rentals means**
The gross rentals during that period in the 12 months immediately before the date of the damage which corresponds with the indemnity period.

Definitions 2, 3, 4, 5 and 6 will be adjusted to provide for the trend of the business and for variations in or other circumstances affecting the business, either before or after the damage, so that the adjusted figures represent as far as possible the results which, but for the damage, would have been obtained during the relative period after the damage occurred.

7. **gross profit means**
The turnover less the nett cost of goods, materials and services relating to the turnover.
8. **gross rentals means**
The money paid or payable to you by tenants in respect of the rental of the situation and for services rendered by you or on your behalf.
9. **indemnity period means**
The period beginning with the occurrence of the damage and ending not later than the number of months shown on the schedule during which the results of the business are affected as a result of the damage.
10. **turnover means**
The money paid or payable to you for goods sold and delivered, work done and services rendered in the course of the business at the situation.

Your insurance

We will insure you for:

- (a) loss of gross profit; or
- (b) loss of gross rentals;

resulting from interruption of or interference with the business caused by damage.

Additional benefits

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

1. Reinstatement of sum insured

If we pay any amount for gross profits or gross rentals, we will automatically reinstate the sum insured.

If we request an additional premium, you must pay it to us or your sum insured will be reduced by the amount of the payment.

The reinstated sum insured applies only in relation to losses that occur after the reinstatement.

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

We will treat damage to property in the immediate vicinity of the situation as being damage if the damage prevents or hinders the use of or access to the situation and this results in interruption of or interference with the gross profit of the business.

3. Business that attracts customers

If your business is in a retail shopping complex, we will treat damage to property of a major tenant that results in that tenant not opening for business as being damage, provided the damage results in customers not coming to the shopping complex and interruption of or interference with the gross profit of the business.

4. Public utilities extension

We will treat damage to land-based property in Australia of a utility that supplies services directly to the business as being damage, provided that the damage results in interruption of or interference with the gross profit of the business. However, we will not pay for any loss occurring in the first forty-eight (48) hours after the damage.

We will not pay if the interruption to or interference with the business results from damage to a:

- (a) power station or dam involved in the generation of electricity;
- (b) refinery or drilling platform involved in the production of gas; or
- (c) filtration plant or reservoir involved in supplying water.

5. Suppliers' or customers' premises extension

We will treat as damage to property at the Australian premises of:

- (a) any suppliers, manufacturers or processors of component goods, materials or services which supplies the business directly; or
- (b) any customer to whom you supply component goods, materials or services directly; as being damage, provided that the damage results in interruption of or interference with the gross profit of the business.

The maximum amount that we will pay under this additional benefit is 20% of the sum insured.

6. Infectious diseases, murder, suicide extension

We will also insure you for loss of gross profits or loss of gross rentals resulting from an interruption or interference with your business due to the closure or evacuation of the whole or part of the situation during the period of insurance by order of a competent government, public or statutory authority as a result of;

- (a) infectious or contagious human disease occurring at the situation;
- (b) the outbreak of a notifiable human infectious or contagious disease occurring within twenty (20) kilometres radius of the situation; or
- (c) murder or suicide occurring at the situation.

However, we will not insure you under this additional benefit for:

- (i) any costs arising from cleaning, repairing or checking the situation;
- (ii) any loss of gross profit or loss of gross rental directly or indirectly caused by or arising from, or in consequence of, or contributed by:
 - any Quarantinable Disease, as that term is defined in the Quarantine Act (C'th) 1908 and any subsequent amendment, or
 - Highly Pathogenic Avian Influenza.

The maximum amount we will pay under this additional benefit is 20% of the sum insured.

Optional insurance

We will provide the following optional insurance when shown on the schedule as applying.

1. Claims preparation costs

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 and policy section 1, if those claims are insured under policy section 1 and this policy section.

The maximum we will pay for any one claim under this optional insurance is the claims preparation costs sum insured shown on the schedule.

2. Additional increased cost of working

We will pay the additional expenditure necessarily and reasonably incurred by you during the indemnity period for the sole purpose of resuming or maintaining normal business operations or services following damage, provided that this additional expenditure is not otherwise recoverable under this policy section.

The maximum we will pay for any one claim under this optional insurance is the additional increased cost of working sum insured shown on the schedule.

The excess that applies to this optional insurance is shown on the schedule.

3. Outstanding accounts receivable

If you are insured under this policy section for loss of gross profit or gross rental and, because of damage to your financial records, you can not follow your normal outstanding accounts receivable management processes, then we will pay you:

- (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 with our consent to trace and establish the outstanding accounts receivable.

This optional insurance will only apply if, as soon as possible at the end of each accounting period (usually one month), you have a copy of your financial records stored away from the situation, including a full copy (customer by customer) of your outstanding accounts receivable ledger.

The maximum we will pay for any one claim under this optional insurance is the outstanding accounts receivable sum insured shown on the schedule.

The excess that applies to this optional insurance is shown on the schedule.

Amount of insurance

We will insure you for loss under this policy section as set out below:

1. **Gross profit**

If the schedule shows that you are insured for gross profit we will pay for your:

- (a) reduction in turnover. This is the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall, in consequence of the damage, fall short of the standard turnover; and
- (b) increased cost of working. This is the expenditure necessarily and reasonably incurred with our consent for the sole purpose of avoiding or diminishing the reduction in turnover of the business caused by the damage. The amount of expenditure shall not exceed the reduction in turnover thereby avoided (less expenses saved as a result of the damage).

2. **Gross rentals**

If the schedule shows that you are insured for gross rentals we will pay for your:

- (a) reduction in gross rentals. This is the amount by which the gross rentals during the indemnity period shall, in consequence of the damage, fall short of the standard gross rentals
- (b) increased cost of working. This is the expenditure necessarily and reasonably incurred with our consent for the sole purpose of avoiding or diminishing the reduction in gross rentals caused by the damage. The amount of expenditure shall not exceed the reduction in gross rentals thereby avoided (less expenses saved as a result of the damage).

Excess

The excess that applies is shown on the schedule.

Maximum amount of insurance

The maximum amount we will pay any one claim for gross profit or gross rentals is the sum insured. Unless stated otherwise, the additional benefits are not in addition to the maximum amount of insurance.

Conditions

These conditions apply to this policy section.

1. Savings

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

2. New business

In the event of damage occurring at the premises before the completion of the first year's trading or business, the terms "Rate of gross profit", "Annual turnover", "Standard turnover", "Annual gross rentals" and "Standard gross rentals" shall bear the following meanings and not those meanings shown in the definitions in this policy section:

Rate of gross profit means

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

Annual turnover means

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

Standard turnover means

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.

Annual gross rentals means

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

Standard gross rentals means

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.

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

3. Under-insurance

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

4. Turnover elsewhere after damage

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

5. Gross rentals elsewhere after damage

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

6. Accumulated stocks allowance

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

7. Business conducted in departments

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

Exclusions

The following exclusion applies to this policy section.

1. Change in or sale of business

This policy section does not insure you if, during the period of insurance, any of the following happen:

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

Policy Section 3: Accidental damage

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

Definitions

For the purposes of this policy section:

1. **accidental means**
Unexpected or not intended from your standpoint.
2. **building(s) means**
The building(s) or any part of them in which the business is conducted at the situation. It does not include any pavement, yard, fences, garden, road or open verandah.
3. **electronic equipment means**
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.
4. **obsolete stock means**
Stock which can no longer be sold for its full value, for example out-of-season fashion, superseded computers or goods beyond their used by date.
5. **other business contents means**
Business and office furniture and equipment used by you in the business.
Other business contents includes:
 - (a) unused stationery, printed books and floor coverings;
 - (b) plant and machinery, communications systems, fixtures and fittings, signs and awnings;
 - (c) computer systems records, documents, manuscripts, plans, drawings, designs and business books, but only for the value of these materials in their unused state or as blank stationery together with the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating them, up to the lesser of 10% of the sum insured or \$1,000. This does not apply to the cost of obtaining or producing the information to be recorded, nor the value to you of any information lost;
 - (d) works of art, antiques and curios (or a pair or set of such items) up to \$5,000 or the amount shown on the schedule for each work of art, antique or curios (or pair or set);

- (e) directors' and employees' tools of trade and clothing up to \$5,000 for each person; and
- (f) current patterns, models, moulds, dies and lasts used in the business but limited, unless repaired or replaced, to the value stated in your financial records at the time of damage.

Other business contents does not include:

- (a) stock;
- (b) electronic equipment; or
- (c) customers' goods that you are working on.

6. **stock means**

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

Your insurance

We will insure you for accidental loss or damage to the property insured occurring during the period of insurance at the situation.

Additional benefits

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

1. **Reinstatement of sum insured**

If we pay any amount for loss or damage to property insured, we will automatically reinstate the sum insured to the amount shown in the schedule.

If we request an additional premium, you must pay it to us or your sum insured will be reduced by the amount of the payment.

The reinstated sum insured applies only in relation to losses that occur after the reinstatement.

2. **Additional costs of repairing electronic equipment**

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

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

3. **Removal of debris**

We will pay for the reasonable cost of removal of debris, demolition and temporary repairs necessarily incurred by you as a direct result of damage to property insured by this policy section.

Amount of insurance

For all property insured (other than stock and valves, tubes and light sources in electronic equipment), we will, at our option:

- (a) replace or repair the property insured with property or materials equal to but not better or more extensive than its condition when new; or
- (b) pay you the equivalent of the cost repairing or replacing the property.

For stock, we will, at our option, as appropriate:

- (a) pay you the market value of the stock at the time of the loss and damage;
- (b) pay you the market value of obsolete stock or its purchase price (net of Goods & Service Tax), whichever is the lesser, but no more than the original cost to you;
- (c) replace or repair the stock with property or materials equal to or of a similar standard and specification as the stock at the time before it was damaged; or
- (d) pay the cost of repair or replacement.

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

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

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

Excess

The excess that applies is shown on the schedule.

Maximum amount of insurance

The maximum we will pay for any one claim for loss or damage to:

- (a) any building, other business contents or stock, is the building and other business contents or stock sum insured; and
- (b) electronic equipment, is the electronic equipment sum insured.

