

# Trades Package

Business Pack Insurance Policy



POLICY

This Policy is underwritten by QBE Insurance (Australia) Limited  
ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney



# TRADES PACKAGE POLICY

## About this booklet

In this Policy booklet you'll find all the information you need to know about the type of cover(s) available, our terms and conditions, and making a claim.

Please read this booklet and make sure that you are satisfied with what we offer.

Unless we have already agreed to issue a cover note, insurance protection only begins when we receive and accept your completed application and the premium.

This booklet and the insurance schedule we send you form your legal contract with us, so please keep them together in a safe place.

Please do not hesitate to contact us, your broker or agent if you have any questions about this Policy booklet or your insurance cover.

## About QBE Australia

QBE Insurance (Australia) Limited is a member of the QBE Insurance Group (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers worldwide. The company has been operating in Australia since 1886 and continues to provide industry-leading insurance solutions that are focused on the needs of intermediaries and their clients.

QBE is a household name in Australian insurance, backed by sizeable assets, and well known as a strong and financially secure organisation.

## Index

## Page

<b>About this booklet</b>	1
About QBE Australia	1
<b>Important Information</b>	2
Insurer	2
Information about your Policy	2
How Goods and Services Tax affects any payments we make	2
Duty of Disclosure – What you must tell us	2
Evidence of value	2
Cooling-off Information	2
Our agreement	3
Privacy	3
The General Insurance Code of Practice	3
Dispute resolution	3
General definitions applying to all sections of this policy	3
<b>Sections</b>	2
Section 1: Property	4
Section 2: General property	9
Section 3: Broadform liability	10
General exclusions	17
Applicable to all sections	17
Claims	18
General conditions applicable to the whole policy	19

# TRADES PACKAGE POLICY

## Important Information

### Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney.

### Information about your Policy

This is the Policy wording. It tells you

- what the Policy covers,
- what the Policy does not cover,
- how to make a claim,
- what excesses apply, and
- other terms and conditions.

Details of the insurance which are personal to you are shown on the Schedule, which we send to you with the Policy wording.

The date when your insurance cover begins and ends is particularly important.

Please read this Policy carefully and retain it in a safe place.

### How Goods and Services Tax affects any payments we make

The amount of premium payable by you for this policy includes an amount on account of the GST on the premium.

When we pay a claim, your GST status will determine the amount we pay.

When you are:

- (a) not registered for GST, the amount we pay is the sum insured/limit of indemnity or the other limits of insurance cover including GST.
- (b) registered for GST, we will pay the sum insured/limit of indemnity or the other limits of insurance and where you are liable to pay an amount for GST in respect of an acquisition relevant to your claim (such as services to repair a Damaged item insured under the Policy) we will pay for the GST amount.

We will reduce the GST amount we pay for by the amount of any input tax credits to which you are or would be entitled if you made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through your Business Activity Statement (BAS).

You must advise us of your correct Australian Business Number & Taxable Percentage.

Any GST liability arising from your incorrect advice is payable by you.

Where the settlement of your claim is less than the sum insured/limit of indemnity or the other limits of insurance cover, we will only pay an amount for GST (less your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover your loss, we will only pay the GST relating to our settlement of the claim.

We will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by any business of yours which is relevant to your claim.

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is your entitlement to an Input Tax Credit on your premium as a percentage of the total GST on that premium.

### Duty of Disclosure – What you must tell us

Under the Insurance Contracts Act 1984 (the Act), you have a Duty of Disclosure. You are required before you enter into, renew, vary, extend or reinstate your Policy, to tell us everything you know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure you, and anyone else to be insured under the Policy, and if so, on what terms.

- **You do not have to tell us about any matter**
  - that diminishes the risk
  - that is of common knowledge
  - that we know or should know in the ordinary course of our business as an insurer, or
  - which we indicate we do not want to know.
- **If you do not tell us**

If you do not comply with your Duty of Disclosure we may reduce or refuse to pay a claim or cancel your Policy. If your non-disclosure is fraudulent we may treat this Policy as never having worked.

### Evidence of value

Please retain receipts of purchase or proof of the value of all property insured by this Policy so that you can prove the amount of any loss if you have to claim under this Policy.

### Cooling-off Information

If you want to return your insurance after your decision to buy it, you may cancel it and receive a full refund. To do this you may notify your Financial Services Provider electronically or in writing within 21 days from the date the Policy commenced.

This cooling-off right does not apply if you have made or are entitled to make a claim. Even after the cooling-off period ends, you still have cancellation rights however your Financial Services Provider may deduct certain amounts from any refund for administration costs or any non-refundable taxes.

If your Policy is for an event that will start and finish within the 21 day cooling-off period, you can only exercise your right before the event starts or the expiry of the cooling-off period, whichever is the earlier. For example, for travel insurance, the commencement of the journey is the event.

## Our agreement

We agree to provide you with the insurance set out in each Section of this Policy which is listed in the Schedule.

You have paid or agree to pay us the premium set out in the Schedule.

The insurance cover is in force for the Period of Insurance shown in the Schedule.

We will not pay any more than the Sum Insured or Limit of Liability for each Section which is shown in the Schedule, unless stated otherwise in the Policy wording.

We will not pay the Excesses shown in the Schedule. If any loss or damage or liability leads to a claim under more than one Section of this Policy, you must pay the highest applicable Excess, but you need pay only one Excess.

## Privacy

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. We are bound by the Privacy Act 1988 (Cth.), when collecting and handling your personal information. QBE has developed a Privacy Policy which explains what sort of personal information we hold about you and what we do with it.

We will only collect personal information from or about you for the purpose of assessing your application for insurance and administering your insurance Policy, including any claims you make. We will only use and disclose your personal information for a purpose you would reasonably expect.

We may need to disclose personal information to our reinsurers, (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, our advisers and those involved in the claims handling process (including assessors and investigators), for the purposes of assisting us and them in providing relevant services and products, or for the purposes of litigation. We may disclose personal information to people listed as co-insured on your Policy and to family members or agents authorised by you. We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request your consent to any other purpose.

By providing your personal information to us, you consent to us making these disclosures. Without your personal information we may not be able to issue insurance cover to you or process your claim.

You also have the opportunity to find out what personal information we hold about you and, when necessary, correct any errors in this information. Generally we will do this without restriction or charge. For further information about our Privacy Policy or to access or correct your personal information, please contact The Compliance Manager, QBE Insurance (Australia) Limited, GPO Box 82 Sydney NSW 2001. Telephone: (02) 9375-4656, Fax: (02) 8275-9022 or Email: [compliance.manager@qbe.com](mailto:compliance.manager@qbe.com)

## The General Insurance Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice. The Code aims to:

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

## Dispute resolution

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention.

We have a Complaints and Dispute Resolution Procedure which undertakes to provide an answer to your complaint within 15 working days.

If you would like to make a complaint or access our internal dispute resolution service please contact your nearest QBE office and ask to speak to a dispute resolution specialist.

## General definitions applying to all sections of this policy

Wherever the words listed below are used in the Policy wording, they mean what is set out below.

Word or Term	Meaning
Business	your trade or occupation which is described in the Schedule and is carried out at and from the Location.
Business hours	the office and working hours (including overtime) during which you or your employees are at the Location for the purpose of your Business.
Excess	the amount specified in the Schedule, payable by you on each and every claim arising out of one event under that Section. If more than one excess is payable under this Policy for any claim or series of claims arising from the one event, such excesses will not be aggregated and the highest single level of excess only will apply.
Family	your spouse (legal or de facto), your or your spouse's children, parents or grandparents who normally live in your home.
Location	the place(s) listed in the Schedule.

