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Business Risks Insurance

JUA Underwriting Agency Pty Ltd

Policy Wording

Lions Business Risks Policy Wording
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Business Risks Policy

JUA Underwriting Agency Pty Limited (JUA) ABN 70 004 566 465 AFSL 235411 was established in Australia in 1979 and has been supporting the Australian Insurance market continuously during that time. JUA acts as agents for certain Underwriters at Lloyds and is able to enter into, renew, cancel and administer the policy and deal with claims under it on the Insurer's behalf.

In this policy document You will find all the information You will need to know about the type of cover(s) available, the Underwriters' terms and conditions, and making a claim.

Please read this booklet and make sure that You are satisfied with what the Underwriter(s) offer.

This booklet and the insurance schedule the Underwriter(s) sends You form Your legal contract with the Underwriter(s), so please keep them together in a safe place.

Please do not hesitate to contact Your Broker or Agent if You have any questions about this policy booklet or Your Insurance cover.

This policy is underwritten by the Underwriters / Insurers whose name and proportions underwritten by them appears in the Certificate attached.

Please check that the Schedule(s) accurately states what You have insured. Especially check that the Sums Insured are adequate.

Important Information

Duty of Disclosure

Before you enter into a contract of general insurance with us, you have a duty, under the *Insurance Contracts Act 1984*, to disclose to us every matter that you know, or could reasonably be expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms.

You have that same duty to disclose those matters to us before you renew, extend, vary or reinstate a contract of general insurance.

Your duty does not require the disclosure of anything that:

- Diminishes the risk;
- Is of common knowledge
- the Insurer already knows or ought to know in the ordinary course of our business as an Insurer or;
- the Insurer indicates it does not want to know.

Non-disclosure

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the contract in respect of a claim, or cancel the contract.

If your non-disclosure is fraudulent, we may refuse to pay a claim and treat the contract as never being in place.

The General Insurance Code of Practice

JUA is a signatory to the General Insurance Code of Practice.

The Code aims to:

- Commit us to high standards of service
- Promote better, more informed relations between us and you
- Maintain and promote trust and confidence in the general insurance industry
- Provide fair and effective mechanisms for the resolution of complaints and disputes between us and you
- Promote continuous improvement of the general insurance industry through education and training

Privacy Notice

At JUA, We give priority to protecting the privacy of Your personal information. We do this by handling personal information in a responsible manner and in accordance with the Privacy Act 1988 (Cth).

For more details on how We collect, store, use and disclose Your information, please read Our Privacy Policy located at www.jua.com.au

What to do if you have a complaint?

About Lloyd's

Lloyd's is the world's specialist insurance and reinsurance market, bringing together an outstanding concentration of underwriting expertise and talent.

In Australia, Lloyd's is proud to be a member of the Insurance Council of Australia. Lloyd's has adopted the General Insurance Code of Practice, subject to certain specific qualifications. Your Lloyd's intermediary ("the coverholder") or claim administrator must also meet the requirements of the Code. You can obtain a copy of the Code at www.codeofpractice.com.au

Lloyd's aims to provide the highest level of service to our Australian policyholders and have developed procedures, applicable to the entire Lloyd's market, for the honest, fair and timely handling of complaints.

How can we help you?

You can make a complaint about any aspect of your relationship with us, including your policy or claim and our service, staff or handling of a complaint.

If you wish to make a complaint, please contact either the Lloyd's coverholder or the administrator handling your claim in the first instance. They will attempt to resolve it in accordance with our Internal Dispute Resolution ("IDR") procedure, which complies with Code and ASIC guidelines, and our commitment below.

Our commitment to you

As part of our IDR procedure, we will:

- Acknowledge your complaint
- Provide you with the name and contact details of the person assigned to reviewing it
- Do our utmost to resolve the complaint to your satisfaction within 10 business days
- If we cannot resolve your complaint within 10 business days, we will provide updates every 10 business days, unless you agree to a different timeframe
- Provide a final decision within 30 calendar days of the date on which you first made your complaint
- If we cannot provide a final decision in this timeframe, we will tell you, in writing, the reasons for the delay and your right to take the complaint to the Australian Financial Complaints Authority (AFCA)
- Give you the information we relied on when making a decision about your complaint within 10 business days of you asking for it

Depending on the outcome of our review, we may refer your complaint to Lloyd's Australia, who will determine whether it will be reviewed further by their office or the Lloyd's UK Complaints Team.

Lloyd's contact details are:

Telephone +61 (2) 8298 0783
Email ldraustralia@lloyds.com
Post Lloyd's Australia Limited
Level 16, 1 Macquarie Place
Sydney NSW 2000

External review

You may refer your complaint to AFCA at any time. If your complaint is not resolved to your satisfaction within 30 calendar days of the date on which you first made the complaint, AFCA may review it, subject to its Rules.

AFCA's contact details are:

Telephone 1800 931 678
Email info@afca.org.au
Post Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Your complaint must be referred to AFCA within 2 years of the final decision, unless AFCA considers special circumstances apply. If your complaint is not eligible for consideration by AFCA, you may be referred to the Financial Ombudsman Service (UK) or seek independent legal advice.

How much will this procedure cost you?

This service is free of charge.