Unless stated otherwise, the additional benefits are not in addition of the maximum amount of insurance.

Exclusions

These exclusions apply to this policy section.

1. Some items of property

This policy section does not insure loss or damage to:

- (a) money;
- (b) jewellery, precious metals or stones, bullion or furs unless these items form part of your stock;
- (c) motor vehicles, caravans, trailers, watercraft, aircraft or any accessories;
- (d) live animals, birds or fish or any other living creature; or
- (e) plants, shrubs, landscaping or growing crops, pastures or standing timber.

2. Some events and damage

The policy section does not insure loss or damage caused by or arising from:

- (a) the insured events listed in policy section 1;
- (b) the action of the sea, tidal wave, high water or tsunami;
- (c) erosion, subsidence, earth movement or collapse;
- (d) flood;
- (e) burglary or theft or any attempt at burglary or theft;
- (f) kidnapping, bomb threat, threat of contamination, hoax or any attempt at any of these;
- (g) breakage of glass, washbasins, sinks, toilet pans or cisterns or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to broken glass;
- (h) embezzlement, forgery, erasure, counterfeiting or fraudulent misappropriation by electronic means or otherwise;
- (i) unexplained inventory shortage, disappearance resulting from clerical or accounting errors or shortage in the supply or delivery of materials;
- (j) any faults or defects in any item of property insured that you or any of your responsible employees knew about before taking out this policy section;
- (k) faulty materials or faulty workmanship;
- (l) improper packing or storage;
- (m) error, failure or omission in design, plan or specification;
- (n) testing, experimentation, intentional overloading, misuse or abuse;
- (o) incorrect siting of buildings;
- (p) demolitions ordered by government or public or local authorities;
- (q) normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving or vibration;

- (r) wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good or any gradual cause;
- (s) chipping, scratching, denting or marring that does not materially affect the use or operation of the property insured;
- (t) the action of moths, termites or other insects, vermin, rodents or birds;
- (u) rust or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of colour, dampness, dryness, variations in temperature, evaporation, exposure to light or darkness;
- (v) disease, inherent vice, latent defect, loss of weight, change in flavour, texture or finish;
- (w) smut or smoke from industrial or agricultural operations;
- (x) any person deliberately switching off or disconnecting the power supply;
- (y) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of data media;
- (z) loss or damage caused by breakdown or malfunction of the processing system including operator error or omission in creating, amending, loading, deleting or using data media;
- (aa) total or partial inability or failure to receive, send, access or use data media for any time or at all; or
- (ab) any structure being constructed, erected altered, or added to.

3. Processes

This policy section does not insure loss or damage to property insured:

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

4. Legal liability

This policy section does not insure any legal liability.

5. Consequential loss

This policy section does not insure loss of use, loss of earning capacity and any other consequential loss.

6. Machinery or electronic equipment breakdown

This policy section does not insure breakdown of equipment for which you are insured or could have been insured under Policy section 10.

Policy Section 4:

Burglary

Please note that if your building is a home building you should also read Part B of this PDS.

Definitions

For the purposes of this policy section:

1. **building means**
The building(s) or any part of them in which the business is conducted at the situation. It does not include any pavement, yard, fences, garden, road or open verandah.
2. **burglary means**
 - (a) theft or any attempt at theft following actual forcible and violent entry to the building;
 - (b) theft or any attempt at theft by a person concealed in the building during business hours and, who after hours, breaks out of the building; or
 - (c) theft following threat of immediate violence or violent intimidation (including armed hold-up).
3. **cigarettes, cigars and tobacco means**
Cigarettes, cigars and tobacco used by you in the business.
4. **electronic equipment means**
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.
5. **obsolete stock means**
Stock which can no longer be sold for its full value, for example out-of-season fashion, superseded computers or goods beyond their used by date.
6. **other business contents means**
Business and office furniture and equipment used by you in the business.
Other business contents includes:
 - (a) unused stationery and printed books;
 - (b) plant and machinery, communications systems, fixtures and fittings and floor coverings;
 - (c) computer system records, documents, manuscripts, plans, drawings, designs and business books, but only for the value of these materials in their unused state or as blank stationery together with the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating them up to the lesser of 10% of the sum insured for other business contents, or \$1,000. This does not apply to the cost of obtaining or producing the information to be recorded nor the value to you of any lost information;

- (d) works of art, antiques and curios (or a pair or set of such items) up to \$5,000 or the amount shown on the schedule for each work of art, antique or curios (or pair or set);
- (e) directors' and employees' tools of trade and clothing up to \$5,000 for each person; and
- (f) current patterns, models, moulds, dies and lasts used in the business but limited, unless repaired or replaced, to the value stated in your financial records at the time of damage.

Other business contents does not include:

- (a) stock;
- (b) cigarettes, cigars and tobacco;
- (c) electronic equipment; and
- (d) customers' goods.

7. safe or strongroom means

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.

8. stock means

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

Stock does not include cigarettes, cigars and tobacco or electronic equipment used in the business.

Your insurance

We will insure you for loss of or damage to the stock, electronic equipment and other business contents contained within the building during the period of insurance as a result of burglary.

Additional benefits

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

1. Reinstatement of sum insured

If we pay any amount for loss or damage to property insured, we will reinstate the sum insured.

If we request an additional premium or impose any conditions on you, you must:

- (a) pay the additional premium to us or your sum insured will be reduced by the amount of the payment; and
- (b) comply with the conditions or your sum insured will be reduced by the amount of the payment until the period of insurance ends.

We will not impose any conditions on you to reinstate the sum insured after the first claim you have in the period of insurance.

The reinstated sum insured applies only in relation to losses that occur after the reinstatement.

2. Temporary protection

We will pay reasonable cost of temporary protection incurred for the safety and protection of the building pending repair of damage to the building from a burglary occurring during the period of insurance. We will pay this additional benefit in addition to the sum insured.

The maximum we will pay under this additional benefit for any one claim is \$2,000.

3. Replacement of locks and keys

We will pay the reasonable cost of replacing locks, keys and combinations used in the business if, as a result of burglary occurring during the period of insurance, 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 the burglary. We will pay this additional benefit in addition to the sum insured.

The maximum we will pay under this additional benefit for any one claim is \$1,000.

4. Theft of external property

We will pay for loss or damage to electronic equipment or other business contents that is securely and permanently affixed (by means other than the connection to a power point) to the outside of the building during the period of insurance as a result of theft or any attempt at theft.

The maximum we will pay under this additional benefit for any one claim is limited to the lesser of:

(a) \$2,500; or

(b) the electronic equipment sum insured or other business contents sum insured (whichever applies).

The excess that applies to this additional benefit is the higher of the excess shown on the schedule or \$200.

Optional insurance

We will provide the following optional insurance when shown on the schedule as applying.

1. Seasonal increase on stock

The sum insured in respect of stock is automatically increased by the percentage stated in the schedule during the period(s) stated in the schedule.

Where Easter and Christmas is the period stated in the schedule those periods are:

(a) 45 days before Christmas Day to the 20th day following, both days inclusive; and

(b) from 30 days before Easter Sunday to 10th day following, both days inclusive.

2. Damage to rented premises

We will pay for damage to the building for which you are legally liable, provided that the damage is due to burglary occurring during the period of insurance. We will also pay the reasonable cost of temporary protection incurred for the safety and protection of the building following the burglary, pending repair of the damage.

The maximum amount we will pay for any claim under this optional insurance is the damage to rented premises sum insured.

If you are insured under this optional insurance, additional benefit 2 does not apply.

3. Theft sum insured without forced entry

We will pay for loss or damage to electronic equipment or other business contents in the building during the period of insurance by theft that is not a burglary only because there are no signs of forcible and violent entry to the building.

We will not pay a claim for loss of stock under this optional insurance.

The maximum amount we will pay for any claim under this optional insurance are the theft without forced entry for other business contents and the theft without forced entry for electronic equipment sums insured, as applicable.

4. Burglary of customers' goods

We will insure you for loss of or damage to customers' goods contained in the building because the business repairs, services or stores those goods, during the period of insurance, as a result of burglary.

We will not pay a claim for loss of or damage to money.

The maximum amount we will pay for any claim under this optional insurance is the burglary of customers' goods sum insured shown on the schedule.

Amount of insurance

At our option, we will:

- (a) with respect to stock, as appropriate:
 - (i) pay you the market value of the stock at the time of the loss or damage; or
 - (ii) pay you the value of obsolete stock or its purchase price (net of Goods & Services Tax), whichever is the lesser, but no more than the original cost to you;
 - (iii) replace or repair the stock with property or materials equal to or of a similar standard and specification as the stock before it was damaged; or
 - (iv) pay the cost of repair or replacement.
- (b) with respect to electronic equipment or other business contents:
 - (i) repair or replace the electronic equipment or other business contents; or
 - (ii) pay you the cost of repair or replacement of the electronic equipment or other business contents.

Excess

The excess that applies is shown on the schedule.

Maximum amount of insurance

The maximum amount we will pay, in respect of:

- (a) stock is the stock sum insured;
- (b) cigarettes, cigars and tobacco is the cigarettes, cigars and tobacco sum insured;
- (c) other business contents is the other business contents sum insured; and
- (d) electronic equipment is the electronic equipment sum insured.

Unless stated otherwise, the additional benefits and optional insurance are not in addition to the maximum amount of insurance.

Conditions

These conditions apply to this policy section.

1. Monitored burglar alarms

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

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

2. Valuables

You must ensure that all 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 during your non-business hours.

Exclusions

These exclusions apply to this policy section.

1. Burglary by persons

This policy section does not insure loss or damage due to burglary or any attempt at burglary committed by:

- (a) you, your employees or any member of your family; or
- (b) any person or persons while lawfully at the building except as otherwise provided in (b) or (c) under the definition of burglary in this policy section.

2. Property

This policy section does not insure loss or damage to:

- (a) money;
- (b) jewellery, precious metals or stones, bullion or furs unless these items form part of your stock;
- (c) motor vehicles, except for fork lift trucks and similar appliances that are used for hauling or conveying goods at the situation;
- (d) live animals, birds or fish or any other living creature;
- (e) plants, shrubs, landscaping or growing crops, pastures or standing timber; or
- (f) customers' goods, unless optional insurance 4 is shown on your schedule.

