

Chubb Business Pack Insurance

Policy Wording

CHUBB®



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Chubb Business Pack Insurance

Important Information

A home building means a building that is used or intended to be used primarily as a place of residence and includes a home building that is a commercial premise in which You may also live or of which You rent a part of the building for residential use. Note that if You only use the building for residential purposes, it cannot be insured under this Policy. In addition, You can only insure a home building under this Policy if You are the owner of the property.

Note that since the purpose of this Policy is to cover certain business related exposures, in the event that You are insuring a home building, the cover provided differs from the prescribed policy for domestic house and contents contained in the Insurance Contracts Regulations.

About Chubb in Australia

Chubb Insurance Australia Limited ABN: 23 001 642 020 AFSL: 239687 is the issuer of this product and Our contact details are:

Grosvenor Place
Level 38, 225 George Street
Sydney NSW 2000
O +61 2 9335 3200
F +61 2 9335 3411
www.chubb.com/au

Duty of Disclosure

Your Duty of Disclosure

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

You have this duty until We agree to insure You.

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

What You do not need to tell Us

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.

General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice (**Code**). The objectives of the Code are to further raise standards of service and promote consumer confidence in the general insurance industry. Further information about the Code and Your rights under it is available at codeofpractice.com.au and on request. As a signatory to the Code, We are bound to comply with its terms. As part of Our obligations under Parts 9 and

10 of the Code, Chubb has a [Customers Experiencing Vulnerability & Family Violence Policy](#) (Part 9) and a [Financial Hardship Policy](#) (Part 10).

Complaints and Dispute Resolution Process

We understand that You could be dissatisfied with Our organisation, Our products and services, or the complaints handling process itself. We take all Our customer's concerns seriously and have detailed below the complaints process that You can access.

Complaints and Customer Resolution Service

Contact Details

If You are dissatisfied with any aspect of Your relationship with Chubb including Our products or services and wish to make a complaint, please contact Our Complaints and Customer Resolution Service (**CCR Service**) by post, phone, fax, or email, (as below):

Complaints and Customer Resolution Service
Chubb Insurance Australia Limited
GPO Box 4065
Sydney NSW 2001
P +61 2 9335 3200
F +61 2 9335 3411
E complaints.AU@chubb.com

Our CCR Service is committed to reviewing complaints objectively, fairly and efficiently.

Process

Please provide Us with Your claim or policy number (if applicable) and as much information as You can about the reason for Your complaint.

Our response

We will acknowledge receipt of Your complaint within one (1) business day of receiving it from You, or as soon as practicable. Following acknowledgement, within two (2) business days We will provide You with the name and relevant contact details of the CCR Service team member who will be assigned to liaise with You regarding Your complaint.

We will investigate Your complaint and keep You informed of the progress of Our investigation at least every ten (10) business days and will make a decision in relation to Your complaint in writing within thirty (30) calendar days. If We are unable to make this decision within this timeframe, We will provide You with a reason for the delay and advise of Your right to take Your complaint to the Australian Financial Complaints Authority (**AFCA**) as detailed below, subject to its Rules. If Your complaint falls outside the AFCA Rules, You can seek independent legal advice or access any other external dispute resolution options that may be available to You.

To the extent allowable at law, if You request copies of the information We relied on to make a decision about Your complaint, We must provide it within ten (10) business days of Your request. Please see the General Insurance Code of Practice 2020 (codeofpractice.com.au) or contact Us for further details.

Please note that if We have resolved Your complaint to Your satisfaction by the end of the fifth (5th) business day after We have received it, and You have not requested that We provide You a response in writing, We are not required to provide a written response. However, this exemption does not apply to complaints regarding a declined claim, the value of a claim, or about financial hardship.

External Dispute Resolution

If You are dissatisfied with Our complaint determination, or We are unable to resolve Your complaint to Your satisfaction within thirty (30) days, You may refer Your complaint to AFCA, subject to its Rules.

AFCA is an independent external dispute resolution scheme approved by the Australian Securities and Investments Commission (**ASIC**). We are a member of this scheme and We agree to be bound by its determinations about a dispute. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

You may contact AFCA at any time at:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
P 1800 931 678 (free call)
F +61 3 9613 6399
E info@afca.org.au
W www.afca.org.au

Time limits may apply to complain to AFCA and so You should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to Your circumstances expires.

Privacy Statement

In this Statement “We”, “Our” and “Us” means Chubb Insurance Australia Limited (**Chubb**).

“You” and “Your” refers to Our customers and prospective customers as well as those who use Our website.

This Statement is a summary of Our Privacy Policy and provides an overview of how We collect, disclose and handle Your Personal Information. Our Privacy Policy may change from time to time and where this occurs, the updated Privacy Policy will be posted to [Our website](#).

Chubb is committed to protecting Your privacy. Chubb collects, uses and retains Your Personal Information in accordance with the requirement of the *Privacy Act 1988* (Cth) and the Australian Privacy Principles (**APPs**), as amended or replaced from time-to-time.

Why We collect Your Personal Information

The primary purpose for Our collection and use of Your Personal Information is to enable Us to provide insurance services to You.

Sometimes, We may use Your Personal Information for Our marketing campaigns and research, in relation to new products, services or information that may be of interest to You.

How We obtain Your Personal Information

We collect Your Personal Information (which may include sensitive information) at various points including, but not limited to, when You are applying for, changing or renewing an insurance policy with Us or when We are processing a claim. Personal Information is usually obtained directly from You, but sometimes via a third party such as an insurance intermediary or Your employer (e.g. in the case of a group insurance policy). Please refer to Our Privacy Policy for further details.

When information is provided to Us via a third party We use that information on the basis that You have consented or would reasonably expect Us to collect Your Personal Information in this way. We take reasonable steps to ensure that You have been made aware of how We handle Your Personal Information.

When do We disclose Your Personal Information?

We may disclose the information We collect to third parties, including:

- the policyholder (where the insured person is not the policyholder, i.e., group policies);
- service providers engaged by Us to carry out certain business activities on Our behalf (such as claims assessors, call centres in Australia, online marketing agency, etc);
- intermediaries and service providers engaged by You (such as current or previous brokers, travel agencies and airlines);

- government agencies (where We are required to by law);
- other entities within the Chubb group of companies such as the regional head offices of Chubb located in Singapore, UK or USA (Chubb Group of Companies); and
- third parties with whom We (or the Chubb Group of Companies) have sub-contracted to provide a specific service for Us, which may be located outside of Australia (such as in the Philippines or USA). These entities and their locations may change from time-to-time. Please contact Us, if You would like a full list of the countries in which these third parties are located.

In the circumstances where We disclose Personal Information to the Chubb Group of Companies, third parties or third parties outside Australia We take steps to protect Personal Information against unauthorised disclosure, misuse or loss.

Your decision to provide Your Personal Information

In dealing with Us, You agree to Us using and disclosing Your Personal Information, which will be stored, used and disclosed by Us as set out in this Privacy Statement and Our Privacy Policy.

Access to and correction of Your Personal Information

Please contact Our customer relations team on 1800 815 675 or email CustomerService.AUNZ@chubb.com if You would like:

- a copy of Our Privacy Policy, or
- to cease to receive marketing offers from Us or persons with whom We have an association.

To request access to, update or correct Your Personal Information held by Chubb, please complete this [Personal Information request form](#) and return to:

Email: CustomerService.AUNZ@chubb.com

Fax: + 61 2 9335 3467

Address: GPO Box 4907 Sydney NSW 2001

How to Make a Complaint

If You have a complaint or would like more information about how We manage Your Personal Information, please review Our [Privacy Policy](#) for more details, or contact:

Privacy Officer

Chubb Insurance Australia Limited

GPO Box 4907 Sydney NSW 2001

+61 2 9335 3200

Privacy.AU@chubb.com.

Documents that Together Forms the Insurance Policy

Your Policy will consist of:

- this document;
- Your Policy Schedule;
- Your insurance application; and
- any other documents that We tell You form part of Your Policy.

You should keep these documents in a safe place in case You need to refer to them in the future. For certain types of cover under the Policy, We will require You to provide receipts and other documentary evidence to Us before We pay a claim. You should keep those documents in a safe place as well.

Introduction

This is a Chubb Business Pack Insurance Policy. Please read the entire Policy carefully.

All parts of this Policy, along with the Schedule and any endorsements, should be read together and considered as one contract.

The operative Sections of this Policy are as indicated in the Schedule. Unless a particular Section is identified in the Schedule as being “Insured”, it is of no effect and no cover is granted under it.

General Provisions

1. *General Insuring Agreement*

In consideration of the premium and any applicable excesses being paid by You to Us, and:

- a) in reliance upon the written statements and declarations provided by You or on Your behalf; and
- b) subject to the terms, exclusions, definitions, conditions and limitations of this Policy,

We agree to provide insurance cover as set out in those Sections identified as insured in the Schedule. We will not pay any more than the applicable limits or Sums Insured stated in the Schedule or as provided in this Policy wording.

2. *Underinsurance*

The Property Damage and Business Interruption Sections contain Underinsurance clauses that may limit the amount that We pay when You have a claim. This will only happen if You understate a Sum Insured.

Example:

Under Section 1 You insure Property Insured for a Sum Insured of \$1,800,000.

Damage amounting to \$1,000,000 occurs from an event covered under Section 1.

The value of such Property Insured at the commencement of the Policy Period, calculated in accordance with the ‘How We Will Pay’ clauses of Section 1, was actually \$2,400,000.

Underinsurance applies because the Sum Insured of the Property Insured is less than 80% of the actual value of the Property Insured.

Claim settlement = $(\$1,800,000 \times \$1,000,000) / (\$2,400,000 \times 80\%) = \$937,500$

In this example, We would pay \$937,500 for the cost of reinstating Your Property Insured, subject to the application of any Excess.

General Policy Conditions

1. *Applicable Law*

Should any dispute between Us and You arise concerning this Policy, the dispute will be determined in accordance with the law of Australia and the States and Territories thereof. In relation to any such dispute the parties agree to submit to the jurisdiction of any competent court in a State or Territory of Australia.

2. *Assignment*

Assignment of an interest under this Policy does not bind Us until its consent is endorsed on the Policy (which endorsement is not to be unreasonably withheld, delayed or conditioned). If You die or are declared bankrupt or insolvent by a competent court, this insurance will cover:

- a) Your legal representative acting on behalf of either You or Your estate; and/or
- b) any person or corporation having lawful temporary custody of property which is or was before Your death owned or possessed by You until the appointment of a legal representative.

3. *Changes*

Every change materially affecting the facts or circumstances existing at the commencement of this insurance, or at any subsequent renewal date (Change), must be notified to Us in writing within 28 days after such Change comes to the notice of You or Your officer responsible for insurance. Changes could include, but are not limited to:

- a) You or Your Business ceases, is wound up or enters a form of external administration;
- b) You or Your Business is acquired, purchased by or merged with a different legal entity;
- c) any change in the type or nature of the Property Insured or Your Business; or
- d) circumstances that affect the Insured Location or Property Insured which materially increases the risk of damage or loss. Examples of changes which could be considered immaterial could include replacement assets on a like for like basis, or changes in personnel.

This Policy will not provide cover for any Loss which is caused by the Change unless agreed in writing by Us.

If you do not notify Us of the change, We may decline a claim and/or cancel or avoid the Policy.

4. *Cancellation*

You may cancel this Policy by giving notice in writing to Us. If such notice is given, the cancellation will take effect on the day the notice is received by Us. Where You involves more than one person or party, We will only cancel the Policy when written agreement to cancel is received from all such named persons or parties.

We may cancel this Policy in any of the circumstances set out in the *Insurance Contracts Act 1984* (as amended from time to time) by giving You 30 days' notice.

Upon cancellation by either You or Us, You will receive a pro rata refund of premium for the unexpired Policy Period. However, We will not refund any premium if We have paid or are obliged to pay a benefit under the Policy that exceeds the total premium of the Policy. If We cancel the Policy because You have made a fraudulent claim under this Policy or any other contract of insurance (whether with Us or with some other insurer), We will not refund any money to You.

5. *Cooling Off*

You have 21 days after entry into the Policy (including renewals) to decide whether to return it. If the request is made to Us in writing within those 21 days, We will cancel the Policy, provided You or any Insured have not exercised a right or power under the terms of the Policy in that period (e.g. a claim has been made or benefit paid). We will provide a full refund of premium, less charges or taxes which We are unable to recover. Even after the cooling off period ends You still have cancellation rights (see General Policy Condition 4. Cancellation directly above).

6. *Compliance with Applicable Trade Sanction Laws*

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of the policy remain unchanged.

Chubb Insurance Australia Limited is a subsidiary of a US company and Chubb Limited, a NYSE listed company. Consequently, Chubb Insurance Australia Limited is subject to certain US laws and regulations [in addition to EU, UN and national sanctions restrictions] which may prohibit it from providing cover or paying claims to certain individuals or entities or insuring certain types of activities related to certain countries such as but not limited to Iran, Syria, North Korea, North Sudan, Crimea, and Cuba.

7. *Cross Liability*

Each of the parties comprising the Insured is considered a separate legal entity and the words "You", "Your", "Yours" and "Insured" applies to each party as if a separate policy had been issued to each of the said parties but nothing contained in this clause will operate to increase Our liability under this Policy.

8. *Fire Protection Devices*

In respect of any automatic sprinkler or automatic fire alarm installation or any other fire protection in Your Insured Location You will so far as their responsibility extends take all reasonable steps to:

- a) maintain the installation(s) including the automatic alarm signal in efficient condition;
- b) maintain ready access to the water supply control facilities.

9. *Goods and Services Tax (GST)*

To the extent that You are accountable to the tax authorities for Goods and Services Tax the Policy will be exclusive of such tax.

The amount of any Excess payable will be less any input tax credit that is or may be available to You.

10. *Headings*

Headings have been included for ease of reference and it is understood and agreed that the terms and conditions of this Policy are not to be construed or interpreted by reference to such headings.

11. *Insurance Contracts Act 1984*

Nothing contained in this Policy is to be construed to reduce or waive either Your or Our privileges, rights or remedies available under the *Insurance Contracts Act 1984*.

12. *Misrepresentation and Non- Disclosure*

If You:

- a) failed to disclose any matter which You were under a duty to disclose to Us; or
- b) made a misrepresentation to Us before this Policy was entered into,

and if We would not have entered into this Policy for the same premium and on the same terms and conditions expressed in this Policy but for the failure to disclose or the misrepresentation, then:

- i. 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 such non-disclosure had not occurred or such misrepresentation had not been made; or
- ii. if the non-disclosure or misrepresentation was fraudulent, We may avoid this Policy.

13. *Reasonable Precautions*

At all times during the Policy Period You will take reasonable precautions to prevent loss.

This could include closing and locking doors and windows overnight to prevent unauthorised entry or maintaining fire protection equipment (such as fire extinguishers) in good working order.

14. *Statutory Requirements*

You must take reasonable measures to comply with all applicable statutory obligations and regulations imposed by any statutory or governmental authority in relation to Your Business.

Any payout amount by Us that involves You breaching a statutory obligation may result in a reduction in the payout to the extent the breach contributed to the claim occurring.

15. *Subrogation Waiver*

We agree to waive any rights and remedies or relief to which We may become entitled by subrogation against:

- a) any corporation or organisation (including its directors, officers, employees or servants) owned or controlled by You or subsidiary to You or any co-owner of the Property Insured; and/or
- b) any Insured named or described by this Policy (including its directors, officers, employees or servants).
- c) You may without prejudicing your position under this Policy:
 - i. release any statutory governmental, semi- governmental or local authority from any liability if required at law, including by contractual agreement, to do so;
 - ii. agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause.

16. *Inspection and Audit (all sections except for Section 10 – Environmental Liability)*

To the extent of Your ability to provide such access, and with reasonable notice to You, We shall be permitted, but not obliged, to inspect and examine anything insured by this Policy during the Policy Period and extensions thereof and within 3 years after the final termination of this Policy.

We may examine and audit (including copying for such purposes) Your books and records, including such books and records held by Your representative or agent, during the Policy Period and extensions thereof and within 3 years after the final termination of this Policy, where reasonably required for assessing your compliance with this Policy or the circumstances related to any claim.

General Claims Conditions

1. *Claim Preparation Expenses*

In addition to the amount provided under each Section, We will pay up to \$25,000 for necessary and reasonable costs incurred by You or by Your representatives in preparing and verifying details required by Us in order to investigate any claim under this Policy for which We have accepted liability. However, this amount does not apply to the cover provided under Section 12 – Tax Audit.

2. *Excess*

This is the amount You have to pay if You suffer loss, damage or liability which leads to a claim under Your Policy, and is shown in Your Schedule.

Should more than one Excess be 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 shall apply.

Limits of Liability and Sums Insured will apply in addition to, and will not be reduced by, the amount of any applicable Excess.

Further information on Excess payments are set out in each Section of this Policy.

3. *Fraud*

If a claim is in any respect fraudulent, or if fraudulent means are used by You or anyone acting on Your behalf or with Your prior knowledge to obtain a benefit under this Policy, We will be entitled to refuse to pay that claim.

4. *Your Duties in the Event of a Claim*

If an event occurs which is likely to result in a claim under this Policy, You must:

- a) ensure that We are notified as soon as practicable, but in no event later than 30 days after any loss event;
- b) notify the Police authority as soon as reasonably practicable if it becomes evident that any damage has been caused to Property Insured by theft or attempted theft or by malicious act, and provide us with a copy of your notification if requested;
- c) carry out and permit to be taken any action which may reasonably be practicable to prevent or minimise any further loss, damage, injury, interruption or interference with Your Business;
- d) where reasonably practicable, retain and preserve all Damaged property for inspection by Us or Our agent (including a loss adjuster) prior to authorisation of repairs unless alterations and repairs are immediately necessary, for safety reasons or to minimise or prevent further loss, Damage, legal liability or injury. If repairs are necessarily carried out without Our prior approval, You are still required, where reasonably practicable, to retain and preserve all Damaged property for Our inspection;
- e) retain and preserve all property, products, plant and all other things that may assist Us in investigating or defending a claim against You;
- g) deliver to Us at Your expense:
 - i. information in writing of circumstances, nature and amount of damage or serious injury;
 - ii. all such proofs and information relating to the claim as may be reasonably required, including but not limited to an inventory of property, books and records of accounts, proof of ownership and the completion of a statutory declaration if requested;

- iii. details of all parties involved, inclusive of names and contact information, if reasonably required by Us and if reasonably accessible;

in respect of all Sections of this Policy You and any other involved Insured must:

- h) send Us copies of any demands, notices, summonses, civil proceeding, arbitration proceeding, Regulatory Proceeding or other legal papers received in connection with a claim as soon as reasonably practicable after receiving such documentation;
- i) authorise Us to obtain records and other information if reasonably requested;
- j) cooperate with Us in the:
 - i. investigation and settlement of a claim; and
 - ii. defence against a claim. No Insured may settle any claim, incur any claim defence expenses, assume any contractual obligation or admit any liability with respect to any claim without Our written consent, not be unreasonably withheld, delayed, or conditioned. We will not be liable for any settlement, claim defence expenses, assumed obligation, liability or admission to which We have not consented (consent not to be unreasonably withheld, delayed or conditioned).

If You do not comply with the duties set out above, We may refuse your claim or reduce the amount We pay to You to the extent allowable at law.

And in respect to Section 11 – Cyber, You and any other involved Insured must:

- k) if this Policy is not renewed, give written notice to us as soon as practicable of a Claim and in no event more than 60 days after the expiry of the Policy Period;
- l) accompany any requests for indemnity by Us for any Business Interruption Loss by a computation of the loss. This shall set out in detail how the loss has been calculated and what assumptions have been made. You shall produce any documentary evidence, including any applicable reports, books of accounts, bills, ledgers, invoices, and other vouchers and copies of such which we may reasonably require;
- m) if, during the Policy Period You:
 - i. become aware of circumstances which are likely to give rise to a Claim and give written notice of such circumstances to Us; or
 - ii. receive a written request to waive application of a limitation period to, or to suspend the running of time towards expiry of a limitation period for the commencement of a civil proceeding against You for a Wrongful Act occurring before the expiry of the Policy Period and give written notice of such request and of such Wrongful Act to Us;

then any Claims subsequently arising from such circumstances or such request shall be deemed to have first been made during the Policy Period.

5. *Your Options and Duties in Event of a Cyber Incident or Business Interruption Incident under Section 11 – Cyber*

In the event of an actual or reasonably suspected Cyber Incident or Business Interruption Incident, You may either:

- a) contact the Chubb Cyber Incident Response Centre through any of the following:
 - Chubb Cyber Alert App: download for iPhone and Android devices available on www.chubbcyberalert.com
 - Chubb Cyber Alert Website: www.chubbcyberalert.com
 - Chubb Cyber Alert Hotline: 1800 027 428; or
- b) choose and contact a Cyber Incident Response Manager from Our Pre-Approved Response Manager Panel.

Should You engage the Cyber Incident Response Manager, the Excess for the Cyber Incident Response Manager's service shall be \$Nil. Any other Incident Response Expenses will be subject to the Excess shown in the Schedule under Section 11 - Cyber.

If You contact the Chubb Cyber Incident Response Centre for assistance in the event of an actual or reasonably suspected Cyber Incident or Business Interruption Incident, You will then be provided with the following two options:

Option 1:

The Chubb Cyber Incident Response Centre will provide notice to Us on Your behalf.

You can choose to have the Chubb Cyber Incident Response Centre provide notice to Us on Your behalf. In order to exercise this option, You must give specific consent to the Chubb Cyber Incident Response Centre to allow them to provide notice to Us on Your behalf. Your Duties in the Event of a Claim requirements are only satisfied if You provide specific consent to the Chubb Cyber Incident Response Centre to perform this task for You.

Option 2:

The Chubb Cyber Incident Response Centre will not provide notice to Us on Your behalf.

You are not required to give Your consent to the Chubb Cyber Incident Response Centre to provide notice to Us of the Cyber Incident or Business Interruption Incident, even if You elect to utilise its services. If You decide that You do not want to allow the Chubb Cyber Incident Response Centre to provide notification on Your behalf, then You must provide notification to Us as directed under General Claims Condition 5. of this Policy.

Special Conditions Applicable to this Clause 5:

- a) Any Expenses incurred utilising the Cyber Incident Response Manager or Cyber Incident Response Team are part of, and not in addition to, the Limit of Liability for Incident Response Expenses, as listed on the Schedule.
- b) You are under no obligation to contract for services with the Cyber Incident Response Team.
- c) We have no obligation to provide any of the services provided by the Cyber Incident Response Team.
- d) It is understood that the Cyber Incident Response Managers and Cyber Incident Response Team service providers are independent contractors, not Our agents. You agree that We assume no liability arising out of any services rendered by a Cyber Incident Response Team service provider. We shall not be entitled to any rights or subject to any obligations or liabilities set forth in any agreement entered into between You and any Cyber Incident Response Team service provider. You acknowledge and are aware that the services You contract for with the Cyber Incident Response Manager and the Cyber Incident Response Team could include or entirely be services that are not covered by this Policy. We shall have no duty to notify You when this is the case. You will be responsible for the costs, bills and fees associated with the retention of the Cyber Incident Response Managers and the Cyber Incident Response Team when their services are not covered under this Policy.

6. *Other Insurance*

You will give written notice as soon as practicable to Us of any other insurance or insurances effected covering the loss, whether in total or in part and whether absolutely or contingently and whether that insurance was effected by You or any other person.

Subject to the *Insurance Contracts Act 1984 (Cth)* and any other applicable law, if in respect of any claim under this Policy You are entitled to indemnity under any other policy of insurance, then We will not be liable to pay or contribute under this Policy more than Our rateable proportion of any compensation cost, charges and expenses.

7. *Subrogation*

In the event of any payment under this Policy and subject to General Policy Condition 15, We will be subrogated to all Your rights of recovery against any person or organisation and You shall execute and deliver any appropriate instruments and papers and do whatever else is necessary to secure such rights. Any amount so recovered shall be applied in accordance with the provisions of section 67 of the *Insurance Contracts Act* 1984 (Cth).

General Exclusions

The following exclusions apply to all Sections of the Policy unless specified otherwise.

