

360 Machinery and Electronic Equipment Policy Wording

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360 Construction and Engineering Pty Ltd **ABN** 56 634 130 760 is an Authorised Representative
(AR 1278878) of 360 Underwriting Solutions Pty Ltd **ABN** 18 120 261 270, **AFSL** 319181
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Machinery and Electronic Equipment Insurance

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About this Booklet



There are two parts to this booklet. The first part is important information about this **policy** including information about how **we** will protect **your** privacy and how to make a complaint or access **our** dispute resolution service.

The second part is **your policy** wording which sets out the detailed terms, conditions and exclusions of the **policy**.

Because **we** don't know **your** own personal circumstances, **you** should treat any advice in this booklet as purely general in nature. It doesn't consider **your** objectives, financial **situation** or needs. **You** should carefully consider the information provided with regard to **your** personal circumstances to decide if it's right for **you**.

For More Information or to Make a Claim

Please take the time to read through this booklet and if **you** have any questions, need more information or to confirm a transaction, please contact:

- + **your** financial services provider. The contact details for **your** financial services provider are set out in the documentation they give **you**.

The section titled *Claims Conditions* at the end of this booklet tells **you** the full details about what **you** need to do in the event of a claim. If **you** would like to make a claim or to enquire about an existing claim please contact:

- + **your** financial services provider.

About QBE Australia

QBE Insurance (Australia) Limited (QBE) **ABN 78 003 191 035 AFSL 239545** is a member of the QBE Insurance Group Limited **ABN 28 008 485 014** (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the largest insurers and reinsurers in the world.

Who is the Insurer's Agent?

360 Construction & Engineering Pty Ltd (360 Construction) **ABN 56 634 130 760** is an Authorised Representative (AR 1278878) of 360 Underwriting Solutions Pty (360 Underwriting) **ABN 18 120 261 270, AFSL 319181**. 360 Construction is the underwriting agency acting on behalf of QBE in relation to this **policy**.

In issuing this **policy**, 360 Construction will be acting under an authority given to it by the Insurers. This means that when issuing this **policy**, 360 Construction will be acting as an agent for the Insurers, not for **you**.

360 Construction's contact details are:

Level 4, 161 Walker Street,
North Sydney, NSW 2060
Telephone. 1800 411 580

We, our, ours, us, means QBE and 360 Construction.

You should contact 360 Construction in the first instance in relation to this insurance.

Important Information



In this first part of the booklet **we** explain important information about this **policy** including how **we** will protect **your** privacy and how to make a complaint or access **our** dispute resolution service.

Duty of Disclosure

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

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

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

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

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

If you do not tell us something

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

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

The General Insurance Code of Practice

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

- + commit **us** to high standards of service;
- + promote better, more informed relations between **us** and **you**;
- + maintain and promote trust and confidence in the general insurance industry;
- + provide fair and effective mechanisms for the resolution of complaints and disputes between **us** and **you**;
- + promote continuous improvement of the general insurance industry through education and training.

Privacy

We will collect personal information when **you** deal with **us**, **our** agents, other companies in the 360 Group, QBE Group or suppliers acting on **our** behalf. **We** use **your** personal information so **we** can do **business** with **you**, which includes issuing and administering **our** products and services and processing claims. Sometimes **we** might send **your** personal information overseas. The locations **we** send it to can vary but include the Philippines, India, Ireland, the

UK, the US, China and countries within the European Union.

Our privacy **policy** describes in detail where and from whom **we** collect personal information, as well as where **we** store it and the full list of ways **we** could use it.

To get a free copy of it please visit www.360uw.com.au or contact **our** Privacy Officer on 1800 411 580 or qbe.com.au/privacy or contact QBE Customer Care.

It's up to **you** to decide whether to give **us** **your** personal information, but without it **we** might not be able to do **business** with **you**, including not paying **your** claim.

Resolving Complaints & Disputes

We are committed to providing **you** with quality products and delivering the highest level of service.

We also do everything **we** can to safeguard **your** privacy and the confidentiality of **your** personal information.

Something Not Right?

We know sometimes there might be something **you** are not totally happy about, whether it be about **our** staff, representatives, products, services or how **we** have handled **your** personal information.

Step 1 – Talk to us

If there's something **you** would like to talk to **us** about, or if **you** would like to make a complaint, speak to one of **our** staff. When **you** make **your** complaint please provide as much information as possible. They're ready to help resolve **your** issue.

You can also contact **our** Customer Care Unit directly to make **your** complaint. **Our** aim is to resolve all complaints within 15 business days.

Step 2 – Escalate your complaint

If **we** haven't responded to **your** complaint within 15 days, or if **you** are not happy with how **we** have tried to resolve it, **you** can ask for **your** complaint to be escalated for an Internal Dispute Resolution (IDR) review by a Dispute Resolution Specialist.

The Dispute Resolution Specialist will provide QBE's final decision within 15 business days of **your** complaint being escalated, unless they've requested and **you** have agreed to give **us** more time.

Step 3 – Still not resolved?

If **you** are not happy with the final decision, or if **we** have taken more than 45 days to respond to **you** from the date **you** first made **your** complaint, **you** can contact the Australian Financial Complaints Authority (AFCA). AFCA is an ASIC approved external dispute resolution body.

AFCA resolves insurance disputes between consumers and insurers, at no cost to **you**. QBE is bound by AFCA's decisions - but **you** are not. **You** can contact AFCA directly and they'll advise **you** if **your** dispute falls within their Terms of Reference.

Disputes not covered by the AFCA Terms of Reference

If **your** dispute doesn't fall within the AFCA Terms of Reference, and **you** are not satisfied with **our** decision then **you** may wish to seek independent legal advice.

Privacy complaints

If **you** are not satisfied with **our** final decision and it relates to **your** privacy or how **we** have handled **your** personal information, **you** can contact the Office of the Australian Information Commissioner (OAIC).

Contacting 360 Construction

How to contact 360 Construction

Telephone. **1800 411 580** (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays).

Email.

- + idr@360uw.com.au, to make a complaint;
- + privacy@360uw.com.au, to contact **us** about privacy or **your** personal information;
- + executive@360uw.com.au, to give feedback or pay a compliment.

Post.

Level 4, 161 Walker Street,
North Sydney, NSW 2060

Contacting QBE Customer Care, AFCA or the OAIC

How to contact QBE Customer Care

Telephone. **1300 650 503** (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays).

Calls from mobiles, public telephones or hotel rooms may attract additional charges.

Email.

- + complaints@qbe.com, to make a complaint;
- + privacy@qbe.com, to contact **us** about privacy or **your** personal information;
- + customercare@qbe.com, to give feedback or pay a compliment.

Post.

Customer Care
GPO Box 219,
Parramatta, NSW 2124

How to contact AFCA

Telephone. **1800 931 678** (free call)

Email. info@afca.org.au

Online. www.afca.org.au

How to contact the OAIC

Telephone. **1300 363 992** (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays).