3. Glass

This policy section does not insure the breakage of glass, washbasins, sinks, toilet pans or cisterns, or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to broken glass.

4. Open space

This policy section does not insure loss or damage of property from any open space, whether fenced or unfenced, outside the walls of the building.

5. Access

This policy section does not insure loss or damage to property if entry is gained to the building:

- (a) by use of a key or security code, except as otherwise provided in (c) under the definition of burglary in this policy section; or
- (b) through an unlocked door or window, except as otherwise provided in (c) under the definition of burglary in this policy section;

except as provided for under optional insurance 3, Theft sum insured without forced entry, if shown on your schedule.

6. Theft after an event

This policy section does not insure:

- (a) loss or damage resulting from or as a consequence of fire; or
- (b) loss or damage arising during or as a consequence of earthquake, subterranean fire, riot or civil commotion;

unless you are able to prove that the loss or damage occurred independently of these events.

7. Consequential loss

This policy section does not insure loss of use, loss of earning capacity and any other consequential loss.

Policy Section 5: Money

Definitions

For the purposes of this policy section:

1. **building(s) means**
The building(s) or any part of them in which the business is conducted at the situation. It does not include any garden, pavement, road, yard, fences, or open verandah.
2. **business hours means**
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.
3. **in custody means**
In your custody and control at your private residence or in the custody and control of persons authorised by you at their private residences.
4. **in transit means**
During a journey to or from the situation by you or persons authorised by you, uninterrupted by any private activity. Money contained in the night safe of any bank where you normally transact business is "in transit" whilst deposited.
5. **safe or strongroom means**
A container or structure in the building which has been specifically designed for the safe storage of money or valuables and is designed to protect the contents against fire and to resist unauthorised opening by hand-held or power operated tools.

Your insurance

We will insure you for loss of or damage to money occurring during the period of insurance.

Additional benefit

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

Reinstatement of sum insured

If we pay any amount for loss or damage to money, we will reinstate the sum insured to the amount shown in the schedule.

If we request an additional premium or impose any conditions on you, you must:

- (a) pay the additional premium to us or your sum insured will be reduced by the amount of the payment; and
- (b) comply with the conditions or your sum insured will be reduced by the amount of the payment until the period of insurance ends.

We will not impose any conditions on you to reinstate the sum insured after the first claim you have in the period of insurance.

The reinstated sum insured applies only in relation to losses that occur after the reinstatement.

Optional insurance

We will provide the following optional insurance when shown on the schedule as applying.

Seasonal increase on money

The sum insured in respect of money is automatically increased by the percentage stated in the schedule during the period(s) stated in the schedule.

Where Easter and Christmas is the period stated in the schedule those periods are:

- (a) 45 days before Christmas Day to the 20th day following, both days inclusive; and
- (b) from 30 days before Easter Sunday to 10th day following, both days inclusive.

Amount of insurance

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

If the safe or strongroom is lost or damaged at the time the money is lost or damaged, we will, at our option:

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

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

Excess

The excess that applies is shown on the schedule.

Maximum amount of insurance

The maximum amount we will pay, in respect of:

- (a) money in transit at the time of the loss or damage is the money in transit sum insured;
- (b) money in the building during business hours at the time of the loss or damage is the money in the building during business hours sum insured;
- (c) money in the building outside business hours at the time of the loss or damage is the money in the building outside business hours sum insured;

- (d) money in the building in securely locked safe or strongroom at the time of the loss or damage is the money in the building in securely locked safe/ strongroom sum insured;
or
 - (e) money in custody at the time of the loss or damage is the money in custody sum insured.
- The maximum we will pay for any claim for loss or damage to safes or strongrooms is the loss or damage to safes or strongrooms sum insured.

Exclusions

These exclusions apply to this policy section.

1. Missing money

This policy section does not insure loss or damage of 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 connivance;
- (c) by any fraudulent or dishonest acts committed by you, your family members or any of your employees acting alone or in collusion with others;
- (d) not discovered within five working days of loss or damage arising.

2. Key or combination in building

This policy section does not insure loss or damage of 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.

3. Unattended

This policy section does not insure loss of or damage to money in or from an unattended vehicle.

4. Professional carrier

This policy section does not insure loss or damage to money while professional money carriers, professional carriers or common carriers carry it.

5. Loss outside Australia

This policy section does not insure loss or damage to money occurring outside Australia.

6. Consequential loss

This policy section does not insure loss of use, loss of earning capacity and any other consequential loss.

7. ATMs

This policy section does not insure loss or damage to money that does not belong to you in or from an automatic teller machine contained within the building.

Policy Section 6: Glass

Please note that if your building is a home building you should also read Part B of this PDS.

Definitions

For the purposes of this policy section:

1. **break, breakage means**
A fracture through the entire thickness of glass but does not mean any other disfiguration or damage.
2. **building(s) means**
The building(s) or any part of them in which the business is conducted at the situation.
3. **glass means**
 - (a) fixed glass forming part of or fixed to the exterior of the building including glass in fixed signs; or
 - (b) fixed internal glass including fixed glass in furniture, counters, shelving and showcases, fixed and hanging mirrors, fixed washbasins, sinks, toilet pans and cisterns, contained within the building.

Your insurance

We will insure you for breakage of glass at the situation occurring during the period of insurance.

Additional benefits

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

1. **Costs**
We will pay for the following costs provided they are reasonably incurred by you and are directly related to a claim for breakage of the glass:
 - (a) the cost of temporary shuttering necessary pending replacement of the broken glass;
 - (b) the costs incurred in replacing sign-writing, ornamentation, reflective materials and burglar alarm tapes and connections attached to the glass;
 - (c) the cost value (excluding profit of any kind) of your stock spoiled by the broken glass;
 - (d) 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
 - (e) the cost incurred in repairing or replacing tiles on shop and office fronts and around the glass.

2. Signs

We will pay up to \$1,000 for any costs incurred by you in repairing or replacing plastic or perspex signs that break during the period of insurance.

Optional insurance

We will provide the following optional insurance when shown on the schedule as applying.

Broken Signs

We will insure your plastic or perspex signs if they break during the period of insurance.

If you have insurance under this optional insurance, you do not have insurance under additional benefit 2.

The maximum amount we will pay is the broken signs sum insured shown on the schedule for any claim.

Amount of insurance

We will pay for the cost of replacement of broken glass with glass of similar manufacture and quality. We will also pay the extra cost necessarily incurred to comply with the minimum requirements of any statutory authority when replacing the glass.

Excess

The excess that applies is shown on the schedule.

Exclusions

These exclusions apply to this policy section.

1. Heat

This policy section does not insure breakage of glass caused by or arising out of fire or the application of heat.

2. Some types of glass

This policy section does not insure 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 breakage;
- (e) that is not fit for the purpose intended; or
- (f) that is in a glasshouse.

3. Tiles

This policy section does not insure breakage of tiles on shopfronts and office fronts, other than around the broken glass.

4. Consequential loss

This policy section does not insure loss of use, loss of earning capacity and any other consequential loss.

Policy Section 7: Public and products liability

Definitions

For the purposes of this policy section:

1. **additional benefits means**
The charges, expenses and legal costs referred to under the heading "Additional benefits".
2. **aircraft means**
Any thing made or intended to fly or move in or through the air or space other than model aircraft.
3. **business means**
The business(es) shown on the schedule including the ownership, maintenance or tenancy of premises from which that business is conducted.
4. **Canada means**
The Dominion of Canada and its respective territories, protectorates or dependencies.
5. **excess means**
The amount which is payable by you in respect of each claim. It is shown on the schedule or elsewhere in your policy. Unless otherwise stated, it does not include charges, expenses and legal costs incurred by us and/or you with our written permission in the defence or settlement of the claim.
6. **geographic limitations means**
 - (a) anywhere in the Commonwealth of Australia or New Zealand; and
 - (b) elsewhere in the world but only in respect of:
 - (i) business visits by directors and employees of the named insured normally resident in the Commonwealth of Australia or New Zealand, other than directors or employees who are engaged in manual labour during such visits;
 - (ii) your products exported from the Commonwealth of Australia or New Zealand, other than your products exported to the United States or Canada.
7. **internet operations means**
 - (a) use of electronic mail systems by you or your employees, including part time and temporary staff, and others within your business 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.

8. **limit of liability means**
The applicable limit of liability that is shown on your schedule.
9. **manual labour means**
Work primarily involving physical exertion, but does not include activities associated with marketing, promotion, demonstration or selling.
10. **named insured means**
The person, company or legal entity shown as the insured on the schedule
11. **occurrence means**
An event neither expected nor intended from your standpoint including continuous or repeated exposure to substantially the same general conditions except as specifically excluded in exclusion 1.
12. **personal injury means**
 - (a) bodily injury, death, sickness, disease, disability, shock, fright, mental anguish, mental injury or loss of consortium;
 - (b) false arrest, false imprisonment, wrongful eviction, wrongful detention or malicious prosecution;
 - (c) libel, slander, defamation of character or invasion of right of privacy; or
 - (d) assault and battery not committed by you or at your direction unless committed for the purpose of preventing or eliminating danger to persons or property.
13. **pollutants means**
Any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste materials. Waste includes material to be recycled, reconditioned or reclaimed.
14. **products hazard means**
Personal injury or property damage:
 - (a) caused by a defect in or the harmful nature of your products; or
 - (b) resulting from any defect or deficiency in any directions, markings, instructions, warnings or advice given by you concerning the use or storage of your products.
15. **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.
16. **United States means**
The United States of America and its respective territories, protectorates or dependencies.

17. vehicle means

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.

18. watercraft means

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

19. you, your, yours, yourself means

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

20. your products means

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

Your Insurance

We will insure you, on the terms of this policy section and subject to the limits set out below, for any amount you become legally liable to pay as compensation for personal injury or property damage occurring within the geographic limitations during the period of insurance and caused by an occurrence connected with your business or your products.

Amount of Insurance

(A) Public liability

Subject to (B), we will pay up to the public liability limit of liability for any claim or series of claims for personal injury or property damage caused by or arising out of one occurrence or series of occurrences arising out of one original cause.