Word or Term	Meaning
Money	cash, notes, negotiable instruments, cheques, postal notes, post office money orders, negotiable securities, stamps, credit card sales vouchers, telephone credit cards and/or franking machine credits.
Our/we/us	QBE Insurance (Australia) Limited, ABN 78 003 191 035
Period of Insurance	the duration that this Policy is in force as specified in the Schedule, or any renewal period for which the appropriate premiums are paid in each case.
Policy	includes this Policy wording, the Schedule and any endorsements issued to you.
Policy Schedule	the most recent Schedule for your Policy we have supplied.
You, your	the insured(s) listed in the Schedule.

## Section 1: Property

### 1. What we insure

This Section insures loss or damage:

- 1.1 to Property you have chosen to insure,
- 1.2 caused by any of the Defined Events listed in this Section (unless otherwise specified),
- 1.3 during the Period of Insurance.

### 2. Definitions which apply to this section

#### 2.1 Breakage

A fracture extending through the entire thickness of the External or Internal Glass.

#### 2.2 Buildings

The buildings and outbuildings at the Location which are owned by you or for which you are legally responsible and includes:

- (a) fixtures, fittings and underground and overhead services, and
- (b) walls, gates, fences and all other structural improvements at the Location.

#### 2.3 Capital additions

Alterations and additions to Buildings, during the course of their erection and which are commenced during the Period of Insurance.

#### 2.4 Contents

- (a) The contents used in the Business, and are owned by you, your directors, partners or employees or for which you are legally responsible, all whilst contained in the Buildings.

(b) Contents does not include:

- (i) mechanically or electrically propelled vehicles which are required under any legislation to be registered or conditionally registered,
- (ii) caravans or trailers,
- (iii) Watercraft or aircraft,
- (iv) Money, jewellery, furs, watches, precious or semi-precious stones,
- (v) stock-in-trade or samples,
- (vi) pets, livestock or plants.

#### 2.5 External glass

External Glass means fixed glass in external windows, doors, showcases and skylights.

#### 2.6 Flood

The inundation of normally dry land by water escaping from or released from the confines of any natural watercourse or lake, whether modified or not, or from any reservoir, dam or canal.

#### 2.7 Indemnity value

The cost necessary to replace, repair or rebuild the insured Property to a condition substantially the same as but not better nor more extensive than its condition at the time of the loss or damage taking into consideration its age, condition and remaining useful life.

#### 2.8 Internal glass

Internal Glass means glass in internal partitions, windows and doors, refrigerating cabinets, glass in counters, shelving, interior showcases, fixed mirrors and other fixed internal glass, porcelain urinals, toilet pans and hand basins.

#### 2.9 Property

Property includes the Buildings, Contents and Stock that we have agreed to insure in this Section as shown in the Schedule.

#### 2.10 Records and documents

Written, printed, filmed or taped records (including computer records), deeds, plans or drawings or documents of any other type which are:

- (a) used in the Business,
- (b) in a Building at the Location, and
- (c) are owned by you or are in your custody in the ordinary course of the Business.

#### 2.11 Replacement cost

- (a) the reasonable and necessary cost of rebuilding, replacing or repairing any lost or damaged Buildings or Contents to a condition substantially the same as but not better nor more extensive than their condition when new, or
- (b) at our option, the actual reinstatement, replacement or repair of the lost or damaged item.

## 2.12 Sea

Oceans, bays, ports or tidal waters.

## 2.13 Stock

Goods owned by you or for which you are legally responsible, held for sale or repair in the normal course of the Business.

## 2.14 Water

Includes snow, sleet or hail.

### 3. Defined events

We will cover the Property you have chosen to insure against loss or damage caused by the Defined Events set out in the table below.

Defined events	What we will not pay for
3.1 Fire, lightning	Loss or damage to Property caused by any process involving the direct application of heat. However if other Property is damaged or destroyed by Fire we will pay for that ensuing damage to other Property.
3.2 Explosion or collapse of boilers, economisers or pressure vessels or their equipment and contents.	Damage to boilers, economisers or pressure vessels or their equipment or contents where a certificate is required to be issued under the terms of any Statute or Regulation.
3.3 Earthquake, tsunami, subterranean fire or volcanic eruption	
3.4 Escape of water from any water tank, pipe, gutter, drain, or other water carrying apparatus installed at the Location.	The costs of repairing or replacing any defective parts that caused the loss or damage.
3.5 Wind and water	Loss or damage caused by: <ul style="list-style-type: none"> <li>• action by the sea, high water, storm surge or tidal wave;</li> <li>• Flood;</li> <li>• erosion, subsidence, landslide, mudslide, shrinkage or an earth movement other than earthquake;</li> <li>• water seeping from outside any Buildings;</li> <li>• steam or condensation; or</li> </ul>

Defined events	What we will not pay for
3.5 Wind and water	<ul style="list-style-type: none"> <li>• water entering into any Buildings as a result of structural defects, faulty design or faulty workmanship.</li> </ul> <p>Loss or damage to:</p> <ul style="list-style-type: none"> <li>• Property in the open air unless it forms part of a permanent structure designed to function without the protection of walls or roof;</li> <li>• retaining walls, textile or plastic awnings, outside blinds or signs;</li> <li>• Buildings in the course of construction or re-construction or property in them unless such Buildings are enclosed and under a roof with all outside doors and windows permanently in place.</li> </ul>
3.6 Impact Damage caused by: <ul style="list-style-type: none"> <li>• any vehicle or animal;</li> <li>• television or radio aerials, satellite dishes or masts which break or collapse;</li> <li>• aircraft, aerial devices, meteorites or space debris or any part of it or from any article falling from them;</li> <li>• sonic boom; or</li> <li>• a falling tree or branch of a tree.</li> </ul>	<p>Loss or damage</p> <ul style="list-style-type: none"> <li>• caused to paths, driveways, or underground services by vehicles;</li> <li>• resulting from tree lopping or tree felling by you or by anyone acting with your express or implied consent;</li> <li>• caused by animals kept on the premises.</li> </ul>
3.7 Deliberate or intentional acts of persons acting maliciously including acts committed in connection with theft or any attempt at theft.	<p>Loss or damage caused by:</p> <ul style="list-style-type: none"> <li>• persons who live at the Location;</li> <li>• persons at the Location with your consent;</li> <li>• tenants;</li> <li>• the Defined Event 3.11 and Additional Benefit 5.12(c).</li> </ul>

## Section 1

Defined events	What we will not pay for
<p>3.8 Riot or civil commotion and acts of:</p> <ul style="list-style-type: none"> <li>• strikers or locked out workers or persons taking part in labour disturbances;</li> <li>• persons of malicious intent acting on behalf of or in connection with any political organisation;</li> <li>• any lawfully constituted authority causing damage when acting in connection with any events insured by this clause.</li> </ul>	
<p>3.9 Action of a civil authority in attempting to prevent the spread of a fire.</p>	
<p>3.10 Accidental Breakage of Internal Glass and/ or External Glass.</p>	<ul style="list-style-type: none"> <li>• Any Breakage which occurs during installation, removal or any maintenance, alteration or repair being carried out to Internal or External Glass, or the framework or fittings of Internal or External Glass.</li> </ul> <p>Damage:</p> <ul style="list-style-type: none"> <li>• to tubing or light fittings;</li> <li>• signs (except under Additional Benefit 5.12.(e));</li> <li>• to Internal or External Glass which was cracked or imperfect at the beginning of the Period of Insurance;</li> <li>• caused by artificial heat;</li> <li>• to Internal or External Glass which has been used for a purpose for which it was not intended.</li> </ul>
<p>3.11 Theft or attempted theft of Contents, or Stock, up to the lesser of</p> <ul style="list-style-type: none"> <li>• 20% of the Sum Insured for Contents; or</li> <li>• \$10,000;</li> </ul>	<ul style="list-style-type: none"> <li>• Theft, fraud or dishonesty by any member of your Family, directors, or partners whether as a principal or accessory;</li> <li>• theft or attempted theft by an employee (except under the Defined Event 3.13);</li> </ul>