Calls from mobiles, public telephones or hotel rooms may attract additional charges.

Email. enquiries@oaic.gov.au

Online. www.oaic.gov.au

Cooling-off information

If **you** change **your** mind within 21 days of buying **your** policy, **you** can cancel it and receive a full refund. Naturally, this doesn't apply if **you** have made or are entitled to make a claim. Even after the cooling off period ends, **you** still have the right to cancel **your** policy. However, **we** may deduct some costs from any refund, as set out in the **policy** wording under *Canceling Your Policy*.

To cancel **your** policy within the cooling-off period, contact **your** financial services provider electronically or in writing.

Policy Wording



This **Policy** is underwritten by QBE Insurance (Australia) Limited
ABN 78 003 191 035 AFSL 239545.

Our Agreement

Your **policy** is an agreement between **you** and **us**, made up of:

- + this **policy** wording;
- + **your policy schedule**, which sets out the cover **you** have chosen and any terms specific to **you**.

The cover under this **policy** is provided during the **period of insurance**, once **you** have paid **us** your premium. There are also:

- + conditions and exclusions which apply to specific covers or sections;
- + general exclusions, which apply to any claim you make under this policy;
- + general conditions, which set out your responsibilities under this policy;
- + claims conditions, which set out our rights and your responsibilities when you make a claim; and
- + other terms, which set out how this policy operates.

Deductible

You must pay any excesses which apply to **your** claim. The excesses which **you** have to pay are set out in this **policy** wording or on **your policy schedule**.

How Much We Will Pay

The most **we** will pay for a claim is the **sum insured** which applies to the cover or section **you're** claiming under, less any **excess**.

Paying Your Premium

You must pay **your** premium by the due date shown on **your policy schedule**. If **we** don't receive **your** premium by the date, or if **your** payment is dishonoured, this **policy** won't operate and there will be no cover.

Definitions

The words and terms used throughout this **policy** have special meanings set out below.

Where other words and terms are only used in one section of the **policy**, **we** will describe their special meaning in that section.

Business means:

Your activities and operations specified in the **schedule**.

Dollar excess means:

The amount(s) as specified in the **schedule** that **you** shall first contribute towards each claim, arising out of the one event or occurrence.

Excess means:

The amount(s) specified in the **schedule** or as provided in the two policies that **you** shall first contribute towards each claim, or series of claims arising out of the one event or occurrence. The **excess** may be a **dollar excess** or a **time excess**. **We** will subtract the applicable **excess** from the claim otherwise payable and **we** will then pay to **you** the amount of loss or damage up to the applicable **sum insured** or **limit any one loss** less the applicable **excess**.

Indemnity period means:

The period beginning with the occurrence of the **insured damage** and ending no later than the number of months specified in the **schedule** during which the results of the **business** shall be affected in consequence of the **insured damage**.

Insured damage means:

Sudden and unforeseen physical loss of or damage to an **insured item** which occurs at the **situation** during the **period of insurance** and which requires immediate repair or replacement to allow continuation of use.

Insured item means:

Any item specified in the current **schedule**.

Limit any one loss means:

The maximum amount **we** will pay for any one claim as specified in the **schedule** and applies where blanket cover has been selected.

Period of insurance means:

The **period of insurance** referred to in the current **schedule**.

Policy schedule means:

The **schedule** of insurance or any future renewal **schedule**.

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. Waste includes material to be recycled, reconditioned or reclaimed.

Situation means:

The **situation** or **situations** specified in the **schedule**.

Stock means:

The items of **stock** as specified in the **schedule**.

Sum insured means:

The sums stated opposite each **insured item** as specified in the **schedule** and applies where specified items cover has been selected.

Time excess means:

The number of operating days specified in the **schedule** during which **you** must bear the loss.

We/our/us means:

QBE Insurance (Australia) Limited (QBE) and 360 Construction Pty Ltd (360 Construction) acting as agent for QBE.

You/your means:

The person(s) named in the **schedule**, as the Insured.

Section 1- Machinery Insurance

Definitions

For the purpose of Section 1, **Plant and Machinery** refers to:

1. Electrical and mechanical items including electronic and other integral parts of the **insured items** including boilers, pressure vessels and pressure pipe systems as defined below;
2. **Boilers, pressure vessels and pressure pipe systems** means: The permanent structure of those **insured items** which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure) including all direct attachments connected to the permanent structure.

Scope of Cover

If any **insured item** of plant and machinery or any part of an **insured item** of plant and machinery specified in the **schedule**, suffers **insured damage** we will indemnify **you** in respect of such loss or damage as provided in the basis of settlement clause. This insurance applies whilst the **insured item** is within the **situation** and working or at rest or being dismantled, moved, reassembled or reinstalled for the purpose of cleaning, adjustment, inspection, repair, overhaul or relocation but only after completion of successful initial commissioning at the **situation**.

Additional Cover

We will indemnify **you** for loss of or damage to property not insured under this **policy** which is owned by **you** or if **you** are responsible for loss of or damage to it provided:-

- + that loss or damage occurred within the **situation** during the **period of insurance** as a direct result of impact from part of an **insured item** of plant and machinery and;
- + the loss or damage is directly caused by **insured damage** and occurs in circumstances where cover is provided and not excluded under the **policy**; and provided.

We will not pay more than the **sum insured** or **limit any one loss** as specified in the **schedule** for that **insured item** of plant and machinery as specified in the **schedule** for loss of or damage to the uninsured item.

1. Basis of Settlement

- 1.1 In the event of **insured damage** under this **policy** we will at our option pay **you** up to the **sum insured** or **limit any one loss** (whichever is selected) less the applicable **excess**, or the reasonable cost of repairs or replacement necessary to return the **insured item** to its former state of operation including:
 - a. cost of dismantling, re erection and removal of debris;
 - b. replacement of refrigerant lost from an **insured item** as a direct result of **insured damage**;
 - c. charges for overtime and work on public holidays where necessarily and reasonably incurred;
 - d. freight within the Commonwealth of Australia by any recognised **scheduled** service; and
 - e. overseas air freight by any recognised **scheduled** service and or overseas labour but only if specified in the **schedule**; and
 - f. hire of a temporary replacement item during the time taken to repair damage to any **insured item**.

Provided the total of all these costs in clauses 1.1(c), 1.1(d), 1.1(e) and 1.1(f) are limited to 50% of the normal cost of repair payable under this **policy**.

- 1.2 All **insured damage** which can be repaired must be repaired, however should the item be uneconomical to repair due solely to the nature of the **insured damage**, settlement will be as follows:
 - a. the cost of replacement of the **insured item** by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the **insured item** when new;
 - b. the **sum insured** for the **insured item** if specified items cover is selected; or
 - c. the **limit any one loss** if the blanket cover is selected.