(B) Products liability

We will pay, in aggregate, up to the products liability limit of liability for all claims in respect of all occurrences giving rise to a products hazard(s), in total, that happen during the period of insurance.

Additional benefits

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

- Legal costs

In addition to the limit of liability, we will pay all charges, expenses and legal costs incurred by us and/or by you with our written consent in the settlement or defence of any claim for compensation and in respect of which claim you are or, if you were legally liable, would be entitled to indemnity under this policy section.

- First aid costs

Further, we will pay any expenses incurred by you for first aid to others at the time of an occurrence covered by this policy section.

However:

- (i) If we pay the limit of liability in respect of any claim or series of claims we will not be obliged to defend any legal action against you. We will have no further liability under this policy section with respect to the claim or series of claims (including legal costs) except for additional benefits incurred by you with our permission prior to the date of payment;
- (ii) If a payment exceeding the limit of liability has to be made to dispose of a claim, or legal action against you, our liability to pay any additional benefits will be limited to that proportion of those additional benefits as the limit of liability bears to the amount paid to dispose of the claim or legal action;
- (iii) In the event of a claim with respect to any recognition or enforcement action brought or instituted within the Commonwealth of Australia or New Zealand relating to a judgement obtained against you within the United States or Canada arising from business visits (but not manual labour) by travelling directors and employees of the named insured, the limit of liability shall apply inclusive of any additional benefits.

Conditions

These conditions apply to this policy section.

1. Joint insureds

When the insured shown on the schedule comprises more than one party, each of those parties will be considered as a separate and distinct entity, as if a separate policy had been issued to each party. Nothing in this clause extends or increases the limit of liability under this policy section.

2. Reasonable care

You must:

- (a) exercise reasonable care to avoid and minimise personal injury or property damage, which includes taking reasonable measures to maintain all premises, fittings and plant in sound condition;
- (b) ensure that only competent employees are employed;
- (c) comply with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements. You must ensure your employees do this as well; and
- (d) at your own expense take reasonable action to trace, recall or modify any, or all, of your products containing any defect or problem of which you have knowledge, or reason to suspect. This includes any compulsory recall or ban imposed by a government or statutory agency.

3. Adjustment of premium

Your premium may be determined on estimated figures including your total turnover and/or your wages for the business. You must, when requested by us, supply actual figures and where the premium has been calculated on estimates; it may be recalculated subject to a specified minimum premium.

4. Inspection of property

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

5. Examination and audit of books

We may examine or audit any book or record of your business at any time after the end of the period of insurance, as far as that examination or audit relates to the subject matter of this policy section.

Exclusions

These exclusions apply to this policy section.

This policy section does not insure liability arising directly or indirectly out of or caused by, through, or in connection with, or for:

1. 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. However this paragraph (b) does not apply to removal, nullifying or cleaning up costs which are consequent upon a sudden, identifiable, unexpected and unintended happening which takes place in its entirety at a specific time and place, or
- (c) the actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of pollutants caused by any of your products that has been discarded, dumped, abandoned or thrown away by others.

2. Asbestos

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

3. Employers liability

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

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

4. Vehicles

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

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

However this exclusion does not apply to claims in respect of:

- (i) 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;
- (ii) property damage arising out of and during loading and unloading of goods to or from any vehicle;
- (iii) property damage caused by the operation or use of any vehicle which is designed primarily for lifting, lowering, loading or unloading whilst being operated or used by you or on your behalf;
- (iv) 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;
- (v) property damage to vehicles, not belonging to you or used by you or on your behalf, but in your physical or legal control, either at your premises or while being driven on a public road, for the purpose of servicing, repairing or testing as part of your business, subject to a maximum of \$250,000 any one occurrence unless some other sub-limit is specified in the schedule or attached by endorsement; or
- (vi) property damage caused by the use of any vehicle not belonging to you but in your physical or legal control whilst being driven or moved for the purpose of servicing, repairing, delivery or testing as part of your business, subject to you contributing an amount of \$500 as the first payment of any claim in addition to any other excess specified elsewhere in your policy or schedule.

5. Aircraft and watercraft

(a) the ownership, legal possession, legal control or use by you or the use on your behalf of:

- (i) any aircraft or hovercraft; or
 - (ii) any watercraft exceeding eight (8) metres in length;
- (b) the selling or manufacturing of aircraft or the manufacture, assembly and/or supply of any products that are used with your knowledge in aircraft;

- (c) the leasing, hiring or chartering of aircraft to or from you; or
- (d) the repair, service or maintenance of aircraft or aircraft products or the installation of any products into aircraft unless such repair, service, maintenance or installation does not affect the flying capabilities or safety of the aircraft and this policy section has been endorsed accordingly.

6. Professional duty

a breach of any professional duty owed by you or anyone for whose breaches of such duty you may be legally liable. However this exclusion does not apply to the rendering of or failure to render first aid.

7. Fines, penalties and punitive damages

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

8. Product and known defects

- (a) damage to your products if that damage is attributable to any defect in them or their harmful nature or unsuitability.
- (b) any defect or deficiency in your products of which you or your agents have knowledge or have reason to suspect at the time when your products pass from your actual physical custody or from the actual physical custody of any person under your control.

9. Product recall

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

10. Loss of use

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

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

11. Faulty workmanship

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

12. Building works

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

13. Defective Design

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

14. Aircraft Landing Areas

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

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

15. Jurisdiction Limits

- (a) any action brought or instituted against you or any judgement obtained against you (whether or not such judgement is enforced by the courts of the Commonwealth of Australia or New Zealand) in any country other than the Commonwealth of Australia or New Zealand in which 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 judgements arising from business visits (but not manual labour) by travelling directors and employees of the named insured to any country other than the United States or Canada; or

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

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

16. Preventing our right of recovery

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

17. Contractual liability

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

- (a) liability which would have been implied or imposed by law in the absence of such contract or agreement;

- (b) liability assumed under those contracts specified in the schedule;
- (c) liability assumed under any written lease of, or agreement for the rental of real property, where such lease or agreement does not include an obligation by you to insure such property; or
- (d) liability assumed under a written contract with a public authority for the supply to you of water, gas, electricity or communication services except where such contract is a contract by which you agree to perform work for or on behalf of that public authority.

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

18. Internet operations

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

19. Excess

the excess.

20. Libel or Slander

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

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

21. 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 does not apply to:

- (i) 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;
- (ii) damage to or loss of vehicles (not belonging to you or used by you or on your behalf) in your physical or legal control where such loss or damage occurs whilst any such vehicle is in a car park owned or operated by you provided that you as part of your business do not operate such car park for reward;
- (iii) damage to or loss of employees' property;
- (iv) damage to premises temporarily occupied by you for the purpose of carrying out work or damage to or loss of the contents of such premises; or

- (v) damage to or loss of property not owned by you but in your physical or legal control (other than the property referred to in subparagraphs (i) through to (iv) of this exclusion and (v) and (vi) of the Vehicles exclusion), subject to a maximum of \$250,000 any one occurrence unless some other sub-limit is specified in the schedule or attached by endorsement.

Endorsement – Employers liability

The following endorsement does not apply automatically. It applies when your schedule has been endorsed by us noting its application.

Employers liability

1. It is agreed and declared that exclusion 3 of this policy section is deleted and replaced by the following:

3. Employer's liability

- (a) personal injury to any worker.

However if you are:

- (i) required by law to insure or otherwise fund, whether through self insurance, statutory fund or other statutory scheme, all or part of any common law liability (whether limited or not) for such personal injury; or
- (ii) not required to so insure or otherwise fund such liability by reason only that the personal injury is to a person who is not a "worker" or "employee" within the meaning of the relevant workers' compensation law or the personal injury is not an injury which is subject to such law;

then this policy section will respond to the extent that your liability would not be covered under any such fund, scheme, policy of insurance or self insurance arrangement had you complied with your obligations pursuant to such law.

- (b) liability imposed by:

- (i) any workers' compensation law;
- (ii) the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination;
- (iii) any law relating to employment practices.

However this exclusion 3 does not apply to claims for loss of consortium by the spouse of any of your workers.

2. It is agreed and declared that definitions in this policy section are extended to include the following:

worker – any person:

- (a) employed by you; or
- (b) deemed to be employed by you pursuant to any workers' compensation law.

workers' compensation law – any law relating to compensation for injury to workers or employees.

employment practices – any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, sexual harassment or discrimination in respect of employment by you.

Policy Section 8: Goods in transit

Definitions

For the purposes of this policy section:

1. goods means

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

Goods do not include:

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

2. in transit means

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

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

which ever occurs first.

3. loading means

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

4. unloading means

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

Your insurance

Your schedule will show whether you are insured for Option A or Option B.

Option A

If you have Option A, we will insure you for loss or damage to goods in transit that occurs in the period of insurance and is caused by:

- (a) collision or overturning or derailment of the transporting vehicle;
- (b) fire, lightning, explosion or flood;
- (c) forced landing of or the misadventure of an aircraft; or
- (d) theft from an unattended transporting vehicle following forcible and violent entry to the vehicle.

Option B

If you have Option B, we will insure you for loss or damage to goods in transit and during loading and unloading that occurs in the period of insurance.

Under Option B, goods does not include customers' goods.

Amount of insurance

At our option, we will pay you:

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

Excess

The excess that applies is shown on the schedule.

Maximum we will pay

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

Exclusions

These exclusions apply to this policy section.

1. **Electrical or mechanical derangement**

This policy section does not insure electrical or mechanical derangement or breakdown. This exclusion does not apply if there is external evidence of derangement or breakdown having been caused directly by an insured peril.

2. **Statutory regulations**

This policy section does not insure loss or damage caused directly or indirectly because you do not comply with government or statutory laws and regulations for transporting hazardous goods.

3. **Colliding with the kerb**

This policy section does not insure loss or damage caused directly or indirectly by the conveying vehicle colliding with a kerb, roadway or ancillary road.

4. **Unroadworthy vehicle**

This policy section does not insure loss or damage caused directly or indirectly by the unsound or unroadworthy condition of the transporting vehicle if you own it.

5. **Delay**

This policy section does not insure delay of any kind or the results of delay.

6. **Confiscation or detention**

This policy section does not insure confiscation or detention by Government officials or authorities.