Defined events	What we will not pay for
<p>3.11 Theft or attempted theft of Contents, or Stock, up to the lesser of (continued) but only</p> <ul style="list-style-type: none"> <li>• \$2,000 for theft of electronic equipment which occurs where there is no actual forcible and violent entry into or out of a building.</li> </ul>	<ul style="list-style-type: none"> <li>• theft from any yard, garden or open space.</li> </ul>
<p>3.12 Accidental loss or damage to Money Up to \$1000, including Money being carried directly between the Location shown in the Schedule and your normal bank.</p>	<p>Loss or damage to Money which:</p> <ul style="list-style-type: none"> <li>• is due to shortage resulting from clerical or accounting errors or errors in receiving or paying out;</li> <li>• is not discovered within seven (7) working days after the loss occurred;</li> <li>• occurs while the Money is being carried by professional money carriers, professional carriers or common carriers;</li> <li>• is stolen from any unattended vehicle;</li> <li>• is stolen from a safe or strongroom which has been opened by a key or the use of a combination, the details of which have been left at the Location outside Business Hours.</li> </ul>
<p>3.13 Fraud or dishonesty \$1,000 for loss of Contents or Stock due to fraud or dishonesty by any of your employees.</p>	<p>Any loss which:</p> <ul style="list-style-type: none"> <li>• is not discovered within 21 days after it occurs;</li> <li>• is committed by an employee who is also a director or partner of the Business or a member of your Family.</li> </ul>
<p>3.14 Accidental Damage Up to 10% of Sum Insured on Contents for unforeseen accidental physical loss or damage to the insured Contents.</p>	<p>Any loss or damage caused by</p> <ul style="list-style-type: none"> <li>• the Defined Events 3.1 to 3.13; or</li> <li>• circumstances expressed in the Exclusions.</li> </ul>

## 4. Basis of settlement

### 4.1. Buildings

#### (a) Loss or damage to buildings

We will pay the Replacement Cost for loss or damage to the Buildings, provided that the work of repairing or rebuilding:

- (i) is carried out upon the same site, and
- (ii) as far as you can influence it, is commenced within six months of the date on which the loss or damage occurred and must complete within a reasonable period of time.

Otherwise we will pay the Indemnity Value for the loss or damage.

The work of repairing or rebuilding may be carried out in any manner suitable to your requirements, provided there is no increase in cost to us;

#### (b) Requirements of statutory authorities

Providing your Sum Insured is not otherwise exhausted, we will also pay up to 10% of the Sum Insured on Buildings for the cost of complying with the requirements of any statutory authority in force at the date when the loss or damage to the Buildings occurs.

However, if the cost of reinstatement of the Buildings is less than fifty percent (50%) of the cost of reinstating the whole of the Buildings (if it had been completely destroyed), the amount we will pay for the cost of complying with the requirements of any statutory authority:

- (i) will not exceed the cost of complying with the statutory requirements that relate to the part of the Buildings that is damaged; and
- (ii) will not exceed, in any event, the amount which we would have been required to pay if the Buildings had been wholly destroyed.

### 4.2. Contents and stock

We will pay for loss or damage to

- (a) the Contents (other than Stock) you have chosen to insure at their Replacement Cost;
- (b) the Stock you have insured at their Indemnity Value.

## 5. Additional benefits

In addition to the Sum Insured shown in the Schedule under this Section, we will pay:

### 5.1 Architects, surveyors, legal and consulting engineers fees

The fees of architects, surveyors, lawyers and consulting engineers which are reasonably and necessarily incurred for the reinstatement or replacement of the Buildings.

### 5.2 Capital additions

Up to 10% of the Sum Insured on Buildings for loss or damage that occurs during the Period of Insurance to the construction work for any Capital Additions.

### 5.3 Temporary protection

Up to 5% of the Sum Insured on Buildings for the reasonable cost of temporary repairs to the Buildings as a direct result of a Defined Event to secure and safeguard the insured Property from further loss.

### 5.4 Replacement of locks

Up to \$1,000 for the cost of

- replacing key(s) or re-coding or replacing locks to which keys are stolen from the Location; or
- replacing any locks at the Location that are damaged as a result of any Defined Event.

This cover is limited to the cost of replacing keys or locks of the similar type and quality.

### 5.5 Personal effects of directors, partners and employees

Personal property of directors and employees of your business if:

- the personal property is used solely for business purposes, and
- the person to whom the personal effects belong is not named as an Insured.

Cover is limited to \$2,000 any one person but if any person is entitled to indemnity under any other policy of insurance effected by him/her or by any person other than you, this cover will only apply in respect of any amount in excess of that provided by such other policy. There is no cover for you or any person named as the Insured on your Policy Schedule.

### 5.6 Removal of debris

Up to \$5,000 or the amount specified in the Schedule, whichever is the greater, for the cost of removal of debris following damage to the Property and required demolition of undamaged Buildings as a direct result of a Defined Event.

### 5.7 Fire extinguishment costs

Up to \$5,000 for the cost of extinguishing any fire and re-charging extinguishers used in extinguishing any fire at the Location.

### 5.8 Rewriting of records

Up to \$10,000 for the reasonable cost of restoring or re-creating Records and Documents destroyed as a result of a Defined Event.

### 5.9 Outstanding debts

Up to \$10,000 to reimburse you for any outstanding debts for work completed, which were owed to you at the time the loss or damage occurred, and are now not recoverable because the necessary documentary evidence to substantiate the debts has been destroyed as a result of a Defined Event.

### 5.10 Search and find

Up to \$5,000 for exploratory costs reasonably incurred in locating the source of the damage water damage has occurred in accordance with Defined Event 3.4.

### 5.11 Additional increased cost of working

Up to \$10,000 for the additional expenditure you reasonably incur within six months of any loss or damage arising out of a Defined Event for the purpose of minimising the effect of the loss or damage on the profitability of the Business.

### 5.12 Glass

Up to \$1,000 or the amount specified in the Schedule, whichever is the greater, for each benefit under clauses 5.12.(a) to 5.12.(e) in the event of accidental Breakage of Internal and/or External Glass (Defined Event 3.11):

- (a) the cost of temporary shuttering, boarding up or other security protection necessary, pending replacement of the broken glass;
- (b) damage to signwriting, ornamentation, reflective materials or burglar alarm tapes and connections,
- (c) damage caused by external violence to window / door frames and tiled shop fronts,
- (d) damage or spoilage to Stock due to Breakage of insured glass, and
- (e) damage to electrically illuminated signs.

## 6. The maximum amount we will pay

Unless we specifically agree to pay an amount in addition to the Sum Insured, we will not pay more than the Sum Insured shown in the Schedule.

## 7. Excess

We will not pay:

- (a) the excess(es) shown in the Schedule for this Section;
- (b) the lesser of
  - (i) the first \$20,000 of the loss or damage, and
  - (ii) an amount equal to 1% of the total Sum Insured for this Section.

for loss or damage which occurs during any period of 48 consecutive hours as a result of earthquake, subterranean fire or volcanic eruption, or fire resulting from any of those events.

## 8. Conditions which apply to this section

### 8.1 Co-insurance Condition

In the event of loss or damage to the insured property, we shall be liable for no greater proportion of the loss or damage than the sum insured at the Location bears to eighty percent (80%) of the value of the property insured at the commencement of the Period of Insurance (as if it had been totally destroyed), provided that our liability shall not exceed the Sum Insured stated against each item in the Schedule.

This condition shall not apply if the amount of any loss or damage does not exceed five percent (5%) of the total of the sums insured at the Location.