1. Terrorism

This Policy does not cover any claims arising out of or in any way connected with any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss or any action taken in controlling, preventing, suppressing or in any way relating to any act of Terrorism.

This Policy excludes any direct or indirect loss, liability, cost or expense of any nature directly or indirectly arising out of or in any way connected with any action taken in controlling, preventing, suppressing, responding to, or in any way relating to the above.

However, this Exclusion shall not apply to Section 11 - Cyber.

2. War

This Policy does not cover any claims arising out of or in any way connected with war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any act of any person or persons acting on behalf of or in connection with any organisation the objects of which are to include the overthrowing or influencing of any de jure or de facto government by Terrorism or by any violent means.

This Policy excludes any direct or indirect loss, liability, cost or expense directly or indirectly arising out of any action taken in controlling, preventing, suppressing, responding to the above.

However, this Exclusion shall not apply to Section 11 - Cyber.

3. Confiscation

This Policy does not cover any claims arising out of or in any way connected with confiscation, nationalisation, commandeering, requisition, destruction or damage to property by or under the order of any government, local government or statutory authority, including permanent or temporary dispossession of any Building resulting from the unlawful occupation of such Building by any government, local government or statutory authority.

However, this Exclusion shall not apply to Section 11 - Cyber.

4. Radiation

This Policy does not cover any claims arising out of or in any way connected with ionising radiation or contamination by radioactivity from any nuclear fuel, weapon or waste whether occurring naturally or otherwise, or from any nuclear waste from the combustion of nuclear fuel; the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof; or the storage, transport, assembly, disassembly, maintenance or operation of any nuclear weapon or nuclear component thereof.

This Policy excludes any direct or indirect loss, liability, cost or expense of any nature directly or indirectly arising out of or in any way connected with any action taken in controlling, preventing, suppressing, responding to, or in any way relating to the above.

5. Unoccupied Buildings

We will not pay for any loss or damage to Your Property Insured at any Insured Location that has been unoccupied for more than 90 days. This Exclusion does not apply to damage caused by:

- a) lightning, earthquake and subterranean fire; or

- b) impact by any road vehicle or their loads, animals, trees or branches, meteorite, aircraft or other aerial devices or articles dropped from them, sonic boom or space debris, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof which do not belong to You.

6. Property Cyber and Data Exclusion

- a) Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, Sections 1 to 8 of this Policy (namely Property Damage, Business Interruption, Theft, Money, Glass, General Property, Electronic Equipment Breakdown, Machinery Breakdown) exclude any:
- i. Cyber Loss, unless subject to the provisions of paragraph (b);
 - ii. loss, damage, liability, claim, cost, expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph (c); regardless of any other cause or event contributing concurrently or in any other sequence.
- b) Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement, Sections 1 to 8 of this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire, explosion, water damage or impact which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
- c) Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then Sections 1 to 8 of this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, Section 1 to 8 of this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- d) In the event any portion of this Exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- e) This Exclusion supersedes any other wording in the Policy or any endorsement having a bearing on Cyber Loss, Data or Data Processing Media, and if there is any conflict with any other wording in the Policy, this Exclusion replaces that wording.

Definitions

The following definitions apply only in respect of this General Exclusion 6. Property Cyber and Data Exclusion:

1. Cyber Loss

means any loss, damage, liability, claim, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

2. Cyber Act

means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

3. **Cyber Incident**

means:

- i. any error or failure to act, or series of related errors or failures to act, involving access to, processing of, use of or operation of any Computer System; or
- ii. any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

4. **Computer System**

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

5. **Data**

means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

6. **Data Processing Media**

means any property insured by this Policy on which Data can be stored but not the Data itself.

General Definitions

Throughout this Policy words appearing in upper case have special meaning attributed to them as set out below.

The special meaning of words or terms that are only applicable to one Section of the Policy are described in that Section.

1. **Building(s)**

includes the following at the Insured Location:

- a) sheds with a concrete floor and fixed to foundations;
- b) customised and modified shipping containers or transportable buildings permanently located at the Insured Location used as workshops, lunchrooms or storage which are permanently fixed to the ground with electrical or plumbing services as necessary;
- c) shipping containers permanently located at the Insured Location in which the Stock of Your Business is delivered to Your Insured Location or from which merchandise is either being loaded into, unloaded from or stored in before dispatch, provided the container doors are secured and locked when unattended;
- d) shipping containers permanently located at the Insured Location in which the Stock or Contents of Your Business is stored, provided the container doors are secured and locked when unattended;
- e) walls, foundations, storage tanks and sheds, awnings, exterior lights, masts, antennae and aerials, fixed external signs, gates, fencing, pavements, roads and other structural improvements pertaining to the Building(s);
- f) property owner's fixtures and fittings, floor coverings, plant, plumbing or wiring services that are within the Building;
- g) carports, pergolas and canopies;
- h) barns and outbuildings;
- i) external fixed items including swimming pools, saunas and spas, gangways between Buildings, lights and signs and air conditioning units;
- j) wharves, piers and jetties but only where forming part of any building at the Insured Location; and
- k) underground and above ground services that are Your property or property for which You are responsible for and which are connected to any Building specified in (a) to (j) above.

Building(s) do(es) not include:

- i. plant and machinery;
- ii. Stock; or
- iii. Contents.

2. **Business**

means the Business described in the Schedule.

Note: The definition for "Business" is different for Section 9 – Public and Products Liability.

3. **Contents**

means all property, belonging to You or for which You are responsible, including:

- a) unused stationery and printed books;
- b) where You are a tenant of a leased or rented premises:
 - i. property owner's plant, fixtures, fittings, window blinds, floor coverings and glass at the Insured Location for which You are legally liable under the terms of a lease or similar agreement;
 - ii. fixtures and fittings, and fixed carpets and floor coverings, installed by You at the Insured Location and for Your use in the Business; and
 - iii. awnings and signs at the Insured Location;
- c) Money up to \$500;
- d) plant and machinery, unregistered forklifts and hoists, communication systems and fixtures and fittings;

- e) digital or analogue telecommunication transmission and receiving equipment, lighting facilities, televisions, audio visual amplification or surveillance equipment and office machines;
- f) Electronic Data Processing Equipment and Mobile Communication Property;
- g) Electronic Data Processing Media, records, documents, manuscripts, plans, drawings, designs and business books, but only for the value of these materials in their unused or uninstalled state or as blank stationery;
- h) current patterns, models, moulds, dyes and casts used in the Business but limited, unless repaired or replaced, to the value stated in Your financial records at the time of damage;
- i) Fine Art;
- j) property of Your welfare, sports and social clubs; and/or
- k) shipping containers not owned by You but temporarily in Your possession for the delivery, unloading, loading and/or dispatch of goods and merchandise to or from the Insured Location, but only to the extent that You are not indemnified against loss, destruction or damage thereto under any other policy of insurance.

However, Contents does not include Buildings.

4. **Electronic Data**

means facts, concepts and information converted to a form usable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

5. **Electronic Data Processing Equipment**

means:

- a) computers, computer equipment, computer peripherals;
- b) climate control, and protection equipment, used solely for data processing operations;
- c) separately identifiable and removable component computer devices that are attached to covered property and are designed to control such property, but not the property itself;
- d) telecommunications equipment used solely for data protection operations, interconnecting wiring and peripheral equipment used in connection therewith; or
- e) generating and regulating equipment used solely for data protection operations, detection and protection equipment, interconnecting wiring and pipework, and storage equipment used in connection therewith, owned by, or for which You are legally liable.

6. **Electronic Data Processing Media**

means computer records and/or media or storage devices programs (whether used or unused) but excluding the value to You or the information therein; storage racking and carrying cases, owned by or for which You are legally liable.

7. **Employee**

means any person employed under a contract of service or apprenticeship with You, whether such contract is express, implied, oral or in writing, including persons:

- a) supplied by labour only sub-contractors;
- b) providing their services on a labour only basis;
- c) engaged in work experience or similar schemes;
- d) providing their services on a voluntary basis; or
- e) on secondment with You.

8. **Excess**

means the first part of a Loss and any other covered amount payable which shall apply to each and every Claim. The Excess that shall be borne by You is the amount listed in the Schedule with regard to coverage under the applicable insuring agreement. The Excess shall be applied pursuant to the General Claims Condition 2.

9. **Fine Art**

means:

- a) paintings, rare books, sculptures, manuscripts, pictures, prints, etchings, drawings, tapestries, bronzes, statuary, potteries, porcelains, marbles and other bona fide works of art; or
- b) item of rarity or historical value.

10. Insured Location

means the Insured Location(s) stated in the Schedule.

11. Limit of Liability

means the amount stated in the Schedule.

12. Mobile Communication Property

means cellular telephone, laptop computers; pagers, personal digital assistants, mobile hand held global positioning systems, and other hand held communication devices.

13. Money

means:

- a) **Negotiable Money:**
cash, bank and currency notes, cheques (other than blank or partly completed cheques), travellers cheques, bankers drafts, postal orders, money orders, national savings certificates, and unused current postage stamps, and unexpired units in franking machines, trading stamps national insurance stamps (whether affixed to cards or otherwise) national savings and holiday with pay stamps, bankers drafts, promissory notes, bonds, Securities (including evidence of indebtedness, share or other equity or debt security), bills of exchange, dividend warrants and gift tokens, luncheon vouchers, consumer redemption vouchers all belonging to You or for which You have accepted responsibility; and
- b) **Non-Negotiable Money:**
crossed cheques, crossed bankers drafts, crossed postal orders, crossed money orders, premium bonds, unused national insurance stamps, national savings certificates, credit card sales vouchers, credit and debit cards, debit card sales vouchers all belonging to You or for which You have accepted responsibility.

14. Policy

means this Product Disclosure Statement and Policy wording, the Schedule, Your insurance application, and any other document that We tell You forms part of this policy describing the insurance contract between You and Us.

15. Policy Period

means the period of time specified in the Schedule, subject to any applicable prior termination pursuant to General Policy Conditions 4. And 5.

16. Property Insured

means property as described in the Schedule that belongs to You or is held by You in trust or on commission for which You are responsible.

17. Schedule

means the Schedule issued with this policy wording.

18. Seasonal Increase Period

means the period specified in the Schedule, up to a maximum of 126 days. If no days are specified, the following will apply:

- a) 8 weeks prior to and including Christmas Day;
- b) 3 weeks after and including 26 December;
- c) 6 weeks prior to and including Easter Tuesday;
- d) 1 week after but not including Easter Tuesday;
- e) 6 weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where You can reasonably demonstrate that the Stock levels during that period have risen by more than 20% above standard levels and that the increase has happened solely for the

purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event; and

- f) 1 week after the same festive, religious or ethnic event or celebration.

19. Securities

means negotiable and non-negotiable instruments or contracts, including any note, stock, bond, debenture, evidence of indebtedness, share or other equity or debt security, representing either money or property.

However, Securities does not include Money or cryptocurrencies, and does not include goods or tangible property.

20. Stock

means:

- a) stock, merchandise, promotional or raw materials, including the value of work in progress, containers, or packaging materials used in the Business and precious metals and minerals up to \$5,000 in total;
- b) customers' goods including goods and/or merchandise and other items held in trust or on commission or for which You are responsible; and
- c) live animals, provided Your Business is a pet shop or a restaurant.

Under Section 3 – Theft, Stock does not include liquor, tobacco, products containing tobacco, cigars or cigarettes unless they are specified on the Schedule.

21. Sum Insured

means the applicable Sum Insured specified in the Schedule which applies to the relevant coverage provision or Section.

22. Terrorism

means any act, including but not limited to the use of force or violence and/or threat thereof, 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) which from its nature or context is done for, or in connection with, political, religious, ideological or similar purposes or reasons, including the intention to coerce or influence any government and/or to intimidate or put the public, or any section of the public, in fear, but does not include acts which are:

- a) advocacy, protest, dissent or industrial action; and
- b) not intended to cause serious physical harm, death, or endangerment of life to a person (other than the life of the person committing the act) or create a serious risk to health or safety to the public or a section of the public.

23. “Us”, “We”, “Our” and “Chubb”

means Chubb Insurance Australia Limited ABN 23 001 642 020 AFSL239687.

24. “You”, “Your”, “Yours” and “Insured”

means any person, company or legal entity identified as Named Insured in the Schedule.

Note: “Insured” has a different meaning in Section 10 - Environmental Liability and “You”, “Your” “Yours” and “Insured” have different meanings in Section 9 - Public and Product Liability and Section 11 - Cyber.

Section 1 – Property Damage

Definitions

Wherever appearing in this Section 1 – Property Damage, the following definitions apply:

1. **Approved Valuer**

means a Certified Practising Valuer registered with the Australian Property Institute within the relevant property discipline.

2. **Asbestos**

means asbestos in any form, including its presence or use in any alloy, by-product, compound or other materials or waste. Waste includes material to be recycled, reconditioned or reclaimed.

3. **Bushfire**

means fire that burns in grass, bush, forest or woodland as a result of any proximate cause, and includes any smoke, ash, ember(s) or other material that becomes airborne or otherwise spreads, whether by wind or other similar means (including but not limited to storm cells and weather systems).

4. **Catastrophe**

means an event affecting multiple properties that is declared as a state of emergency by the relevant government authority in an area including the Property Insured.

5. **Damage or Damaged**

means actual (not threat or fear of), sudden and accidental physical damage, destruction or loss.

6. **Debris**

means the residue of Damaged Property Insured excluding any material that is itself a Pollutant and which is deposited beyond the boundaries of the Insured Location.

7. **Defined Peril**

means fire; lightning; explosion; aircraft or other aerial devices or articles dropped therefrom; riot; civil commotion; actions by strikers, locked-out workers, persons taking part in labour disturbances or industrial action; actions by persons acting maliciously - or - malicious persons other than thieves; earthquake; storm; Flood; bursting overflowing discharging or leaking of water tanks apparatus or pipes, sprinkler leakage; or impact by any road vehicle or animal.

8. **Flood**

means the covering of normally dry land by water that has escaped or been released from the normal confines of any lake, or any river, creek or other natural watercourse, whether or not altered or modified, or of any reservoir, canal or dam.

9. **Limit of Liability**

means 120% of the Sum Insured for each Insured Location which is also subject to any increase as provided under Extension A – Declared Catastrophe Extension. This will be the maximum amount that We will pay for all Damage arising out of any one event (including a series of events which are consequent on, or attributable to, one source or original cause) at such Insured Location, unless it is specifically stated in this Section that payments are made in addition to this amount.

10. **Pollutant**

means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste (waste includes materials to be recycled, reconditioned or reclaimed).

Cover

Provided this Section is shown as insured in the Schedule, We will pay for Damage occurring during the Policy Period and happening at the Insured Location to Property Insured caused by or resulting from a cause not otherwise excluded. How We will settle Your claim is explained in “How We will pay” within this Section 1.

Costs, Fees and Expenses

When Damage to Property Insured is covered by this Section, and provided that We will not pay more than the Limit of Liability for the Insured Location where Damage has occurred, We will pay the following costs (up to any applicable limits and except where explicitly excluded) that are incurred as a result of that Damage:

1. *Asbestos remediation*

The necessary and reasonable costs incurred by You for:

- a) the cleaning up, removal and disposing of Damaged Asbestos; and
- b) encapsulating, containing, sealing or enclosing of Damaged Asbestos, in accordance with applicable laws, regulations or other statutory authority, up to a limit of \$50,000 each and every loss.

2. *Depreciation of undamaged Stock*

Where undamaged Stock is unable to be processed in the normal way or through alternative processing, We will also pay for the loss sustained by You resulting from the deterioration or depreciation of such undamaged Stock. We will not pay more than the Sum Insured for Stock.

3. *Environmental Improvements*

The additional costs incurred solely to minimise potential harm to the environment utilising the latest available technology in the rebuilding, replacement, repair or restoration of Buildings or Contents.

This may include, but is not limited to, the upgrading of taps, showers, grey water and rainwater systems, air conditioning and building cooling systems, ventilation systems, lighting, the provision of hot water and heating systems and the provision of “green” roofs.

We will pay up to 20% more than the amount We would otherwise have paid if there was no upgrade but no more than \$50,000 in total under this clause.

4. *Expediting Costs and Temporary Repairs*

The necessary and reasonable cost of making temporary repairs to, and expediting the repair, reinstatement or replacement of Property Insured following Damage. We will pay no more than \$25,000 or 50% of the cost of repair, reinstatement or replacement, whichever is the lesser.

5. *Fine Art*

For Damage to Fine Art up to a maximum of 10% of the Sum Insured for Contents or \$100,000 whichever is the lesser for each item.

6. *Government and Professional Fees*

Fees and costs including, but not limited to, architects, consulting engineers, legal and other professional fees, and local authority permit and approval charges necessarily incurred by You in the reinstatement of the Property Insured.

Such fees and costs are included in the Limit of Liability, however, if the Limit of Liability is exhausted We will pay no more than \$10,000 each and every loss.

7. *Incompatibility of Computer System Records*

In the event of settlement of a claim resulting in the replacement of Property Insured under this Section with property that is incompatible with Your undamaged Electronic Data Processing Media, the cost of:

- a) modification to Electronic Data Processing Equipment; and
- b) replacing or reinstating programs or Electronic Data, necessarily and reasonably incurred (with Our consent, which shall not be unreasonably withheld, delayed, or conditioned) to achieve compatibility, up to a limit of \$50,000 in the aggregate in any one Policy Period.

8. *Landscaping*

With the exception of Damage which is caused by storm, wind, rain, snow, sleet or hail, we will pay for Damage to trees, shrubs, plants or lawns, rockeries or other established items of landscaping at an Insured Location. Payment under this benefit is included in the Sum Insured for Buildings.

9. *Loss of Land Value*

If any legal authority does not allow rebuilding, or only allows partial rebuilding, of a Building at the Insured Location, and this results in a reduction in land value, We will pay up to 20% of the Sum Insured for Buildings at the Insured Location where Damage occurred or \$250,000, whichever is the lesser.

10. *Metered Water*

For loss resulting from accidental escape of metered water from tanks, apparatus and pipes following Damage to Buildings (when Buildings are insured under this Section) to the extent that such loss is determined by measurement from the water authority meter for which You are responsible. For any one loss We will pay up to the lesser of 7 days or \$15,000.

11. *Pairs and Sets*

The reduced value of undamaged Contents that is part of Your product or any product in Your care custody or control which has become unmarketable as a complete product because of Damage to Contents which is part of the same product, up to a limit of \$50,000 in the aggregate in any one Policy Period.

12. *Property in the Open Air*

When Buildings or Contents are insured under this Section, We will pay for Damage to gates, fences, signs, retaining walls, awnings and blinds, shade fabrics and membranes, shade structures, fibreglass houses and glass houses caused by or arising from storm, rainwater, wind, hail or snow, Flood, dust, up to a limit of \$25,000 each and every loss.

13. *Removal of Debris and Cleaning/Clearance of Drains*

The costs and expenses reasonably and necessarily incurred by You, in:

- a) the cleaning up, removal, storage and disposal of Debris, or the dismantling, demolishing, shoring up or propping up of the portion or portions of the Property Insured which have sustained Damage;
- b) clearing, cleaning and repairing drains, gutters, sewers and the like blocked or Damaged; and
- c) the removal of Debris from any adjoining site that You are legally required to undertake such removal from.

We will not pay for the costs of removing debris if the debris is itself a Pollutant that does not form part of the materials of the Damaged Building or Property Insured.

14. *Undamaged tenants' improvements and betterments*

The value of undamaged tenants' improvements and betterments made by You when Your lease is cancelled:

- a) by the lessor; and
- b) pursuant to a valid condition of Your lease;

in consequence of Damage to a Building or Contents, up to a limit of \$50,000 any one loss.

15. *Unpacking Expenses*

The reasonable costs and expenses incurred by You in taking inventory (including unpacking, repacking and restacking) to identify, quantify and value any Damaged Property Insured including examination of Property Insured not belonging to You but in Your care, custody or control. Payment under this benefit is included in the Sum Insured for Contents and Stock.

16. *Rewriting of Records*

We will pay the reasonable cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the records at each Insured Location for Business books, plans, computer records, patterns and other Business records that are Damaged.

However, no coverage shall be provided for any loss arising from such lost data or records or restored data or records.

17. *Floating Stock*

Where We pay a claim for Damage to Stock at the Insured Location, We will pay more than the Sum Insured for Stock at that Insured Location to account for the temporary transfer of Stock between Insured Locations provided that:

- a) there are at least two Insured Locations specified on the Schedule and a Sum Insured has been separately specified on the Schedule for Stock at each Insured Location insured under this Section, including the affected Insured Location; and
- b) You transfer the Stock between Insured Locations as a usual business practice.

We will not pay a claim where Stock levels in excess of the Sum Insured at an Insured Location have been temporarily located at that Insured Location for a period exceeding 90 days and where We have not agreed in writing to an extended period. Provided that We will not pay more than the total of the Sum Insured for Stock for all Insured Locations.

18. *Removal and disposal of trees*

If Damage to Property Insured is caused by impact from trees or branches of trees, We will pay the reasonable costs associated with the removal and disposal of the tree or branches, which caused the Damage.

We will also remove a standing tree or branch that forms part of a tree that caused the insured Damage if:

- a) We agree that the remaining tree or branch is unsafe;
- b) the remaining tree or branch became unsafe as a direct result of the event covered under this Section causing Damage to the tree; and
- c) all necessary approvals have been obtained and removal of the tree or branch would not result in a breach of any laws, bylaws, regulations or contractual obligations.

We will remove a stump that formed part of the tree that caused the insured Damage only if:

- i. all necessary approvals have been obtained and removal of the stump would not result in a breach of any laws, by-laws, regulations or contractual obligations; and
- ii. not removing the stump would interfere with repairing or replacing the Damaged part of the Building if required to settle Your claim.

19. *Playing surfaces*

We will not pay more than:

- a) \$50,000; or
- b) 20% of the Sum Insured for Contents at the Insured Location where the Damage happened;

for the cost of repairing Damage to outdoor playing surfaces at the Insured Location caused by:

- i. vandals or malicious persons, other than You or Your guests, director's partners, officers, Employees or members, or their guests;
- ii. fire occurring at the Insured Location for which We have admitted liability under this Section; or
- iii. the action of the firefighting services, police or other emergency services in attending to their duties at the Insured Location.

Extensions A

When Damage to Property Insured is covered by this Section, We will pay, in addition to the Limit of Liability for the Insured Location where Damage has occurred, the following costs that are incurred as a result of that Damage:

1. *Arson, Theft, Terrorism or Criminal Damage Reward*

a reward for information leading to a conviction of person(s) responsible for any loss or Damage which is insured under this section. We will pay up to 10% of the value of the claim or \$20,000 whichever is the lesser.

2. *Capital Additions*

an amount not exceeding 20% of the Limit of Liability for that Insured Location or \$500,000, whichever is the lesser, for the following additions that have been made at the Insured Location during the Policy Period:

- a) any newly acquired Contents or newly constructed Buildings;
- b) alterations, additions and improvements to Buildings; or
- c) alterations, additions and improvements to Contents.

3. *Damage by Emergency Services*

for Damage to Property Insured and any landscaped areas (together with any remedial costs necessarily and reasonably incurred) caused by the emergency services, up to a limit of \$20,000 each and every loss.

4. *Declared Catastrophe Extension*

up to an additional 20% of the Sum Insured for Buildings to cover escalation in the costs of services and materials, where such escalation and Damage is a direct result of a Catastrophe. We will not pay more than the actual cost incurred by You resulting from the Catastrophe, and We will not pay any claim under this Extension if You do not rebuild or repair the Buildings at the Insured Location.

5. *Fire Brigade Charges and Extinguishing Expenses*

We will pay up to \$100,000 for any statutory charges payable by You to a fire brigade or firefighting authority for attendance at a fire or chemical emergency during the Policy Period involving the Property Insured, and for the cost of refilling Your firefighting appliances used in putting out a fire at the Property Insured (or a property adjoining the Insured Location threatening the Property Insured) during the Policy Period.

6. *Mortgage Discharge Costs*

legal costs associated with the discharge of a mortgage or mortgages on Buildings following settlement of a claim on a total loss basis, up to a maximum of \$50,000 each and every loss.