We will pay the lesser of 1.2(a), 1.2(b) and 1.2(c).

- 1.3 We shall not be required to replace exactly the **insured item**, but only as circumstances permit;
- 1.4 The value of any salvage will be subtracted from any amount payable under this **policy**;
- 1.5 The **sum insured** for **insured items** of plant and machinery specified in the **schedule** shall be automatically reinstated following **insured damage** for no extra premium;
- 1.6 The amount of each claim otherwise payable shall be reduced by the amount of the **excess** shown in the **schedule**;
- 1.7 Where components or manufacturer's specifications are no longer available due to obsolescence, the basis of settlement will be the cost which would have been incurred if the components or specifications had still been available;

- 1.8 Notwithstanding any other clause in this **policy**:
- a. if specified items cover has been selected, **our** liability under this **policy** shall not exceed the **sum insured** in respect of the **insured item** which has suffered **insured damage**;
 - b. if blanket cover has been selected, **our** liability under this **policy** shall not exceed the **limit any one loss** irrespective of whether one or all of the **insured items** suffer **insured damage**.

2. Exclusions Applying to Section 1 and all Extensions

We will not pay for

- 2.1 Loss or damage caused by or arising from:
- a. fire, smoke or soot;
 - b. extinguishing a fire including subsequent demolition or repair work;
 - c. lightning;
 - d. chemical explosion (other than explosion of flue gas in boilers);
 - e. impact of land-borne vehicle, aircraft or waterborne craft;
 - f. earthquake, subterranean fire or volcanic eruption;
 - g. landslip or subsidence;
 - h. storm, tempest, flood, windstorm or cyclone;
 - i. water escaping, discharged or leaking from any source which is external to the plant and machinery insured;
 - j. theft or burglary;
 - k. intentional or malicious damage; or
 - l. the carrying out of tests involving abnormal stresses, including the intentional overloading of any **insured item**.
- 2.2 The cost of:
- a. replacement of expendable items such as belts, filters, fuses, electric heating elements, electrical contacts, thermostats, TX valves, cutting blades, crushing surfaces, glass or porcelain, ceramics, chains, seals, links, dies and moulds, conveyor belting lubricants, fuel and any transfer media;
 - b. replacement of component parts worn through normal machine operation;
 - c. adjustment, cleaning, purging or recharging of refrigeration or air conditioning equipment;
 - d. repairs to piping and other ancillary systems due to cracking of pipe work other than refrigeration or air conditioning pipe work; or
 - e. replacement of refractory or brickwork forming part of an **insured item**.
- unless necessary as part of the rectification of **insured damage** not otherwise excluded under this **policy**.
- 2.3 The cost of:
- a. maintenance work including but not limited to the tightening of loose parts, recalibration or adjustments;
 - b. alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation;
 - c. modification or alteration of insured plant which has suffered **insured damage** to enable it to operate with a more ozone friendly refrigerant gas as required by the UNEP (United Nations Environmental Protection) Montreal Protocol with respect to substances which deplete the ozone layer;
 - d. replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
 - e. replacement of lighting or sound equipment, reticulating electrical wiring, reticulating liquid and gas piping and ducting;
 - f. repair of scratches chipping or discolouration to painted or polished surfaces;
 - g. repair of slowly developing deformation or distortion of any part;
 - h. repair of blisters, laminations, flaws or grooving even when accompanied by leakage;
 - i. repairs to water or steam valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking;
 - j. repairs to shaft keys requiring tightening, fitting or renewal;
 - k. damage caused by the movement of foundations, masonry or brick work; or
 - l. removal or installation of underground pumps and well casings; unless specifically noted on the **schedule**, this exclusion does not include submersible pumps.
- 2.4 Consequential loss of any kind or description whatsoever.
- 2.5 **Insured damage** to any item being moved caused by dual lifting.
- 2.6 Anything to the extent **you** are entitled to recover the costs of labour or parts under a maintenance agreement, warranty, guarantee or indemnity in **your** favour by the manufacturer of the relevant item or any other person.

Section 1 - Extensions

1. Third-Party Liability

Applies where indicated on the **schedule** as being operative.

1.1 Definitions applying to this extension

Compensation means:

Money payable by **you** by reason of a judgement ordered by a court of competent jurisdiction or by reason of any settlement of any claim negotiated with **our** consent, but does not include any money payable by way of any fine or penalty or punitive, exemplary or aggravated damages.

Limit of liability means:

The amount or amounts specified in the **schedule**.

Personal injury means:

Bodily injury, sickness or disease, including death at any time resulting therefrom or shock, fright, mental anguish or mental injury.

Property damage means:

- + physical damage to or loss or destruction of tangible property including the loss of use thereof at any time resulting therefrom; or
- + loss of use of tangible property which has not been physically damaged or destroyed provided such loss of use is caused directly and solely by the sudden and unforeseen physical loss of or damage to **your** certifiable boiler(s) and pressure vessel(s) specified in the **schedule** and occurring during the **period of insurance**.

You/your means:

The Insured named in the **schedule** including, as if they were **you**:

- I. wholly owned subsidiary companies (existing at the inception date of this **policy** or acquired during the **period of insurance**) which are incorporated within Australia and carry on the **business** but excluding interests or liabilities of other parties in joint venture with **you** or any such companies unless such interests or liabilities are specifically included in the **schedule** or by endorsement to this **policy**;
- II. any of **your** directors, executive officers or employees or company designated in paragraph (i) but only whilst acting within the scope of their duties in such capacity.

This extension will cover a claim against any Insured by a third-party who is also an Insured in paragraph (i) and for this purpose only, this extension will be treated as a separate contract between each Insured in the above definition on the one hand and **us** on the other hand but nothing in this clause increases the **limit of liability**.

1.2 Scope of cover

We will pay:

- a. all sums which **you** become legally liable to pay by way of **compensation**;
- b. all costs awarded against **you**.

In respect of **personal injury** or **property damage** caused directly and solely by the sudden and unforeseen physical loss of or damage to **your** certifiable boilers or pressure vessels specified in the **schedule** and occurring during the **period of insurance**.

1.3 Defence of claims

With respect to the indemnity provided by this section **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, and **we** will investigate, negotiate and settle any claim or legal action as **we** see fit;
- b. pay all legal costs and expenses incurred by **us** and all interest accruing after entry of judgement until **we** have paid, tendered or deposited in court such part of the judgement as does not exceed the limit 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 (Cth)*).

Provided that:

- e. **we** will not be obliged to pay any claim or judgement or to defend any claim or legal action after the **limit of liability** has been exhausted by payment of judgements 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 and expenses under section 1.3 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 amounts 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**.

1.4 Limit of liability

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**.