### 8.2. Theft Protection Condition

If this condition is shown in the Schedule, we will not pay any amount under this Section unless the burglary alarm system installed in the Buildings is:

- (a) maintained in good condition and in working effectively
- (b) regularly tested in accordance with the manufacturer's recommendations, and
- (c) engaged and operational during the time that the premises are closed for business and are not attended by you or any employees.

## 9. Exclusions which apply to this section

### 9.1 We do not insure you for the following types of loss or damage:

- (a) scratching of painted or polished surfaces;
- (b) loss or damage to plants, animals, fish or birds;
- (c) unexplained or inventory shortage, clerical or accounting error;
- (d) damage to any electrical or electronic appliance (including wiring) caused by electric current or electrical surge but this exclusion does not apply to any damage which is caused by a fire which results from any such damage;
- (e) loss, destruction or damage to information on any computer systems' records:
  - (i) due to the presence of magnetic flux, or
  - (ii) while mounted in or on any machine for use or processing unless it is caused by a Defined Event insured by this Section, or
  - (iii) caused by any computer virus;
- (f) loss or damage due to defects in any computer systems' records;
- (g) consequential loss of any kind other than that specifically insured in this Section;
- (h) loss or damage which is caused by failure to maintain your property in a good state of repair and you knew or should have been reasonably aware of the need to rectify the problem which caused the loss or damage;
- (i) loss or damage which is caused by any person deliberately switching off or disconnecting the power supply;
- (j) loss or damage to goods being carried on or falling from any vehicles.

- 9.2 We do not insure you for loss or damage caused by the following:
- (a) wear, tear, gradual deterioration, vermin or insect;
  - (b) any process of cleaning, dyeing, repairing, restoring or maintaining the insured Property;
  - (c) atmospheric moisture, rust, corrosion, oxidation, temperature, action of light, mildew, mould or rot;
  - (d) mechanical, electrical or electronic failure or breakdown;
  - (e) faulty materials or workmanship or error in design or latent defect, but this exclusion applies only to the part of the machine or structured unit of work which is directly damaged by the faulty materials or workmanship or error in design or latent defect;
  - (f) Flood, action of the sea, tidal wave, high water, seepage, erosion, or other earth movement or normal structural movement;
  - (g) spontaneous fermentation, heating or any process involving the application of heat but this exclusion only applies to the property which is undergoing the spontaneous fermentation, heating or application of heat.
- 9.3 We do not insure you for loss or damage which is capable of being insured under any other Section of this Policy (with the exception of the General Property Section) whether that Section is selected or not.
- 9.4 We do not insure you for any additional cost of complying with the requirements of any statutory authority with which you had been required to comply before the loss or damage occurred.

## Section 2: General property

### 1. What we insure

Under this Section we insure the items described in the Schedule for loss or damage:

- in accordance with the Cover Option stated in the Schedule;
- occurring anywhere in Australia;
- during the Period of Insurance.

### 2. Definitions which apply to this section

“Market Value” means the retail value of property of a similar type, age and condition to the damaged or destroyed items,

- adjusted for any special features, and
- having regard to used prices guides and any other relevant information.

## 3. Cover options

You may choose one of the two cover options to insure your property.

### 3.1 Cover Option A - Fire, Theft, Collision and Other Expressed Perils

When this cover is stated in the Schedule, we will insure the items described in the Schedule under this Section for loss or damage caused by:

- (a) fire, lightning, explosion, malicious damage or vandalism;
- (b) theft following forcible and violent entry which causes visible damage to a locked vehicle or building;
- (c) theft of equipment securely attached to a vehicle through use of locks or padlocks, which results in visible damage to the securing devices;
- (d) collision or overturning of the conveying vehicle.

### 3.2 Cover Option B - Accidental Damage

When this cover is stated in the Schedule, we will insure the items described in the Schedule under this Section against any unforeseen accidental physical damage, which includes all insured events provided by Cover Option A.

## 4. Basis of settlement

Unless otherwise specified in the Policy Schedule, claims will be settled on the basis of reinstatement and replacement and extra costs, as follows.

### 4.1 Reinstatement and replacement

‘Reinstatement and replacement’ shall mean:

- (a) where property (excluding stock or customers goods is destroyed, the replacement thereof by similar property, in either case in a condition equal to but not better or more extensive than its condition when new
- (b) where property (excluding stock or customers goods is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

The basis of settlement of any claim shall be the cost of reinstatement of the property destroyed or damaged at the time of such destruction or damage as follows;

- (i) The work of replacing or repairing as the case may be, must be commenced and carried out with reasonable despatch, failing which we shall effect settlement on an indemnity basis.
- (ii) When any property to which this Clause applies is damaged or destroyed in part only, our liability shall not exceed the sum specified in the Policy Schedule.
- (iii) No payment beyond the amount which would have been payable under this Section shall be made until a sum equal to the cost of reinstatement shall have been actually incurred.

4.2 Market Value

where stock or customers goods are destroyed or damaged, we will, at our option:

- (a) pay the market value at the time of the loss or damage;
- (b) replace or repair the stock with property or materials of the same or similar standard and specification of the stock or customers goods at the time of loss or damage;
- (c) pay the cost of repair or replacement.

5. The maximum amount we will pay

We will not pay more than the Sum Insured for any item you have chosen to insure as shown in the Schedule for that item.

6. Excess

You must pay any Excess which is shown in the Schedule for this Section for each claim made under this Section.

7. Exclusions which apply to this section

7.1 We will not pay for loss or damage directly or indirectly caused by:

- (a) mechanical, electronic or electrical breakdown or derangement unless it occurs as a consequence of any other loss or damage to the insured item;
- (b) cracking, scratching or breakage of glass or fragile items or surfaces unless it occurs as a consequence of any other loss or damage to the insured item;
- (c) rust, oxidation, mildew, mould, moths, vermin, insects, change of colour, or any process of heating, drying, cleaning, dyeing or alteration;
- (d) the action of light or atmospheric conditions or gradually developing conditions, vibration, wear, tear and/or depreciation;
- (e) dishonesty by you or others to whom items insured in this Section are delivered, entrusted, loaned or rented;
- (f) action of the sea, tidal wave, high water or Flood.

7.2 We will not pay for:

- (a) any alteration, improvements or overhaul of any item, even if it occurs during repair or replacement following loss or damage to the item insured by this Section;
- (b) any consequential loss or damage;
- (c) theft of property left in the open air;
- (d) theft from a building or vehicle unless:
  - (i) the building or vehicle was securely locked, and
  - (ii) the theft follows forcible and violent entry which is evidenced by visible damage to the building, vehicle or securing devices;

- (e) loss or damage to Money;
- (f) loss or damage to documents, manuscripts, patterns, models, moulds, plans, designs, unless shown in the Schedule;
- (g) loss, destruction or damage caused by or arising whilst the conveying vehicle is engaged in racing, pace making, reliability trials or speed testing or is conveying any load in excess of that for which it was constructed.

Section 3: Broadform liability

1. Definitions

Any word or expression which this section of the Policy defines as having a particular meaning will have the meaning everywhere it appears in this Section.

- 1.1 'Aircraft' – any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.
- 1.2 'Business' – the business described in the Schedule including the provision and management of canteens, social, sports and welfare organisations for the benefit of Your employees, first aid, fire and ambulance services and the maintenance of Your premises.
- 1.3 'You/your' in this Section of the Policy –
  - (a) the named insured specified in the Schedule
  - (b) all your subsidiary companies (now or subsequently constituted) provided their places of incorporation are within Australia or any Territory of Australia
  - (c) every director, executive officer, employee, partner or shareholder of yours or in a company designated in paragraphs (a) or (b) but only whilst acting within the scope of their duties in such capacity
  - (d) every principal of yours, in respect of that principal's liability caused by the performance of work for that principal, but subject always to the extent of coverage and the Limit of Liability provided by this Policy.
  - (e) every office bearer or member of social and sporting clubs, canteen and welfare organisations and first aid, fire and ambulance services formed with your consent (but not an Insured designated in paragraph (d) or (f)) in respect of claims arising from their duties connected with the activities of any such club, organisation or service. This Insurance shall not apply to personal injury to or property damage of any participants of any game, match or the like
  - (f) each partner, joint venturer, co-venturer or joint lessee of yours but only:
    - (i) with respect to liability incurred as the partnership, joint venture, co-venture, joint lease, and
    - (ii) provided the partnership, joint venture, co-venture, joint lease has been notified to us within 60 days of formation and has been endorsed on the Schedule

- (g) any director or senior executive of yours in respect of private work undertaken by your employees for such director or senior executive.