7. **Some events and damage**

This policy section does not insure loss or damage caused directly or indirectly by:

- (a) rust, oxidisation, discolouration, mildew, moths, mould, vermin or insects;
- (b) heating, sweating or any variation in temperature;
- (c) the inherent vice or nature of the goods;
- (d) ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear; or
- (e) scratching, denting, chipping, cracking or breakage of glass or any fragile items.

8. **Consequential loss**

This policy section does not insure loss of use, loss of earning capacity and any other consequential loss.

Policy Section 9: Fraud and dishonesty

Definitions

For the purposes of this policy section:

1. **employee** *means*

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

Employee does not include:

- (a) any broker, factor, consignee or contractor; or
- (b) any partner, director or trustee unless that person is also your employee.

2. **goods** *means*

Goods used by you in the business.

Your insurance

We will insure you for loss of money or goods as a result of any act of fraud or dishonesty committed by any of your employees in the period of insurance, either acting alone or in collusion with others.

Additional benefit

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

Claims preparation costs

We will also pay for the reasonable cost of auditors' fees and other reasonable expenses incurred by you with our consent, for the preparation of claims under this policy section. We will pay this benefit in addition to the sum insured.

The maximum amount we will pay for claims preparation costs during any one period of insurance is \$5,000.

Amount of insurance

We will:

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

Excess

The excess that applies is shown on the schedule.

Maximum amount of insurance

Notwithstanding that the act of fraud or dishonesty may have been committed during more than one period of insurance, the maximum amount we will pay for:

- (a) any claim is the limit any one employee sum insured; and
- (b) for all claims in the period of insurance is the overall limit for all employees sum insured.

Unless stated otherwise, the additional benefits are not in addition to the maximum amount of insurance.

Condition

This condition applies to this policy section.

Acts of fraud or dishonesty

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

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

Exclusions

These exclusions apply to this policy section:

1. Late notification

This policy section does not insure any loss arising from the conduct of an employee, discovered later than:

- (a) 12 months after the expiry of the period of insurance; and
- (b) 12 months after the termination of employment of the relevant employee(s).

2. Employee history

This policy section does not insure any loss arising from the conduct of an employee after you have knowledge of or information about any prior act of fraud or dishonesty by the employee.

3. Outside Australia

This policy section does not insure loss arising from the conduct of an employee outside Australia.

4. Inventory losses

This policy section does not insure any loss or part of a loss arising from the conduct of an employee, where the proof of the loss, either as to its occurrence or as to its amount, is dependent upon an inventory stock take or a profit and loss calculation.

5. Fraud with your connivance

This policy section does not insure fraud or dishonesty by any of your employees committed with your connivance.

6. Consequential loss

This policy section does not insure loss of use, loss of earning capacity and any other consequential loss.

Policy Section 10: Equipment breakdown

Definitions

For the purposes of this policy section:

1. The definition of data media in the General definitions of this policy does not apply to this policy section.
2. **actual cash value means**
The cost of replacing damaged property with property of similar kind, capacity, size, quality and function less depreciation for the age, condition, and normal life expectancy of the property.
3. **breakdown means**
A sudden and accidental failure of equipment resulting in physical damage to the equipment which requires the repair or replacement of the equipment or a part of the equipment.
Breakdown does not mean:
 - (a) depletion, deterioration, corrosion or erosion of material;
 - (b) wear and tear;
 - (c) vibration or misalignment;
 - (d) the functioning of any safety device or protective device; or
 - (e) the failure of a structure or foundation supporting the equipment or a part of the equipment.
4. **data means**
Facts, concepts, information or software in a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment.
5. **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.
6. **insured equipment means**
Any of the following equipment provided it is owned, leased, operated or controlled by you in your business:
 - (a) any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, but not including:

- (i) any boiler foundation, any refractory or insulating material;
 - (ii) any part of a boiler or fired pressure vessel that does not contain steam or water; nor
 - (iii) any buried piping, any drainage piping, any sprinkler piping and its accessory equipment;
- (b) any mechanical or electrical equipment that generates, transmits or utilises mechanical or electrical power, but not including:
- (i) any vehicle or mobile equipment;
 - (ii) any watercraft or aircraft; or
 - (iii) any elevator or escalator but not excluding any electrical or electronic equipment used with such apparatus;
- (c) any electronic machine, device or instrument used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning.

7. insured property 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.

8. media means

Material on which data is recorded or stored, such as magnetic tapes, hard disks, cartridges, CD's, DVD's or floppy disks.

9. period of interruption means

The period of interruption beginning on the date of the breakdown and ending when normal operations of the business resume (but no more than 12 months after the date of the breakdown).

10. storage situation means

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

11. time excess means

The period of time beginning at the time of the breakdown and ending after the period of time shown on the schedule as the time excess.

Your insurance

We will insure you for:

- (a) breakdown of insured equipment; and
- (b) direct loss or damage to other insured property as a result of a breakdown which is covered under this policy section,

which occurs during the period of insurance at the situation.

Additional Benefits

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

1. Perishable insured property

We will pay to replace perishable insured property 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 the thermostats, controls, fuses, circuit breakers or overload devices which are owned by you and are protecting a refrigeration chamber, but not including loss or damage due to the manual operation or setting of switches.

If the insured property is not replaced, we will only pay the actual cash value of the spoiled insured property.

The maximum we will pay under this additional benefit is \$5,000 for each claim or the amount shown on the schedule, whichever is higher.

An excess of 10% of the perishable insured property spoiled or \$500 (whichever is greater) applies to this additional benefit. However, should an excess appear on the schedule for this additional benefit, that excess will apply instead.

2. Business interruption

If you are insured under policy section 2, then the definition of 'damage' in that policy section will be deemed to include a breakdown which is covered under this policy section 10 and we will pay claims that would be payable under the terms of that policy section as a result of this amendment under this additional benefit. However, for the purpose of this additional benefit, the definition of the indemnity period in policy section 2 is amended to mean the period beginning with the occurrence of the breakdown and ending not later than the number of months shown on the schedule during which the results of the business are affected as a result of the breakdown.

The exclusions and conditions in this policy section apply to this additional benefit in addition to the exclusions and conditions under policy section 2.

In addition, it is a condition of this additional benefit that you must immediately notify us of the breakdown.

The maximum we will pay under this additional benefit will be determined in accordance with policy section 2 and is in addition to the maximum amount of insurance for this section.

3. Service interruption

If there is a breakdown of equipment not owned, leased, operated or controlled by you we shall also pay:

- (a) under additional benefit 1, for loss of perishable insured property which spoils;
- (b) under additional benefit 2, for loss of gross profits or additional increased cost of working because of the breakdown,

but only if the equipment is:

- (i) of a type described in paragraphs (a), (b) or (c) in the definition of insured equipment in this policy section;
- (ii) located on or within three hundred (300) metres of the situation;
- (iii) owned by the owner of the building at the situation or by a utility company; and
- (iv) used to supply telephone, electricity, air conditioning, heating, gas, water or steam services to your business at the situation.

4. Hazardous substances

If a hazardous substance is involved in or released by a breakdown of insured equipment which is covered by this policy section, we shall pay:

- (a) the increase in cost to repair, replace, clean up or dispose of, damaged insured property; and
- (b) if we pay you an amount under additional benefit 2, the increase in loss of gross profit or additional increased cost of working caused solely because of the presence of a hazardous substance.

The maximum we will pay under this additional benefit is \$25,000 for each claim.

5. Temporary hire costs

We will pay the cost, reasonably incurred, of hiring temporary replacement equipment of similar specification during the time taken to repair insured equipment as a result of a breakdown insured under this policy section.

However, we will not pay for the temporary replacement of computers, word processors or electronic processing systems.

The maximum we will pay under this additional benefit is \$5,000 for each claim.

Optional Covers

We will provide the following optional insurance when shown on the schedule as applying.

1. Data restoration

We will insure you if, as a result of breakdown to computers, word processors or electronic processing systems which is covered by this policy section, data is lost or damaged during the period of insurance. The media containing the data must be:

- (a) at the situation;
- (b) at a storage situation;
- (c) temporarily at any alternative location for processing purposes; or
- (d) in transit between any of these locations.

Under this optional insurance, we will pay:

- (a) any expenses which you can prove have been incurred by you strictly for the purpose of restoring or replacing data by reproduction of data or information in

a condition equivalent to that existing prior to the breakdown. Data may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in its original form; and

- (b) the reasonable costs incurred by you to replace or restore data or information, including any overtime, night work or work carried out during public holidays.

We will not pay any amount under this optional insurance if:

- (a) you do not incur the expense or costs within 12 months of the breakdown; or
- (b) in relation to any data, you do not have a backup copy of the data that is:
 - (i) less than five (5) business days old; and,
 - (ii) stored at an offsite storage situation.

The maximum amount we will pay under this optional insurance for any claim is the data restoration sum insured and is in addition to the maximum amount of insurance for this section.

2. Substitute electronic processing systems

Following a breakdown to computers, word processors or electronic processing systems which is covered by this policy section, we will insure you during the period of interruption for the use of a substitute computer, word processor or electronic processing system used in the business.

Under this optional insurance, we will pay:

- (a) the expenses incurred for the use of a substitute computer or electronic data processing system of similar specification; and
- (b) any other reasonable additional costs incurred by you to operate the substitute computer or electronic data processing system during normal business hours.

We will not pay any amount under this optional insurance for expenses incurred during:

- (i) any time excess shown on the schedule; or
- (ii) the period of interruption where normal operations of the computer, word processor or electronic processing systems can not resume solely because of the discontinuance of manufacture or obsolescence of the computer, word processor or electronic processing system or any component part of system.

The maximum amount we will pay under this optional insurance for any claim is the substitute electronic processing systems sum insured and is in addition to the maximum amount of insurance for this section.

Amount of insurance

1. Insured equipment

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

- (a) media – the cost of replacing the media with blank material;
- (b) exposed film, records, manuscripts and drawings – the cost of replacement with blank material plus the cost of transcription; and

- (c) all other insured equipment and other insured property – the lesser of the cost at the time of the breakdown to:
 - (i) repair the damaged property; or
 - (ii) replace the damaged property with similar property of like kind, capacity, size, quality and function.