Extensions B

The following extensions of cover are provided in addition to the Limit of Liability, unless stated otherwise below, We will pay:

1. *Directors' and Employees' Personal Effects*

for Damage to the personal property of directors, partners, employees and visitors of Your Business up to a maximum of \$5,000 any one person.

2. *Electronic Data Recompilation Costs*

following Damage the actual costs You incur in reproducing or replicating any Electronic Data contained on any Electronic Data Processing Media, including that of Yours stored off-site, and of Your customers at the Insured Location. Such costs will include all reasonable and necessary amounts, in recreating, gathering and assembling such Electronic Data up to a maximum limit of \$50,000.

3. *Exhibitions, Fair or Trade Shows*

With the exception of theft of Mobile Communication Property while left unattended for Damage to Contents whilst at any exhibition, fair or trade shows including transit to and from such exhibitions, fairs, trade shows and Insured Locations up to a limit of \$25,000 each and every loss.

4. *Fly Tipping*

the reasonable and necessary costs You incur to remove property left at an Insured Location without Your permission up to a limit of \$10,000 in the aggregate in any one Policy Period.

This will not cover loss resulting from interruption of or interference with Your Business.

5. *Fusion of Electric Motors*

for Damage to electrical motors caused by the actual burning out of the electronic current therein, up to a limit of \$10,000.

We will not pay for:

- a) loss of use, wear and tear or depreciation for equipment over 15 years old; or
- b) Damage to:
 - i. lighting or heating elements, fuses or protective devices; or
 - ii. electrical contacts at which sparking or arcing occurs in the course of its ordinary operation; or
 - iii. any motor with a power output greater than 1.8 kilowatts (2.5 horse power)

6. *Glass in Vacant Buildings*

the following costs related to glass breakage in a rentable area of a Building at the Insured Location which You own but do not occupy, provided that the breakage occurs during the Policy Period at a time when the Building is vacant:

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

This Extension will not apply:

- e) where the Building is leased to a tenant;
- f) where the Building has remained unoccupied or untenanted for a continuous period of 90 days;
- g) where You have selected Section 5 – Glass under this Policy;
- h) to glass in light fittings, that is cracked or imperfect prior to breakage, that is in a fibreglass or glasshouse; or
- i) to advertising signs.

The most We will pay under this Extension is \$5,000 during any one Policy Period.

7. *Loss Prevention Expenses*

the reasonable and necessary costs incurred by You to protect Property Insured at the Insured Locations from imminent Damage up to a limit of \$100,000 each and every loss and in the aggregate in any one Policy Period.

8. *New Acquisitions*

for Damage to any newly acquired or constructed Buildings or Contents at a new location, provided that:

- a) You provide Us with full details of the new location within 90 days of when You first acquire an insurable interest in the new location;
- b) the new location has a similar nature and type of occupancy, has similar fire and security protection features, and is constructed of similar materials, to that of an Insured Location;
- c) We will not pay more than 50% of the highest Limit of Liability for any Insured Location on the Schedule; and
- d) such cover will be effective from the date of acquisition or completion or from the date that You first acquire an insurable interest, whichever is the sooner, and will end at the earliest of when:
 - i. We agree to add such Property Insured to this Policy;
 - ii. 90 days pass from the date of acquisition or completion; or
 - iii. this Policy expires.

We may charge additional premium from the date of acquisition or completion.

9. *Restricted Transit*

for Damage to Contents whilst in transit within Australia that is caused by fire, explosion, wind, earthquake, water damage (including Flood) and malicious damage but not theft. We will pay up to the lesser of \$50,000 or 20% of the highest Sum Insured for Contents or Stock at any one Insured Location.

10. *Stock Seasonal Increase*

the Sum Insured for Stock is increased by 50% for losses occurring during the Seasonal Increase Period.

If You have a combined Sum Insured for Contents and Stock on Your Schedule, We will only apply the increased cover to the portion of the Sum Insured that relates to Stock.

11. *Temporary Removal*

for Damage to Property Insured whilst temporarily removed from an Insured Location or in a storage facility, and during inland transit to and from such Insured Location within Australia. We will not pay more than 20% of the Sum Insured for Stock or Contents applicable to such Property Insured.

12. *Trace and Access*

the reasonable costs incurred (with Our consent) to detect the point of escape of substances, which has caused or may reasonably be expected to cause Damage to Property Insured. We will also cover the cost of reinstating parts of the Property Insured necessarily disturbed to locate the source of the problem.

Provided that We will not cover the cost of repairing or reinstating any such apparatus, appliance, tank or pipe which has failed due to age, wear and tear, faults in material or faulty workmanship.

13. *Unauthorised Use of Electricity, Gas or Water*

the costs incurred with Our consent, which shall not be unreasonably withheld, delayed, or conditioned, up to \$20,000 any one loss and in the aggregate in any one Policy Period, arising from the unauthorised use of electricity, gas or water for which You are legally responsible by persons taking possession or occupying an Insured Location without Your authority, provided that all practicable steps are taken to terminate such unauthorised use as soon as discovered.

14. *Rewriting of Records Off Site*

We will pay the reasonable cost for clerical and professional costs incurred by You for rewriting of records if they are Damaged during the Policy Period, whilst located away from Your Insured Location anywhere in Australia. The most We will pay is \$25,000.

We will not pay You for any financial loss caused by the loss of Your records under this Extension.

Optional Extension

1. *Flood*

When 'Flood' is shown as 'Insured' in Your Schedule, the below Exclusion, Excluded Cause 2.(a)(i), will not apply and We will pay for Damage to Property Insured caused by Flood.

How We will Pay

1. *Limit of Liability*

We will not pay more than the Limit of Liability that applies to the Insured Location where the Damage occurs.

For the purpose of the application of any Limit of Liability, including aggregate limits, all Damage resulting from earthquake, subterranean fire, volcanic eruption, Bushfire, Flood, storm, hail or rainwater occurring during each period of 72 consecutive hours shall be deemed to be continuous and due to the same general conditions and shall be considered as one event.

2. *Excess*

The Excess applies to each and every claim for an event that results in Damage.

For the purpose of the application of any Excess, all Damage resulting from earthquake, subterranean fire, volcanic eruption, Bushfire, Flood, storm, hail or rainwater occurring during each period of 72 consecutive hours shall be deemed to be continuous and due to the same general conditions and shall be considered as one event.

3. *Reinstatement or Replacement: (Applicable to Buildings and Contents)*

In the event of Damage to Buildings or Contents (other than Stock and Fine Art), the basis upon which the amount payable under this Section is to be calculated shall be the cost of:

- a) where Property Insured is lost or destroyed:
 - i. the rebuilding of the property if a Building; or
 - ii. in the case of other property its replacement by similar property;

in either case in a condition equal to but not better or more extensive than its condition when new;

or:

- b) where Property Insured 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 than or more extensive than its condition when new.

Provided that:

- c) The work of reinstatement may be carried out upon another site and in any manner suitable to Your requirements, provided that:
 - i. Our liability is not increased and We will only pay the actual cost of work to reinstate at another site, even if it is less than the cost to reinstate at the original site; and
 - ii. such work is commenced and carried out within a reasonable time.
- d) When any Property Insured is lost or Damaged in part only, the amount that We will pay shall not exceed the sum representing the cost, which We could have been called upon to pay for reinstatement if such Property Insured had been wholly destroyed.
- e) No payment beyond the amount which would have been payable under Section 1 of this Policy if this condition had not been incorporated will be made:
 - i. until the cost of reinstatement has actually been incurred; or
 - ii. if the Property Insured at the time of its Damage shall be insured by any other insurance effected by You or on Your behalf which is not upon the same basis of reinstatement.

4. *Stock*

In the event of Damage to Stock the basis upon which the amount payable by Us is to be calculated shall be:

- a) the cost to repair or replace Stock at the time of such Damage with material of like kind and quality less allowance for physical deterioration, physical depreciation, obsolescence or depletion; or
- b) in the event that the Stock cannot be repaired or is totally destroyed or lost, and You elect not to replace the property, We will pay the:
 - i. outstanding capital value of the Damaged or lost property as recorded in Your books; or
 - ii. cost of material of like kind and quality less allowance for physical deterioration, physical depreciation, obsolescence or depletion of the actual cash value,

whichever is less.

5. *Computer Betterment*

In the event of Damage to Electronic Data Processing Equipment necessitating replacement and Electronic Data Processing Equipment of like kind and quality is not obtainable We will pay for new Electronic Data Processing Equipment which is:

- a) as similar as possible to that which has sustained Damage; and
- b) capable of performing the same function.

6. *Fine Art*

In the event of Damage to Fine Art, subject to the maximum limit stated under the Costs, Fees and Expenses part of this Section, the basis upon which the amount payable under Section 1 is to be calculated will be the lesser amount of:

- a) the cost to restore or repair the item; or
- b) the market value of the item on the date of loss.

For Fine Art which is described as a part of a pair or set, the amount payable will be the lesser amount of either:

- c) the stated value of the entire pair or set;
- d) the cost to repair the pieces, and if the pair or set with the repaired pieces has a lower market value than it had prior to the loss, We will also reimburse the difference in market value; or
- e) the stated value of the pieces prior to the Damage when the pieces cannot be found or repaired, and if the remaining pieces have a reduced market value We will reimburse the difference in market value after consultation with You.

7. *Floor Space Ratio Index*

In the event of any Building being Damaged so as to constitute total loss or constructive total loss and, as a result of the exercise of statutory powers and/or authority by any government departments, local government or any other statutory authorities, reinstatement of such Building as before is prohibited and reinstatement is only permissible subject to a reduced floor space ratio index.

We agree to pay in addition to any amount payable on reinstatement of such Building the difference between:

- a) the actual cost of reinstatement incurred in accordance with the reduced floor space ratio index; and
- b) the cost of reinstatement which would have been incurred had a reduced floor space ratio index not been applicable.

In arriving at the amount payable under (a) and (b) above, any payments made by Us will include the extra cost of reinstatement, including demolition or dismantling of the Building, necessarily incurred to comply with the requirements of any Act of Parliament or regulation made thereunder or any by-law or regulation of any local or other statutory authority.

Any payment made for the difference between (a) and (b) above will be made as soon as the said difference is ascertained upon completion of the rebuilding works and certified by the architect acting on Your behalf in the reinstatement of the Buildings.

8. *Abandoned Undamaged Portion of a Building*

If any Building is Damaged and, due to the exercise of statutory powers or delegated legislation or authority by any government department, local government or other statutory authority, reinstatement of such Building is carried out upon another site, then the abandoned undamaged portion of such Building will be deemed to have been destroyed. If the presence of such abandoned undamaged portion of the Building increases the sale value of the original site, the increase in sale value will be deducted from the total amount otherwise payable by Us under this Policy.

All differences relating to the amount of such increase in site value will be referred to the decision of two registered valuers, one to be appointed by each of the parties to this Policy. If the two valuers do not agree, their differences will be referred to the decision of a third valuer, appointed by the Chair of the Australian Property Institute (in the same state or territory as the Building) as an expert, whose decision will be binding. The cost of the third valuer is to be shared equally by Us and You.

9. *Extra Cost of Reinstatement*

Cover extends to include the extra cost of reinstatement (including demolition or dismantling) of Damaged Property Insured necessarily incurred to comply with the requirements of any statutory authority imposed after the Damage, subject to the following Provisions and subject also to the terms, Conditions and Limit of Liability or sub limits of liability of this Section.

Provisions:

- a) The work of reinstatement (which may be carried out wholly or partially upon any other site(s), if the requirements of the aforesaid Act of Parliament, regulation or by-law so necessitate, subject to Our liability not being thereby increased and limited to the actual cost of reinstatement), must be commenced and carried out within a reasonable time, failing which We will not be liable to make any payment beyond the amount which would have been payable under this Section if this Provision had not been incorporated herein.
- b) The amount recoverable will not include the additional cost incurred in complying with any such Act, regulation, by-law or requirement with which You had been required to comply prior to the happening of the Damage.
- c) If the cost of reinstatement of Damaged property is less than 25% of that which would have been the cost of reinstatement if such property had been destroyed, the amount recoverable hereunder will be limited to the extra cost necessarily incurred in reinstating only that portion Damaged.

10. *Buildings not reinstated*

If any Building is Damaged and lost and destroyed, and you elect not to reinstate the Building, We will only pay the costs incurred by You for the removal of debris and cleaning, to the extent it is covered under Removal of Debris and Cleaning/Clearance of Drains within the Costs, Fees and Expenses part of this Section.

11. *Obsolete Contents (other than Stock and Fine Art)*

In the event of Damage to Contents (other than Stock and Fine Art), if the property is obsolete, the amount payable under this Section will be the market value of the property, but no more than its original cost.

12. *Historical Buildings*

If any Building is Damaged, and is subject to any heritage listing or protection where we were notified of the heritage status and have agreed to provide cover and You choose to reinstate the Building at the same site, We will pay the extra costs of reinstating the Building, that are necessarily incurred to obtain special materials or employ specialised labour to match up or reproduce unique or distinctive ornamental or architectural features of the Building to comply with standards imposed by any statutory or heritage protection authority.

Provided that we will not pay more than the cost necessary to reinstate any such heritage listed Building to a condition substantially the same as but not better than or more extensive than its condition when new.

Exclusions

The following exclusions apply to Section 1 of this Policy except where expressly varied.

1. *Excluded Property*

Section 1 of this Policy does not cover:

- a) Asbestos, unless the Asbestos forms part of any Building or Property Insured and itself suffers Damage caused by or resulting from a cause not otherwise excluded, and except to the extent insured under '1 Asbestos Remediation' within the 'Costs, Fees and Expenses' part of this Section.
- b) property whilst in transit outside of the Insured Location(s) except to the extent insured under Extension B 11 'Restricted Transit' and 13 'Temporary Removal'.
- c) Money in excess of \$500.
- d) Fine Art, except to the extent insured under the Costs, Fees and Expenses part of this Section.
- e) jewellery, furs, bullion, precious metals or precious stones unless:
 - i. these items are Stock, and Stock is shown in the Schedule as being insured; or
 - ii. they are worth less than \$10,000 any one item.
- f) any locomotive or rolling stock or watercraft other than as Stock of the Business; provided always that no cover shall apply whilst any watercraft is on water.
- g) any aircraft or aerospace device (including its accessories and/or spare parts) other than as Stock of the Business; provided always that no cover shall apply during taxing, take-off, flight or landing.
- h) vehicles or trailers registered or licensed to travel on a public road, provided that this Exclusion shall not apply to mobile plant and equipment (excluding cars, sedans, panel vans and trucks) not otherwise insured.
- i) any spacecraft or satellite.
- j) livestock, animals, birds or fish.
- k) standing timber, growing crops and pastures, and plants except to the extent it is covered under Landscaping within the Costs, Fees and Expenses part of this Section.
- l) water (other than processing water, Stock, and except to the extent insured under '10 Metered Water' within 'Costs, Fees and Expenses' part of this Section or Extension B15 'Unauthorised Use of Electricity, Gas or Water) and land, provided that this exclusion shall not apply to structural improvements on or in the land if such structural improvements are not otherwise excluded in this Policy.
- m) dams, reservoirs, canals, wells, ponds, and any other watercourse.
- n) docks, wharves, jetties and piers not forming part of any building.
- o) bridges, roadways and tunnels, pavements and other paved surfaces not forming part of any Building, railway tracks and their contents.
- p) unsealed driveways and paths, topsoil and fill.
- q) mines or quarries and tailing dams or tailing ponds, mining property located beneath the surface of the ground, offshore property.
- r) property during the course of, and as a result of, its processing, production or manufacture.
- s) gates, fences, signs, retaining walls, awnings and blinds, shade fabrics and membranes, shade structures, fibreglass houses and glass houses caused by or arising from storm, rainwater, wind, hail or snow, Flood, dust, except to the extent insured under the Costs, Fees and Expenses part of this Section.
- t) property undergoing construction, erection, alteration or addition, provided that this does not apply to:
 - i. such property when the value of work is less than \$500,000 or 20% of the Limit of Liability for the Insured Location whichever is the lesser; or
 - ii. any portion of the Building not directly affected by such work.
- u) empty premises undergoing demolition.
- v) oil and gas drilling and/or production rigs.
- w) any boiler (other than a boiler used for domestic purposes) economiser or other pressure vessel, including pipes, valves and other apparatus:
 - i. where the load on the safety valve was in excess of the manufacturer's specification at the time of any Damage; or
 - ii. where any safety valve limiting pressure was removed or rendered inoperative, arising from explosion or implosion provided that this Exclusion shall be limited to the items immediately affected and shall not extend to other property as a result of such Damage.
- x) Damage occurring within 72 hours from the commencement of this Policy caused by or arising from:
 - i. Bushfire; or
 - ii. a cyclone named by the Bureau of Meteorology.

- y) Glass:
 - i. other than the Damage caused by fire, storm, wind, rain, hail, lightning, explosion, earthquake, subterranean fire, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, persons acting maliciously, impact by any road vehicle or animal; or
 - ii. except where You are a tenant of a Building and are required by the lease to insure glass.
- z) i. Under Costs Fee and Expenses, 8. Landscaping, any Damage which is caused by storm, wind, rain, snow, sleet or hail.
- ii. Within Extensions B, 3. Exhibitions, Fair or Trade Shows, any Mobile Communication Property whilst left unattended.

2. Excluded Causes

Section 1 of this Policy does not cover Damage directly or indirectly caused or occasioned by or arising from:

- a) i. Flood; or
- ii. water from or action by the sea, tidal wave, storm surge or high water,

provided that Exclusions 2.(a)(i) and (ii) shall not apply if Damage is caused by or arises out of an earthquake or seismological disturbance.

This Excluded Causes Exclusion does not apply to:

- 1. Costs Fees and Expenses titled Property in the Open Air; and
 - 2. Extensions B titled Restriction Transit.
- b) i. moths, termites or other insects, vermin, rust or oxidation, mildew, mould, actual, alleged or threatened release, discharge, escape or dispersal of Pollutants, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour or texture or finish, smut or smoke from industrial operations;
 - ii. wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
 - iii. error or omission in design, plan or specification or failure of design;
 - iv. normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads, car parks, gates or fences and other structural improvements, creeping, heaving and vibration;
 - v. faulty materials or faulty workmanship;
 - vi. mechanical, electrical, electromechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non-operation of any kind except as provided under Extension B 5. Fusion of Electric Motors;
 - vii. alteration, installation, testing, repair, adjusting, servicing or maintenance operation,

provided that Exclusions 2.(b)(i) to (vii) shall not apply to subsequent Damage to the Property Insured occasioned by a Defined Peril (not otherwise excluded) resulting from any event or cause referred to in this Exclusion.

- c) i. incorrect siting of buildings consequent upon:
 - A. error in architectural design or specification;
 - B. faulty workmanship; or
 - C. Your non-compliance (or anyone acting on Your behalf) with the necessary permits issued by government, public or local authorities.
- ii. demolitions ordered by government or public or local authorities due to Your failure or that of Your agents to obtain the necessary permits required.
- d) i. theft, other than physical Damage to Property Insured at the Insured Location during theft or any attempted theft and/or theft of parts of the Building or fixed plant in the open air when insured under this Section;
- ii. unexplained or inventory shortage, disappearance resulting from clerical or accounting errors, shortage in the supply or delivery of materials.
- e) i. spontaneous combustion; or

ii. spontaneous fermentation or heating or any process involving the direct application of heat,

provided that Exclusions 2.(e) (i) and (ii) shall be limited to the items immediately affected and shall not extend to other property damaged as a result of such spontaneous combustion, fermentation or heating or process involving the direct application of heat.

- f) i. the cessation of work whether total or partial; or
ii. the cessation, interruption or retarding of any process or operation,

as a result of strikes, industrial action, labour disturbances or locked out workers, provided that Exclusions 2.(f)(i) and (ii) shall not apply in respect of Damage directly caused by strikes, industrial action or locked out workers.

- g) i. A. fraudulent or dishonest acts, fraudulent misappropriation, embezzlement, forgery, counterfeiting data corruption, unauthorised amendment of data and erasure by electronic or nonelectronic means involving the Property Insured by You or any Employees(s) acting alone or in collusion with any other person(s);
B. access by any person(s) other than You or Your Employee(s) to Your computer system via data communication media that terminate in Your computer system,
ii. erosion, subsidence, landslip or mudslide or any other earth movement but We will cover Damage caused by the type of earth movement that occurs within 72 hours of, and directly because of, a storm, earthquake, subterranean fire, volcanic eruption or water escaping from a water main owned by a water supply authority; or
iii. kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt of,

provided that Exclusions 2.(g)(i) to (iii) shall not apply to subsequent Damage to the Property Insured occasioned by a peril (not otherwise excluded) resulting from any event or peril referred to in this Exclusion.

- h) any legal liability of whatsoever nature other than as herein provided.
i) losses incurred following damage of any kind including (but not limited to) as a result of loss due to delay, lack of performance, loss of market, loss of contract or depreciation in the value of land or Stock, except as provided in Section 2 - Business Interruption.

3. Communicable Disease Exclusion

- a) Sections 1 and 2 of this Policy do not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, or in any way attributable or related to, connected with or contributing concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
- b) This Exclusion applies to all coverage extensions, additional coverages and exceptions in Sections 1 and 2 of this Policy, including but not limited to, any cost to clean-up, detoxify, remove, monitor or test for a Communicable Disease at the Insured Location or Property Insured. The terms of this Exclusion prevail over any direct or apparent inconsistency with any other terms in Sections 1 and 2 of this Policy.
- c) A Communicable Disease means any of the following, regardless of the means of transmission, whether discovered at the Insured Location, occurring at the Insured Location, or in respect of which there is an occurrence or an outbreak elsewhere:
- i. any physical distress, illness, or disease; or
ii. any virus, bacterium, parasite, fungus or other organism, whether deemed living or not, which is capable of causing any physical distress, illness or disease,
except where the physical distress, illness or disease is the direct result of the consumption of food or drink provided at the Insured Location or is a Covered Disease as defined in Extension C1 'Restrictions in the Use of the Insured Location Extension' in Section 2 of this Policy; or
iii. any Covered Disease (including a Covered Disease) which is or becomes a quarantinable disease or a listed human disease under the *Biosecurity Act 2015* (Cth), as may be amended from time to time and any replacement, successor or functionally similar legislation of Australia (or of the applicable state or territory in Australia in which the Insured Location is located); or
iv. any Covered Disease which is or becomes an epidemic or a pandemic.

Conditions

1. *Automatic Reinstatement*

following loss, cover under this Section will not be reduced by the amount of any loss, provided that You comply with any additional terms required by Us and pay any additional premium due.

This Condition does not apply if We pay the full Sum Insured for Buildings in respect of a single claim under this Section.

2. *Underinsurance*

In the event of a claim, We will be liable for no greater proportion of the loss than the amount that Your Sums Insured of all Property Insured, declared at the commencement of the Policy Period, bears to 80% of the value of all such Property Insured at the time of the commencement of the Policy Period.

This condition will not apply:

- a) if the amount of the Damage is less than 10% of the Sums Insured: or
- b) to property forming part of the Property Insured which has been insured under this Policy for the full value stated in a valuation prepared by an Approved Valuer and which an Approved Valuer has updated not more than 12 months prior to the commencement of the Policy Period.

Section 2 – Business Interruption

This Section provides You with 3 different coverage options. The Schedule states which of the following coverage options has been selected:

1. Gross Profit
2. Gross Revenue
3. Weekly Revenue

Definitions

Wherever appearing in this Section 2 – Business Interruption, the following definitions apply:

1. **Annual Turnover**

means the Turnover in the 12 months immediately preceding the Insured Damage.

2. **Business Interruption**

means the interruption of, or interference with, Your Business in consequence of Insured Damage that occurs during the Policy Period.

3. **Customer**

means any party with whom You have a direct contractual relationship for the sale or supply of goods, property or services.

4. **Damage**

means actual (not threat or fear of), sudden and accidental physical damage, destruction or loss.

5. **Gross Profit**

means the amount by which:

- a) the sum of the amount of the Turnover and the amounts of the closing Stock and work in progress shall exceed;
- b) the sum of the amounts of the opening Stock and work in progress and the amount of the Uninsured Working Expenses.