You/Your does not include the interest of any other person other than as described in (a) to (g) above.

- 1.4 'Your Products' – any goods, products and property after they have ceased to be in the possession or under your control, which are or is deemed to have been manufactured, grown, extracted, produced, processed, constructed, erected, installed, repaired, serviced, treated, sold, supplied or distributed by you (including any container thereof other than a vehicle).
- 1.5 'Limit of liability' – the applicable Limit of liability specified in the Schedule.
- 1.6 'Medical persons' – legally qualified medical practitioners, legally qualified nurses, dentists and first aid attendants.
- 1.7 'Occurrence' – an event which results in personal injury or property damage, neither expected nor intended from your standpoint. All personal injury or property damage, arising out of continuous or repeated exposure to substantially the same general conditions shall be construed as arising out of one occurrence.
- 1.8 'Personal injury'
- (a) bodily injury (and this expression includes death and illness), disability, shock, fright, mental anguish, mental injury
  - (b) false arrest, wrongful detention, false imprisonment or malicious prosecution
  - (c) wrongful entry or eviction
  - (d) a publication or utterance of a libel or slander or other defamatory or disparaging material
  - (e) assault and battery not committed by you or at your direction unless reasonably committed for the purpose of preventing or eliminating danger to person or property.
- 1.9 'Pollutant' – any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled reconditioned or reclaimed.
- 1.10 'Property damage'
- (a) physical damage to, loss or destruction of tangible property including any resulting loss of use of that property, or
  - (b) loss of use of tangible property which has not been physically damaged, lost or destroyed provided such loss of use is caused by an occurrence.
- 1.11 'Vehicle' – any type of machine on wheels or self laid tracks made or intended to be propelled by other than manual or animal power and any trailer or other attachment made or intended to be drawn by any such machine.
- 1.12 'Watercraft' – any vessel, craft or thing made or intended to float on or in or travel on or through or under water.

## 2. Coverage

### 2.1 Liability

We will pay to you or on your behalf all sums you become legally liable to pay by way of compensation in respect of personal injury or property damage happening during the period of insurance and caused by an occurrence in connection with your business.

### 2.2 Defence of claims

With respect to the indemnity provided by this Policy we will:

- (a) defend in your name and on your behalf any claim or legal action against you seeking damages on account of personal injury or property damage, even if the action is groundless, false or fraudulent, we will investigate, negotiate and settle any claim or legal action as we see fit
- (b) pay all expenses incurred by us, all costs taxed against you in any such suit and all interest accruing after entry of judgment until we have paid tendered or deposited in court such part of the judgment as does not exceed the limit of our liability
- (c) reimburse you for all reasonable expenses, other than loss of earnings, incurred in connection with the defence of a claim or legal action with our consent
- (d) pay reasonable expenses incurred by you for first aid to others at the time of personal injury caused by an occurrence (other than medical expenses prohibited by Section 126 of the Health Insurance Act 1973).

Provided that:

- (e) we will not be obliged to pay any claim or judgment or to defend any claim or legal action after the Limit of Liability has been exhausted by payment of judgments or settlements
- (f) if a payment exceeding the Limit of Liability has to be made to dispose of a claim, our liability to pay any costs, expenses and interest under clause 2.2 will be limited to that proportion of those costs, expenses and interest as the Limit of Liability bears to the amount paid to dispose of the claim.

The amount thus incurred, except payments in settlement of claims, suits and all costs awarded against you, are payable by us in addition to the Limit of Liability.

### 2.3 Limit of Liability

- (a) Our maximum liability in respect of any claim or any series of claims for personal injury or property damage caused by or arising out of one occurrence shall not exceed the Limit of Liability.
- (b) our total aggregate liability during any one period of insurance for all claims arising out of your products shall not exceed the Limit of Liability.

### 3. Exclusions

This Policy section does not cover liability in respect of:

#### 3.1 Employment liability

Liability imposed

- (a) by any workers' compensation law
- (b) by the provision of any industrial award, 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, agreement or determination or contract of employment or workplace agreement, or
- (c) for and in respect of employment practices

Provided that if you are:

- (d) 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
- (e) 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 for the purposes of the relevant worker's compensation law or the personal injury is not an injury which is subject to such law

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

#### 3.2 Property in custody or control

property damage to:

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

but this exclusion does not apply to liability for property damage to:

- (c) premises (including landlord's fixtures and fittings) which are leased or rented to you
- (d) premises (or their contents) not owned, leased or rented by you but temporarily occupied by you for work therein
- (e) vehicles (not belonging to or used by or on your behalf) in your physical or legal control where the property damage occurs while the vehicles are in a car park owned or operated by you, unless you own or operate the car park for reward
- (f) the property of an employee of yours or of one of your subsidiary companies as designated in paragraphs 1.3(a) or 1.3(b)
- (g) property (excluding any vehicle which is registered or which is required under any legislation to be registered) in your physical or legal control for the purpose of repair, service, maintenance or alteration or which is on temporary hire or loan to you, subject to a maximum indemnity for any one occurrence of \$250,000 or the amount stated in the Schedule.

#### 3.3 Product defect

property damage to your products if the damage is attributed to any defect in them or to their harmful nature or unsuitability.

#### 3.4 Loss of use

loss of use of tangible property which has not been physically injured, or lost or destroyed resulting from:

- (a) a delay in or lack of performance by or on your behalf of any agreement:
- (b) the failure of your products to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by you, but this exclusion does not apply to the loss of use of other tangible property resulting from the sudden and accidental physical damage to, loss or destruction of your products after they have been put to use by any person or organisation other than those designated in paragraphs 1.3(a) or 1.3(b).

#### 3.5 Product recall

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

#### 3.6 Aircraft, aircraft products and watercraft

claims arising out of

- (a) the ownership, maintenance, operation or use by you of:
  - (i) any aircraft, or
  - (ii) any watercraft exceeding 8 metres in length,
- (b) your products that are aircraft component parts used for maintaining an aircraft in flight or moving upon the ground or used in the construction of an aircraft hull or machinery which to your knowledge is incorporated in an aircraft.

#### 3.7 Vehicles

personal injury or property damage arising out of the ownership, possession, operation, maintenance or use by you of any vehicle:

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

Exclusions 3.7(a) to 3.7(b) do not apply to:

- (c) personal injury where:
  - (i) that compulsory liability insurance or statutory indemnity does not provide indemnity and

- (ii) the reason or reasons why that compulsory liability insurance or statutory indemnity does not provide indemnity do not involve a breach by you of legislation relating to vehicles.
- (d) property damage arising out of and during the loading or unloading of goods to or from any vehicle.
- (e) property damage caused by or arising from the operation or use of any vehicle which is designed primarily for lifting, lowering, loading, unloading, digging or drilling whilst being operated or used by you or on your behalf within the confines of your premises.
- (f) property damage caused by the use of any tool or plant forming part of or attached to or used in connection with any vehicle (excluding whilst the vehicle is travelling, transporting or carting goods) at any work site.