1.5 Exclusions applying to this extension

(In addition the exclusions contained in *Section 1* apply to this extension) **we** will not pay for:

- a. **personal injury** to any person:-
 - I. arising out of or in the course of the employment of such person employed by **you**; or
 - II. employed by **you** and which claims arise from a liability imposed by an industrial award or agreement or determination, Workers **Compensation** or Accident **Compensation** Legislation or Law.
- b. **property damage** to property which is:
 - I. owned, leased or rented by **you**; or
 - II. in **your** physical or legal control or in the physical or legal control of **your** employees.
- c. **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, provided that this exclusion *1.5(c)* does not apply if such discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place;
- d. any costs and expenses incurred in the prevention, removing, nullifying or clean-up of such **pollutants** provided that this exclusion *1.5(d)* shall 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** or **property damage**.
Our liability under clauses *1.5(c)* and *1.5(d)* in respect of any one discharge, dispersal, release or escape and for all discharges, dispersal, release and escape of **pollutants** during any one **period of insurance** shall not exceed the **limit of liability**;
- e. liability resulting from the existence, mining, handling, processing, manufacture, sale, distribution, storage or use of asbestos, asbestos products and/or products containing asbestos.

1.6 Claims provisions and procedure applying to this extension

- a. **you** shall as far as reasonably practical preserve all evidence relevant to any claim;
- b. **you** shall not voluntarily make any payment or admission or offer or incur any expense (other than first aid to others at the time of the occurrence) in connection with any occurrence or claim without **our** written consent;

- c. **we** shall be entitled to take over and conduct in **your** name the defence of any claim and **we** shall have full discretion in the negotiations and settlement of any claim;
- d. **we** shall be entitled to prosecute in **your** name at **our** expense and for **our** own benefit any claim for indemnity or damages or otherwise.

We may take action under clauses *1.6(c)* and *1.6(d)* before **we** have paid **your** claim and whether or not **you** have been fully compensated for **your** actual loss.

2. Deterioration of Stock in Cold Storage

Applies where indicated on the **schedule** as being operative.

2.1 Scope of cover

We will indemnify **you** up to the **sum insured** for loss of or damage to the **stock** as specified whilst contained in the cold storage spaces cooled by the **insured items** nominated in the **schedule** and caused by deterioration or putrefaction as a result of:

- a. **insured damage** to the refrigeration machinery;
- b. operation of or failure to operate, controls or protective devices within the refrigeration machinery; but this does not include loss caused by the manual operation or manual setting of controls or protective devices;
- c. contamination of the stored **stock** by the accidental escape of refrigerant into the cold chamber;
- d. sudden leakage of refrigerant from the refrigeration machinery or pipe systems forming part of the refrigeration machinery occurring during the **period of insurance** at the **situation**; or
- e. sudden and unforeseen failure of the public power supply.

2.2 Basis of settlement

- a. **we** will pay the cost of replacement of the lost or damaged **stock** calculated immediately prior to the loss or damage occurring, but **we** will not pay more than the **sum insured** stated in the **schedule** for the **stock** less the applicable **excess**;
- b. the amount of each claim otherwise payable shall be reduced by the amount of the **excess** shown in the **schedule**.

2.3 Exclusions – applying to this extension

(In addition the exclusions contained in *Section 1* apply to this extension) **we** will not pay for:

- a. any loss or damage due to shrinkage, inherent defects or diseases;
- b. loss or damage caused by improper storage, collapse of the packing material or storage structure;
- c. penalties for delay or detention or consequential loss or damage or liability of any nature whatsoever; and
- d. loss or damage following loss of public power supply due to:
 - I. the deliberate act of any public power supply authority;
 - II. the decision by any public power supply authority to restrict or withhold supply;
 - III. shortage of power generation fuel or water.

2.4 Special conditions

- a. an increase of thirty percent (30%) in the limit of indemnity under this extension shall apply during the following periods (unless otherwise shown in the **schedule**):
 - I. from sixty (60) days before Christmas Day to the tenth day following, both days inclusive;
 - II. from thirty (30) days before Easter Sunday to the tenth day following, both days inclusive.
- b. the **sum insured** under this extension shall be automatically reinstated following **insured damage** for no extra premium.

3. Increased Cost of Working

Applies where indicated on the **schedule** as being operative.

3.1 Scope of cover

We will indemnify **you** as set out in *3.2* below up to the **sum insured** for any additional costs of operating **your business** directly resulting from an interruption or interference to **your business** as defined in the **schedule** but only if:

- a. the interruption or interference is as a result of **insured damage** to items of plant and machinery covered under *Section 1*; and
- b. the interruption or interference is caused solely as a result of **insured damage**.

We will deduct from the amount payable by **us** any sum saved during the **indemnity period** in respect of charges and expenses of the **business** which may cease or be reduced as a result of the **insured damage**. The amount payable will not exceed the amount by which the financial loss suffered by the **business** is reduced by the incurring of the increase in cost of working.

3.2 Basis of settlement

- a. **we** will pay **you** for any additional costs of operating **your business** which directly result from an interruption or interference and which are reasonable and necessarily incurred over and above those expenses which **you** would have incurred to maintain normal **business** operations in the absence of the **insured damage**;
- b. **we** will only pay for such additional costs incurred during the **indemnity period** stated in the **schedule** and **we** shall not pay more than the **sum insured** shown in the **schedule**;
- c. the **indemnity period** and the **time excess** commences at the time of the occurrence of the **insured damage**;
- d. **we** will not be liable for loss, damage or costs incurred by **you** during the **time excess**;
- e. the amount of each claim otherwise payable shall be reduced by the amount of the **excess** shown in the **schedule**.

3.3 Exclusions – applying to this extension

(In addition the exclusions contained in *Section 1* apply to this extension) **we** will not pay for:

- a. costs with respect to any interruption or interference caused by the carrying out of maintenance, alterations, additions, cleaning or improvements;
- b. fines or damages resulting from breach of contract or law as a result of any interruption or interference; or
- c. consequential loss of any kind or description whatsoever.

Section 2 - Electronic Insurance

Definitions

Electronic data means:

The information stored on the **electronic data media**.

Electronic data media means:

The discs or tapes used in the computer to store the information.

Electronic plant means:

All computers, word processors including all ancillary equipment attached thereto, **software**, other electronic equipment and associated air conditioning equipment as specified in the **schedule** as **insured items**.

Software means:

The collection of programs which cause a computer to perform a desired operation or series of operations.

Scope of Cover

If any **insured item** of **electronic plant** or any part of an **insured item** of **electronic plant** specified in the **schedule**, suffers **insured damage** we will indemnify you, as provided in the basis of settlement clause, in respect of the **insured damage** indicated by the terms of cover on the **schedule** you have selected.

Cover under **Section 2** applies while the **insured item** is at the **situation** or is at other premises temporarily for the sole purpose of maintenance, repair or service.