The amounts of the opening and closing Stock and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods with due provision being made for depreciation. The words and expressions used in this definition that are not defined in this Policy shall have the meaning usually attached to them in the books and accounts of the Insured.

6. **Gross Revenue**

means the money paid or payable to You for services rendered and/or goods sold in the course of Your Business at the Insured Location(s), including any Rent Receivable.

7. **Increased Cost of Working**

means the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the:

- a) reduction in Turnover, if Gross Profit is the applicable Basis of Settlement in the Schedule;
- b) reduction in Gross Revenue, if Gross Revenue is the applicable Basis of Settlement in the Schedule; or
- c) reduction in Rent Receivable, if Rent Receivable is the applicable Basis of Settlement in the Schedule;

and which, but for that expenditure, would have taken place during the Indemnity Period.

8. Indemnity Period

means the period beginning with the occurrence and ending no later than the Indemnity Period specifically set out in the Schedule during which the results of Your Business will be affected in consequence of the Insured Damage.

9. Insured Damage

means physical loss, destruction or damage occurring during the Policy Period caused by an event insured under Section 1 - Property Damage, Section 3 - Theft, Section 4 - Money, Section 5 - Glass or Section 6 - General Property.

10. 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 allowing for the Trend in the Business.

11. Rent Receivable

means the amount of the rent received or receivable from the letting of all or part of the Insured Location(s).

12. Standard Gross Revenue

means the Gross Revenue during that period in the 12 months immediately before the date of the Insured Damage which corresponds with the Indemnity Period allowing for the Trend in the Business.

13. Standard Weekly Revenue

means the Weekly Revenue during that period in the 12 months immediately before the date of the Insured Damage which corresponds with the Indemnity Period allowing for the Trend in the Business.

14. Standard Rent Receivable

means the amount of the Rent Receivable during the period corresponding with the Indemnity Period in the 12 months immediately before the date of the Insured Damage, allowing for the Trend in the Business.

15. Standard Turnover

means the Turnover during that period in the 12 months immediately before the date of the Insured Damage, which corresponds with the Indemnity Period.

16. Trend in the Business

means adjustments to provide for the trend of Your Business and variations in other circumstances affecting that Business either before or after the Insured Damage or which would have affected that Business had the Insured Damage not occurred, so that the figures adjusted will 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.

17. Turnover

means the money paid or payable to You for goods sold and delivered and for services rendered in the course of Your Business at the Insured Location(s).

18. Uninsured Working Expenses

means the working expenses of Your Business which You have elected not to insure under this Section, and which are not included in the Sum Insured for Gross Profit and are specified in the Schedule.

19. Weekly Revenue

means the weekly money paid or payable to You for services rendered and/or goods sold in the course of Your Business at the Insured Location(s), excluding any Rent Receivable.

Cover

Provided this Section is shown as insured in the Schedule, We will pay the amount of loss resulting from interruption of or interference with Your Business resulting from Insured Damage to Property Insured at an Insured Location that occurs during the Policy Period.

Loss will be calculated in accordance with the Basis of Settlement stated in the Schedule, and subject to the Indemnity Period and applicable Sum Insured.

If during the Indemnity Period You permanently close Your Business for any reason (including involuntary closure), then the Indemnity Period will end on the day You permanently close Your Business unless We agree in writing to continue this period. Nothing in this clause shall affect Your right to an equitable adjustment where the decision to close the business is taken with Our approval and arises directly as a result of the interruption of Your Business from a circumstance covered by this Section.

Basis of Settlement

1. *Gross Profit*

Loss will be calculated by:

- a) applying the Rate of Gross Profit to the difference between Turnover during the Indemnity Period and the Standard Turnover;
- b) adding the Increased Cost of Working incurred during the Indemnity Period, but only to the extent that the reduction in Gross Profit is reduced; and
- c) subtracting any sum saved during the Indemnity Period in respect of such of the charges and expenses of Your Business payable out of Gross Profit as may cease or be reduced in consequence of the Insured Damage.

If the Sum Insured for Gross Profit at the beginning of each Policy Period is less than the sum produced by applying the Rate of Gross Profit to 80% of the Annual Turnover (or its proportionately increased multiple where the Indemnity Period exceeds 12 months), We will pay a proportion of the loss of Gross Profit.

The proportion that We will pay will be the same as the proportion that the Sum Insured for Gross Profit bears to 80% of the Annual Turnover (or its proportionally increased multiple if appropriate).

This clause will not apply if Your claim is for less than 10% of the Sum Insured for Gross Profit.

If You hold a salvage sale during the Indemnity Period, the Turnover from the salvage sale shall be deducted from any reduction in Turnover.

2. *Gross Revenue*

Loss will be calculated by:

- a) determining the difference between Gross Revenue during the Indemnity Period and the Standard Gross Revenue;
- b) adding the Increased Cost of Working incurred during the Indemnity Period, but only to the extent that the reduction in Gross Revenue is reduced; and
- c) subtracting any sum saved during the Indemnity Period in respect of such of the charges and expenses of Your Business payable out of Gross Revenue as may cease or be reduced in consequence of the Insured Damage.

If the annual Sum Insured for Gross Revenue is less than 80% of Gross Revenue during the year immediately prior to the Insured Damage, We will pay a proportion of the loss of Gross Revenue.

The proportion that We will pay will be the same as the proportion that the annual Sum Insured for Gross Revenue bears to 80% of the Gross Revenue for the year immediately prior to the Insured Damage.

This condition will not apply if Your claim is less than 10% of the Sum Insured for Gross Revenue.

3. *Weekly Revenue*

Loss will be calculated by determining the difference between Weekly Revenue during the Indemnity Period and the Standard Weekly Revenue.

Extensions A: Following Insured Damage

Cover under Section 2 – Business Interruption is extended as follows:

We will pay:

1. *Accounts Receivable*

for loss resulting from Business Interruption to Your books of account or other business books or records resulting in the inability to trace or establish outstanding debit balances in whole or in part, Loss will be calculated as the total of:

- a) sums due to You from Customers;
- b) subtracting the amount of any such sum evidenced by records not damaged or otherwise established or collected by You; and
- c) subtracting an amount to allow for probable bad debts which would normally have been uncollectible by You.

On hire purchase and deferred payment accounts receivable, unearned interest and service charges will be deducted.

We will not pay more than \$7,500 or the applicable sub-limit specified in the Schedule, whichever is the greater, for any one loss.

2. *Additional Increase in Cost of Working*

Loss will be calculated by determining the additional increase in cost of working in excess of the amount payable under the Gross Profit, Gross Revenue, or Rent Receivable basis (as applicable) necessarily incurred during the Indemnity Period for the sole purpose of avoiding or diminishing:

- a) the reduction in Gross Revenue;
- b) the reduction in Turnover if the Basis of Settlement is Gross Profit; or
- c) the reduction in Rent Receivable;

in order to resume or maintain normal Business operations.

We will not pay more than \$25,000 or the Sum Insured shown in the Schedule, whichever is the greater.

3. *Contractual Penalties*

the fines and damages that You are legally liable to pay for breach of a written contract for non-completion or late completion of orders due to Insured Damage during the Policy Period. We will not pay more than 20% of the Sum Insured for Gross Profit, Gross Revenue or Weekly Revenue shown in the Schedule.

4. *Landlord's property and Other non-owned property used by You*

at the Insured Location for loss resulting from Insured Damage to Your landlord's and/or other non-owned property used by You at the Insured Location.

Extensions B: Following Damage at Locations not Occupied by You

Cover under Section 2 is extended to include loss resulting from Business Interruption to property:

- a) of a type that this Policy insures (but which is not Property Insured) and provided such property would not be excluded under this Policy; and
- b) in the circumstances and at the locations described in clauses 1 to 9 directly below.

1. *Denial of Access*

Damage to any property within 50 kilometres of any Insured Location, which will prevent or hinder the access to or use of the Insured Location. This Extension will not apply to property of any supply undertaking from which You obtain electricity, gas, water or telecommunication services.

2. *Property in Transit*

Property Insured whilst in transit within Australia including whilst temporarily housed in the course of transit for the purpose of storage, making up, packing or processing. We will not pay more than 20% of the Sum Insured for Gross Profit, Gross Revenue or Weekly Revenue shown in the Schedule.

3. *Property in a Commercial Complex*

if:

- a) Damage to property in a multi-tenanted retail shopping complex or commercial complex that the Insured Location is located within; and
- b) the Damage results in reduced pedestrian count in the retail shopping complex or commercial complex; and
- c) the Damage results in cessation or diminution of Your trade or normal Business operations.

4. *Public Authority*

any legal authority preventing or restricting access to an Insured Location or ordering the evacuation of the public due to Damage to property within 50 kilometres of any Insured Location, or the occurrence of physical harm to persons as a result of Damage to property.

5. *Public Utilities and Computer Installations*

property at any:

- a) generating station or sub-station of any electricity supply undertaking;
- b) land based premises of any gas supply undertaking or of any natural gas producer linked directly to it;
- c) water works and pumping stations of any water supply undertaking;
- d) land based premises of any telecommunications undertaking; or
- e) computer installation, including ancillary equipment and data processing media, utilised by You,

within Australia, provided that, where the property is not at or adjacent to Your Insured Location, the interruption of the supply lasts for at least 48 hours.

We will not pay more than 20% of the Sum Insured for Gross Profit, Gross Revenue or Weekly Revenue shown in the Schedule in the aggregate in any one Policy Period.

6. *Registered Vehicles*

any registered vehicles or trailers which are owned or operated by You, while such vehicles or trailers are at the Insured Location, or any other premises in Australia but not on a public thoroughfare.

7. *Roads, Bridges and Railway Lines*

roads, bridges and railway lines over which Stock, components and materials are conveyed to and from the Insured Location.

8. *Suppliers and Customers*

the premises of any of Your direct suppliers, manufacturers, processors, repairers or storage providers of components, goods or materials (excluding the supply undertakings for gas, electricity, water and telecommunications services), and premises of Your Customers, that occurs within Australia. We will not pay more than 20% of the Sum Insured for Gross Profit, Gross Revenue or Weekly Revenue shown in the Schedule.

9. *Documents temporarily removed*

Damage to Your documents or documents held in trust by You and Electronic Data files belonging to or held in trust by You as part of Your Business that are:

- a) temporarily removed to other premises anywhere in Australia; or
- b) while in transit to any place in Australia;

We will not pay more than 20% of the Sum Insured for Gross Profit, Gross Revenue or Weekly Revenue.

Extension C: non Damage

1. *Restrictions in the Use of the Insured Location Extension*

This Section is extended to include loss resulting from interruption of, or interference with, Your Business in consequence of:

- a) the discovery of vermin or pests at the Insured Location; or
- b) any Damage causing defects in the drains or other sanitary arrangements at the Insured Location; or
- c) the occurrence of an illness which is the direct result of the consumption of food or drink provided at the Insured Location, except any illness that is related to, attributable to, or connected in any way with a Communicable Disease as defined in the Communicable Diseases Exclusion in Section 1 - Property Damage, which causes restrictions on the use of the Insured Location on the order or written advice of any government, local government or other statutory authority; or
- d) closure or evacuation of the whole or part of the Insured Location by order of a government, local government or other statutory authority as a direct result of an occurrence or outbreak of a Covered Disease occurring at the Insured Location; or
- e) any occurrence of murder or suicide at the Insured Location which causes restrictions on the use of the Insured Location,

provided that:

- f) We shall not be liable for the first 48 hours of any interruption of, or interference with, Your Business;
- g) We shall only be liable for loss arising at those Insured Locations, which are directly affected by the discovery in clause (a), the Damage in clause (b), or the occurrences or outbreak in clauses (c) to (e);
- h) We shall not be liable under this Extension for any costs incurred in the cleaning, repair, replacement, recall or checking of the Insured Location or any Property Insured at the Insured Location;
- i) Our liability under this Extension in respect of all occurrences during the Policy Period continues for the Maximum Indemnity Period or up to a limit of \$250,000 in the aggregate, whichever is the lesser.

For the purposes of this Extension:

- i. **Covered Disease** means Measles; Meningococcal infection/disease; Gastroenteritis; Legionellosis (Legionnaires Disease); Salmonellosis (Salmonella Infection); and Escherichia coli Infection, as defined (if so defined) in the Communicable Diseases Network Australia (CDNA) national surveillance case definitions published by the Department of Health (or otherwise), as at the date of inception or renewal of this Policy, but in each case, excluding variations or mutations of those diseases (unless expressly included in the CDNA definitions).
- ii. **Maximum Indemnity Period** means the period during which the use of the Insured Location shall be affected, beginning with the date and time from which the restrictions, closure or evacuation of the Insured Location came into effect in the case of clauses (a) to (d), or in the case of clause (e), beginning with the date and time of the occurrence, and ending when the restrictions, closure or evacuation are no longer in effect, but not exceeding a maximum period of 3 months.
- iii. **Insured Location** means only locations stated in the Schedule; in the event that the Policy includes an extension which deems Damage at other locations to be Damage at the Insured Location such extension shall not apply to this Extension.

This Extension of cover is subject to the Communicable Disease Exclusion in Section 1 of the Policy.

Optional Extensions

The following Optional Extensions apply if shown as insured in the Schedule:

1. *Claims Preparation Expenses*

In addition to the amount shown in General Claims Condition 1. Claim Preparation Expenses, the reasonable professional fees payable by You, and such other reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation of claims under this Section. The amount of such charges that We will pay is limited to the amount shown in the Schedule.

2. *Rent Receivable*

Loss will be calculated by:

- a) determining the difference between Rent Receivable during the Indemnity Period and the Standard Rent Receivable;
- b) adding the Increased Cost of Working incurred during the Indemnity Period, but only to the extent that the reduction in Rent Receivable is reduced; and
- c) subtracting any sum saved during the Indemnity Period in respect of such of the charges and expenses of Your Business payable out of Rent Receivable as may cease or be reduced in consequence of the Insured Damage.

If the annual Sum Insured for Rent Receivable is less than 80% of Rent Receivable during the year immediately prior to the Insured Damage, We will pay a proportion of the loss of Rent Receivable.

The proportion that We will pay will be the same as the proportion that the annual Sum Insured for Rent Receivable bears to 80% of the Rent Receivable for the year immediately prior to the Insured Damage.

This condition will not apply if Your claim is less than 10% of the Sum Insured for Rent Receivable.

Conditions

1. *Alternative Trading*

If goods will be sold or services rendered elsewhere than at the Insured Locations 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 will be brought into account in arriving at the Gross Revenue, if the applicable Basis of Settlement is Gross Revenue, during the Indemnity Period.

2. *Automatic Reinstatement*

following loss, cover under this Section will not be reduced by the amount of any loss provided that You comply with any additional terms reasonably required by Us and pay any additional premium due.

This Condition does not apply if We pay the full Sum Insured in respect of a single claim under this Section.

3. *Payments on Account*

In the event of loss, We may at Our discretion (after consultation with You), and if requested by You, make payments on account during the Indemnity Period.

4. *Professional Accountants*

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 under this Policy may be produced by professional accountants if at the time they are regularly acting as such for You, and their report will be prima facie evidence of the particulars and details to which such report relates.

5. *Underinsurance deletion*

If the Sum Insured shown in the Schedule for:

- a) Gross Profit; or
- b) Gross Revenue; or
- c) Rent Receivable,

has been calculated:

- d) using a business interruption calculator approved by Us;
- e) by using Your GST exclusive sales income figures from Your most recent 12 month Business Activity Statement; and
- f) within 2 months of inception or renewal of the Policy and the results of the calculations at (d) and (e) are adopted as the Sum Insured and the calculations are held on file;

then the underinsurance provision within the relevant Basis of Settlement clause will not apply.

Section 3 – Theft

Definitions

Wherever appearing in this Section 3 – Theft, the following definitions apply:

1. **Business Hours**

means any period during which the Insured Location is physically occupied by You.

2. **Crime**

means the criminal taking of Money, Securities or Property Insured with the intention to permanently deprive You of them.

3. **Theft**

means theft or attempted theft.

Cover

Provided this Section is shown as insured in the Schedule We will pay for loss or damage, up to the applicable Sum Insured and less the Excess, occurring during the Policy Period to Property Insured shown in the Schedule at the Insured Location caused by Theft following:

- a) visible forcible and violent entry into or exit from the Building;
- b) a person unlawfully concealed at the Insured Location;
- c) an actual, attempted or threatened armed hold up, assault or violent act; or
- d) an actual visible, forcible violent entry into any locked cabinet, counter or showcase.

Costs, Fees and Expenses

When Theft of Property Insured is covered by this Section, We will also pay the following costs up to the applicable limits, except where explicitly excluded. Unless stated otherwise, the amounts payable are included in the applicable Sum Insured shown in the Schedule.

We will pay:

1. *Death Benefit*

\$10,000 to the estate of any person who suffers injury while protecting the Property Insured and subsequently dies from those injuries within 12 months.

This amount is payable in addition to the Sum Insured.

2. *Electronic Data ReCompilation Costs*

Your costs incurred of reproducing any Electronic Data contained on any Electronic Data Processing Media. Such costs will include all reasonable and necessary amounts, in recreating, gathering and assembling such Electronic Data up to a limit of \$25,000 during any one Policy Period.

3. *Removal of Debris*

the costs and expenses necessarily incurred by You in the cleaning up, removal, and disposal of debris, up to a limit of \$5,000 for any one loss which is in addition to the Sum Insured.

4. *Stock Seasonal Increase*

the Sum Insured for Stock is increased by 50% for losses occurring during the Seasonal Increase Period.

If You have a combined Sum Insured for Contents and Stock on Your Schedule, We will only apply the increased cover to the portion of the Sum Insured that relates to Stock.

5. *Temporary Repairs and Security*

the cost of making temporary repairs and employment of security guards to ensure the safety and protection of the Insured Location, up to a limit of \$10,000 for any one loss.

6. *Theft Damage to Buildings*

for Damage to the Buildings if You are the property owner, or to the Insured Location that You are liable for under the terms of Your lease or rental agreement. The most We will pay is \$20,000 for any one loss which is payable in addition to the Sum Insured.

7. *Theft Reward*

a reward (of up to 10% of the value of a claim under this Section) for information leading to a conviction in respect of Theft involving Property Insured.

8. *Rewriting of Records*

up to \$25,000 during any one Policy Period for Your costs incurred in reproducing business records. This applies in addition to the Sum Insured.

9. *Directors' and Employees' tools*

of trade and personal effects for loss or damage to personal property and tools of trade of directors and Employees of Your Business if the person to whom the personal effects belong is not named as an Insured.

Cover is limited to \$10,000 overall in respect of any one loss. This applies in addition to the Sum Insured.

Extensions

We will also provide the following extensions of cover. Unless stated otherwise, the amounts payable are included in the applicable Sum Insured shown in the Schedule:

1. *Employee Dishonesty*

We will pay for loss of Property Insured resulting from Crime committed by an Employee acting alone or in collusion with others, provided that the loss:

- a) occurs during the Policy Period; and
- b) is discovered within 45 days of it occurring.

The most We will pay under this Extension is \$5,000 for any one loss which is payable in addition to the Sum Insured, but if You are also insured under Section 4 - Money, the benefits payable for employee dishonesty shall not be cumulative.

2. *Illegal Electronic Funds Transfer*

If Contents are covered under this Policy, following entry into the Insured Location by way of an event described in this Section 3 – Theft Cover, We will pay up to \$5,000 for any financial loss sustained by You during the Policy Period arising from the electronic transfer of funds from Your bank account to a bank account not controlled by You.

We will not pay for transfer of money via electronic funds transfer which was enabled by:

- a) a key; or
- b) use of a combination, code or password,

that was left in the Building outside Business Hours.

3. *Illegal Use of Corporate Card*

If Contents are insured under this Policy and any corporate credit card used by the Business is lost or stolen during the Policy Period, We will pay any financial loss which You sustain arising from the illegal use of the card by an unauthorised person. The most We will pay under this Extension is \$10,000 for any one loss or event.

4. *Locks or Electronic Security Systems*

We will pay the costs incurred as a result of the necessary replacement or adjustment of locks or electronic security systems at the Insured Location following Theft or accidental loss of keys or access cards. The most We will pay under this Extension is \$10,000 for any one loss which is payable in addition to the Sum Insured.

5. *Loss of Metered Water*

We will pay costs You are liable to pay to any water company or authority for water usage arising from Theft of Property Insured or water at the Insured Location. The most We will pay is \$20,000 for any one loss.

6. *New Acquisitions*

We will pay for Theft of Stock or Contents from any new location, provided that:

- a) You provide Us with full details of the new location within 90 days of when You first acquire an insurable interest in the new location; and
- b) the new location has similar security protection features than that of an Insured Location; and
- c) We will not pay more than 50% of the highest Sum Insured for Theft for Stock or Contents (as relevant) for any Insured Location on the Schedule; and
- d) such cover will be effective from the date of acquisition or completion or from the date that You first acquire an insurable interest, whichever is the sooner, and will end at the earliest of when:
 - i. We agree to add such Property Insured to this Policy;
 - ii. 90 days pass from the date of acquisition or completion; or
 - iii. this Policy expires.

We may charge additional premium from the date of acquisition or completion.

7. *Pairs and Sets*

We will pay for the reduced value of undamaged Stock or Contents which forms part of a pair or set and following Theft has become unmarketable as a complete product. The most We will pay under this Extension is \$20,000 during any one Policy Period.

8. *Temporary Removal*

We will pay for Theft of Property Insured whilst temporarily removed to any other premises within Australia, subject to the same policy conditions and exclusions.

Provided that:

- a) We will not cover tobacco, tobacco products, cigars, cigarettes or alcoholic beverages;
- b) We will not cover Stock that is on consignment to other parties unless it is owned by You or is property for which You are responsible;
- c) the maximum amount We will pay for this Extension will be 20% of the Sum Insured; and
- d) this Extension will not apply to any Property Insured which has been removed for a period greater than 90 days.

9. *Theft of External Property*

We will cover You for loss or damage as a result of Theft, whether following forcible and violent entry or otherwise, of permanently fixed (non-portable) apparatus or appliances, owned by You or for which You are legally responsible or have assumed a responsibility to insure, attached to the Building (other than by means of a flexible or tensile cord to a power point) but limited to an amount not exceeding:

- a) \$25,000; or
- b) the balance of the Sum Insured for Contents,

whichever is the lesser.

10. *Theft without Forcible and Violent Entry (not property in the open air)*

We will pay for Theft occurring during the Policy Period to Property Insured where there are no signs of forcible and violent entry to or exit from the Building. The most We will pay under this Extension is \$20,000 for any one loss.

We will not pay for Theft involving shoplifting.

11. *Theft of Property Insured in the Open Air*

We will pay for Theft of Property Insured in the open air, but within the boundaries of the Insured Location, occurring during the Policy Period.

We will not pay unless after Business Hours the Insured Location is fully enclosed by walls and fences, and gates are locked with padlocks or by an electronic security locking system.

The most We will pay under this Extension is \$10,000 for any one loss.

Exclusion 5. (below) does not apply to this Extension.

How We Will Pay

At Our option, after consultation with You, We will:

1. *With respect to Stock*

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

2. *With respect to Contents or other Property Insured*

- a) repair or replace the Contents or other Property Insured; or
- b) pay You the cost of repair or replacement of the Contents or other Property Insured.

3. *Pay the Sum Insured for a specified item*

Exclusions

Section 3 of this Policy does not cover:

1. Theft arising from fraudulent or dishonest acts by any of Your Employees(s) except as provided under Extension 1. Employee Dishonesty;
2. loss arising from unexplained or inventory shortage, disappearance resulting from clerical or accounting errors, shortage in the supply or delivery of materials;
3. Theft arising from the dishonest manipulation of any database or computer system;
4. Theft of Money in excess of \$500;
5. Theft from yards or gardens, verandah or similar open space at the Insured Location;
6. Theft when entry has been made using keys or security codes; or
7. Theft of watercraft, aircraft, vehicles, motorcycles, trailers or caravans unless insured as Stock.

Conditions

1. *Automatic Reinstatement following Loss*

Cover under this Section will not be reduced by the amount of any loss provided that You comply with any additional terms reasonably required by Us and pay any additional premium due.