### 3.8 Contractual liability

any obligation assumed by you under any agreement except to the extent that:

- (a) the liability would have been implied by law
- (b) the liability arises from a provision in a contract for lease of real or personal property other than a provision which obliges you to effect insurance or provide indemnity in respect of the subject matter of that contract
- (c) the liability is assumed by you under a warranty of fitness or quality as regards to your products
- (d) the obligation is assumed under those agreements specified in the Schedule.

### 3.9 Professional liability

the rendering of or failure to render professional advice or service by you or any related error or omission, but this exclusion does not apply to:

- (a) the rendering of or the failure to render professional medical advice by medical persons employed by you to provide first aid and other medical services on your premises, or
- (b) personal injury or property damage arising therefrom providing such professional advice or service is not given for a fee.

### 3.10 Libel and Slander

the publication or utterance of a libel or slander:

- (a) made prior to the commencement of the period of insurance, or
- (b) made by or at your direction with knowledge of its falsity, or
- (c) related to advertising, broadcasting, or telecasting activities conducted by or on your behalf.

### 3.11 Pollution

- (a) personal injury or property damage caused by or arising out of the discharge, dispersal, release or escape of pollutants into or upon land, the atmosphere, or any water course or body of water, but this exclusion does not apply if the discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place
- (b) any costs and expenses incurred in the prevention, removing, nullifying or clean-up of such contamination or pollution but this exclusion does not apply to clean-up, removal or nullifying expenses only, which are consequent upon a sudden, identifiable, unexpected, unintended happening taking place in its entirety at a specific time and place which results in personal injury and/or property damage.

Our liability under clauses 3.11(a) and 3.11(b) in respect of any one discharge, dispersal, release, escape and for all discharges, dispersals, releases and escape of pollutants during any one period of insurance shall not exceed the Limit of Liability.

### 3.12 Territorial limits

- (a) claims made and actions instituted within the United States of America (USA) or Canada or any other territory coming within the jurisdiction of the courts of the USA or Canada
- (b) claims and actions to which the laws of the USA or Canada apply

provided that:

- (c) this exclusion does not apply to claims and actions arising from the presence outside Australia of any person who is normally resident in Australia and who is not undertaking manual work or supervision of work of any kind whilst in the USA or Canada
- (d) the Limit of Liability in respect of coverage provided under paragraph 3.12(c) is inclusive of all costs, expenses and interest as set out in section 2.2 of this Policy section.

### 3.13 Exports to the USA or Canada

claims in respect of personal injury and/or property damage caused by or arising out of your products knowingly exported by you, or your agents or servants, to the USA or Canada.

### 3.14 Asbestos

This policy does not cover liability resulting from the existence, mining, handling, processing, manufacture, sale, distribution, storage or use of asbestos, asbestos products and/or products containing asbestos.

### 3.15 Faulty workmanship

for the cost of performing, completing, correcting or improving any work undertaken by you.

### 3.16 Fines, Penalties

Fines, penalties or liquidated damages.

### 3.17 Punitive damages

punitive damages, exemplary damages, aggravated damages and any additional damages resulting from the multiplication of compensatory damages.

### 3.18 Assault and battery

personal injury or property damage caused by or arising from assault and battery committed by you or at your direction unless reasonably necessary for the protection of persons or property.

### 3.19 Defect in design

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

### 3.20 Inefficacy of computers, computer software and computer consulting

- (a) property damage to computer data, or any consequential loss resulting from such property damage, resulting from your use of any computer hardware and/or software
- (b) any claims based upon or arising from any act, error, or omission in the provision of computer services by you or on your behalf.

### 3.21 Treatment or dispensing

Except as provided for under Exclusion 3.9 above,

- (a) the treatment of humans or animals for any physical or mental deficiency, injury, illness or disease, or
- (b) the dispensing of drugs, medicines, pharmaceuticals, supplies or artificial aids.

### 3.22 Child molestation

The molestation of or interference with a minor or minors by

- (a) you or any person comprising you
- (b) any of your employees, or
- (c) any person performing any voluntary work or service for you or on your behalf.

Further, we shall not have any duty to defend any action, suit or proceedings brought against you (or any other person or body corporate who might otherwise but for the provisions of this clause be entitled to indemnity under this policy) which either directly or vicariously seeks compensation in respect of such molestation or interference as above or any personal injury resultant therefrom.

### 3.23 Participants

personal injury or property damage of any person caused by or arising out of the participation of such person or his/her property in any game, match, race, practice, trial or other sporting activity (including but not limited to swimming, gymnastics, health and fitness activities).

### 3.24 Welding activities

claims caused by or arising out of grinding, arc or flame cutting, flame heating, arc or gas welding or similar operation, unless such activity is conducted in strict compliance with the Australian Standard 1674-1990 (Fire Precautions in cutting, heating and welding operations) issued by the Standards Association of Australia.

### 3.25 Hairdressers and beauty salons

- (a) personal injury caused directly or indirectly by any treatment prescribed or administered by you or your employees or agents other than
  - (i) haircutting by electrical or hand clippers, hairdressing and hairdrying by blower type machines, shaving shampooing and tinting or dyeing
  - (ii) eyebrow plucking and shaping, face or scalp massage, manicure, pedicure, epilation and wax steam treatment.
  - (iii) ear, nose, eyebrow piercing but only when gold, gold plated, silver, platinum or surgical sleepers or studs are used

as long as you have followed the requirements and precautions set out by the manufacturer of any product you use, any statutes are observed and you use products which bear recognised trade names and THEN the maximum we will pay is \$100,000 or the amount set out in the Schedule.

- (b) personal injury to any person arising directly or indirectly out of the contraction of AIDS or AIDS related diseases or the transmission of any communicable disease by you or any of your employees or agents.

### 3.26 Personal Injury or property damage arising, directly or indirectly, out of, or in any way involving your 'internet operations'

This exclusion does not apply to personal injury or property damage arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site.

'Internet operations' means the following:

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

Nothing in this exclusion shall be construed to extend coverage under this Policy to any liability which would not have been covered in the absence of this exclusion.

3.27 Property damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:

- (a) the use of any computer hardware or software
- (b) the provision of computer or telecommunication services by you or on your behalf
- (c) the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any computer virus.

#### 4. Supplementary Conditions applicable to this section

##### 4.1 Jurisdiction

all disputes arising out of or under this Policy will be subject to determination by any court of competent jurisdiction within Australia according to the law applicable to the jurisdiction.

##### 4.2 Joint insureds

where you comprise more than one party each of the parties will be considered as a separate and distinct unit and the words you and your shall be considered as applying to each party in the same manner as if a separate policy had been issued to each of them provided that nothing in this clause will result in an increase of our Limit of Liability in respect of any occurrence or period of insurance.

##### 4.3 Notices

you must as soon as possible give to us notice in writing of:

- (a) every occurrence, claim, writ, summons, proceeding, impending prosecution, and inquest together with all relevant information which may result in a claim under this policy, whether or not you believe any claim amount might fall below the applicable excess
- (b) every change that comes to your knowledge which materially varies any of the facts or circumstances existing at the commencement of this Policy.

Any notice given in writing by us to the first named insured specified in the Schedule will be treated as notice to each of the parties you comprise.

Service of notices by us will be effective immediately on receipt by you of a letter or electronic communication sent from us or in the case of notices by post, three business days after having been posted by us.

##### 4.4 Subrogation

in the event of a payment under this Policy to or on behalf of you we will, subject to the insurance contracts Act 1984, be subrogated to all your rights of recovery against all persons and organisations and you must execute and deliver instruments and papers and do everything that is necessary to assist us in the exercise of those rights.

##### 4.5 Discharge of liabilities

we may at any time pay to you in respect of all claims against you arising from an occurrence the balance of the Limit of Liability or any smaller sum for which the claim or claims can be settled and upon that payment we will relinquish conduct or control of and be under no further liability under this Policy section in connection with those claims except for costs, charges and expenses:

- (a) recoverable from you for all or part of the period prior to the date of such payment
- (b) incurred by us
- (c) incurred by you with our written consent of prior to the date of such payment.