Terms of Cover

Where indicated on the **schedule** as being operative.

Cover 1: Comprises **insured damage** caused by fire, explosion, lightning, burglary, theft, malicious or accidental damage, impact, storm, tempest, flood, water, vibration, earthquake, power surge, low voltage, mechanical, electrical and electronic breakdown.

Cover 2: Comprises **insured damage** caused by fire, explosion, lightning, burglary, theft, malicious or accidental damage, impact, storm, tempest, flood, water, vibration and earthquake.

Cover 3: comprises **insured damage** caused by burglary, theft, malicious or accidental damage, vibration, power surge, low voltage, mechanical, electrical and electronic breakdown but does not include **insured damage** caused by fire.

Cover 4: Comprises **insured damage** caused by vibration, power surge, low voltage, mechanical electrical or electronic breakdown.

Transported Equipment Extension

Where indicated on the **schedule** as being operative extends the cover selected to cover **insured item(s)** specified in the **schedule** for this extension whilst in transit anywhere within the territorial limits as specified in the **schedule**.

1. Basis of Settlement

- 1.1 In the event of **insured damage** to the **insured item** of **electronic plant** we will pay the cost of replacement or repairs necessary to return the **insured item** to its former state of operation including:
- cost of dismantling, re erection and removal of debris;
 - charges for overtime and work on public holidays where necessarily and reasonably incurred;
 - freight within the Commonwealth of Australia by any recognised **scheduled** service;
 - overseas air freight by any recognised **schedule** or overseas labour but only if specified in the **schedule**;

provided that the costs in clauses 1.1(b), 1.1(c) and 1.1(d) are limited to 50% of the normal cost of repair payable under this policy;

- any customs duties and dues.
- 1.2 No deduction will be made for depreciation of parts replaced except for valves, tubes (including picture and x-ray tubes) and light sources. We will deduct a proportion of the replacement cost of these items being the proportion which the period of use up to the time of failure, bears to the normal service life expected by the manufacturer or supplier.
- 1.3 All **insured damage** which can be repaired, must be repaired, however, should the item be uneconomical to repair due solely to the nature of the **insured damage**, settlement will be as follows:
- the **sum insured** for the **insured item** as stated in the **schedule**; or
 - for **insured items** less than six years old the cost of replacement of the **insured item** by an item of similar, function, type, capacity and quality and in a condition equal to but not better than, the condition of the **Insured item** when new; or
 - for **insured items** six years or older, the installed value of the **insured item** will be depreciated by 10% per annum for each year of service to a maximum of 70%.

Our liability will be the lessor of 1.3(a), 1.3(b) or 1.3(c) less the applicable **excess**.

- 1.4 The value of any salvage will be subtracted from the amount payable under this clause.
- 1.5 If more than one **insured item** is lost or damaged in one occurrence, we will apply only the highest of the **excess** applicable to such **insured items**.
- 1.6 The amount of each claim otherwise payable shall be reduced by the amount of the **excess** shown in the **schedule**.

2. Exclusions – Applying to Section 2 and all Extensions

We will not pay for

- 2.1 **Insured damage to electronic data and electronic data media**, subject to any extension selected by **you**.
- 2.2 **Insured damage** caused by atmospheric conditions, moisture or change in temperature unless directly resulting from damage to or malfunction of air conditioning equipment.
- 2.3 The cost of:
 - a. replacement of expendable items such as batteries, valves, x-ray and picture tubes, belts, chains, tapes, cards, ribbons, filters, tubes, electric heating elements or electrical contacts; or
 - b. replacement of component parts worn through normal use or operation.

unless necessary as part of the rectification of **insured damage** not otherwise excluded under this **policy**.

- 2.4 The cost of:
 - a. maintenance work;
 - b. alterations, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation;
 - c. replacement or repair following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
 - d. temporary repairs unless they constitute part of the final repairs and do not increase the total repair costs;
 - e. repairs of scratches to painted or polished surfaces; or
 - f. anything to the extent **you** are entitled to recover the costs of labour or parts under a maintenance agreement described in Special Condition 3.1 or warranty, guarantee or indemnity in **your** favour by the manufacturer of the relevant **insured item** or any other person.
- 2.5 Loss or damage caused by:
 - a. theft by **you** or any of **your** employees or member of **your** family;
 - b. theft by any person to whom the **insured item** is on hire under any agreement for hire including any agreement for hire purchase or lease;

- c. theft by any person for whose debt the **insured item** stands as security under or pursuant to any agreement entered into by any person insured under **Section 2**;
 - d. disappearance of any kind when the **insured item** is out of **your** physical possession, on hire, rental, lease or loan;
 - e. theft or attempted theft except whilst **insured items** are left unattended within a locked vehicle or otherwise properly secured at the **situation**;
 - f. **software** viruses or other disruptive programming techniques.
- 2.6 Consequential loss of any kind or description whatsoever, subject to any extension selected by **you**.

3. Special Conditions – Applying to Section 2

- 3.1 If **you** have selected covers 1, 3 or 4 and the individual value of any item of **electronic plant** as specified in the **schedule** exceeds \$100,000 a maintenance agreement must be current in respect of such item before any insurance applies.
- 3.2 This insurance only applies after completion of successful initial commissioning.
- 3.3 **You** shall notify the Police of all incidents involving loss or malicious damage from theft or burglary which might give rise to a claim under this **policy**.
- 3.4 The sums insured for material damage and extension 1 of **Section 2** shall be automatically reinstated following **insured damage** for no extra premium.

Section 2 - Extensions

1. Electronic Data and Electronic Data Media

Applies where indicated on the **schedule** as being operative.

1.1 Scope of covers

We will indemnify **you** for **insured damage** to the **electronic data** and **electronic data media** insured under this extension as specified in the **schedule** caused solely as the result of **insured damage** covered under *Policy 2* to an **insured item**.

1.2 Basis of settlement

We will pay **you** for **insured damage** up to the **sum insured** less the applicable **excess** including:

- a. the actual cost of replacement of lost or damaged **electronic data media** by new unused materials;
- b. any expenses which can be proved to have been incurred by **you** only for the purpose of restoring the **electronic data** by reproduction of data or information in a condition equivalent to that existing prior to **insured damage** and necessary to allow operation of the **insured item** to continue in the normal manner. Lost **electronic data** may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in the original form.

And provided:

- c. **we** shall only be liable for costs and expenses incurred within a period of twelve (12) months following the **insured damage** within the **period of insurance**.
- d. this extension only applies whilst the insured **electronic data media** is:
 - I. at the **situation**;
 - II. at a media storage **situation**; or
 - III. temporarily at an alternative **situation** for processing purposes or in transit between any of these **situations**.
- e. the amount of each claim otherwise payable shall be reduced by the amount of the **excess** shown in the **schedule**.