Section 4 – Money

Definitions

Wherever appearing in this Section 4 - Money, the following definitions apply:

1. **Business Hours**

means any period during which Your Location or contract sites are physically occupied by You or an Employee entrusted with Money for the purposes of Your Business.

2. **Crime**

means the criminal taking of Money with the intention to permanently deprive You of it.

3. **Money (for the purposes of this Section 4 only)**

means:

a) **Negotiable Money:**

cash, bank and currency notes, cheques (other than blank or partly completed cheques), travellers cheques, bankers drafts, postal orders, money orders, national savings certificates, and unused current postage stamps, and unexpired units in franking machines, trading stamps national insurance stamps (whether affixed to cards or otherwise) national savings and holiday with pay stamps, bankers drafts, promissory notes, bonds, Securities (including evidence of indebtedness, share or other equity or debt security), bills of exchange, dividend warrants and gift tokens, luncheon vouchers, consumer redemption vouchers all belonging to You or for which You have accepted responsibility (and including any cash carrying bag used with transit); and

b) **Non-Negotiable Money:**

crossed cheques, crossed bankers drafts, crossed postal orders, crossed money orders, premium bonds, unused national insurance stamps, national savings certificates, credit and debit cards, credit card sales vouchers, debit card sales vouchers all belonging to You or for which You have accepted responsibility; and/or

c) funds held in electronic form in a bank account.

Cover

Provided this Section is shown as insured in the Schedule We will pay up to the applicable Sum Insured in the Schedule, less the Excess, for loss during the Policy Period of Money belonging to You and connected with Your Business:

1. in the Buildings at the Insured Location (including outside of Business Hours whilst in a securely locked safe or strong room); and
2. in the residence of any principal or authorised Employee of Yours; and
3. in a bank night safe; and
4. in transit in the custody of any principal or authorised Employee of Yours, or of an approved security carrier;

The most We will pay for loss of Money in the Buildings at the Insured Location outside of Business Hours (which is not in a securely locked safe or strong room) is the Sum Insured shown in the Schedule for “Money on premises outside of business hours whilst not in a securely locked safe or strongroom”.

Costs, Fees and Expenses

When loss of Money is covered by this Section, We will also pay the following costs (up to the applicable limits). Unless stated otherwise, the amounts payable are included in the Sum Insured for Money shown in the Schedule.

We will pay:

1. **Reward**

a reward (of up to 10% of the value of a claim under this Section) for information leading to a conviction in respect of loss or damage to Money.

2. *Locks or Electronic Security Systems*

the costs incurred as a result of the necessary replacement or adjustment of locks or electronic security systems at the Insured Location following loss covered under this Section, or accidental loss of keys or access cards. The most We will pay under this Extension is \$10,000 for any one loss which is payable in addition to the Sum Insured for Money.

3. *Temporary Repairs and Security*

the cost of making temporary repairs and employment of security guards to ensure the safety and protection of the Insured Location, up to a limit of \$10,000 for any one loss.

Extensions

We will also provide the following extensions of cover. Unless stated otherwise, the amounts payable are included in the Sum Insured for Money shown in the Schedule:

1. *Bank and Public Holidays Extension*

the Sum Insured for Money cover is automatically increased by 100% on days that are gazetted bank or public holidays. This increase will apply up until bank closing time on the next business day after such holiday. This Extension does not apply to Money on premises outside of Business Hours whilst not in a securely locked safe or strongroom and is not cumulative with Extension 7. Seasonal Increase (below).

2. *Clothing and Personal Effects*

We will cover any damage to clothing or personal effects which occurs during theft or attempted theft of Money, up to a maximum of \$10,000 for any one loss.

3. *Damage to Safes or Strongrooms*

We will pay up to \$10,000 in addition to the Sum Insured for Money for damage to safes or strong rooms as result of theft or attempted theft of Money.

4. *Death Benefit*

We will pay \$10,000 to the estate of any person who suffers injury while protecting Money from theft or attempted theft and subsequently dies from those injuries within 12 months. This amount is payable in addition to the Sum Insured for Money.

5. *Employee Dishonesty*

We will pay for loss of Money resulting from Crime committed by an Employee acting alone or in collusion with others, provided that the loss:

- a) occurs during the Policy Period; and
- b) is discovered within 45 days of it occurring.

Exclusion 1. of this Section does not apply to this Extension.

The most We will pay under this Extension is \$5,000 for any one loss which is payable in addition to the Sum Insured for Money, but if You are also insured under the Section 3 – Theft, the benefits payable for employee dishonesty shall not be cumulative.

6. *New Acquisitions*

Cover as described in this Section will extend to any new location, provided that:

- a) You provide Us with full details of the new location within 90 days of when You first acquire an insurable interest in the new location; and
- b) the new location has similar security protection features than that of an Insured Location; and
- c) We will not pay more than 50% of the highest Sum Insured for Money for any Insured Location on the Schedule; and
- d) such cover will be effective from the date of acquisition or completion or from the date that You first acquire an insurable interest, whichever is the sooner, and will end at the earliest of when:

- i. We agree to add such Property Insured to this Policy;
- ii. 90 days pass from the date of acquisition or completion; or
- iii. this Policy expires.

We may charge additional premium from the date of acquisition or completion.

7. *Seasonal Increase*

the Sum Insured for Money is increased by 50% for losses occurring during the Seasonal Increase Period. This Extension does not apply to Money on premises outside of Business Hours whilst not in a securely locked safe or strongroom and is not cumulative with Extension 1. Bank and Public Holidays Extension.

Exclusions

Section 4 of this Policy does not cover loss directly or indirectly caused or occasioned by or arising from:

1. acts of fraud or dishonesty by any Employee or authorised representative or agent of the Insured or any other person to whom You entrust Money;
2. a safe or strong room being opened by the use of a key or combination code through the key or combination having been left at the Insured Location outside Business Hours;
3. unexplained disappearance, inventory shortage, misfiling or misplacing of information.

Conditions

1. *Automatic Reinstatement following Loss*

Cover under this Section will not be reduced by the amount of any loss provided that You comply with any additional terms reasonably required by Us and pay any additional premium due.

Section 5 – Glass

Cover

Provided this Section is shown as insured in the Schedule, We will pay for the cost of replacing and fixing glass in its frame or in its normal location with glass of a similar type and quality to glass that is damaged during the Policy Period at the Insured Location due to any sudden and accidental cause.

Extensions

We will also pay:

1. *Advertising Signs*

for replacement or repair of advertising or identification signs following damage up to a limit of \$10,000 during the Policy Period.

2. *Damaged Stock or Contents*

for replacement or repair of damaged Stock or Contents as a result of damage to glass, up to \$10,000 during the Policy Period.

3. *Expediting Expenses*

for any reasonable costs for after-hours service by repairers, express delivery and overtime rates, and the reasonable additional costs incurred to comply with current building regulations relevant to the damage.

4. *Temporary Repairs and Other Costs*

costs You incur in respect of:

- a) replacement of undamaged parts of the fixed glass solely to preserve the cosmetic integrity of the Building;
- b) boarding up and temporary glazing;
- c) removal and re-fixing of window fittings, frames, holdings or door frames, whether damaged or not;
- d) replacing sign-writing, ornamentation, reflective materials and burglar alarm tapes and connections attached to the glass as a result of damage to glass; and
- e) replacement of glass following malicious scratching.

The most We will pay under this Extension during the Policy Period is \$10,000.

Exclusions

Section 5 of this Policy does not cover:

1. property during installation or removal of glass;
2. glass that is Stock; or
3. glass which is part of any glasshouse, conservatory, radio, television screen, computer screen, vase, picture, crystal, crockery, china or glass item normally carried by hand.

Section 6 – General Property

Definitions

Wherever appearing in this Section 6 - General Property, the following definitions apply:

- 1. Damage or Damaged**
means actual (not threat or fear of), sudden and accidental physical damage, destruction or loss.
- 2. Specified Items**
means property that is specifically described on the Schedule.
- 3. Unspecified Items**
means property which is not a Specified Item.

Cover

Provided this Section is shown as insured in the Schedule We will pay up to the applicable Sum Insured less the Excess, for the cost of repairing or replacing Specified Items or Unspecified Items used in Your Business that are Damaged during the Policy Period anywhere in the world.

The most We will pay for each Specified Item is the Sum Insured for that item. The most We will pay in respect of any one Unspecified Item is \$2,500.

The most We will pay during the Policy Period for all claims in respect of Unspecified Items is the Sum Insured shown in the Schedule.

Extensions

1. *Theft of other equipment*

We will cover You for theft of any property not belonging to You but in Your physical or legal control for the purposes of Your Business occurring during the Policy Period anywhere in the world. This Extension does not cover theft committed by any member of Your family or by any of Your Employees or committed by any person whilst lawfully at Your Insured Location.

We will not cover You under this Extension unless the property was:

- a) in a securely locked vehicle and the theft was consequent upon forcible and violent entry to the vehicle;
- b) securely and permanently affixed to a building or vehicle and theft was consequent upon forcible and violent removal of the Property Insured;
- c) in a vehicle and was securely chained to that vehicle by a steel chain having a link diameter of 10mm or greater and a padlock;
- d) kept in Your private residence or the private residence of Your Employee who has been authorised by You to have the custody and control of the Property Insured. However We will not cover any theft by a tenant;
- e) securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building; or
- f) stolen as a consequence of armed hold-up or the threat or perceived threat of physical violence.

We will not cover You for more than \$2,000 in any one Policy Period under this Extension.

Exclusions

Section 6 of this Policy does not cover Damage directly or indirectly caused or occasioned by or arising from:

1. moths, termites or other insects, vermin, rust or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour texture or finish, smut or smoke from industrial operations (other than sudden and unforeseen Damage resulting therefrom);

2. wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
3. faulty materials or faulty workmanship;
4. fraudulent or dishonest acts, fraudulent misappropriation, embezzlement, forgery, counterfeiting data corruption, unauthorised amendment of data and erasure by electronic or nonelectronic means, involving the Specified Items and/or Unspecified Items, by You or any Employees(s) acting alone or in collusion with any other person(s);
5. mechanical, hydraulic, electrical breakdown or electronic failure or malfunction.

Section 6 of this Policy does not cover Damage to the following property:

6. watercraft, aircraft, vehicles, motorcycles, trailers or caravans, including accessories and spare parts whilst attached to or within the watercraft, aircraft, vehicle, motorcycle, trailer or caravan.

Conditions

1. *Automatic Reinstatement following Loss*

Cover under this Section will not be reduced by the amount of any loss provided that You comply with any additional terms reasonably required by Us and pay any additional premium due.

Section 7 – Electronic Equipment Breakdown

Definitions

Wherever appearing in this Section 7 - Electronic Equipment Breakdown, the following definitions apply:

1. Breakdown

means the actual breaking, distortion or electrical burnout of any item of Electronic Equipment or part thereof whilst in use at an Insured Location, causing stoppage of its normal function and requiring its repair or replacement before normal operating conditions prevail.

2. Electronic Equipment

means:

- a) Electronic Data Processing Equipment;
- b) telecommunication transmission and receiving equipment;
- c) lighting facilities, audio visual, amplification and surveillance equipment;
- d) any electronic machine, device or instrument used for research, diagnosis or medical treatment; and
- e) office machines owned by You or for which You are legally liable.

3. Expendable Items

means items and parts that are normally not re-used and require frequent or periodic replacement.

Cover

Provided this Section is shown as insured in the Schedule, We will pay for the cost incurred by You for the repair or replacement of Electronic Equipment following Breakdown occurring during the Policy Period at the Insured Location, up to the applicable Sum Insured and less the Excess.

At Our option (after consultation with You), We will either:

- a) pay the value of the Electronic Equipment at the time of the Breakdown having regard to physical deterioration, physical depreciation, obsolescence or depletion, or
- b) reinstate or replace the Electronic Equipment.

The most We will pay under this Section 7 is the applicable Sum Insured stated in the Schedule.

Costs Fees and Expenses

When Breakdown is covered by this Section, We will also pay the following costs (up to any applicable limits). Unless stated otherwise, the amounts payable are included in the Sum Insured for Electronic Equipment Breakdown shown in the Schedule.

We will pay:

1. Additional Costs Associated with Repair costs

You incur in respect of:

- a) temporary repairs;
- b) hiring of substitute Electronic Equipment;
- c) overtime;
- d) express freight including overseas air freight; and/or
- e) removing, storing and disposing of debris being the residue of Damaged Electronic Equipment, excluding any pollutants deposited beyond the boundaries of the Insured Location.

Provided that We will not pay for:

- i. the costs and expenses for specialists or consultants to travel to or from Australia;
- ii. air freight by aircraft specifically chartered for the purpose;
- iii. Breakdown of Electronic Equipment that has been hired or is on loan to the Insured from a third party;

iv. more than 50% of the normal cost of repair.

2. *Consulting Engineers' Fees*

for consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with Our written consent, which will not be unreasonably withheld, delayed, or conditioned, in the reinstatement of Electronic Equipment. The most We will pay under this Extension is \$10,000 in addition to the Sum Insured for Electronic Equipment Breakdown for any one loss.

3. *Incompatibility of Computer System Records*

in the event of settlement of a claim resulting in the replacement of Electronic Data Processing Equipment under this Section with property that is incompatible with Your undamaged Electronic Data Processing Media, the cost of:

- a) modification to Electronic Data Processing Equipment;
- b) replacing or reinstating programs or Electronic Data,

necessarily and reasonably incurred with Our consent, which shall not be unreasonably withheld, delayed or conditioned, to achieve compatibility, up to a limit of \$25,000 for each and every loss.

4. *Mobile Electronic Equipment*

under this Extension We will also pay for the cost incurred by You in the repair or replacement of mobile Electronic Equipment following Breakdown occurring during the Policy Period, provided that the mobile Electronic Equipment is specified in Section 6 – General Property, of the Schedule.

5. *New Electronic Equipment*

We will cover new Electronic Equipment for a period of up to 90 days, provided that:

- a) You provide Us with full details of the new Electronic Equipment within 90 days of when You first acquire it;
- b) the new Electronic Equipment is of a similar type to that already insured under this Section; and
- c) We will not pay more than the Sum Insured for similar Electronic Equipment on the Schedule; and
- d) such cover will be effective from the date You first acquire such new Electronic Equipment, and will end at the earliest of when:
 - i. We agree to add such Electronic Equipment to this Policy;
 - ii. 90 days pass from the date of acquisition or completion; or
 - iii. this Policy expires.

We may charge additional premium from the date of acquisition or completion.

Optional Extensions

If shown in the Schedule the following extensions will apply:

1. *Electronic Data Recompilation Costs*

We will pay the cost incurred by You of reproducing any Electronic Data contained on any Electronic Data Processing Media. Such costs will include all reasonable and necessary amounts, in recreating, gathering and assembling such Electronic Data up to the limit shown in the Schedule for Electronic Data Recompilation Costs.

2. *Increase in Cost of Working*

We will pay additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in income from Your Business during the period that Your Electronic Equipment is damaged provided that:

- a) these costs are additional to Your normal operating costs;
- b) these costs are incurred because of an interruption to Your normal operations that directly results from Breakdown to Electronic Equipment that is covered by this Section;
- c) We will not pay more than the amount shown in the Schedule for Increase in Cost of Working; and

d) We will not pay for any cost incurred during the first 48 hours following the Breakdown.

3. *Deterioration of Stock*

We will pay up to the amount shown in the Schedule for Deterioration of Stock for damage to refrigerated Stock at the Insured Locations as a result of contamination, deterioration or putrefaction caused by:

- a) a change in temperature as a result of:
 - i. abrupt and accidental Breakdown of the refrigerator;
 - ii. non operation of any thermostatic or automatic controlling devices pertaining to the refrigerator;
 - or
 - iii. accidental failure of the public supply of electricity; or
- b) refrigerant fumes escaping from the refrigerator.

Provided that We will not pay more than the amount shown in the Schedule for Deterioration of Stock. We will also pay the costs reasonably incurred in the necessary transfer of refrigerated Stock to an alternative cold store.

Exclusions

Section 7 of this Policy does not cover damage directly or indirectly caused or occasioned by or arising from:

- 1. moths, termites or other insects, vermin, rust or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour texture or finish, smut or smoke from industrial operations (other than sudden and unforeseen damage resulting therefrom);
- 2. wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
- 3. Breakdown for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement; or
- 4. Breakdown of Expendable Items such as, but not limited to, belts, batteries, photosensitive cartridges, print heads, tapes, ribbons.

Section 8 – Machinery Breakdown

Definitions

Wherever appearing in this Section 8 - Machinery Breakdown, the following definitions apply:

1. Breakdown

means the actual failure, distortion, breaking or burning out of any part of a machine whilst in use arising from either mechanical or electrical defects in the machinery or failure or fluctuation of the electricity supply causing sudden stoppage of the functions thereof and necessitating repair or replacement before it can resume working.

It will not include within its meaning damage from any extraneous cause.

2. Machinery and Plant

means any:

- a) boiler, fired pressure vessel, unfired pressure vessel normally subject to vacuum or internal pressure other than weight of its content, refrigerating and air conditioning vessels, including metal piping and accessory equipment connected thereto; and
- b) mechanical or electrical machine apparatus used for the generation, transmission or utilisation of mechanical or electrical power.

Machinery and Plant does not mean any:

- c) Electronic Equipment (as defined in Section 7 – Electronic Equipment Breakdown);
- d) part of a boiler or fired vessel or electric steam generator that does not contain steam or water;
- e) insulating or refractory material;
- f) non-metallic vessels, equipment, machines and apparatus, including their glass lining and non-metallic parts;
- g) glass linings of vessels, equipment, machines and apparatus;
- h) catalyst;
- i) piping, vessels or electrical cables, not enclosed in conduit, buried directly in the ground;
- j) sewer piping;
- k) sprinkler system piping or water piping other than,
 - i. feedwater piping between any steam boiler and its feed pumps or injectors;
 - ii. steam boiler condensate return piping; and
 - iii. metal water piping interconnecting vessels forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating;
- l) part of an unfired pressure vessel that is not under pressure or internal vacuum.

Cover

Provided this Section is shown as insured in the Schedule, We will pay for the repair or replacement of Machinery and Plant following abrupt and accidental Breakdown:

- a) occurring during the Policy Period; and
- b) subject to the Limit Any One Loss shown in the Schedule and less the Excess.

Extensions

Any amounts payable under the following Extensions apply in addition to the Limit Any One Loss shown in the Schedule.

1. Expediting Expenses

Cover under Section 8 is extended to include, up to a limit of \$25,000, the costs incurred for reasonable expenses in respect of temporary repairs, overtime, express freight or hiring of temporary plant.

These costs must occur as a result of abrupt and accidental Breakdown of Machinery and Plant covered under Section 8.

However, this Extension of cover does not include:

- a) expenses for overseas specialists or consultants to carry out or supervise repairs;
- b) air freight by aircraft specifically chartered for the purpose;
- c) overtime charges which exceed 50% of the cost of carrying out the repairs at ordinary rates; or
- d) any repairs or replacement of hired or loan plant.

2. *Increased Cost of Working*

Where damage covered under Section 8 causes interruption to the normal operation of Machinery and Plant, We will pay Your necessary expenditure for the use of a substitute machine apparatus during the period of interruption but only after deduction of expense amounts You would have incurred to maintain normal Business operations.

For the purpose of this Extension only:

- a) cover for such costs commences at the expiration of 24 hours after the period of interruption commences and continues for a maximum of 30 days only;
- b) We will not pay more than \$5,000 or the amount shown for Increased Cost of Working under this Section in the Schedule whichever is the greater; and
- c) the Basis of Settlement will be in accordance with Section 2 of this Policy.

3. *Insulating Oil or Refrigeration Costs*

With the exception of loss of gas or liquid resulting from leakage from glands, seals, gaskets, joints, or from fatigue fractured pipes, Cover under section 8 is extended to include, up to a limit of \$5,000, the cost to replace:

- a) insulating oil from transformers or capacitors; and/or
- b) liquids or refrigerant gas from air-conditioning or refrigeration units.

These costs must occur as a result of damage covered under Section 8.

Optional Extensions

If shown in the Schedule the following extension will apply:

1. *Deterioration of Stock*

We will pay up to the amount shown in the Schedule for Deterioration of Stock for damage to refrigerated Stock at the Insured Locations as a result of contamination, deterioration or putrefaction caused by:

- a) a change in temperature as a result of:
 - i. abrupt and accidental Breakdown of the refrigerator;
 - ii. non operation of any thermostatic or automatic controlling devices pertaining to the refrigerator;
 - or
 - iii. accidental failure of the public supply of electricity; or
- b) refrigerant fumes escaping from the refrigerator.

If the sum insured is not otherwise exhausted for Deterioration of Stock. We will also pay the costs reasonably incurred in the necessary transfer of refrigerated Stock to an alternative cold store.

How We Will Pay

In the event of damage to the Machinery and Plant covered under Section 8, the basis upon which the amount payable under this Section is to be calculated will be the cost of:

- a) where Machinery and Plant is destroyed or lost, its replacement by similar property in either case in a condition equal to but not better or more extensive than its condition when new, or
- b) where Machinery and Plant 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 than or more extensive than its condition when new.

Subject to the following Special Provisions:

Special Provisions

1. The work of reinstatement (which may at Our option be carried out upon another site and in any manner suitable to Your requirements, subject to the amount that We are liable to pay not being thereby increased) must be commenced and carried out within a reasonable time otherwise no payment, beyond the amount which would have been payable under Section 8 if this Special Provision had not been incorporated, will be made.
2. When any Machinery and Plant is lost or damaged in part only, the amount that We will pay will not exceed the sum representing the cost which We could have been called upon to pay for reinstatement if such Machinery and Plant had been wholly destroyed.
3. No payment beyond the amount which would have been payable under this Section 8 if this Special Provision had not been incorporated will be made until the cost of reinstatement has actually been incurred.

Exclusions

Section 8 of this Policy does not cover:

1. damage caused by faulty, inadequate or defective installation;
2. wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
3. damage for which a supplier contractor or repairer is responsible either by law or under contract;
4. damage caused by failure of Machinery and Plant to perform in accordance with plans or specifications;
5. damage caused by freezing caused by or resulting from weather conditions;
6. damage arising out of the wilful act or gross negligence of You or Your representatives ;
7. the cost of complying with building regulations or local authority or statutory requirements:
 - a) relating to undamaged property or undamaged portions of property;
 - b) under which notice has been served prior to the damage.
8. damage to Machinery and Plant over 20 years of age;
9. damage to boilers, cooling towers, air-conditioning chiller sets, diesel generators, elevator motor equipment, inclinators motor equipment or lift motor equipment where a formal scheduled and preventative maintenance inspection and testing contract is not in place.
10. In relation to Extension 3. Insulating Oil or Refrigeration Costs, does not include loss of gas or liquid resulting from:
 - a) leakage from glands, seals, gaskets or joints; or
 - b) fatigue fractured pipes.
11. damage from any extraneous cause.
12. Excluded Machinery and Plant items as listed below
 - a) Electronic Equipment (as defined in Section 7 – Electronic Equipment Breakdown);
 - b) part of a boiler or fired vessel or electric steam generator that does not contain steam or water;
 - c) insulating or refractory material;
 - d) non-metallic vessels, equipment, machines and apparatus, including their glass lining and non-metallic parts;
 - e) glass linings of vessels, equipment, machines and apparatus;
 - f) catalyst;
 - g) piping, vessels or electrical cables, not enclosed in conduit, buried directly in the ground;

- h) sewer piping;
- i) sprinkler system piping or water piping other than,
 - i. feedwater piping between any steam boiler and its feed pumps or injectors;
 - ii. steam boiler condensate return piping; and
 - iii. metal water piping interconnecting vessels forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating;
- j) part of an unfired pressure vessel that is not under pressure or internal vacuum.

Section 9 – Public and Products Liability

Definitions

Wherever appearing in this Section 9 - Public and Products Liability, the following definitions apply:

1. **Advertising Injury**

means any unintentional libel, slander, defamation, infringement of copyright, title or slogan, piracy, unfair competition, idea misappropriation or invasion of rights of privacy, arising out of Your advertising activities.

2. **Aggregate Liability**

means Our maximum liability under this Section 9 for the Policy Period.

3. **Aircraft**

means any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.