However, we shall not pay:

- (i) any cost of repairing or replacing any part or parts of a piece of insured equipment which is greater than the cost of repairing or replacing the entire piece of insured equipment;
- (ii) more than the cost to replace the insured equipment or insured property with equipment or property of like kind, capacity, size, quality and function;
- (iii) more than the cost to replace the insured equipment or insured property at the situation or adjacent site; nor
- (iv) for breakdown, loss or damage to insured equipment or insured property which is useless or obsolete to your business.

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

2. Expediting expenses

We will also pay your reasonable costs to:

- (a) make temporary repairs;
- (b) expedite permanent repairs; or
- (c) expedite permanent replacement,

of the insured equipment or other insured property which is directly damaged by a breakdown which is covered by this policy section.

However, the maximum we will pay is \$10,000 for each claim.

3. Extra costs

If, prior to the time of a breakdown of insured equipment which is covered by this policy section, there is in force a law, by-law, ordinance, regulation, rule or ruling regulating or restricting repair, alteration, use, operation, construction or installation of insured property, we will pay for:

- (a) the increase in cost of repair or replacement of both damaged and undamaged insured property (including any demolition and site clearing costs) which is necessary to meet the minimum requirements of the law, by-law, ordinance, regulation, rule or ruling; and
- (b) if we pay you an amount under additional benefit 2, the increase in loss of gross profit or additional increased cost of working caused solely as a result of the law, by-law, ordinance, regulation, rule or ruling.

However the maximum we will pay is \$25,000 for each claim.

4. Excess

The excess that applies to any one breakdown is the breakdown excess shown on the schedule.

If a claim involves loss under both your insurance and additional benefit 1, only the largest applicable excess shall apply.

If a claim involves loss under any other additional benefit or optional covers, the applicable excess shall be applied separately and in addition to the breakdown excess.

Maximum amount of insurance

The maximum we will pay under this policy section is determined by reference to the sums insured shown on the schedule for policy section 1.

The maximum amount we will pay for any claim or series of claims caused by or arising out of the one original cause under this policy section 10 is:

- (a) if you own the building(s) at the situation – the sum insured for building(s) shown on the schedule for policy section 1; or
- (b) if you do not own the building(s) at the situation – the total declared value less the sum insured for stock which are shown on the schedule for policy section 1.

Unless stated otherwise, the additional benefits or optional covers are not in addition to the maximum amount of insurance.

Conditions

1. Adherence to statutory requirements

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

2. Inspection

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

3. Obligation to prevent loss

If we or our authorised representative discovers insured equipment in or exposed to a dangerous condition, you must comply with any recommendation to prevent loss. If you do not comply within a reasonable timeframe, we may cancel your policy.

4. One Breakdown

If either:

- (a) a breakdown of insured equipment causes the breakdown of other insured equipment; or
- (b) a series of breakdowns occur at the same time as a result of the same cause, they will all be considered as one breakdown for the purpose of applying the excess, the equipment breakdown sum insured and any other limit or sub-limit in this policy section.

Exclusions

These exclusions apply to this policy section.

1. Pollution

This policy section does not insure loss or damage caused by or arising out of pollution, contamination or damage by a hazardous substance, however caused, except as provided for in additional benefit 4.

2. Some events

This policy section does not insure loss or damage caused by or arising out of:

- (a) earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption;
- (b) storm, tempest, hail, lightning, thunder, wind, rainwater, water from or action of the sea, tsunami, tidal wave, high water or flood;
- (c) fire, smoke or combustion explosion;
- (d) water, liquids or substances discharged or other means used to extinguish a fire;
- (e) escape of water or liquids unless resulting from a breakdown;
- (f) aircraft or other aerial devices or articles dropped therefrom or sonic boom;
- (g) riot, civil commotion or sabotage;
- (h) vandalism or malicious damage.

3. Consequential losses

This policy section does not insure losses from:

- (a) delay or interruption of business except as may be provided in additional benefit 2; nor
- (b) any other indirect result of a breakdown except as may be provided in the additional benefits.

4. Data

This policy section does not apply to 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:

- (a) the erasure, destruction, corruption, misappropriation or misinterpretation of data;
- (b) any error in creating, amending, entering, deleting or using data;
- (c) the inability to receive, transmit or use data; or
- (d) the impact of any virus or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility,

however, we will pay for losses that result solely from the breakdown of any other insured equipment which is covered by this policy section.

Policy Section 11: General property

Definitions

For the purposes of this policy section:

1. **insured property** *means* specified items and/or unspecified items. Your schedule shows whether you are insured for specified items and/or unspecified items.
2. **specified Items** *means* property that is specifically described on the schedule.
3. **tools of the trades** *means* a piece of equipment that provides a mechanical advantage in accomplishing a physical task.

Tool of trade includes:

- hand tools – being a device for doing a particular job that does not use a motor, but is powered solely by the person using it; and
- hand held power tools powered by an electric motor.

Tools of trade does not include:

- mobile phones, laptop computers, electronic diaries, GPS units or video cameras or any of their accessories; or
 - any item worth more than \$1,000
2. **unspecified Items** *means* property which is not a specified item but which is part of a group or class of property described generally on the schedule.

Unspecified items do not include

- mobile phones, laptop computers, electronic diaries, GPS units or video cameras, or any of their accessories; or
- any item worth more than \$1,000

Your insurance

We will insure you for loss or damage to your insured property arising from a sudden and unforeseen accident or event occurring during the period of insurance anywhere in Australia.

Additional benefit

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

1. Theft of Other equipment

We will insure you for theft occurring during the period of insurance anywhere in Australia of insured property not belonging to you but in your physical or legal control for the purposes of your business provided that the theft was from:

- (a) a securely locked vehicle and the theft was consequent upon forcible and violent entry to the vehicle;
- (b) a vehicle to which the insured property had been securely chained by a steel chain having a link diameter of 10mm or greater and a padlock with a security rating under AS 4145.4 of 6 or above;
- (c) your private residence or the private residence of your employee who has been authorised by you to have the custody and control of the insured property. However we will not insure any theft by a tenant; or
- (d) a securely locked building or from a securely locked part of a building and the theft was consequent upon forcible and violent entry to the building or that part of the building. However we will not insure any theft:
 - committed by any person while lawfully in the building; or
 - of insured property which is unattended in areas of the building accessible by the general public.

The maximum we will pay under this additional benefit 1 is \$2,000 during any one period of insurance.

2. Reinstatement of sum insured

If we pay any amount for loss or damage to insured property, we will reinstate the relevant sum insured to the amount shown on the schedule. However, if we request an additional premium or impose any conditions on you, you must:

- (a) pay the additional premium to us or your sum insured will be reduced by the amount of the payment made by us; and/or
- (b) comply with the conditions or your sum insured will be reduced by the amount of the payment made by us until the period of insurance ends.

We will not impose any conditions on you to reinstate the sum insured after the first claim you have in the period of insurance. The reinstated sum insured applies only in relation to losses that occur after the reinstatement.

Amount of insurance

At our option, we will:

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

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

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

Unless stated otherwise the excess that applies is shown on the schedule.

Maximum amount of insurance

- (a) The maximum amount we will pay in respect of each specified item is the sum insured for that item.
- (b) The maximum amount we will pay in respect of any one unspecified item is \$1,000. The maximum we will pay during the period of insurance for all claims in respect of any particular group or class of unspecified items is the sum insured for that group or class of unspecified property.

Conditions

These exclusions apply to this policy section.

1. Items in a pair, set or collection

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

2. Under-Insurance

- (a) In respect of specified items – if two or more items are insured under one sum insured then, in the event of loss or damage, we will be liable for no greater proportion of the loss or damage than that which the sum insured bears to eighty percent (80%) of the replacement value of these items.
- (b) In respect of unspecified items – in the event of loss or damage, we will be liable for no greater proportion of the loss or damage than that which the sum insured for the particular group or class of unspecified items bears to eighty percent (80%) of the replacement value of all property of the same group or class owned by you whether insured under this policy section or not.

For the purpose of paragraphs a) and b) of this condition the replacement value will be determined net of any GST component of that value and will be calculated as at the date the policy was last entered into, renewed, extended or varied.

Exclusions

These exclusions apply to this policy section.

1. Some events or type of damage

This policy section does not insure loss or damage caused by or arising out of:

- (a) the actual process of cleaning, maintenance, overhaul, repair or renovation, alteration, addition or undergoing a trade process;
- (b) wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause;
- (c) moths, termites or other insects or vermin;
- (d) scratching, biting or chewing by any animal or bird;
- (e) chipping, scratching, denting or marring that does not materially affect the use or operation of the property insured;
- (f) change in colour, loss of weight, change in flavour, texture or finish;
- (g) the action of light, atmospheric conditions, mildew, mould or variations or extremes of temperature, rust or oxidation, wet or dry rot, corrosion, inherent vice or latent defect;
- (h) mechanical, hydraulic, electrical or electronic breakdown, burn-out, failure, malfunction or derangement of any equipment or device;
- (i) smut or smoke from industrial operations (other than sudden and unforeseen resultant damage);
- (j) any faults or defects in any item of insured property that you or any of your employees knew about before taking out this policy section;
- (k) unexplained inventory shortage, disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials;
- (l) testing, experimentation, intentional overloading, misuse or abuse;
- (m) cracking, scratching or breakage of glass or fragile items unless as a consequence of loss or damage;
- (n) fraud or dishonesty by you or any other person;
- (o) kidnapping, bomb threat, threat of contamination, hoax, trickery, extortion or any attempt at any of these;
- (p) detention, confiscation or disappearances by customs or any lawful authority;
- (q) the action of the sea, tidal wave, high water or tsunami;
- (r) flood;
- (s) erosion; subsidence, earth movement or collapse;

- (t) faulty materials or faulty workmanship;
- (u) error, failure or omission in design plan or specification.

2. Some Portable items

This policy section does not insure loss or damage to:

- (a) mobile phones, laptop computers, electronic diaries, GPS units or video cameras, or any of their accessories unless it is a specified item; or
- (b) any item worth more than \$1,000 unless it is a specified item.