1.3 Exclusions – applying to this extension

(In addition the exclusions contained in *Section 2* apply to this extension)

We will not pay for:

- a. loss or distortion of **electronic data** contained on the **electronic data media** while mounted in or on any machine for use of processing unless such loss or distortion occurs:

- I. at the **situation** due to **insured damage** to an **insured item**; or
- II. at another **situation** temporarily for processing purposes due to **insured damage** to the **insured item** which would be indemnifiable if the **insured item** were insured under *Section 2*.

- b. loss or distortion caused by computer virus being an executable programme or computer code segment that is self-replicating, requires a host programme or executable disc segment in which it can be contained and which destroys or alters the host programme or other computer code or data causing undesired programme or computer system operation;
- c. wasting or wearing away or wearing out caused by or naturally resulting from ordinary use or working or gradual deterioration;
- d. loss or damage caused by atmospheric conditions, moisture or changes in temperature unless directly resulting from damage to air-conditioning equipment which would be indemnifiable if the equipment were insured under *Section 2*;
- e. consequential loss of any kind or description whatsoever; or
- f. work undertaken without **our** approval other than for minor temporary or provisional repairs. There is no cover under this extension with respect to any **insured item** which has been operated without being satisfactorily repaired following **Insured damage**.

1.4 Special condition – applying to extension 1

- a. it is a condition precedent to indemnity under this extension that **you** must have duplicate copies of updated file media stored off site at alternative premises.

2. Increased Cost of Working

Applies where indicated on the **schedule** as being operative.

2.1 Scope of cover

- a. **we** will indemnify **you** as set out in 2.2 below up to the **sum insured** for any additional costs of operating **your business** directly resulting from interruption or interference to **your business** as defined in the **schedule** but only if:
 - I. the interruption or interference is as a result of **insured damage** to **electronic plant** covered under *Section 2*; and
 - II. the interruption or interference is caused solely as a result of **insured damage**;

- III. **we** will deduct from the amount payable by **us** any sum saved during the period of the interruption in respect of charges and expenses of the **business** which may cease or be reduced as a result of the **insured damage**, including any such savings occurring by reason of the interruption of the normal operation of the electronic operation of the data processing system.

2.2 Basis of settlement

- a. **we** will pay **you** for the additional expenditure incurred over and above the normal expenses which would have been incurred by **you** for the operation of **your electronic plant** by the use of substitute equipment to maintain normal **business** operation during the interruption up to the **sum insured** specified in the **schedule**, less the applicable **excess** including:
 - I. the actual hire charges incurred for the rental of substitute equipment; and
 - II. the cost of additional personnel and transport expenses incurred with the use of the substitute equipment.
- b. the **indemnity period** and the **time excess** shall commence upon the commencement of use of a substitute **electronic plant**;
- c. **we** will be liable for additional expenditure incurred during the actual period of the interruption but not exceeding the period specified in the **schedule** as the **indemnity period**;
- d. the total of all claims payable under this extension during the **period of insurance** shall not exceed the aggregate of the **sum insured** stated in the **schedule**;
- e. **we** will not be liable for loss, damage or costs incurred by **you** during the **time excess**;
- f. the amount of each claim otherwise payable shall be reduced by the amount of the **excess** shown in the **schedule**.

2.3 Exclusions – applying to this Extension

(In addition the exclusions contained in [Section 2](#) apply to this extension)

We will not pay for:

- a. The costs incurred during:
 - I. interruption due to the carrying out of alterations, additions, or improvements to **electronic plant**;
 - II. interruption due to the carrying out of cleaning, adjustment, inspection or maintenance of **electronic plant**; or
 - III. the extension of any interruption due to any measure, restriction or regulation imposed by any government, public or local authority.

- b. additional costs incurred where the period of interruption otherwise applicable is increased beyond four (4) weeks due to delay in the repair or replacement of items manufactured outside Australia where such delay results from
 - I. measures, restrictions or regulations imposed by any government or public or local authority;
 - II. the time required to procure replacement parts or complete items in overseas markets;
 - III. the time required to transport or ship component parts or complete items between the **situation** and any overseas place of repair or replacement; or
 - IV. the time required to engage and transport overseas specialists or consultants to assist in or supervise local repairs.

2.4 Special condition – applying to Extension 2

- a. for the purpose of this Extension 2 only, exclusion [2.4.\(f\)](#) of [Section 2](#) does not apply.

Business Interruption Extensions for Sections 1 and/or 2

Applies where indicated on the **policy schedule** as being operative.

1. Definitions – Applying to this Extension

Annual turnover means:

The **turnover** during the twelve (12) months immediately before the date of **insured damage**.

Gross profit means:

The amount by which the sum of the **turnover** and the value of the closing **stock** exceed the sum of the value of the opening **stock** and the amount of the **uninsured working expenses**. The values of the opening and closing stocks shall be arrived at in accordance with **your** normal accountancy methods, due provision being made for depreciation.

Payroll means:

The remuneration (including but not limited to **payroll tax**, fringe benefits tax, bonuses, holiday pay, sick pay, workers **compensation**, insurance premiums, superannuation and pension fund contributions and the like) paid to or on behalf of all employees employed in **your business**.

Rate of gross profit means:

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

Rate of payroll means:

The **rate of payroll** to **turnover** during the financial year immediately before the occurrence of the **insured damage**.

Adjustments shall be made to the **rate of gross profit**, **annual turnover**, standard and **rate of payroll turnover** as may be necessary to provide for the trend of **your business** and for variations in or special circumstances affecting **your business** either before or after the **insured damage** or which would have affected **your business** had the **insured damage** not occurred, so that the figures thus adjusted represent as nearly as may be reasonably practicable the results which but for the **insured damage** would have been obtained during the relative period after the **insured damage**.

Standard turnover means:

The **turnover** during that period in the twelve (12) months immediately before the date of the **insured damage** which corresponds to the **indemnity period**.

Turnover means:

The money (less discounts allowed) paid or payable to **you** for goods sold and delivered and for services rendered in the course of **your Business** at the premises.

Uninsured working expenses means:

All purchases (less discounts received):

- + carriage, packing and freight;
- + discounts allowed;
- + bad debts;
- + other **uninsured working expenses** as specified in the **policy**.

2. Scope of Cover

We will indemnify **you** during the **period of insurance** for actual loss of **gross profit** suffered by **you** due to a reduction in **turnover** and increase in the cost of working, solely as the result of **insured damage** to an **insured item(s)** of plant covered under **Policies 1** or **2** as specified in the **schedule**.

Provided that the amount payable as indemnity is calculated as set out in 3 basis of settlement less the applicable **excess**.

3. Basis of Settlement

The amount payable shall be:

3.1 In respect of reduction in **turnover**:

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

3.2 In respect of increase in cost of working:

The additional expenditure (subject to the provisions of condition **4.5**) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** which but for that expenditure would have taken place during the **indemnity period** in consequence of the **insured damage**, but not exceeding the sum produced by applying the **rate of gross profit** to the amount of the reduction thereby avoided.