4. **Business (for the purposes of this Section 9 only)**

means all activities and operations of the Business stated in the Schedule including the ownership and occupation of premises for the purposes of the Business, and the provision or management of canteen, social, sports, welfare or child care services or activities for Your Employees and internal first aid, fire, security and ambulance services.

5. **Compensation**

means Money paid or payable by judgment or settlement together with any liability on Your part to pay legal costs and expenses (other than those referred to in Cover clause 2. Defence Costs and Expenses) for:

- a) Personal Injury;
- b) Property Damage; or
- c) Advertising Injury,

in respect of which this Section 9 applies.

6. **Defence Costs**

- a) means all reasonable legal costs and expenses incurred by Us or by You with Our written agreement in defending or appealing a claim against You; and
- b) for Your legal representation at any coronial inquest or other fatal accident inquiry.

7. **Employment Practices**

means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, sexual harassment or discrimination in respect of employment or prospective employment by You.

8. **Incidental Contract**

means:

- a) any written rental agreement or lease of real property;
- b) any written contract with any public authority for the supply of water, gas, electricity or telephone services except those contracts in connection with work done for such authorities;
- c) any written contract with any railway authority for the loading, unloading and/or transport of any Product, including contracts relating to the operation of railway sidings.

9. **Occurrence**

means an event including continuous or repeated exposure to substantially the same general conditions which results in Personal Injury or Property Damage or Advertising Injury neither expected nor intended from Your standpoint.

All events of a series consequent on or attributable to one source or original cause are deemed one Occurrence.

10. Personal Injury

means:

- a) bodily injury, death, illness, disability, shock, fright, mental anguish or mental injury;
- b) false arrest, detention, false imprisonment, malicious prosecution or humiliation;
- c) the publication or utterance of libel or slander, or of other defamatory or derogatory material, or a publication or utterance in violation of any individual's right of privacy except:
 - i. when the first such publication or utterance is related to any publication or utterance made prior to the commencement of this Policy; or
 - ii. when any such publication or utterance is made in the course of or is related to advertising, broadcasting, telecasting or publishing activities conducted by You or on Your behalf;
- d) wrongful entry or wrongful eviction or other invasion of the right to private occupancy;
- e) assault and battery not committed by You or at Your direction unless committed for the purpose of preventing or eliminating danger to persons or property; and/or
- f) discrimination as a result of race, religion, sex, age, marital status, intellectual or physical impairment or disability.

11. Pollutants

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

12. Product

means any goods or product(s) (after they have ceased to be in Your possession or under Your control) manufactured, constructed, erected, installed, repaired, serviced, treated, grown, extracted, produced, processed, assembled, imported, sold, supplied or distributed by You (including any labelling, packing materials, instructions and directions associated therewith) and any container thereof other than a Vehicle associated with such container.

13. Property Damage (for the purposes of this Section 9 only)

means:

- a) physical damage to, destruction of or loss of tangible property including the loss of use thereof at any time resulting there from; or
- b) loss of use of tangible property which has not been physically injured or destroyed, provided such loss of use is caused by physical damage of other tangible property.

14. Territory

means:

- a) anywhere in the world except the United States of America, Canada and their respective protectorates and territories; and
- b) the United States of America, Canada and their respective protectorates and territories if the Personal Injury or Property Damage arises from:
 - i. Products exported into such countries, or
 - ii. the activities of travelling executives and salesmen on Business who are non-resident in such countries.

15. Vehicle

means any type of machine on wheels or on caterpillar tracks made or intended to be self-propelled by mechanical power.

16. Watercraft

means any vessel, craft or thing made or intended to float on or in or travel on, through or under the water.

17. "You", "Your", "Yours" and "Insured" (for the purposes of this Section 9 only)

means:

- a) The person(s) or entity/ies identified as Named Insured in the Schedule;

- b) any subsidiary company (including subsidiaries thereof) of Yours named in the Schedule and any other organisation under Your control named in the Schedule and over which You are exercising active management;
- c) any new organisation acquired by You during the Policy Period through consolidation, merger, purchase of the assets of or assumption of control and active management or creation, provided that:
 - i. such acquisition is notified to Us in writing within 90 days;
 - ii. We give notice in writing to You that such new organisation shall be covered by the Policy; and
 - iii. You pay any additional premium that We may require in respect of such new organisation;
- d) any director, officer, Employee, voluntary worker, work experience person, partner or shareholder of Yours, but only whilst acting within the scope of their duties in such capacity;
- e) any person or company to whom or to which You (as defined in (a), (b) or (c) above) are obligated by virtue of a written agreement to provide insurance as is afforded by this Policy, but only to the extent required by such contract and subject to the terms and conditions of this Policy;
- f) any social and/or sporting clubs, first aid, fire and ambulance services formed with Your consent including any office bearer or member thereof in their respective capacities as such;
- g) every principal in respect of the principal's liability arising out of:
 - i. the performance by or on behalf of the Named Insured of any contract or agreement for the performance of work for such principal, but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this Policy; and
 - ii. any Products sold or supplied by the Named Insured, but only in respect of the Named Insured's own acts or failures to act in connection with such Products and in any event only for such coverage and limits of liability as are provided by this Policy.

Cover

Provided this Section is shown as insured in the Schedule, We will pay on Your behalf all sums which You become legally liable to pay as Compensation in respect of Personal Injury, Property Damage or Advertising Injury first happening during the Policy Period within the Territory as a result of an Occurrence in connection with the Business.

1. *Limits of Liability*

The amount We will pay will not exceed the sum stated in the Schedule in respect of any one Occurrence. Our Aggregate Liability for all Occurrences relating to liability for Products will not exceed the sum stated in the Schedule.

2. *Defence Costs and Expenses*

In respect of any liability for Compensation payable under this Section 9 We will pay Defence Costs, subject to the following:

- a) We are not obliged to pay any Defence Costs or to defend any suit after the Limit of Liability has been exhausted;
- b) If a payment exceeding the Limit of Liability has to be made to dispose of a claim, Our liability for Defence Costs is limited to the proportion that Our liability to pay Compensation under this Policy bears to that payment; and
- (c) In the event of a claim being made against You in any court or before any other legally constituted body in the United States of America, Canada or their respective protectorates and territories, the total amount payable by Us in respect of any one Occurrence including Defence Costs will not exceed the Limit of Liability.

3. *Excess*

The Excess applies to each Occurrence, and applies to Defence Costs as well as Compensation. Our liability to indemnify You under this Section applies only in respect of the amount of Defence Costs and Compensation that exceeds the Excess.

Exclusions

This Section does not cover any liability directly or indirectly caused by, arising out of or connected with:

1. *Asbestos*

asbestos or materials containing asbestos.

2. *Fines, Penalties and Damages*

finest, penalties, punitive, exemplary, liquidated or aggravated damages or multiplication of compensatory damages.

3. *Pollutants*

- a) the discharge, dispersal, release, seepage, migration or escape of Pollutants, including the cost of testing, monitoring, treating, detoxifying, removing, neutralising or cleaning up Pollutants, however, We will cover liability for Personal Injury or Property Damage which arises from a sudden, identifiable, unintended and unexpected event from Your standpoint which takes place in its entirety at a specific time and place and occurs outside of the United States of America, Canada and their respective protectorates and territories.
- b) the cost of preventing the escape of Pollutants.

4. *Contractual Liability*

liability assumed under any contract, agreement or warranty, however this Exclusion will not apply to:

- a) the extent that such liability would have been implied by law in the absence of such contract, agreement or warranty; or
- b) Incidental Contracts.

5. *Loss of Use*

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

- a) a delay in or lack of performance by You or on Your behalf in respect of any contract or agreement; or
- b) the failure of a Product or work performed by You or on Your behalf to meet the level of performance, quality, fitness or durability warranted or represented by You; but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical damage to or destruction of the Product or work performed by You or on Your behalf after the Product or work has been put to its intended use by any person or organisation other than You.

6. *Product Recall*

the withdrawal, recall, inspection, repair, adjustment, removal, replacement or loss of use of any Product or work completed by or for You and/or the withdrawal or recall of any property of which such Product forms a part.

7. *Product Guarantee*

any product guarantee or warranty given by You or on Your behalf but this exclusion does not apply to legislative requirements concerning product safety and information.

8. *Aircraft*

the ownership, operation or navigation of any Aircraft or hovercraft.

9. *Watercraft*

the ownership, operation or navigation of any Watercraft exceeding 15 metres in length while on, in or under the water, however, this exclusion will not apply to Watercraft not owned or operated by You but used by You for Business entertainment purposes.

10. *Aircraft Products*

any Product that is incorporated with Your knowledge in an Aircraft which is connected with the safety, propulsion, navigation or flying capabilities of an Aircraft.

11. *Vehicles*

the use of a Vehicle owned by You or in Your physical or legal control:

- a) which is required by law to be registered; or
- b) in respect of which insurance is required by virtue of any legislation.

However this Exclusion does not apply to:

- i. a Vehicle (other than a Vehicle owned or used by or on behalf of You) whilst that Vehicle is in a car park owned or operated by You other than for income or reward as a car park operator;
- ii. Personal Injury or Property Damage occurring during the loading or unloading of a Vehicle caused by or arising from the collection or delivery of any goods from or to the Vehicle where such Personal Injury or Property Damage occurs beyond the limits of any carriageway or thoroughfare, and where applicable legislation does not require insurance against such liability;
- iii. Personal Injury or Property Damage caused by the use of any tool, plant or equipment forming part of or attached to or used in connection with any Vehicle and where applicable legislation does not require insurance against such liability;
- iv. Personal Injury where the insurance required by virtue of any legislation does not provide indemnity, and the lack of indemnity is not due to a breach of legislation relating to Vehicles; or
- v. accidental or erroneous failure to maintain such statutory insurance.

12. *Professional Liability*

the rendering of or failure to render professional advice or service by You, but this Exclusion only applies to:

- a) the rendering of or failure to render medical advice or service by qualified medical practitioners, dentists, nurses and first aid attendants employed by You, but this does not apply to the provision of first aid on Your premises; or
- b) professional advice or service given for a fee.

13. *Employment Liability*

- a) any liability in respect of which You are, or would be entitled to, indemnity under any fund, scheme, policy of insurance or self-insurance pursuant to or required by any legislation relating to workers' compensation whether or not such insurance has been effected;
- b) any industrial award or agreement or determination where such liability would not have been imposed in the absence of such industrial award or agreement or determination; or
- c) any Employment Practices.

14. *Property in the Insured's Care, Custody or Control*

Property Damage to property owned by You or otherwise in Your care, custody or control other than:

- a) premises tenanted, leased or hired by You;
- b) Vehicles (other than Vehicles owned or used by You or on Your behalf) in Your care, custody or control but only whilst such Vehicles are in a car park owned or operated by You other than for income or reward as a car park operator; or
- c) directors', Employees' and visitors' clothing and personal effects; or
- d) other property (not owned by You) temporarily in Your possession but:
 - i. this Policy does not cover legal liability arising out of or in any way connected with physical damage to, destruction of or loss of that part of any property upon which You are or have been working; and
 - ii. Our maximum liability arising out of such Property Damage is \$250,000 each and every Occurrence.

15. *Product Defect*

Property Damage to:

- a) any Product or any part of it if such damage is attributable to any defect therein or the harmful nature or unsuitability thereof; or
- b) any part of any property that must be repaired, reconditioned or replaced by reason of incorrect work performed by You or on Your behalf, or by reason of materials or equipment which are or are proved to be defective or inadequate in connection with such work, but this exclusion does not apply to Property Damage resulting from such work.

16. *Advertising Liability*

any liability arising out of Advertising Injury, in respect of:

- a) failure of performance of contract but this exclusion does not apply to claims for unauthorised appropriation of ideas based upon breach of an implied contract;
- b) infringement of trade mark, service mark or trade name, but this shall not relate to titles or slogans;
- c) incorrect description of any good or product (including any Product); or
- d) mistake in advertised price.

Conditions

1. *Right to defend, assistance and Your co-operation*

- a) In respect of any Occurrence covered under this Policy, We have the right, if We so elect, to defend any suit against You seeking Compensation or reimbursement of expenses for an Occurrence and to bring any cross claim in Your name even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as We deem fit or expedient; but We are not obligated to pay any claim or judgment or to defend any suit after Our Limit of Liability under this Policy in respect of the claim has been exhausted.
- b) If the cost of any Occurrence and Defence Costs and expenses are not likely to exceed the Excess, We may elect not to defend the suit. In these circumstances and, subject to the provisions of this Policy, You are responsible for the handling and payment of the claim and its Defence Costs and expenses up to the amount of the Excess.
- c) You must co-operate with Us and comply with the terms and conditions of this Policy, and assist as necessary in enforcing any right to contribution or indemnity from any person, corporation or organisation.

Section 10 – Environmental Liability

Claims-Made Section

This Cover Section provides liability coverage on a Claims-Made and reported basis, which covers only claims first made against You and reported to Us, in writing, during the Policy Period or Extended Reporting Period, if applicable.

Definitions

Wherever appearing in this Section 10 - Environmental Liability, the following definitions apply:

1. **Bodily Injury (for the purposes of this Section 10 only)**

means physical injury, sickness, illness, disease, mental anguish, emotional distress, or shock, sustained by any person, including death resulting therefrom.

2. **Claim**

means the receipt by You of any written assertion of a legal right, including but not limited to any Government Action, suits or other actions alleging Your responsibility or liability for Bodily Injury, Property Damage, or Remediation Costs arising out of Pollution Conditions to which this Section 10 applies.

3. **Emergency Response**

means actions taken, and reasonable Remediation Costs incurred by You to abate and/or respond to an imminent and substantial threat to human health or the environment arising from a Pollution Condition.

4. **Environmental Laws**

means any federal, state, territorial or other local laws, statutes, ordinances, rules, guidance documents, regulations, and all amendments thereto, including state voluntary clean-up or risk-based corrective action guidance, governing Your liability or responsibilities with respect to Pollution Condition(s).

5. **Extended Reporting Period**

means the additional period of time in which to report a Claim first made against You subsequent to the end of the Policy Period, arising from a Pollution Condition to which this Section 10 applies.

6. **Exterior Insulation and Finish System (EIFS)**

means synthetic stucco or any other exterior insulation and finish system used on any part of any building or structure and consisting of:

- a) a rigid or semi-rigid insulation board made of expanded polystyrene or other materials;
- b) the adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
- c) a reinforced base coat; and,
- d) a finish coat providing surface texture and colour.

7. **Fungi**

means any type or form of fungus, including mould or mildew, and any mycotoxins, spores, scents, or by-products produced or released by fungi.

8. **Government Action**

means action taken or liability imposed by any federal, state, territorial or other local government agency or body acting under the authority of Environmental Laws.

9. **Insured (for the purposes of this Section 10 only)**

means the entity identified as Named Insured in the Schedule, and any past or present director, officer, partner or Employee of any such Insured while acting within the scope of that person's duties as such.

10. **Legal Defence Expense**

means reasonable legal costs, charges and expenses, including expert charges incurred by You with Our prior written consent, not to be unreasonably withheld or delayed, in the investigation, adjustment, or defence of any Claim.

11. Loss

means all amounts which You become legally obligated to pay to a third party Costs (including but not limited to any damages, judgments entered or settlements reached) and any Legal Defence Expense.

12. Low Level Radioactive Waste

means waste that is radioactive but not classified as the following: high-level waste (spent nuclear fuel or the highly radioactive waste produced if spent fuel is reprocessed), uranium milling residues, and waste with greater than specified quantities of elements heavier than uranium.

13. Natural Resource Damage

means injury to, destruction of, or loss of, including the resulting loss of value of fish, wildlife, biota, land, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by any state or local government authority of Australia.

14. Non-Owned Disposal Site

means a site not owned or operated by You and in which You maintain no ownership interest, which receives or has received Your waste.

15. Pollution Condition

means the discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant, contaminant or pollutant, including smoke, soot, vapours, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials, or waste materials, on, in, into, or upon land and structures thereupon, the atmosphere, surface water or groundwater.

For the purpose of this definition, waste materials includes, but is not limited to, Low Level Radioactive Waste.

16. Property Damage (for the purposes of this Section 10 only)

means:

- a) physical injury to, or destruction of, tangible property owned by third parties, including all resulting loss of use of that property;
- b) loss of use of tangible property owned by third parties that is not physically injured or destroyed;
- c) diminished value of property owned by third parties; and
- d) Natural Resource Damage.

17. Remediation Costs

means reasonable expenses incurred to investigate, quantify, monitor, mitigate, abate, remove, dispose, treat, neutralize, or immobilize Pollution Condition(s) to the extent required by Environmental Law.

Remediation Costs shall also include:

- a) reasonable legal costs, where such cost has been incurred by You with Our prior written consent; and
- b) reasonable expenses required to restore, repair or replace real or personal property, owned by third parties, to substantially the same condition it was in prior to being damaged during the course of responding to a Pollution Condition.

18. Responsible Insured

means any Employee of Yours responsible for environmental affairs, control, or compliance at an Insured Location, and any of Your officers, directors, or partners.

19. Underground Storage Tank

means any tank and associated piping and appurtenances connected thereto which tank has more than 10% of its volume below ground.

Cover

Provided this Section is shown as insured in the Schedule, We agree to pay on Your behalf all Loss incurred which You become legally obligated to pay resulting from a Claim arising from a Pollution Condition migrating from the Insured Location(s), provided that this insurance shall only apply if:

- a) the Claim is first made against You and reported to Us, in writing, during the Policy Period, or Extended Reporting Period, if applicable; and
- b) the Pollution Condition(s) which result in a Claim first commenced in their entirety, on or after the Policy inception date shown in the Schedule.

Extensions

1. *Extended Reporting Period*

- a) Provided the Named Insured has not purchased any other insurance to replace this insurance, the Named Insured shall have a 60 day basic Extended Reporting Period following cancellation or non-renewal of this Policy without additional charge.
- b) The Extended Reporting Period shall not reinstate or increase any of the Limit of Liability. The Extended Reporting Period shall not extend the Policy Period or change the scope of coverage provided. A Claim first made against You and reported to Us within the basic Extended Reporting Period will be deemed to have been made on the last day of the Policy Period.

Limits of Liability and Excess

1. One Excess shall apply to all Loss arising from the same, continuous, repeated or related Pollution Condition.
2. The Limit of Liability specified in the Schedule shall be Our maximum liability under Section 10 of this Policy with respect to all Loss during the Policy Period irrespective of the time of payment by Us, the number of Claims made under Section 10 of this Policy, the amount claimed or the number of Insureds who claim. Any sub-limit shall be part of and not in addition to the Limit of Liability.
3. Subject to clause 2. above, the “per Pollution Condition” sub-limit specified in the Schedule is the most We shall pay for all Loss arising from the same or any continuous, repeated or related Pollution Condition(s).
4. Under no circumstances will multiple policies issued by Us provide coverage for Loss arising from the same or related Pollution Condition. In the event that We have issued claims-made premises pollution liability coverage for the Insured Locations in one or more Policy Periods and:
 - a) the discovery of a Pollution Condition is reported to Us in accordance with the terms and conditions of Section 10 of this Policy, then all such continuous, repeated or related Pollution Conditions that are reported to Us under a subsequent premises pollution liability policy shall be deemed to have been discovered during this Policy Period; and
 - b) all Claims arising out of a Pollution Condition that was discovered during this Policy Period, including any continuous, repeated or related Pollution Condition(s), shall be deemed to have been first made and reported during this Policy Period, provided always that You have maintained premises pollution liability coverage with Us on a continuous, uninterrupted basis since the discovery of such Pollution Condition or the first Claim was made against You and reported to Us.

Exclusions

We shall not be liable for any Loss arising from any Claim or any other payment under Section 10 of this Policy arising out of or related to:

1. *Asbestos*

asbestos or asbestos containing materials, in, on, or applied to any Building or other structure. This Exclusion does not apply to asbestos or asbestos containing materials in soil or groundwater.

2. *Contractual Liability*

any liability assumed by You through contract or agreement. This Exclusion does not apply to liability that You would have in the absence of such contract or agreement.

3. *Divested Property*

any Pollution Condition at Insured Location(s) where such Pollution Condition(s) first commenced after the Insured Locations had been sold, abandoned, or given away by You or was condemned.

4. *Employer's Liability*

Bodily Injury to:

- a) You or an Employee of Your parent, subsidiary or affiliate:
 - i. arising out of and in the course of employment by any Insured or Your parent, subsidiary or affiliate; or
 - ii. performing duties related to the conduct of Your Business; or
- b) the spouse, child, parent, brother or sister of You or Employee of Your parent, subsidiary or affiliate as a consequence of the matters specified in paragraph 4(a) above.

This Exclusion applies whether You may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of such Bodily Injury.

5. *Exterior Insulation and Finish System (EIFS)*

Fungi, where such Fungi is caused by or related to the presence or use of an EIFS synthetic stucco, or any similar product or any part thereof, including the application or use of paints, conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a product.

6. *Fines and Penalties*

payment of fines, penalties, punitive, exemplary or multiplied damages based upon or arising out of any Insured's knowing, wilful or deliberate non-compliance with any statute, regulation, ordinance or administrative complaint. This exclusion also applies to any Legal Defence Expenses associated with such fines and penalties. This Exclusion will not apply to coverage for punitive damages where such coverage is allowable by law.

7. *First-Party Property Damage*

damage to real or personal property owned by, leased to, loaned to, or rented by You, or otherwise in Your care, custody, or control. This Exclusion does not apply to Remediation Costs.

8. *Insured's Internal Expenses*

expenses incurred by You for services performed by Your salaried staff and any Employees of Yours.

9. *Intentional Non-Compliance*

the intentional disregard of or knowing, wilful, or deliberate non-compliance with any statute, regulation, administrative complaint, notice of violation, notice letter, instruction of any governmental agency or body, or executive, judicial or administrative order by any Responsible Insured.

10. *Known Conditions*

Pollution Condition(s) in existence prior to the commencement of the Policy Period and reported to a Responsible Insured.

11. *Lead Based Paint*

lead based paint in, on, or applied to any building or other structure. This Exclusion does not apply to lead based paint in soil or groundwater.

12. *Naturally Occurring Materials*

arising out of the presence or removal of naturally occurring materials, except in those circumstances where such substances are present at the Insured Location(s) as a result of human activities or processes.

13. *Non-Owned Disposal Sites (NODS)*

Pollution Condition(s) on, at, under or migrating from a NODS.

14. *Material Change in Risk*

a change in the use or operations at an Insured Location that materially increases the likelihood or severity of a Pollution Condition or a Claim from the intended use(s) or operations, as of the inception date(s) of this Policy.

15. *On-site remediation costs*

Remediation Costs and any associated Legal Defence Expense, within the boundaries of an Insured Location.

16. *Underground Storage Tanks*

any Pollution Condition emanating from an Underground Storage Tank located at an Insured Location, when the existence of such Underground Storage Tank was known to a Responsible Insured prior to the commencement of the Policy Period.

17. *Vehicles*

any Pollution Condition resulting from the use, maintenance or operation, including loading or unloading, of an automobile, aircraft, watercraft, or other conveyance beyond the boundaries of the Insured Location(s).

18. *Workers' Compensation*

any workers' compensation, unemployment compensation, or disability benefits law or related laws.

Conditions

1. *Reporting and Co-Operation*

In addition to General Claims Condition 5. Your Duties in the Event of a Claim:

- a) No Insured shall make or authorise an admission of liability or attempt to settle or otherwise dispose of any Claim without Our written consent. Nor shall any Insured retain any consultants or legal counsel, or incur any Legal Defence Expense or Remediation Costs without Our prior written consent (not to be unreasonably withheld or delayed), except in the event of an Emergency Response.
- b) Upon the discovery of a Pollution Condition, You shall make every attempt to mitigate any Loss or potential Loss and comply with applicable Environmental Laws. We shall have the right, but not the duty, to mitigate any such Pollution Condition(s) if, after assessing Your mitigation efforts and any discussions with You in respect of the same, We determine that You failed to take reasonable steps to do so. In that event, any Remediation Costs reasonably incurred by Us shall be deemed incurred by You, and shall be subject to the Excess and Limits of Liability listed in the Schedule.