3. Money

This policy section does not insure loss or damage to money or documents of any kind.

4. Tools of Trade, sporting equipment or musical instruments

This policy section does not insure loss or damage to tools of trade, sporting equipment, guns or musical instruments while they are in use.

5. Application of heat

This policy section does not insure loss or damage to property undergoing any process involving the application of heat.

6. Consequential loss

This policy section does not insure loss of use, loss of earning capacity and any other consequential loss.

7. Data media corruption

This policy section does not insure loss or damage to property as a result of:

- (a) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of data media;
- (b) breakdown or malfunction of the processing system including operator error or omission in creating, amending, loading, deleting or using data media; or
- (c) total or partial inability or failure to receive, send, access or use data media for any time or at all.

8. Other policy sections

This policy section does not insure you for any loss or damage insured or partly insured under another policy section.

9. Theft in certain circumstances

This policy section does not insure you for any loss or damage caused by or arising out of theft:

- (a) committed by any member of your family or by any employee of yours or committed by any person whilst lawfully at your premises; or
- (b) of unattended insured property in the open air.

10. Theft from a building or vehicle

This policy section does not insure you for any loss or damage caused by or arising out of theft from any building or vehicle unless the insured property was:

- (a) securely locked in the vehicle and the theft was consequent upon forcible and violent entry to the vehicle;
- (b) securely and permanently affixed to the building or vehicle and theft is consequent upon forcible and violent removal of the insured property;
- (c) securely chained to the vehicle by a steel chain having a link diameter of 10mm or greater and a padlock with a security rating under AS 4145.4 of 6 or above;
- (d) in your private residence or the private residence of your employee who has been authorised by you to have the custody and control of the insured property.
However we will not insure any theft by a tenant;
- (e) securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building.
However we will not insure any theft:
 - committed by any person while lawfully in the building; or
 - of insured property which is unattended in areas of the building accessible by the general public; or
- (f) stolen as a consequence of armed hold-up or the threat of physical violence.

Policy Section 12:

Tax audit

Definitions

For the purposes of this policy section:

1. authority means

The Australian Taxation Office or of a revenue office of an Australian State or Territory, as appropriate to the type of designated tax.

2. designated tax means

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

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

3. professional fees means

Fees, costs and disbursements payable by you to a tax agent or professional person (other than you) in connection with a tax audit undertaken by the authority, for work undertaken up to the completion of that audit.

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

- (a) that relate to any subsequent objection lodged with the authority in respect of a tax audit;
- (b) incurred after the tax audit has been completed; or
- (c) incurred after 12 months from the commencement date of the tax audit other than when you can demonstrate to our satisfaction that the delay in completing the tax audit was caused primarily by the authority.

4. tax audit means

An audit by an authority which is 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.

5. tax agent means

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

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

Your insurance

We will insure you for professional fees reasonably and necessarily incurred in connection with a tax audit notified and commenced in the period of insurance.

Additional benefits

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

Reinstatement of sum insured

If we pay any amount for professional fees in connection with a tax audit, we will automatically reinstate the sum insured.

If we request an additional premium, you must pay it to us or your sum insured will be reduced by the amount of the payment.

The reinstated sum insured applies only in relation to losses that occur after the reinstatement.

Optional insurance

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

Directors personal tax returns

If you are a company and the director(s) work full-time in the business, we will also pay for professional fees reasonably and necessarily incurred in connection with a tax audit notified to the director and commenced in the period of insurance of the personal income tax returns of the directors.

This optional insurance only applies if the relevant income tax returns are prepared by the same tax agent who prepared the income tax return for the business in that same year.

The maximum amount we will pay for all professional fees incurred in the period of insurance for tax audit(s) of the personal income tax return(s) of directors in the period of insurance is the directors personal returns sum insured.

Amount of insurance

The maximum amount we will pay by us for all tax audits in the period of insurance is the sum insured.

The optional insurance is in addition to the maximum amount of insurance.

Excess

The excess that applies is shown on the schedule.

Conditions

These conditions apply to this policy section.

1. Authority matters

- (a) You must make a full and complete statement of the total income and profits or gains of a capital nature derived by you and of any deductions or capital losses during each tax year;

- (b) you must be registered for GST purposes, if required by the operation of legislation; and
- (c) all correspondence, requests and inquiries from the authority must be dealt with within a reasonable time.

2. **Claims**

For any claim:

- (a) you must notify us, in writing, within 30 days of the first notice of a tax audit;
- (b) you must keep us fully informed of all developments as they occur;
- (c) you shall take all necessary and reasonable steps to minimise any delays and costs incurred or likely to be incurred;
- (d) we have the right to directly access your tax agent and lawyers and any documented advice they have given you relevant to the tax audit; and
- (e) your tax agent will assist us with any matter we may pursue with the authority.

Exclusions

These exclusions apply to this policy section.

1. **Return not prepared by tax agent**

This policy section does not insure you for any claim or claims caused by or arising out of any income return that has not been prepared or reviewed prior to dispatch by your tax agent.

However, this exclusion does not apply to any return for:

- (a) prescribed sales tax;
- (b) income derived from any payment under a contract of employment of service between you and any other person, company or entity, other than when that payment is paid by a company for which you are a director or have a controlling interest;
- (c) income derived from any payment from superannuation, pension or other retirement benefit; or
- (d) income derived from personal investments that you are not wholly or mainly dependent on.

2. **Lodgement of tax returns**

This policy section does not insure you if:

- (a) you bring about a tax audit through your failure to lodge taxation or any other return within the time limit prescribed by statute or through any extension of time granted by the authority;
- (b) you make a statement to the authority or your tax agent that omits a material particular or is false or misleading; or
- (c) you bring about a tax audit by your failure to pay all taxes by the due date or within any extension of time granted by the authority.

3. Fines and penalties

This policy section does not insure the amount of any fine or penalty that you may be ordered to pay by any authority or court.

4. Hold harmless

This policy section does not insure 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.

5. Outside Australia

This policy section does not insure any tax return prepared:

- (a) by a person who ordinarily resides outside Australia and its external territories; or
- (b) for a company, firm or entity which operates outside Australia and its external territories.

6. Notice already received

This policy section does not insure any claim arising from any tax audit for which notice or information was received before the period of insurance by you or your tax agent.

7. General inquiries

This policy section does not insure any claim or claims caused by or arising out of any inquiry from an authority which is not related to either an identified intention to conduct a tax audit or is not directed at obtaining information or data for a possible future tax audit.

8. Fraudulent act or omission

This policy section does not insure any claim or claims caused by or arising out of any fraudulent act or fraudulent omission or statement made to an authority.

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

- (a) you being misled by the authority, when you did not and could not be expected to know that statement was false or misleading; or
- (b) a matter which you can demonstrate to our satisfaction to be a contentious matter.

9. Unco-operative

This policy section does not insure any claim or claims caused by or arising out of any improper, unwarranted or unjustified refusal or failure to comply with any request made by the authority.

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

10. Criminal or wilful acts

This policy section does not insure any claim or claims caused by or arising out of any act committed deliberately or with wilful intent by you.

Policy Section 13: Personal Accident and Illness

Please remember to read Part B of this PDS.

Definitions

For the purposes of this policy section

1. accident means

An external, violent, accidental and visible event happening in the period of insurance which is the only cause of bodily injury.

2. average weekly earnings means

The named person's weekly income after deducting business expenses but before deducting income tax or personal expenses. It must:

- (a) be money earned from their occupation;
- (b) be their average weekly income in the 12 months immediately before the accident or illness; and
- (c) not include bonuses, commissions, overtime payments or other allowances they earn.

3. benefit means

The amount we pay for each loss. We pay the percentage shown in our tables of benefits multiplied by the named person's sum insured on your policy schedule for that benefit table.

4. excess period means

A 14-day period, starting on the date of the accident giving rise to the claim for which benefits are payable or on the date the named person first received medical treatment for illness. No benefit is paid for, or in, this period.

5. illness means

Sickness, disease, a condition, a syndrome or physical impairment. It does not include an accident or any condition or impairment that results from an accident. Symptoms must first appear in the period of insurance.

6. illness waiting period means

A 28-day period, starting on the first day of the period of insurance. This does not apply when you renew your insurance.

7. loss means

Losses shown on benefit table A. Loss must be total.

8. maximum period means

A period of 104 weeks, starting on the first day after the excess period. No benefit is paid after the end of this period.

9. named person means

A person whose name is shown on your schedule as being covered by this policy section.

10. occupation means

The named person's usual occupation, trade, profession or business that is shown on your policy schedule.

11. partial disablement means

The inability of the named person to engage in a substantial part of their occupation or business duties while they are under the regular care of and acting in accordance with the instructions or advice of a doctor.

12. permanent means

Having lasted 104 consecutive weeks and at the expiry of that period being beyond the hope of improvement.

13. table of benefits means

The benefit tables in this policy section 13 or any supplementary PDS we issue.

14. total disablement means

The inability of the named person to engage in or attend any occupation or business for which they are reasonably qualified by reason of education, training or experience.

Types of cover

Under this policy section, the cover we offer for a named person is:

- (a) lump sum benefit for accident or illness;
- (b) weekly benefit for an accident; or
- (c) weekly benefit for an illness.

Your policy schedule will show which of these covers apply to each named person.

A. Lump sum benefit for accident or illness

If a named person suffers a loss shown in benefit table A which was caused by an accident or illness, we will pay the benefit shown in benefit table A for that loss.

If a single accident or illness causes more than one loss shown on benefit table A, we only pay the benefit with the highest percentage.