Less any sum saved during the indemnify period in respect of the charges and expenses of **your business** payable out of the **gross profit** as may cease or be reduced in consequence of the **insured damage**.

Provided that if the **sum insured** hereunder is less than the sum produced by applying the **rate of gross profit** to the **annual turnover**, (or its proportionately increased multiple thereof, where the **indemnity period** exceeds twelve months) the amount payable shall be proportionately reduced.

3.3 In respect of any such professional fees and such other reasonable expenses necessarily incurred by **you**, for preparation of claims under this **policy**.

- 3.4 In respect of **payroll** (dual basis) the amount payable shall be:
- a. in respect of reduction of **turnover**
 - I. during the portion of the **indemnity period** beginning with the occurrence of the **insured damage** and ending not later than the number of weeks thereafter specified in the **schedule**, the sum produced by applying the **rate of payroll** to the shortage in **turnover** during the portion of the **indemnity period** less any saving during the said portion of the **indemnity period** through reduction in the amount of **payroll** paid in consequence of the **insured damage**;
 - II. during the remaining portion of the **indemnity period** the sum produced by applying the **rate of payroll** to the shortage in **turnover** during that remaining portion of the **indemnity period** less any saving during that period through reduction in the amount of **payroll** paid but not exceeding the sum produced by applying the percentage of the **rate of payroll** specified in the **schedule** to the shortage in **turnover** during the said remaining portion of the **indemnity period**, increased by such amount as is deducted for savings under the terms of *Clause 3.4.(a)(i)*.

At **your** option the number of weeks referred to in *Clause 3.4(a)(i)* above may be increased to the number of weeks specified in the **schedule** under the heading consolidation period provided that the amount arrived at under the provisions *Clause 3.4.(a)(ii)* shall not exceed such amount as is deducted under *Clause 3.4(a)(i)* for savings effected during the said increased number of weeks.

- b. in respect of Increased cost of working
 - I. the amount of the additional expenditure described in *Clause 3.2* as exceeds the amount payable thereunder but not more than the additional amount which would have been payable in respect of **payroll** to the **annual turnover** under the provisions of *Clauses 3.1 and 3.2* of this Item had such expenditure not been incurred.

Provided that if the limit of indemnity by this item is less than the sum produced by applying the **rate of payroll** to the **annual turnover** (or its proportionately increased multiple thereof, where the **indemnity period** exceeds twelve (12) months), the amount payable shall be proportionately reduced.
- 3.5 In respect of **payroll** (period basis) for the period beginning with the occurrence of the **insured damage** and ending not later than the number of weeks thereafter specified in the **policy schedule**.

- a. the amount payable shall be the actual amount which **you** shall pay as **payroll** for such period to employees whose services cannot in consequence of the **insured damage** be utilised by **you** at all and an equitable part of the **payroll** paid for such period to employees whose services cannot in consequence of the **insured damage** be utilised by **you** to the full;
 - b. provided that if the limit of indemnity for this item be less than the aggregate amount of the **payroll** that would have been paid during the same number of weeks specified in the **schedule** immediately following the occurrence of the **insured damage** had the **insured damage** not occurred the amount payable shall be proportionately reduced.
- 3.6 In respect of such further additional expenditure beyond that recoverable under *Clauses 3.2* and *3.5* as **you** shall necessarily and reasonably incur during the **indemnity period** in consequence of the **insured damage** for the purpose of avoiding or diminishing the reduction in **turnover** or resuming or maintaining **your business**.

Provided **our** liability shall in no case exceed the **sum insured** less the applicable **excess** as specified in the **policy schedule**.
- 3.7 The **indemnity period** and the **time excess** commences at the time of the occurrence of the **insured damage**. **We** will not be liable for loss, damage or costs incurred by **you** during the **time excess**.
- 3.8 The amount of each claim otherwise payable shall be reduced by the amount of the **excess** shown in the **policy schedule**.

4. Conditions – Applying to this Extension

- 4.1 If during the **Indemnity period** goods are sold or services are rendered for the benefit of **your business** either by **you** or by others on **your** behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the **turnover** during the **indemnity period**.
- 4.2 The premium shown is provisional and is calculated on the annual **gross profit** and insured pay-roll (or appropriately increased if the **indemnity period** exceeds twelve (12) months) estimated to apply during the period referred to in *4.3(a)* below, on the commencement day of each **period of insurance**.

- 4.3 You will undertake to declare to **us** within a reasonable time after the expiry of the **period of insurance**:
- a. the amount of the **gross profit** earned and pay-roll paid in accordance with the indemnity afforded in respect of this extension, in the course of **your business** during the accounting period of twelve (12) months most nearly concurrent with the **period of insurance** (or appropriately increased if the **indemnity period** exceeds twelve (12) months).
- 4.4 The provisional premium shall be adjusted by payment to **us** of an additional premium or a return premium paid to **you**, as the case may be, at the full agreed rate on the difference between the amounts declared under 4.2 and 4.3.
- 4.5 If any fixed costs and expenses of **your business** are not insured by this **policy** (having been deducted in arriving at the **gross profit** as defined herein) then in computing an amount recoverable hereunder as increase in cost of working that proportion only of the additional expenditure shall be brought into account which the **gross profit** bears to the sum of the **gross profit** and the uninsured fixed costs and expenses.
- 4.6 Any particulars or details contained in **your** books of account or other **business** books or documents which may be required by **us** for the purpose of investigating or verifying any claim hereunder may be produced and certified by **your** Auditors and their **schedule** shall be prima facie evidence of the particulars and details to which such **schedule** relates.
- 4.7 **We** will reinstate the **sum insured** following a claim provided **you** have paid the additional premium required by **us**.
- 4.8 In calculating the loss of **gross profit**, no allowance shall be made for the time spent on any overhauls, inspections or modifications carried out during any period of interruption.
- 4.9 If during a period of six months immediately following the recommissioning of the **insured items** after **insured damage**, **you** derive benefits from deferred sales or from increased production or profits as a consequence of an interruption, such benefits shall be taken into account in determining the indemnity payable under this extension.
- 4.10 In the event of **insured damage** to an **insured item** which gives rise to a claims under this extension **we** reserve the right to take over and control all necessary repairs or replacements.
- 4.11 In the event of **insured damage** occurring at the premises before the completion of the first year's trading of the **business**, the terms '**Rate of gross profit**' '**Annual turnover**' '**Standard turnover**' and '**Rate of payroll**' shall bear the following meanings and not those as stated in the definitions.
- a. **rate of gross profit** means: the proportion which the **gross profit** bears to the **turnover** during the period between the date of the commencement of the **business** and the date of the **insured damage**;
 - b. **annual turnover** means: the proportional equivalent, for a period of twelve (12) months of the **turnover** realised during the period between the commencement of the **business** and the date of the **insured damage**;
 - c. **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 **insured damage**;
 - d. **rate of payroll** means: the proportion which the pay-roll bears to the **turnover** during the period between the date of commencement of the **business** and the date of the **insured damage**. Adjustment shall be made to the **rate of gross profit**, **annual turnover**, **standard turnover** and rate of pay-roll as may be necessary to provide for the trend of the **business** and for variations in or other circumstances affecting the **business** either before or after the **insured damage** or which would have affected the **business** had the **insured damage** not occurred, so that the figures thus adjusted shall represent, as nearly as may be reasonably practicable the results which but for the **insured damage** would have been obtained during the relative period after the **insured damage** occurred.