##### 4.6 Reasonable care

You must:

- (a) exercise reasonable care that only competent employees are employed and take reasonable measures to maintain all premises, fittings and plant in sound condition
- (b) take all reasonable precautions to prevent personal injury and property damage, and prevent the manufacture, sale or supply of defective products, and comply with and ensure that your employees, servants and agents comply with all statutory obligations, by-laws or regulations imposed by all relevant public authorities:
  - (i) for safety of persons or property
  - (ii) for the disposal of waste products
  - (iii) for the handling, storage or use of flammable liquids or substances, gases or toxic chemicals
- (c) at your own expense take reasonable action to trace recall or modify any of your products containing any defect or deficiency of which you have knowledge or have reason to suspect, including (but not limited to) any of your products subject to governmental or statutory ban.

##### 4.7 Inspection of property

- (a) we will be permitted but not obligated to inspect your property and operations at any time.
- (b) neither our right to inspect nor our failure to inspect, nor the making of any inspection nor any report of an inspection may be used by you or others in any action or proceeding involving us.
- (c) we may examine and audit your books and records at any time during the period of insurance and within three years thereafter but that examination and audit will be restricted to matters which in our opinion are relevant to the policy.

## 4.8 Adjustment of premium

- (a) if the first or renewal premium for the policy has wholly or partly been calculated on estimates furnished by you, then within 30 days after the expiry of each period of insurance you must provide to us such matters, particulars and information relevant to the policy as we may reasonably require. The premium for the period will then be adjusted and any difference paid by or allowed to you as the case may be, provided that the adjusted premium will not be less than any minimum premium specified in the Schedule.
- (b) you must keep a record of all matters, particulars and information requested by us and must on reasonable notice allow us or our nominee to inspect and make copies of those records.

## 5. Optional extensions, where indicated on the Schedule as applying

## 5.1 Motor trade, excluding testing and delivery

- (1) Exclusion 3.2(b) (Property in custody or control) of the Broadform Liability Section of this Policy does not apply to liability for property damage to:
  - 3.2.(h) vehicles for repairs, servicing, maintenance or storage whilst within the confines of your premises or whilst left stationary in the immediate vicinity of your premises in any public or private road or thoroughfare subject to a maximum indemnity of \$100,000 any one Occurrence and an excess of \$500.
- (2) Exclusion 3.7 (Vehicles) of the Broadform Liability section of this Policy does not apply to ;
  - 3.7.(g) property damage arising from any vehicle (not owned by or leased to you) whilst within the confines of your premises.

## 5.2 Motor trade, including Testing and Delivery

- (1) Exclusion 3.2(b) (Property in custody or control) of the Broadform Liability Section of this Policy does not apply to liability for property damage to:
  - 3.2.(h) vehicles for repairs, servicing, maintenance or storage whilst within the confines of your premises or whilst left stationary in the immediate vicinity of your premises in any public or private road or thoroughfare subject to a maximum indemnity of \$100,000 any one occurrence and an excess of \$500.
  - 3.2.(i) property damage to any registered vehicle not owned or leased by you but in your physical or legal control for the purpose of repairs, servicing or garaging whilst such vehicle is on any public roadway or thoroughfare whilst being tested &/or collected &/or delivered subject to a maximum indemnity of \$100,000 any one occurrence and an excess of \$500.
- (2) Exclusion 3.7 (Vehicles) of the Broadform Liability section of this Policy does not apply to;
  - 3.7.(g) property damage arising from any vehicle (not owned by or leased to you) whilst within the confines of your premises.

3.7(h) property damage to any other property not being your own or used by you or on your behalf caused by the vehicle as described and used in 3.2 (i). The maximum amount we will pay for property damage under this clause is \$100,000 any one occurrence.

The indemnity provided by 3.7(g) & 3.7(h) shall not apply to any property damage arising from ;

- (a) The use of any unsafe or unroadworthy vehicle unless such condition could not reasonably be detected by you. This exclusion shall not apply if such property damage was not caused or contributed to by such unsafe or unroadworthy condition.
- (b) The use of a vehicle by;
  - (i) any person with your consent who is not licensed under any relevant law to drive such a vehicle; or
  - (ii) anyone whose faculties are impaired by any drug or intoxicating liquor or by any person who is convicted of driving at the time of the property damage being under the influence of intoxicating liquor; or
  - (iii) anyone whose blood alcohol reading exceeds the legal limit (subject to any laws to the contrary); or
  - (iv) anyone who refuses to provide or allow the taking of a sample of breath, blood or urine for testing or analysis as required by the law of any State or Territory where the property damage occurred.

However we will cover you if you have allowed a person to drive a vehicle in your physical or legal control and you can prove that you were not aware that the vehicle was being driven by or in charge of that person when they were so affected or unlicensed.

### Additional definition applicable to Optional Extensions 5.3, 5.4 and 5.5

'Motor vehicle' means any mechanically or electrically powered machine (including but not limited to automobiles, trucks and motorcycles) that does not run on rails and is legally allowed to transport persons or goods on public roads and highways. 'Motor vehicle' includes any trailer or caravan intended to be towed by such a machine, but not any;

- (i) aircraft, or
- (ii) watercraft.

### 5.3 Motor trade – inspection reports and certificates (personal injury or property damage)

Exclusion 3.9 (Professional Liability) of the Broadform Liability Section of this Policy does not apply to:

- (a) your certification of roadworthiness or design compliance in respect of any motor vehicle, which is carried out by you or on your behalf under statutory authority or license and in such manner or form as required under the provisions of any Act or Regulation relating to vehicle,

- (b) motor vehicle condition reports provided by you after inspection, whether such are commissioned for the purposes of sale or purchase or in connection with any servicing or maintenance carried out by you.

#### 5.4 Motor Trade – inspection reports and certificates (financial losses only)

For the purposes of this Optional extension only, definition 1.7 (Occurrence) and any reference to that defined term is deleted and replaced as follows.

‘Wrongful act’ – any actual or alleged breach of duty, neglect, error, omission, misstatement, misleading statement or other act committed or allegedly committed by you. ‘Wrongful act’ does not include any event which results in personal injury or property damage.

Exclusions;

- 3.4 (Loss of use),
- 3.8 (Contractual Liability), and
- 3.9 (Professional Liability),

do not apply to:

- (a) your certification of roadworthiness or design compliance in respect of any motor vehicle, which is carried out by you or on your behalf under statutory authority or license and in such manner or form as required under the provisions of any Act or Regulation relating to vehicle,
- (b) motor vehicle condition reports provided by you after inspection, whether such are commissioned for the purposes of sale or purchase or in connection with any servicing or maintenance carried out by you.

The maximum we will pay under this Optional extension is:

- \$100,000 in the aggregate for all claims in any one period of insurance.

#### 5.5 Motor Trade – Faulty workmanship

Exclusion 3.15 (Faulty workmanship) does not apply to the cost of performing, completing, correcting or improving any work that is undertaken by you provided that the work:

- (a) was undertaken on a motor vehicle, and
- (b) was carried out during the period of this insurance, or any earlier period during which this Policy, or any Policy that this Policy replaced had been held with us, and
- (c) has caused property damage to the motor vehicle.

The maximum we will pay under this Optional extension is:

- (i) \$15,000 for any one occurrence, net of any mark-up for parts, transport, labour and profit, and
- (ii) \$25,000 for all claims in any one period of insurance.

## General exclusions

### Applicable to all sections

We will not cover:

#### War, Terrorism, Radioactivity

This policy excludes loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

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

2. Any act/s of terrorism

For the purposes of this exclusion an act of terrorism means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

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

3. Radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

This policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to 1, 2 or 3 above.