2. *Defence and Settlement*

- a) We will have the right but not the duty to defend You against a Claim to which this Section 10 applies. We will have no duty to defend You against any Claim to which this insurance does not apply. Our duty to defend ceases once the Limit of Liability applicable to Section 10 of this Policy are exhausted or are tendered into a court of applicable jurisdiction, or once You refuse a settlement offer as provided in clause (e) below.
- b) We will have the right to select legal counsel to represent You for the investigation, adjustment, and defence of any Claim covered under Section 10 of this Policy. Selection of legal counsel shall not be done without Your consent, and such consent shall not be unreasonably withheld. Any Legal Defence Expense incurred by You prior to the selection of legal counsel by Us will not be covered under Section 10 of this Policy, or credited against the Excess.
- c) You will have the right to retain a qualified environmental consultant(s) to perform any investigation and/or remediation of any Pollution Condition covered under Section 10 of this Policy. You must receive Our written consent prior to the selection and retention of such consultant, except in the event of an Emergency Response. Any costs incurred prior to such consent will not be covered under Section 10 of this Policy or credited against the Excess, except in the event of an Emergency Response.
- d) Subject to clauses (b) and (c) above, Legal Defence Expense reduces the Limit of Liability shown in the Schedule and shall be applied to the Excess.
- e) We will present all settlement offers to You. If We recommend a settlement which is acceptable to a claimant, exceeds any applicable Excess, is within the Limits of Liability, and does not impose any additional unreasonable burden(s) on You, and You refuse to consent to such settlement offer, then Our

defence of the Claim will end, You shall defend such Claim independently, and Our liability shall not exceed the amount for which the Claim could have been settled had Our recommendation been accepted, exclusive of the Excess.

3. Inspection and Audit

To the extent of Your ability to provide such access, and with reasonable notice to You, We shall be permitted, but not obligated, to inspect and sample the Insured Locations. You shall have the concurrent right to collect split samples. Neither Our right to make inspections, the making of said inspections, nor any report arising from our inspections shall constitute an undertaking, on Your behalf or for the benefit of You or others, to determine or warrant that such property or operations are safe or in compliance with applicable Environmental Law, or any other law. We may examine and audit Your books and records during the Policy Period and extensions thereof and within 3 years after the final termination, to the extent reasonably necessary, of this Policy.

4. Legal Action Against the Insurer

No person or organisation other than You has a right under Section 10 of this Policy:

- a) to join Us as a party or otherwise bring Us into a suit against any Insured; or
- b) to sue Us in connection with this insurance unless all of the Policy terms have been fully complied with.

Section 11 – Cyber

Definitions

Wherever appearing in this Section 11 - Cyber, the following definitions apply:

1. **Accepted Program**

means a program that has been fully developed, successfully tested and proved successful in an equivalent operational environment prior to release.

2. **Act of Cyber-Terrorism**

means any act, including force or violence, or the threat thereof against a Covered Computer System by an individual or group(s) of individuals, whether acting alone, on behalf of or in connection with any organisation(s) or government(s), to cause Unauthorised Use or Access of or inflict a Computer Malicious Act on a Covered Computer System for the purpose of furthering social, ideological, religious, economic or political objectives, intimidating or coercing a government or the civilian population thereof, or disrupting any segment of the economy.

3. **Aggregate Limit of Liability**

means the amount stated as such in the Schedule which is the maximum aggregate amount payable by Us under the Policy in respect of the Policy Period irrespective of the number of Claims, the number of Limits of Liability, number of claimants, number of Insureds making a Claim, number of Insuring agreements claimed under and/or anything whatsoever, including any combination of those things.

4. **Bodily Injury**

means injury to the body, sickness, or disease, and death. Bodily Injury also means mental injury, mental anguish, mental tension, emotional distress, pain and suffering, or shock, regardless of how it is caused or manifests, except that Bodily Injury does not include any mental injury, mental anguish, mental tension, emotional distress, pain and suffering, or shock that arises out of a Privacy and Network Security Wrongful Act or Media Wrongful Act as expressly covered under Insuring agreements 2.(a) and (b).

5. **Business Interruption Incident**

means inability to access, disruption of, or disturbance to a Covered Computer System or the taking of, corruption of or destruction of Your Data caused solely and directly by:

- a) a Computer Malicious Act;
- b) Unauthorised Use or Access;
- c) Human Error;
- d) a failure of Network Security;
- e) Programming Error;
- f) the reasonable and necessary shutdown of all or parts of a Covered Computer System in an attempt to prevent or mitigate the effects of any of items (a) - (e) above; or
- g) a power failure, surge or diminution of an electrical system controlled by You, which is a result of (a), (b), or (d) above.

6. **Business Interruption Loss**

means:

- a) Your Net Profit before income taxes that would have been earned had the Business Interruption Incident not occurred, less Your Net Profit actually earned before income taxes; and
- b) Your continuing normal operating and payroll expenses, but only to the extent that the same are disrupted or impeded by the Business Interruption Incident and would have been paid or accrued had the Business Interruption Incident not occurred.

Business Interruption Loss includes amounts covered under items (a) and (b) above that accrued during the Waiting Period. The Excess applicable to Business Interruption Loss shall be calculated pursuant to Condition 3 “Excess Applicable to Business Interruption Incident”.

7. Chubb Cyber Incident Response Centre

means the emergency call centre service for the purpose of contacting the Cyber Incident Response Manager.

8. Claim

means a Privacy and Network Security Claim, a Media Claim, and/or a Wrongful Act.

9. Computer Malicious Act

means any malicious act committed against a Covered Computer System, or malicious access to or hacking of a Covered Computer System, for the purpose of creating, deleting, taking, collecting, altering or destroying Your Data or services, without involving any physical damage to a Covered Computer System, telecommunications equipment or infrastructure. Computer Malicious Act includes a distributed denial of service attack or the introduction of malicious code, ransomware, cryptoware, virus, trojans, worms and logic or time bombs or any malware, programs, files or instructions of a malicious nature which may disrupt, harm, impede access to, or in any other way corrupt the operation of a Covered Computer System, Data, or software within.

10. Computer System

means computer hardware, software, firmware, and the Data stored thereon, as well as associated mobile devices, input and output devices, Data storage devices, networking equipment and storage area network or other Electronic Data backup facilities, including supervisory control and data acquisition (SCADA) and incident command system (ICS) systems.

11. Consumer Redress Fund

means a sum of money that You are legally obligated to deposit in a fund as equitable relief for the payment of consumer Privacy and Network Security Claims or Media Claims due to an adverse judgment or settlement of a Regulatory Proceeding. Consumer Redress Fund does not include any sums paid which constitute taxes, fines, penalties, injunctions or sanctions.

12. Control Group

means the Chief Finance Officer, Chief Executive Officer, General Counsel, Risk Manager, Chief Information Officer, Chief Information Security Officer, Chief Technology Officer, Data Protection Officer, Insurance Representative, or the organisational equivalent of any of those positions of the Named Insured.

13. Covered Computer System

means a Computer System:

- a) leased, owned, or operated by You; or
- b) operated for Your benefit by a third-party service provider under written contract with You.

14. Cyber Extortion Damages

means Money, including cryptocurrency(ies), paid by You were legally allowed and insurable, to terminate or end a Cyber Extortion Event. The valuation of Cyber Extortion Damages shall be calculated as described in the Condition 6 "Valuation".

15. Cyber Extortion Event

means any credible threat or connected series of credible threats made against You expressing intent to perform or cause, or the actual performance of or causing of, the following:

- a) the release, divulgence, dissemination, destruction or use of confidential, sensitive or proprietary information, or personally identifiable information, stored on a Covered Computer System;
- b) a failure of Network Security on a Covered Computer System;
- c) the introduction or infliction of a Computer Malicious Act on a Covered Computer System;
- d) the alteration, corruption, destruction, misappropriation, manipulation of, or damage to, Data, instructions or any electronic information transmitted or stored on a Covered Computer System; or
- e) the restriction or inhibition of access to a Covered Computer System;

for the purpose of demanding Money or cryptocurrency(ies) from You, or that You otherwise meet a demand, in exchange for the mitigation or removal of such threat or connected series of threats, or the reversal or termination of the actual performance of such threats or series of connected threats.

Cyber Extortion Event shall not include any threats or connected series of threats made against You expressing intent to perform or cause any of the above if made, approved or directed by a member of the Control Group.

16. Cyber Extortion Expenses

means such reasonable and necessary expenses to hire a third-party consultant for the sole purpose of handling the negotiation and payment of Cyber Extortion Damages to terminate or end a Cyber Extortion Event.

17. Cyber Incident

means any actual or reasonably suspected:

- a) Computer Malicious Act, Human Error, Programming Error, failure of Network Security, or Unauthorised Use or Access or any other threat or action against a Covered Computer System, including those threats or actions done in the commission of a Cyber Extortion Event;
- b) Privacy and Network Security Wrongful Act; or
- c) power failure, surge or diminution of an electrical system controlled by You;

that creates the need for Incident Response Expenses.

18. Cyber Incident Response Manager

means either the following:

- a) the individual designated through the Chubb Cyber Incident Response Centre to coordinate the Cyber Incident Response Team; or
- b) the individual or entity on Our Pre-Approved Response Manager Panel that is chosen by You to coordinate the Cyber Incident Response Team.

19. Cyber Incident Response Team

means the entities engaged by the Cyber Incident Response Manager to provide services described under the Incident Response Expenses definition in this Section of the Policy.

A list of Cyber Incident Response Team members is available on request.

20. Damages

means compensatory damages, any award of prejudgement or post-judgement interest and settlements which You become legally obligated to pay as a result of a Wrongful Act to which this Policy applies.

Damages include punitive damages and exemplary damages, only to the extent such damages are insurable under the laws of the applicable jurisdiction that most favours coverage for such damages.

With respect to the Insuring agreement 2.(a) Privacy and Network Security Liability, Damages shall also include a Consumer Redress Fund, Payment Card Loss, and Regulatory Fines.

Any and all Damages are subject to the applicable Limit of Liability listed on the Schedule.

Damages shall not include:

- a) any amount for which You are not legally obligated to pay;
- b) matters uninsurable under the laws pursuant to which this Policy is construed;
- c) the cost to comply with any injunctive or other non-monetary or declaratory relief, including specific performance, or any agreement to provide such relief;
- d) Your loss of fees or profits, return of fees, commissions;
- e) royalties, or re-performance of services by You or under Your supervision;
- f) disgorgement of any profit, remuneration or financial advantage to which You are not legally entitled;
- or
- g) any amounts other than those which compensate solely for a loss caused by a Wrongful Act, unless specifically provided for in this Policy.

With respect to the Insuring agreement 2.(a) Privacy and Network Security Liability, Damages shall not include any consideration owed or paid by or to an Insured, including any royalties, restitution, reduction, disgorgement or return of any payment, charges, or fees; or costs to correct or re-perform services related to Products, including for the recall, loss of use, or removal of Products.

21. Data

means any information, facts or programs stored, created, used, or transmitted on any hardware or software. Data includes any information or programs that allow a computer and any of its accessories to function, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media that are used with electronically controlled equipment or other electronic backup facilities. Data does not constitute the actual hardware or tangible property.

22. Data and System Recovery Costs

means any reasonable and necessary costs:

- a) to recover or reconstruct any Data that has been damaged, compromised or lost. These costs to recover or reconstruct Data are only available up and until a reasoned determination has been made by the third-party forensics firm retained to recover the lost Data, that the Data cannot be recovered or reconstructed;
- b) to repair or restore software or applications in a Covered Computer System but only if necessary, to restore a Covered Computer System to the same or equivalent condition or functionality as existed before the Business Interruption Incident;
- c) to identify and remediate the cause of the Business Interruption Incident; and
- d) with Our prior consent, which will not be unreasonably withheld or delayed:
 - i. to update, upgrade, replace, or improve a Covered Computer System, but only where the costs to update, upgrade, replace or improve the damaged or compromised software or applications on a Covered Computer System to a newer or improved standard, condition, functionality, or version are reasonably expected by You to be less than or equal to the cost(s) to repair, fix or restore the same; or
 - ii. any other reasonable and necessary costs to get Your Business back to full operating condition, but only to the extent that the Business Interruption Incident solely created or caused the issue or problem that prevented your business from being fully operational.

Data and System Recovery Costs include, but are not limited to:

- e) the use of external equipment whether by hiring a third party or leasing the equipment;
- f) the implementation of an alternate work method in accordance with a business continuity plan;
- g) costs to subcontract with an external service provider; and
- h) increased costs of labour.

Data and System Recovery Costs do not include:

- i) costs or expenses incurred to identify or remediate software vulnerabilities;
- j) costs to replace any hardware or physical property;
- k) costs incurred to research and develop Data, including Trade Secrets;
- l) the economic or market value of Data, including Trade Secrets;
- m) any other losses that flow from the Loss or damage;
- n) Incident Response Expenses; or
- o) costs to update, upgrade, replace, maintain, or improve any Data or Computer System beyond what is provided in clause 22 (d)(i) of this definition of Data Systems and Recovery Costs

23. Expenses

means Privacy and Network Security Claims Expenses, Media Claims Expenses, Cyber Extortion Expenses, Business Interruption Loss, Cyber Extortion Damages and Cyber Extortion Expenses, Data and System Recovery Costs, and Incident Response Expenses.

24. Human Error

means an operating error or omission, including the choice of the program used, an error in setting parameters or any inappropriate single intervention by an employee or a third-party providing services to you, which results in a loss, alteration or destruction of Your Data.

25. Incident Response Expenses

means those reasonable and necessary expenses:

- a) to retain incident response management services for the purpose of coordinating response to a Cyber Incident or Business Interruption Incident;
- b) to retain the services of a third-party computer forensics firm to determine the cause and scope of a Cyber Incident or Business Interruption Incident;
- c) to comply with consumer notification provisions of Privacy Regulations in the applicable jurisdiction that most favours coverage for such expenses, but only to the extent that such compliance is required because of a Cyber Incident, including but not limited to:
 - i. retaining the services of a notification or call centre support service; and
 - ii. retaining the services of a law firm to determine the applicability of and actions necessary to comply with Privacy Regulations;
- d) to retain a legal or regulatory advisor to handle and respond to any inquiries by any government agency, or functionally equivalent regulatory authority, alleging the violation of Privacy Regulations, including communicating with such government agency or functionally equivalent regulatory authority to determine the applicability and actions necessary to comply with Privacy Regulations, but not the costs to actually appear or defend You at a Regulatory Proceeding;
- e) to retain the services of a public relations firm, law firm or crisis management firm for advertising or related communications solely for the purpose of protecting or restoring Your reputation as a result of a Cyber Incident or Business Interruption Incident;
- f) to retain the services of a law firm solely to provide a preliminary legal opinion and advice as to Your rights and options with regards to the legal issues that arise as a result of the Cyber Incident or Business Interruption Incident, including determining Your potential indemnification rights under vendor contracts and preparing for and mitigating potential third party litigation;
- g) to retain the services of a licensed investigator or credit specialist to provide up to one year of fraud consultation to the individuals whose Personal Data has been wrongfully disclosed or otherwise compromised, and to retain a third party identity restoration service for those individuals who have been confirmed by such investigator or specialist as victims of identity theft resulting solely and directly from the Cyber Incident;
- h) for credit monitoring, identity theft monitoring, social media monitoring, credit freezing, fraud alert service or other fraud prevention software for those individuals whose Personal Data was wrongfully disclosed or otherwise compromised directly as a result of the Cyber Incident; and
- i) with Our prior consent:
 - i. to voluntarily notify individuals whose Personal Data has been wrongfully disclosed or otherwise compromised, including retaining a notification service or call centre support service; and
 - ii. any other reasonable and necessary expenses.

Incident Response Expenses shall not include:

- j) costs or expenses incurred to update or otherwise improve privacy or network security controls, policies or procedures to a level beyond that which existed prior to the Cyber Incident or Business Interruption Incident or to be compliant with Privacy Regulations, except to the extent Betterment Costs are applicable;
- k) taxes, fines, penalties, injunctions, or sanctions;
- l) Regulatory Fines;
- m) Data and System Recovery Costs;
- n) Business Interruption Loss;
- o) Monies or cryptocurrencies paid by You to terminate or end a Cyber Extortion Event;
- p) Cyber Extortion Expenses;
- q) Your wages, salaries, internal operating costs or expenses, or fees; or
- r) costs to respond to, commence or defend third party litigation related to the Cyber Incident or Business Interruption Incident.

26. Insurance Representative

means the person(s) employed by You who is responsible for procuring and maintaining Your insurance policy(ies).

27. Insured Person

means:

- a) any past, present or future principal, partner, officer, director, trustee, supervisory board member, employee, leased employee, or temporary employee of You while acting on Your behalf or at Your direction and control;
- b) Your independent contractors, who are Natural Persons, whilst performing duties on Your behalf.

The term Insured Person also includes:

- c) any domestic partner of a principal, partner, director, officer, trustee, employee, but only where the Privacy and Network Security Claim or Media Claim is brought against such principal, partner, director, officer, trustee, employee; and
- d) the estate, heir or legal representative of a deceased principal, partner, director, officer, trustee, employee, but only where such Privacy and Network Security Claims or Media Claim is brought against such principal, partner, director, officer, trustee, employee.

The term Insured Person does not include any auditor, receiver, liquidator, administrator, trustee in bankruptcy, mortgagee in possession or the like or any employees of such person.

28. Loss

means any Damages or Expenses.

29. Malicious Use or Access

means the prohibited, unlawful and unauthorised entry to, use or access of a Covered Computer System.

30. Media Claim

means:

- a) a demand against You for monetary or non-monetary Damages;
- b) a civil proceeding against You seeking monetary Damages or non-monetary or injunctive relief, commenced by the service of a complaint or similar pleading; or
- c) an arbitration proceeding against You seeking monetary Damages or non-monetary or injunctive relief.

31. Media Claims Expenses

means:

- a) reasonable and necessary legal fees, expert witness fees and other fees and costs incurred by Us, or by You with Our prior consent, such consent not to be unreasonably withheld or delayed, in the investigation and defence of a covered Media Claim;
- b) reasonable and necessary premiums for any appeal bond, attachment bond or similar bond, provided that We shall have no obligation to apply for or furnish such bond; and
- c) subject to Our prior approval, reasonable and necessary fees incurred for public relations and crisis communications services.

32. Media Content

means electronic media distributed by or on behalf of You on the Internet, including on social media websites.

33. Media Services

means the publication, distribution, or broadcast of Media Content.

34. Media Wrongful Act

means any actual or alleged;

- a) disparagement or harm to the reputation or character of any person or organisation, defamation, libel, slander, product disparagement, trade libel, infliction of emotional distress, mental anguish and injurious falsehood;
- b) eavesdropping, false arrest or malicious prosecution;
- c) plagiarism, piracy or misappropriation of ideas in connection with any Media Content;
- d) infringement of copyright, domain name, trade dress, title or slogan, or the dilution or infringement of trademark, service mark, service name or trade name; but not actual or alleged infringement of any patent or Trade Secret; or
- e) negligence with respect to Your creation or dissemination of Media Content;

committed by You solely in the performance of providing Media Services.

Media Wrongful Act shall not include any kind of discrimination or discriminatory conduct, including any alleged Media Claims of unequal or complete lack of access to Your website and/or Media Content.

35. Money or Monies

means currency, coins, bank notes, bullion, cheques, travellers cheques, registered cheques, postal orders, money orders held for sale to the public or funds, whether in physical or held via electronic means.

Money does not include cryptocurrencies, goods or tangible property.

36. Natural Person

means an individual who can be identified by specific reference to an identifier such as a name, national identification number or other government issued identification number, location data, an online identifier such as an internet protocol (IP) address, or by one or more factors specific to the physical, cultural or social identity of that individual.

37. Net Profit

means the operating profit resulting from Your Business after due provision has been made for all fixed charges.

38. Network Security

means those activities performed by You, or by others on behalf of You, to protect against Computer Malicious Acts or Unauthorised Use or Access.

39. Payment Card Loss

means monetary assessments, fines, penalties, chargebacks, reimbursements, and fraud recoveries that You become legally obligated to pay as a result of a Privacy and Network Security Wrongful Act and where such amount is due to Your non-compliance with the Payment Card Industry Data Security Standard.

Payment Card Loss shall not include:

- a) subsequent fines or monetary assessments for continued non-compliance with the Payment Card Industry Data Security Standard beyond a period of 3 months from the date of the initial fine or monetary assessment; or
- b) costs or expenses incurred to update or otherwise improve privacy or network security controls, policies or procedures.

40. Period of Indemnity

means the period during which You incur Business Interruption Loss or Data and System Recovery Costs, beginning when the Business Interruption Incident occurs and not exceeding 3 months. However, the Period of Indemnity may be extended solely by Us for a time period within Our discretion in the event that You are still incurring Business Interruption Loss or Data and System Recovery Costs.

41. Personal Data

means:

- a) a Natural Person's name, national identity number or national insurance number, medical or healthcare data, other protected health information, driver's license number, state identification number, credit

card number, debit card number, address, telephone number, email address, account number, account histories, or passwords; and

- b) any other protected personal information as defined in Privacy Regulations, in any format.

42. Personal Injury

means injury arising out of one or more of the following:

- a) false arrest, detention or imprisonment;
- b) malicious prosecution;
- c) libel, slander, or other defamatory or disparaging material;
- d) publication or an utterance in violation of an individual's right to privacy; and
- e) wrongful entry or eviction, or other invasion of the right to private occupancy.

43. Pollutants

means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals, asbestos, asbestos products or waste (waste includes materials to be recycled, reconditioned or reclaimed).

44. Pre-Approved Response Manager Panel

means the list of firms on Our pre-approved incident manager list available on request from Us.

45. Privacy and Network Security Claim

means:

- a) a demand against You for monetary or non-monetary Damages;
- b) a civil proceeding against You seeking monetary Damages or non-monetary or injunctive relief, commenced by the service of a complaint or similar pleading;
- c) an arbitration proceeding against You seeking monetary Damages or non-monetary or injunctive relief; and
- d) a Regulatory Proceeding.

46. Privacy and Network Security Claims Expenses

means:

- a) reasonable and necessary legal fees, expert witness fees and other fees and costs incurred by Us, or by You with Our prior consent, in the investigation and defence of a covered Privacy and Network Security Claim; and
- (b) reasonable and necessary premiums for any appeal bond, attachment bond or similar bond, provided We shall have no obligation to apply for or furnish such bond.

47. Privacy and Network Security Wrongful Act

means any error, misstatement, misleading statement, act, failure to act, neglect or breach of duty, actually or allegedly committed or attempted by You, in capacity as such, resulting in:

- a) a failure of Network Security, including the failure to deter, inhibit, defend against or detect any Computer Malicious Act or Unauthorised Use or Access, including that which causes Personal Injury;
- b) the failure by you or by an independent contractor for which You are legally responsible to handle, manage, store, destroy or otherwise control:
 - i. Personal Data, including that which causes Personal Injury; or
 - ii. non-public, private third-party corporate information in any format provided to you; or
- c) an unintentional violation of Your privacy policy that results in the violation of any Privacy Regulation, including but not limited to the unintentional wrongful use or collection of Personal Data by You.

48. Privacy Regulations

means regulations applying to the care, collection, custody, control, use, or disclosure of Personal Data, including Data that is regulated by the General Data Protection Regulation (GDPR).

49. Product

means anything that You sell, designed, created, developed, assembled, manufactured, handled, installed, disposed of, leased to or licensed for others, sold, or that is distributed by or on Your behalf, including the repair or maintenance.

50. Programming Error

means error that occurs during the development or encoding of a program, application or operating system that would, once in operation, result in a malfunction of the Computer System and/or an interruption of operation and/ or an incorrect result.

Programming Error does not include integration, installation, upgrade or patching of any software, hardware or firmware on a Covered Computer System unless You can evidence that the Programming Error arises from an Accepted Program.

51. Property Damage

means physical injury to or loss or destruction of tangible property, including the loss of use thereof. Property Damage shall not include any injury to, loss or destruction of, or loss of use of Data.

52. Regulatory Fines

means any civil monetary fine or penalty imposed by a government or regulatory body, including an official governmental entity in such entity's regulatory or official capacity pursuant to its order under a Regulatory Proceeding. Regulatory Fines shall not include any civil monetary fines or penalties that are not insurable by law, criminal fines, disgorgement of profits or multiple Damages.