Benefit Table A

Loss	Benefit
Death by accident.	100%
Sight Loss of:	
• sight of both eyes	100%
• sight of one eye	50%
• binocular vision	50%
Hearing Loss of hearing	75%
Speech Loss of power of speech	75%
Arm Loss of use of arm:	
• above elbow	90%
• below elbow	80%
Hands Loss of use of:	
• both hands	100%
• a hand, thumb and four fingers	80%
• a thumb or forefinger	30%
• any finger except a forefinger	20%
• distal phalanx of thumb or any finger	15%

Loss	Benefit
Hands and a Foot	
Loss of use of a hand and a foot	100%
Leg	
Loss of use of leg:	
• at or above knee	90%
• below knee	80%
Feet	
Loss of use of:	
• both feet	100%
• one foot	15%
• great toe	25%
• any toe except the great toe	10%
• phalanx of great toe	10%
• phalanx of any other toe	5%
Total and permanent disablement	100%

We will only pay:

- (a) a benefit in respect the death of the named person if the named person's body has been found or evidence convinces us that they have died;
- (b) a benefit in respect of a loss caused by an accident if the loss occurs within 12 months of the accident;
- (c) a benefit in respect of a loss caused by illness if the loss occurs within 12 months of the date the named person first received medical treatment; or
- (d) a benefit for total and permanent disablement if the named person first became totally and permanently disabled within 12 months of the date of the accident or illness which caused the disablement.

We will not pay any benefit in respect of the death of a named person caused by illness.

If we pay a benefit for the named person's full sum insured for benefit table A we will not pay for any subsequent loss suffered by that named person.

B. Weekly benefit for an accident

If an accident causes a named person total or partial disablement, we will pay the weekly benefit shown in benefit table B.

Benefit Table B

Loss	Benefit
Total disablement by accident	100%
Partial disablement by accident	25%

We will only pay a benefit where disablement begins within 12 months of the accident which caused the loss.

We will not pay any benefit:

- (a) for the excess period for the named person shown on your policy schedule;
- (b) after the maximum period has expired;
- (c) after the named person is able to engage in or attend to a substantial part of their occupation;
- (d) once a lump sum benefit under benefit table A becomes payable by us in respect of the loss; or
- (e) above the named person's average weekly earnings.

We will reduce our payment of weekly benefits to the named person by the amount they are entitled to from:

- (a) workers' compensation;
- (b) another insurance policy; or
- (c) earnings or leave entitlement from their occupation.

C. Weekly benefit for illness

If an illness causes a named person total or partial disablement, we will pay the weekly benefit shown in benefit table C.

Benefit Table C

Loss	Benefit
Total disablement by illness	100%
Partial disablement by illness	25%

We will only pay a benefit where disablement begins within 12 months of the date when the named person first received medical treatment for the illness which caused the loss.

We will not pay any benefit:

- (a) for the excess period for the named person shown on your policy schedule;
- (b) after the maximum period has expired;
- (c) after the named person is able to engage in or attend to a substantial part of their occupation;
- (d) once a lump sum benefit under benefit table A becomes payable by us in respect of the loss; or
- (e) above the named person's average weekly earnings.

We will reduce our payment of weekly benefits to the named by the amount they are entitled to from:

- (a) workers' compensation;
- (b) another insurance policy; or
- (c) earnings or leave entitlement from their occupation.

Additional benefit

We will pay \$2,000 to the executor(s) of the named person's estate for funeral expenses if they die because of:

- (a) an accident and the named person has weekly benefit for accident cover or lump sum cover; or
- (b) an illness and the named person has weekly benefit for illness cover or lump sum cover.

Conditions

These conditions apply to this policy section.

1. We will pay any benefit under this policy section to the named person. If that person dies, we will pay the named person's legal representative
2. Any payment of weekly benefit by us will be paid monthly in arrears.

Exclusions

These exclusions apply to this policy section.

- 1. A named person is not covered for an accident or illness or death:**
 - (a) except when they are in Australia or New Zealand or travelling directly between Australia and New Zealand;
 - (b) during or as a result of air travel unless they are a passenger in a fully licensed commercial aircraft owned and operated by a recognised airline over an established route;
 - (c) as a result of riding or being a pillion passenger on a motor cycle;

- (d) because the named person took part in hazardous sporting or recreational activities including but not limited to football, boxing, rodeo activities, wrestling, martial arts, any race (except on foot), polo, water skiing, scuba diving and other underwater activities, parachuting, parasailing, hang gliding or other aerial activities, ski jumping, snow or ice sports, grass skiing, mountaineering, bungee jumping, abseiling, caving, rock climbing, base jumping, motor sports or professional sporting activities of any kind;
- (e) while they were intoxicated by alcohol or a drug (or as a result of this), unless the drug was prescribed by a qualified medical practitioner and taken according to the advice of that practitioner;
- (f) because the named person didn't consult an appropriately qualified medical practitioner within a reasonable time following an accident or the appearance of symptoms, or they didn't follow medical advice or accept medical treatment that was reasonably available;
- (g) because the named person was involved in a riot, civil commotion, strike or industrial dispute; or
- (h) because the named person, or someone acting with their knowledge and consent, committed or tried to commit a:
 - (i) criminal, fraudulent or dishonest act or
 - (ii) wilful or intentional act for which that person have been, or could be, held liable, fined or penalised financially.

2. A named person is not covered under this policy for any loss relating to or arising from:

- (a) actual or attempted self-harm or suicide, or an accident the person intentionally caused;
- (b) a sexually transmissible disease;
- (c) acquired immune deficiency syndrome (AIDS) or its agents including HIV;
- (d) pregnancy or childbirth or any associated complications;
- (e) use of any illegal substance or addiction to any substance;
- (f) a medical condition for which the named person sought treatment or advice from a medical practitioner or health professional before the cover for the named person began, unless that person told us about the condition before taking out the cover and we agreed in writing at that time to cover the named person for that condition under the policy;
- (g) an illness (including death resulting from illness) contracted within the illness waiting period; or
- (h) any biological, bacterial, viral, germ, chemical or poisonous pollutant or contaminant.

General conditions

These conditions apply to all policy sections.

1. Change to risk

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

- (a) the nature of or type of business;
- (b) other circumstances that affect the situation or the property insured in such a way as to increase the risk of damage or losses;
- (c) your interest in the policy ceases, including by operation of law; and
- (d) the business is wound up or carried on by an insolvency practitioner or permanently discontinued.

If you become aware of any such changes you are required to notify us immediately. If we agree to the change we will do so in writing.

2. The amount of cover

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

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

3. Reasonable care and reducing risk

You must:

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

4. Other interests

You must tell us in writing of the interest of all third parties (for example banks, lessors) when you want their interest in any item insured under any policy section in this policy covered. If a person is not named, they are not insured and cannot make a claim. The third parties must comply with all the terms and conditions of your 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 situation does not stay unoccupied for a continuous period of 60 days or more. If you notify us that the premises will be unoccupied for a continuous period of 60 days or more and we agree to extend insurance, we will tell you in writing. You may be required to pay an additional premium.

7. Notification of other insurance

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

8. Changes in or waivers of the policy

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

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

General claims conditions

1. Claim notification

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

- (a) take all reasonable precautions to minimise or prevent further loss, damage, injury or illness;
- (b) notify us as soon as possible and give us all the known details of the event;
- (c) immediately send us any legal document or other communication you receive about the claim;
- (d) take all reasonable steps to recover lost or stolen property;
- (e) notify the police immediately following a theft or burglary or if any property is misappropriated, lost or maliciously damaged;
- (f) supply us with all the information and documentation that we request. If we ask you for a statutory declaration verifying the details of your claim and any other matters connected with it, you must provide it;
- (g) if property insured is lost, stolen or damaged, you must provide proof of ownership and value of the property lost, stolen or damaged;
- (h) supply us with details of any other insurance that insures or may insure the event;
- (i) not authorise the repair or replacement of anything without our agreement;
- (j) retain and preserve all damaged property for our inspection prior to authorisation of repairs unless alterations and repairs are immediately necessary, for safety reasons or to minimise or prevent further loss, damage or injury. If repairs are necessarily carried out without our prior approval, you are still required where reasonably practical, to retain and preserve all damaged property for our inspection; and
- (k) co-operate with us fully in any investigation, negotiation, defence or settlement of any claim.

For claims under policy section 7:

- (a) you are to use your best endeavours to preserve all property, products, plant and all other things that may assist us in investigating or defending your claim, including assisting in determining if there are rights of recovery against another entity or person;
- (b) if any legal proceedings are brought against you in respect of an occurrence you are to immediately send to us details of those legal proceedings so that we may consider if your policy with us will respond; and
- (c) you will be required to cooperate with us fully in any investigation, negotiation, defence or settlement of any claim. This may include attending court to give evidence.

For claims under policy section 13, if a named person suffers an accident or illness that could lead to a claim:

- (a) they must attend any medical examination we arrange or their dependents must allow a post mortem examination to be carried out. We will pay for the cost of any examination we arrange;
- (b) they must follow all medical advice and accept all medical treatment reasonably available to them; and
- (c) they or their legal representatives must give us:
 - (i) all medical certificates or other evidence we ask for (such as proof of loss of earnings) in the form we request and at their expense;
 - (ii) details of all doctors and other health professionals they have consulted about the accident or illness or about other health issues;
 - (iii) written permission to obtain information or a medical report from any of them; and
 - (iv) details of any other insurance the named person has which might pay a benefit relating to the accident or illness.

2. Admitting liability

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

3. Conduct of claims

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

4. Cash payments

Any cash payments made to you under this policy will be based on costs including Goods and Services Tax. 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 by the amount of your input tax credit entitlement.

5. Rights of recovery

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

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

6. Discharge of our liabilities

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

7. Our rights of possession

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

8. Salvage

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

9. ITC entitlement

If any event occurs which gives or may give rise to a claim you must tell us your entitlement to input tax credits for your insurance premium if you are registered, or should be registered for Goods and Services Tax purposes.

If the information you give us is incorrect, we will not cover you for any resulting fines, penalties of tax charges.

General exclusions

These exclusions apply to all policy sections.

1. Conflict

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

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

2. Nuclear

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

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

3. Non-compliance

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

4. GST, fines or penalties

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

5. Intentional acts

This policy does not insure:

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

6. Terrorism

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

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

However, this exclusion does not apply to policy sections 3, 4, 5, 6 and 11.

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How to contact us

- ▶ Phone us.
- ▶ For questions or to change your details 13 10 10.
- ▶ For claims 13 14 46.
- ▶ Come into one of our branches.
- ▶ Find us on the web at gio.com.au

Who we are

This insurance is issued by

GIO General Limited
ABN 22 002 861 583
AFSL No 229873

Level 18
36 Wickham Terrace
Brisbane QLD 4000

WE DON'T JUST **LISTEN** WE **DO**