### Electronic data exclusion

This Policy does not cover electronic data.

However where cover is otherwise provided by this policy we will indemnify you for losses to Electronic Data arising out of fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, aircraft and/or other aerial device and/or articles dropped therefrom, sonic boom, theft which is a consequence of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such Electronic Data, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising, storm and/or tempest and/or rainwater and/or wind and/or hail, water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes.

For the purposes of this exclusion Electronic Data means any facts, concepts and/or information converted to a form usable for communications and/or displays and/or distribution and/or processing by electronic and/or electromechanical data processing and/or electronically controlled equipment which includes but is not limited to programs and/or software and/or other coded instructions for such equipment.

## Claims

What you must do if you want to claim under this policy

You must follow these procedures if something happens which causes loss or damage or injury which may lead to a claim. If you do not, we may refuse your claim or reduce the amount we pay you.

### 1. When loss or damage occurs you must:

- 1.1 take all reasonable steps to reduce the loss or damage and to prevent further damage;
- 1.2 immediately make a full report to the police:
  - (a) if you know or suspect that property has been stolen,
  - (b) if someone has broken into your premises,
  - (c) if someone has caused malicious damage to your property,
  - (d) providing full details surrounding the circumstances of any motor vehicle accident;
- 1.3 obtain the name and address of the other driver and (if different) the name of its owner, and the make, type and registration number and details of the insurance on the other vehicle should the loss or damage involve another motor vehicle;
- 1.4 not authorise the repair or replacement of anything without our agreement;
- 1.5 not make any admission of liability, offer, promise or payment in connection with any event without our consent;
- 1.6 promptly inform us by telephone, in writing or in person;

- 1.7 preserve any damaged property and make it available for inspection by our representative or agent (including a loss adjuster).

### 2. If you sustain an Injury or sickness and disease, you must

- 2.1 promptly inform us by telephone, in writing or in person;
- 2.2 submit to a medical practitioner nominated by us. In case of death, your legal representative must permit a post mortem examination of the body to be carried out.

### 3. If you want to make a claim, you must:

- 3.1 fill in our claim form;
- 3.2 return it to us within 30 days of the event that gave rise to the claim;
- 3.3 give us all information and documentation which we request. If we ask for it, you must provide us with a Statutory Declaration verifying the truth of your claim and any matters connected with it;
- 3.4 allow us or our representative to interview you about the circumstances of the claim,
- 3.5 immediately send us any court document or other correspondence you receive about the claim. Do not take any action yourself or ask anyone else to do so on your behalf.

### 4. Proceedings and negotiations

- 4.1 We control all claims
- 4.2 We require that you give us all information and assistance we may need:
  - (a) to settle or defend claims; or
  - (b) to recover from others amounts which we have paid on claims.
- 4.3 You must allow us to:
  - (a) make admissions, settle or defend claims on your behalf; and
  - (b) take legal action in your name against another person to recover any payment we have made on a claim. We may keep any amount we recover in priority to your right to recover any amount that you have lost which is not insured under this Policy.

### 5. Discharge of our liabilities

- At any time we can pay to you or on your behalf, for all claims made against you for any one Occurrence;
- 5.1 the Limit of Liability of the Section under which the claim is made, after deducting any amounts already paid, or
  - 5.2 any lower sum for which the claim may be settled.
- If we do so:
- 5.3 the conduct of any outstanding claim(s) will become your responsibility, and

5.4 we will not be liable to pay any further amounts other than costs, charges, or expenses that we agreed to pay before we made the payment referred to above.

## 6. Excess

6.1 You must pay the amount of any Excess shown in the Schedule for each claim you make. Payment of your Excess may be requested when you lodge your claim form or before your Insured Vehicle is released from a repairer. Alternatively your Excess may be deducted from our payment to you.

6.2 If any loss or damage leads to a claim under more than one Section of this Policy,

- {a} you must pay the highest applicable Excess, but
- {b} you need pay only one Excess.

## 7. Inspection and salvage

7.1 You must give us access to your property and the Location or make them available to us for inspection if you make a claim.

7.2 You must allow us to take possession of any damaged property and deal with it in a reasonable manner. If we do not take possession of the damaged property, you cannot abandon your responsibilities for the property.

## 8. Other insurances

At the time you make a claim, you must give us written notice of any other insurance covering the property or legal liability which may also apply to your claim.

## 9. Contribution

When a loss paid under this Policy is also recoverable under another policy and we have paid more than our rateable share, we may seek contribution from the other insurer or insurers.

## 10. False claims

If you, or someone acting on your behalf makes a false claim., or causes loss or damage deliberately we may:

- 10.1 refuse to pay the claim,
- 10.2 reduce the amount we pay,
- 10.3 cancel this Policy, or
- 10.4 take legal action against you.

## General conditions applicable to the whole policy

### 1. Your obligations

You are to

- 1.1 take all reasonable precautions to avoid or minimise loss, damage, disablement or liability;
- 1.2 maintain all business premises, fittings, appliances and equipment in sound condition;

1.3 comply with all statutory obligations, by-laws and regulations imposed by any public authority, for the safety of persons or property; and

1.4 obtain certificates of inspection for all equipment required by any statute or regulation to be so certified.

### 2. Misrepresentation and non-disclosure

2.1 If you failed to disclose any matter which you were under a duty to disclose to us; or

2.2 if you made a misrepresentation to us before the contract of insurance was entered into, and

2.3 as a consequence we would not have entered into the contract for the same premium and on the same terms and conditions expressed in this Policy, then

2.4 our liability in respect of any claim will be reduced to an amount to place us in the same position in which we would have been placed if the failure to disclose had not occurred or the misrepresentation had not been made; or

2.5 if the non-disclosure or misrepresentation was fraudulent, we may avoid this Policy.

### 3. Unoccupancy

If your Buildings are to be unoccupied for more than sixty (60) consecutive days, you must obtain our prior agreement in writing to continue the cover, otherwise cover will only be provided for loss or damage caused by the Defined Events in the Property Section of Earthquake, Riot or Civil Commotion, Impact and Storm.

### 4. Automatic reinstatement

4.1 After We have admitted liability for loss or damage (other than for a total loss under the Property Section or Claims in respect of Products Liability), We automatically reinstate the Sum Insured to the amount shown in the Schedule as the time of loss.

4.2 If we request an additional premium, you must pay it to us or the cover will be reduced by the amount we paid in settlement of the claim.

### 5. Cancellation

5.1 You may cancel this Policy or any Section of it by giving us notice in writing.

5.2 We may cancel this Policy in any of the circumstances set out in the Insurance Contracts Act 1984 (and its amendments).

5.3 After cancellation, a refund of premium for the current term of insurance will be allowed pro rata to the unexpired period.

5.4 When the premium is subject to adjustment, cancellation will not affect your obligations to supply us with such information as is necessary to permit the premium adjustment to be calculated or to pay the amount of adjustment applicable up to the date of cancellation.

## 6. Alteration of risk

You must notify us immediately for any change in the nature of the risk that will increase our liability during the Period of Insurance.

If you fail to do so, we may cancel this Policy.

## 7. Mortgagee's rights

We may pay all or part of a claim for loss or damage to the Property or items insured under this Policy to any mortgagee or creditor as noted in the Schedule.

We will only do this if we agree to pay the claim on a cash basis (ie make a payment instead of paying for the cost of replacement or repair). The amount payable to the mortgagee or creditor will be the lesser of :

7.1 the amount outstanding under the mortgage or the loan (if this is less than the amount we agreed to pay in settlement of the claim, we will pay you the balance); or

7.2 the amount we agree to pay in settlement of the claim.  
A payment to a mortgagee or creditor noted in the Policy Schedule will satisfy our obligation to you for the amount paid.