53. Regulatory Proceeding

means a request for information, demand, suit, civil investigation or civil proceeding by or on behalf of a government agency, commenced by a service of a complaint or similar pleading alleging the violation of Privacy Regulations as a result of Your Privacy and Network Security Wrongful Act and that may reasonably be expected to give rise to a covered Privacy and Network Security Claim under Insuring agreement 2.(a) Privacy and Network Security Liability of this Section.

Additionally, Regulatory Proceeding does not include any action, proceeding or suit, or the portion of any action, proceeding or suit, that is based on or related to a criminal violation of Privacy Regulations.

54. Single Claim

means all Claims or other matters giving rise to a claim under this Policy that relate to the same originating source or cause or the same underlying source or cause, regardless of whether such Claims, Regulatory Proceedings or other matters giving rise to a claim under this Policy involve the same or different claimants, Insureds, events, or legal causes of action.

55. Trade Secret

means information, including a formula, pattern, compilation, program, device, method, technique or process, that derives independent economic value, actual or potential, from not being generally known to or readily ascertainable by other persons who can obtain value from its disclosure or use, so long as reasonable efforts have been made to maintain its secrecy.

56. Unauthorised Use or Access

means the entry or access to a Covered Computer System by an unauthorised party or individual, including an Employee or authorised party exceeding authority.

57. Waiting Period

means the number of hours specified in the Schedule following a Business Interruption Incident.

58. Wrongful Act

means an actual or alleged Privacy and Network Security Wrongful Act, Media Wrongful Act, Malicious Use or Access, Cyber Incident, or Business Interruption Incident.

59. **Wrongful Employment Practices**

means any actual or alleged violation of employment laws or any other legal provisions relating to any individual's actual or prospective employment relationship with You, including:

- a) employment-related invasion of privacy, except with respect to that part of any Privacy and Network Security Claim arising out of the loss of Personal Data that is otherwise covered under Insuring agreement 2.(a), Privacy and Network Security Liability of this Section; and
- b) employment-related wrongful infliction of emotional distress, except with respect to that part of any Privacy and Network Security Claim arising out of the loss of Personal Data that is otherwise covered under Insuring agreement 2.(a) Privacy and Network Security Liability of this Section.

60. **"You", "Your", "Yours" and "Insured" (for the purposes of this Section 11 only)**

means the person(s) or entity/entities identified as Named Insured in the Schedule and any Insured Person.

Insuring agreements

If "Not Covered" is shown in the Schedule in relation to any Insuring agreement, such Insuring agreement and any reference to it is deemed deleted and such coverage is not afforded.

1. *First Party Insuring agreements*

We will pay on Your behalf for:

- a) **Incident Response:**
Incident Response Expenses by reason of a Cyber Incident or a Business Interruption Incident discovered by any Control Group member during the Policy Period and reported to Us pursuant to the General Claims Conditions.

If reported to Us pursuant to the General Claims Conditions, We will reimburse You for:

- b) **Business Interruption:**
Business Interruption Loss during the Period of Indemnity, arising from a Business Interruption Incident, the duration of which exceeds the Waiting Period, and is discovered by any Control Group member during the Policy Period;
- c) **Data and System Recovery:**
Data and System Recovery Costs during the Period of Indemnity, arising from a Business Interruption Incident discovered by any Control Group member during the Policy Period; and
- d) **Cyber Extortion**
Cyber Extortion Damages and Cyber Extortion Expenses by reason of a Cyber Extortion Event discovered by any Control Group member during the Policy Period..

2. *Third Party Insuring agreements*

If reported to Us pursuant to the General Claims Conditions, We will reimburse you for:

- a) **Privacy and Network Security Liability:**
Damages and Privacy and Network Security Claims Expenses by reason of a Privacy and Network Security Claim first made during the Policy Period resulting from any Privacy and Network Security Wrongful Act taking place during the Policy Period ; and
- b) **Media Liability:**
Damages and Media Claims Expenses by reason of a Media Claim first made during the Policy Period resulting from any Media Wrongful Act taking place during the Policy Period.,

Exclusions

We shall not be liable for Loss on account of any Claim:

1. *Prior Knowledge*

alleging, based upon, arising out of or attributable to a Wrongful Act actually or allegedly committed prior to the beginning of the Policy Period if, on or before the earlier of the effective date of this Policy or the effective date of any Policy issued by Us of which this Policy is a continuous renewal or a replacement, any member of

the Control Group of the Insured knew or reasonably could have foreseen that the Wrongful Act did or could lead to any Loss.

2. *Pending or Prior Proceedings*

alleging, based upon, arising out of, or attributable to:

- a) any prior or pending litigation, Privacy and Network Security Claim, Media Claim, demand, arbitration, administrative or regulatory proceeding or investigation filed or commenced against You, and of which You had notice, on or before the earlier of the effective date of this Policy; or
- b) any Wrongful Act, fact, circumstance or situation that has been the subject of any notice given under any other policy before the effective date of this Policy; or
- c) any other Wrongful Act whenever occurring which, together with a Wrongful Act that has been the subject of such notice, would constitute a Single Claim.

3. *Conduct*

directly or indirectly caused by, arising out of or connected with Your conduct, or of any person for whose conduct You are legally responsible, that involves:

- a) committing or permitting any knowing or wilful breach of duty, or violation, of any laws; or
- b) committing or permitting any criminal, deliberately fraudulent or deliberately dishonest act or failure to act; or
- c) any actual or attempted gain of personal profit, secret profit or advantage by You to which You were not entitled.

This Exclusion only applies where such conduct has been established to have occurred by final adjudication (after the exhaustion of any appeals), or written admission.

Conduct committed by an Insured Person shall not be imputed to any other Insured Person. However, conduct committed by or with the knowledge of a past, present, or future member of the Control Group shall be imputed to the relevant Insured.

4. *Intentional Wrongful Collection or Use*

alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving the unauthorised, surreptitious, or wrongful use or collection of Personal Data by You or the failure to provide adequate notice that Personal Data is being collected or used. However, this Exclusion shall not apply to Your unintentional violation of any Privacy Regulation, including but not limited to the unintentional wrongful use or collection of Personal Data.

5. *Discrimination or Employment Practices*

alleging, based upon, arising out of or attributable to any:

- a) discrimination of any kind; or
- b) humiliation, harassment or misconduct based upon, arising out of or related to any such discrimination; or
- c) Wrongful Employment Practices.

However, this Exclusion shall not apply with respect to that part of any Privacy and Network Security Claim alleging employment-related invasion of privacy or employment-related wrongful infliction of emotional distress in the event such Privacy and Network Security Claim arises out of the loss of Personal Data which is covered under Insuring agreement 2.(a)Privacy and Network Security Liability.

6. *Insured v. Insured*

brought or maintained by You, or on Your behalf, or any other Natural Person or entity for whom or which You are legally liable, arising out of a Privacy and Network Security Claim or Media Claim. However, this Exclusion shall not apply to a Privacy and Network Security Claim brought against You by an Insured Person, alleging that You committed a Privacy and Network Security Wrongful Act as outlined in Definitions 47 (b) and 47 (c) only, which is expressly covered under Insuring agreement 2.(a)Privacy and Network Security Liability.

7. *Contract*

for breach of any express, implied, actual or constructive contract, warranty, guarantee, or promise, including liquidated Damages provisions or any liability assumed by You. This exclusion shall not apply to:

- a) any liability or obligation You would have in the absence of such contract, warranty, promise or agreement; or
- b) any indemnity by You in a written contract or agreement with Your client regarding any Privacy and Network Security Wrongful Act that results in the failure to preserve the confidentiality or privacy of Personal Data of customers of Your client; or
- c) with respect to Insuring agreement 2.(a) Privacy and Network Security Liability, any Payment Card Loss.

8. *Fees*

alleging, based upon, arising out of or attributable to any fees, expenses, or costs paid to or charged by You.

9. *Bodily Injury and Property Damage*

alleging, based upon, arising out of or attributable to any Bodily Injury or Property Damage.

10. *Infrastructure Outage*

alleging, based upon, arising out of or attributable to any electrical or mechanical failure or interruption, electrical disturbance, surge, spike, brownout, blackout, or outages to electricity, gas, water, telecommunications or other infrastructure.

However, this Exclusion shall not apply to failures, interruptions, disturbances or outages of telephone, cable or telecommunications systems, networks or infrastructure, under an Insured's operational control, which is a result of Computer Malicious Act, Unauthorised Use or Access, or a failure of Network Security.

11. *Force Majeure*

alleging, based upon, arising out of or attributable to fire, smoke, explosion, lightning, wind, Flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused.

12. *War*

alleging, based upon, arising out of or attributable to war, invasion, acts of foreign enemies, Terrorism, hostilities or warlike operations (whether war is declared or not), strike, lock-out, riot, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power.

However, this exclusion shall not apply to an Act of Cyber-Terrorism which results in a Claim.

13. *Pollution*

alleging, based upon, arising out of or attributable to the actual, alleged or threatened discharge, release, escape, seepage, migration, or disposal of Pollutants, or any direction, formal mandate or request that any Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralise Pollutants, or any voluntary decision to do so.

14. *Wear and Tear and Governmental Authority Intervention*

solely with respect to coverage under Insuring agreement 1.(a) for Incident Response Expenses, Business Interruption Loss and Data and System Recovery Costs applicable to this Section:

- a) alleging, based upon, arising out of, or attributable to the ordinary wear and tear or gradual deterioration of a Covered Computer System or Data, including any data processing media; and/or
- b) for any action of a public or governmental authority, including the seizure, confiscation or destruction of Covered Computer Systems or Data.

15. *Patent and Trade Secret*

alleging, based upon, arising out of or attributable to any claim, dispute or issues with the validity, invalidity, infringement, violation or misappropriation of any patent or Trade Secret by or on behalf of You.

16. *Intellectual Property*

alleging, based upon, arising out of or attributable to any infringement, violation or misappropriation by You of any copyright, service mark, trade name, trademark or other intellectual property of any third party.

However, this Exclusion shall not apply to a Privacy and Network Security Wrongful Act or Media Wrongful Act expressly covered under Insuring agreements 2.(a) and (b).

17. *Advertising or Misrepresentation*

solely with respect to coverage under Insuring agreement 2.(b), alleging, arising out of, or attributable to the actual goods, Products or services described, illustrated or displayed in Media Content.

18. *Products*

alleging, based upon, arising out of or attributable to any Products.

19. *Trading*

alleging, based upon, arising out of or attributable to any:

- a) financial loss due to the inability to trade, invest, divest, buy or sell any financial security or financial asset of any kind;
- b) fluctuations in any value of assets;
- c) financial value in any of Your accounts held at a financial institution; or
- d) inability to earn interest or appreciation on any asset.

In respect of the definitions listed below, the following exclusions apply:

15. *Cyber Extortion Event*

Cyber Extortion Event shall not include any threats or connected series of threats made against You expressing intent to perform or cause any of the above if made, approved or directed by a member of the Control Group.

20. *Damages*

Damages shall not include:

- a) any amount for which You are not legally obligated to pay;
- b) matters uninsurable under the laws pursuant to which this Policy is construed;
- c) the cost to comply with any injunctive or other non-monetary or declaratory relief, including specific performance, or any agreement to provide such relief;
- d) Your loss of fees or profits, return of fees, commissions;
- e) royalties, or re-performance of services by You or under Your supervision;
- f) disgorgement of any profit, remuneration or financial advantage to which You are not legally entitled; or
- g) any amounts other than those which compensate solely for a loss caused by a Wrongful Act, unless specifically provided for in this Policy.

With respect to the Insuring agreement 2.(a) Privacy and Network Security Liability, Damages shall not include any consideration owed or paid by or to an Insured, including any royalties, restitution, reduction, disgorgement or return of any payment, charges, or fees; or costs to correct or re-perform services related to Products, including for the recall, loss of use, or removal of Products.

21. *Data*

Data does not constitute the actual hardware or tangible property.

22. Data and System Recovery Costs

Data and System Recovery Costs do not include:

- a) costs or expenses incurred to identify or remediate software vulnerabilities;
- b) costs to replace any hardware or physical property;
- c) costs incurred to research and develop Data, including Trade Secrets;
- d) the economic or market value of Data, including Trade Secrets;
- e) any other losses that flow from the Loss or damage;
- f) Incident Response Expenses; or
- g) costs to update, upgrade, replace, maintain, or improve any Data or Computer System beyond what is provided in clause 22 (d)(i) of this definition of Data Systems and Recovery Costs

25. Incident Response Expenses

Incident Response Expenses shall not include:

- a) costs or expenses incurred to update or otherwise improve privacy or network security controls, policies or procedures to a level beyond that which existed prior to the Cyber Incident or Business Interruption Incident or to be compliant with Privacy Regulations, except to the extent Betterment Costs are applicable;
- b) taxes, fines, penalties, injunctions, or sanctions;
- c) Regulatory Fines;
- d) Data and System Recovery Costs;
- e) Business Interruption Loss;
- f) Monies or cryptocurrencies paid by You to terminate or end a Cyber Extortion Event;
- g) Cyber Extortion Expenses;
- h) Your wages, salaries, internal operating costs or expenses, or fees; or
- i) costs to respond to, commence or defend third party litigation related to the Cyber Incident or Business Interruption Incident.

27. Insured Person

The term Insured Person does not include any auditor, receiver, liquidator, administrator, trustee in bankruptcy, mortgagee in possession or the like or any employees of such person.

34. Media Wrongful Act

Media Wrongful Act shall not include any kind of discrimination or discriminatory conduct, including any alleged Media Claims of unequal or complete lack of access to Your website and/or Media Content.

35. Money or Monies

Money does not include cryptocurrencies, goods or tangible property.

39. Payment Card Loss

Payment Card Loss shall not include:

- a) subsequent fines or monetary assessments for continued non-compliance with the Payment Card Industry Data Security Standard beyond a period of 3 months from the date of the initial fine or monetary assessment; or
- b) costs or expenses incurred to update or otherwise improve privacy or network security controls, policies or procedures.

50. Programming Error

Programming Error does not include integration, installation, upgrade or patching of any software, hardware or firmware on a Covered Computer System unless You can evidence that the Programming Error arises from an Accepted Program.

53. Regulatory Proceeding

Regulatory Proceeding does not include any action, proceeding or suit, or the portion of any action, proceeding or suit, that is based on or related to a criminal violation of Privacy Regulations.

Conditions

1. Coverage Territory

To the extent permitted by the regulations and law (which expression is for this purpose taken to include but not be limited to any trade or economic sanctions applicable to either party), and subject to the terms of this Policy, it covers Wrongful Acts committed and Claims made anywhere in the world.

2. Policy Limits

- a) The Limits of Liability and Excesses listed on the Schedule are separate Limits of Liability and Excesses pertaining to each Insuring agreement.
- b) The total amount payable by Us (including Loss) under this Policy in respect of each and every Single Claim shall not exceed the sum of the applicable Limits of Liability and is subject to the Aggregate Limit of Liability.
- c) The total amount payable by Us (including Loss) under this Policy will not exceed the Aggregate Limit of Liability.
- d) Any Sub-limit listed in the Schedule shall be part of and not in addition to the applicable Privacy and Network Security Liability Limit of Liability shown in the Schedule, and subject to the Aggregate Limit of Liability.
- e) Sub-limits are not subject to reinstatement once exhausted.

3. Excess applicable to Business Interruption Incident

With respect to a Business Interruption Incident, We will pay the actual Business Interruption Loss incurred by You once the applicable Waiting Period has expired.

4. Related Claims and Matters

A Single Claim shall attach to the Policy only if the notice of the first Claim or other matter giving rise to a Claim that became such Single Claim, was given by You during the Policy Period.

5. Calculation of Business Interruption Loss

Our adjustment of the Business Interruption Loss shall take full account of trends or circumstances during the 12 months immediately before the Business interruption Incident, which affect the profitability of the Business and would have affected the profitability of the Business had the Business Interruption Incident not occurred, including all material changes in market conditions which would affect the Net Profit generated. However, Our adjustment will not include any increase in income that would likely have been earned as a result of an increase in the volume of business due to favourable business conditions.

6. Valuation

For the purposes of establishing the value of Cyber Extortion Damages payable by Us, the following valuation shall apply:

- a) if Cyber Extortion Damages are paid in a currency, including cryptocurrency(ies), other than the local currency from where this Policy is issued or the currency in which the Policy is issued, then payment under this Policy will require submission of proof of the calculation of the applicable rate of exchange used to convert such other currency to the local currency from where this Policy is issued or the currency in which this Policy is issued on the date that the Cyber Extortion Damages were actually paid.
- b) reimbursement of the Cyber Extortion Damages to You from Us under this Policy shall be made in the local currency from where this Policy is issued based on the submission of proof provided by You. We retain the right to dispute or adjust the calculation of Cyber Extortion Damages to the extent that the submission of proof You submit is based on an inaccurate or inflated rate of exchange.

7. Conduct of Proceedings

- a) In respect of Insuring agreements 2.(a) and (b), We may take over and conduct (in Your name) the defence of any Privacy and Network Security Claim or Media Claim in respect of which We may be liable to indemnify You.
- b) You agree to do nothing which will or might prejudice Us in respect of a Privacy and Network Security Claim or Media Claim covered by this Policy.

- c) You must not make any admission of liability in respect of, or agree to settle, any Privacy and Network Security Claim or Media Claim, including any Expenses, without Our prior consent (which shall not be unreasonably delayed or withheld), and We must be consulted in advance of investigation, defence and settlement of any Privacy and Network Security Claim or Media Claim. You must, at Your own expense, give Us and any investigators or legal representatives appointed by Us, all information they reasonably require, and full co-operation and assistance in the conduct of the investigation (including for the purpose of enabling Us to determine liability to provide indemnity under this Policy), defence, settlement, avoidance or reduction of any actual or possible Loss or Claims.

8. *Disputes Involving Defence and Settlement of Claims*

- a) Where a dispute arises between You and Us as to whether a Privacy and Network Security Claim or Media Claim under this Policy should be settled or a judgment or determination appealed, We will be entitled to brief senior counsel (to be mutually agreed or, in default of agreement, You are to select one of the three senior counsel nominated by Us), to advise on whether or not the Privacy and Network Security Claim or Media Claim should be contested, and if not, on the amount for which the Privacy and Network Security Claim or Media Claim should be settled or whether a judgment or determination should be appealed.

In providing such advice and in making any recommendation as to settlement, senior counsel is entitled to take into account both legal and commercial considerations. Senior counsel must have regard to the Damages and costs that are likely to be recovered, the defence costs that will be incurred in contesting the Privacy and Network Security Claim or Media Claim and the prospects of the Privacy and Network Security Claim or Media Claim being successfully defended.

You will not be required to contest the Privacy and Network Security Claim or Media Claim unless senior counsel recommends that, having regard to all the circumstances, the Privacy and Network Security Claim or Media Claim should be contested.

- b) The costs of obtaining this recommendation will be treated by Us as part of Expenses.
- c) If senior counsel recommends that, having regard to all the circumstances, settlement of the Privacy and Network Security Claim or Media Claim should be attempted, then subject to receiving the Insured's consent (not to be unreasonably withheld or delayed), We will attempt settlement of the Privacy and Network Security Claim or Media Claim in accordance with senior counsel's recommendation. Where settlement is attempted in accordance with senior counsel's recommendation but is unsuccessful, We will continue to indemnify You subject to the terms, conditions, exclusions and limitations of this Policy.
- d) Notwithstanding the preceding provisions of this clause, where We have the right to conduct the defence of any Privacy and Network Security Claim or Media Claim, We are also entitled to settle such Privacy and Network Security Claim or Media Claim if it is in receipt of senior counsel's opinion that settlement of the Privacy and Network Security Claim or Media Claim should be attempted, having regard to the matters set out in sub-clause (a) above. In such circumstances, We will consult with the Insured the subject of the Privacy and Network Security Claim or Media Claim. Should the Insured elect not to attempt settlement in accordance with senior counsel's recommendations and elect to contest the Privacy and Network Security Claim or Media Claim, Our liability will be limited to the settlement amount recommended by senior counsel, plus the Expenses incurred up to the date the recommendation was made. Notwithstanding any advice from such senior counsel, We shall be entitled, if We elect to do so, to continue to defend such Privacy and Network Security Claim or Media Claim.
- (e) Any election under this Condition must be made in writing to Us as soon as practicable, but no later than 14 days following receipt of senior counsel's recommendation.

9. *Severability and Non-Avoidance*

- a) We shall have no remedy for any breach by You of Your duty to make a fair presentation of the risk prior to inception of, or in connection with, this Policy, unless We demonstrate such breach was dishonest.
- b) Only the statements made or knowledge possessed by any past, present or future Control Group member will be imputed to You.

10. *Allocation*

In the event that any Claim involves both covered matters and matters not covered, a fair and proper allocation of any Loss shall be made between You and Us taking into account the relative legal and financial exposures attributable to covered matters and matters not covered under this Policy.

Section 12 – Tax Audit

Definitions

Wherever appearing in this Section 12 - Tax Audit, the following definitions apply:

1. Tax Agent

means any person who is not an Insured who is registered by the Australian Taxation Office as a tax agent and who is engaged by You to prepare, or supervise the preparation of, or review all returns and statements required by the Australian Taxation Office or any state or territory government tax collection authority in respect of Your liability to pay tax.

2. Tax Audit Expenses

means that part of loss consisting of reasonable costs, charges or fees of a Tax Agent incurred in investigating any Tax Audit Notice.

3. Tax Audit Notice

means any notification from the Australian Taxation Office or any state or territory government tax collection authority of an audit of, or investigation relating to Your liability to pay tax.

Cover

Provided this Section is shown as insured in the Schedule, We will cover Tax Audit Expenses on account of any Tax Audit Notice first made during the Policy Period up to the amount of the Sum Insured any one Loss and in the aggregate specified in the Schedule and less the Excess.

Exclusions

We will not be liable for Tax Audit Expenses:

1. Delay, Refusal or Failure to Comply

based upon, arising from, or in consequence of any improper, unwarranted or unjustified delay, refusal or failure to comply with any request made by or on behalf of the Australian Taxation Office or any state or territory government tax collection authority, requiring the production of documents or the furnishing of information by You;

2. Prior Inquiries

based upon, arising from, or in consequence of inquiries from the Australian Taxation Office or any state or territory government tax collection authority related to an identified intention to conduct an audit or likely future audit;

3. Income Earned or Services Outside Australia

based upon, arising from, or in consequence of any audit or investigation concerning income earned or sourced outside Australia and any territories under its jurisdiction, or where the services giving rise to the audit are performed by persons or any organisation ordinarily resident outside Australia;

4. Customs

based upon, arising from or in consequence of any matters arising under customs legislation;

5. Prior Notice

based upon, arising from or in consequence of any audit or investigation, notice of which or information as to their likely conduct, was received by You or any person acting on Your behalf, prior to the Policy Period;

6. Conduct

based upon, arising from, or in consequence of any fraudulent act or omission or fraudulent misrepresentation committed by You or on Your behalf;

7. *Criminal Prosecution*

based upon, arising from, or in consequence of the imposition of or seeking to impose any tax, penalty tax, costs, interest, fine or any fees or expenses in connection with any criminal prosecution;

8. *Non-Tax Agent Returns*

based upon, arising from or in consequence of an audit or investigation of an income return that has not been prepared or reviewed by a Tax Agent, except where the return is a prescribed sales tax return or a prescribed payroll tax return; or

9. *Post Audit Costs*

Tax Audit Expenses incurred after the audit or investigation has been completed.



About Chubb in Australia

Chubb is the world's largest publicly traded property and casualty insurer. Chubb, via acquisitions by its predecessor companies, has been present in Australia for 100 years. Its operation in Australia (Chubb Insurance Australia Limited) provides specialised and customised coverages including Business Package, Marine, Property, Liability, Energy, Professional Indemnity, Directors & Officers, Financial Lines, Utilities as well as Accident & Health, to a broad client base, including many of the country's largest companies. Chubb also serves successful individuals with substantial assets to insure and consumers purchasing travel insurance.

More information can be found at www.chubb.com/au.

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