5. Exclusions – Applying to this Extension

(In addition the exclusions contained in *Sections 1 and 2* apply to this extension)

This extension shall not cover any loss resulting from interruption or interference with **your business** directly or indirectly, arising from the following causes:

- 5.1 Any restrictions on reconstruction or operation imposed by any public authority.
- 5.2 **You** not having at **your** disposal in reasonable time sufficient capital for repairing or replacing destroyed or damaged **insured item**.
- 5.3 Loss of or damage to other items which are not listed in the list of **insured items**, even if as a consequence there is material damage to an Item indicated in the list of **insured items**.
- 5.4 Loss of **business** due to causes such as suspension, lapse or cancellation of a lease, licence or order, etc. Which occurs after the date when the **insured item** affected by **insured damage** is again in operating condition and **your business** could have been resumed, if the lease, licence or order, etc. had not lapsed or had not been suspended or cancelled.

Conditions and Exclusions Applying to all Sections

6. Conditions

6.1 Minimisation of loss.

You shall at **your** own expense take all reasonable precautions to prevent loss or damage and **you** shall comply with all statutory requirements and manufacturers' recommendations relating to the safeguarding and operation of the **insured items** and in the event of **insured damage** occurring **you** shall do all things necessary and reasonably available to reduce the amount of any loss, damage or liability.

6.2 Newly installed items.

At the end of each **period of insurance** **you** shall furnish **us** with details of any items newly installed or which have been deleted during the **period of insurance**. Additional or return premiums shall be calculated corresponding to the type and value of the items and the **period of insurance** from the time of completion of the successful commissioning of the items. Provided that **our** liability for all additional items will not exceed fifty percent of the total **sum insured** or **limit of liability** as stated in the **schedule**.

6.3 Inspection.

You shall permit **us** or **our** representative at all reasonable times the right to inspect and examine any items insured by this insurance.

6.4 Refusal to pay a claim.

If **you** fail to comply with any of the provisions of this insurance, subject to the Insurance Contracts Act **we** shall be entitled to refuse to pay a claim.

6.5 Observance of Terms and Conditions.

The due observance and fulfilment of the terms and conditions of these Policies and the truth of the statements and answers in the proposal and declaration shall be conditions precedent to any liability by **us** to make any payment under this insurance.

6.6 This insurance only applies after completion of successful initial commissioning.

6.7 Cancellations.

You may cancel any or all of this insurance at any time by notifying **us** in writing and **we** will refund to **you** premium for the unexpired **period of insurance**. **We** may cancel any part of this insurance by notice in writing at any time, for any reason available to **us** at law including under the *Insurance Contracts Act 1984 (Cth)*. Upon cancellation of any insurance by **us**, **we** will refund to **you** a proportion of the premium applicable to the unexpired **period of insurance**.

6.8 Assignment.

We shall in no case be bound to accept notice of any transfer of any interest in this Insurance and nothing contained in this insurance shall give any rights to any person other than **you** or a transferee approved by **us** in writing.

6.9 Contribution.

If at the time of any loss or damage happening there is any other insurance effected by **you** or by any other person or persons on **your** behalf covering the same loss or damage either alone or together with any other property **you** must give **us** full details of that insurance.

6.10 Subrogation.

In the event that **we** have a right to recover any monies payable under this insurance from any other person, **you** must co-operate with **us** fully in any proceedings, available to **us** at law, which **we** may take. **We** may take action before or after **we** have paid **your** claim and whether or not **you** have been fully compensated for **your** actual loss.

6.11 Claims and repair procedure.

In the event of any **insured damage** which might give rise to a claim under this insurance **you** must:

- a. notify **us** as soon as reasonably practical after becoming aware of such events and confirm full details in writing;
- b. preserve the parts affected and make them available for inspection by **us** or **our** representative; and
- c. furnish all such information and documentary evidence as **we** may require.

6.12 Upon notification of any loss or damage being given to **us**, **you** may carry out repairs or make good any minor damage, but in all other cases **you** must give **us** or **our** representative an opportunity to inspect the loss or damage before any repairs or alterations are effected. If no inspection is carried out by **us** or on **our** behalf within a period of time which is reasonable having regard to the location of the risk, weather conditions and/or any other relevant factors, **you** may proceed with such repairs or replacement.

6.13 Nothing contained in this Section or in any other condition of this insurance will relieve **you** of any obligation to take such steps as are necessary to ensure that the operation of the **insured items** is at all times carried out so as to minimise the risk of any claim being made under this insurance.

6.14 Insurance cover will cease for any **insured item** which has sustained damage and is operated unless it has been repaired properly and without delay.

6.15 **You** shall notify **us** in writing of any intended alterations of or departure from normal working conditions which **you** know (or a reasonable person in the circumstances could be expected to know) would materially increase the risk.

7. Exclusions

We will not pay for:

- 7.1 Loss or damage due to faults or defects known to **you** or any of **your** employees at the time of arrangement of this insurance and not disclosed to **us**.
- 7.2 Loss or damage directly or indirectly occasioned by or happening through or in consequence of war, invasion, act of foreign enemy, hostilities or war-like operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, confiscation, nationalisation, requisition or destruction by or under the order of any government or public authority.
- 7.3 Loss, destruction or damage directly or indirectly caused by or contributed to by or arising from nuclear weapons, nuclear material or from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or any self sustaining process of nuclear fission.
- 7.4 Any liability or obligation assumed by **you** under agreement unless such liability or obligation would have attached to **you** without any such agreement.
- 7.5 Any act(s) of terrorism – for the purpose of this exclusion, an act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the Government of the day 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 or 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) of the day 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.

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 7.2, 7.3 or 7.5 above.

- 7.6 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 or 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, power surge, low voltage, mechanical, electrical and electronic breakdown.

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 instructions for such equipment.

- 7.7 Sanctions Exclusion.

We will not be liable to provide any cover, pay any claims or provide any benefit under this **policy** to the extent that to do so may expose **us** to any sanction, prohibition or restriction under United Nations resolutions or any applicable trade or economic sanctions, laws or regulations of any country.





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