1 July 2021

Jurisdiction

Any dispute arising from this Policy will be determined by Australian courts and in accordance with the laws of the state or territory of Australia in which the Policy was issued.

Preventing the Underwriters' Right of Recovery

If you have agreed not to seek compensation from another person who is liable to compensate You for any loss, damage or liability, which is covered by the Policy, the Underwriters will not cover You under this Policy for that loss, damage or liability

Other Parties' Interests

You must tell the Underwriters about all parties (e.g. financiers, lessors) to be covered by this insurance. The Underwriters will protect their interests only if You have told the Underwriters about them and the Underwriters have noted them on the Schedule.

Contracts or Agreements

The Underwriters will not cover any liability or obligation assumed by You under any contract, agreement or representation which would not have otherwise arisen or been implied by law unless You have told the Underwriters about them and the Underwriters has/have noted them on the Schedule.

Goods and Services Tax (GST)

GST and *Input Tax Credit* have the same meaning as given to those expressions in "A New Tax System (Goods and Services Tax) Act 1999" and related legislation as amended from time to time.

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

Where the Underwriters pay a claim and You have paid an amount of GST on acquisitions in connection with Your claim, the Underwriters will cover you for that GST, less and Input Tax Credit you may be able to claim for Your acquisitions. This amount is included in the Sum Insured shown in the schedule. This is the maximum amount the Underwriters will pay inclusive of GST

You must advise the Underwriters of Your correct Taxable Percentage. Any GST liability arising from Your incorrect advice is payable by You.

Providing Proof

So that any claim can be assessed quickly you should keep –
Receipts or other confirmation of purchase of all property insured by this Policy

Maintenance records

We may ask you for these if you make a claim.

Definitions

This document is "**the Policy**".

Documents headed up "Schedule Certificate of Insurance", "Schedule Renewal Certificate", "Schedule Endorsement", "Schedule Expiration Notice" and "Schedule Notice of Cancellation" collectively make up the "Schedule", which together with the Policy, contain the terms and conditions of the "Contract of Insurance".

Wherever the words "**You**" & "**Your**" appear in this policy it is referring to the party insured under this policy. If the insured party is a company "You" is that company.

Wherever the word "**We**" or "**Our**" or "**Us**" appears, it is referring to JUA Underwriting Agency Pty Limited (or "JUA") as Agent for Underwriters and where the context is appropriate-JUA and Underwriters collectively.

The word "**Underwriter(s)**" means "**Insurer(s)**" and vice versa, on whose behalf JUA enters into a contract of insurance with *You* and the *Insurers* who insure You, and on whose behalf JUA deals with and settles your claims under the Contract of Insurance.

Person – any reference to a male person includes a female person in the alternative.

“Period Insured” & “the Period of Insurance” means the duration of the period of cover under the contract of insurance, specified in the Schedule and throughout this Policy.

“Excess” is the amount specified in the Schedule payable by you being the first part of any loss which You must bear. Any excess is specified in the Schedule or where appropriate under a particular section of the Policy.

“Sum Insured” is the monetary limit of indemnity for the insurance available to you for the *Period of Insurance* under each Section of this Policy or where appropriate, under a particular clause of this *Policy*.

“Business” is the business activity carried on by You at Your business address which are the **“Business Premises”** referred to in the *Schedule* with the heading “Situation”.

“Market Value” is the retail value of items of a similar type, age, and condition, with adjustment for its special features, if any. Price guides and any other information may be used to assist in determining market value.

“Money” means cash, notes, negotiable instruments, cheques, postal notes, post office money orders, negotiable securities, postage stamps, credit card sales vouchers, instant lottery tickets, telephone credit cards, franking machine credits and duty and tax stamps.

“Safe or Strongroom” means a container or structure which has been specifically designed for the safe storage of *Money* or valuables and is designed to protect contents against fire and to resist unauthorised opening by hand-held or power operated tools.

Section One – Fire

1. Insuring Clause

We will indemnify you up to the limit of the *Sum Insured* in the *Schedule*, in respect of physical loss of or damage to the property of Your *Business occurring during the Period of Insurance*, carried on at the *Situation* of your business premises shown in the *Schedule* (the *Business Premises*).

The various sub-sections **A to G** inclusive, set out the categories of property insured. You may select all or some of the categories of cover listed **A to G** below.

Categories selected by You, appear in the Schedule beside the agreed *Sum Insured*, which is the monetary limit insured in each case.

All loss of or damage to the said property, must be caused by one or a number of **Insured Events** set out in Clause 2 of this

1.1. Limits & Excesses

The *Sum Insured* and other limits in the Schedule and certain clauses are aggregate limits for all claims **arising from loss of or damage to the insured property occurring during the Period of Insurance** appearing in the *Schedule* and are also individual limits for each and every loss/damage.

Excesses payable by You where indicated are payable on each and every claim.

A. Buildings

Building(s) insured under this Section are:

- (i) the building structure, housing the *Business (the Business Premises)*;
- (ii) all services to the building;
- (iii) all other structural improvements at the Business Premises, including, fencing, gates, paths.

B. Contents

Contents insured under this sub-section means:

- (i) business furniture, fixtures and fittings, removable partitions, bookshelves, floor coverings, light fittings, blinds and curtains;
- (ii) stationery and office machinery and equipment;
- (iii) other Contents are as specified in items C to F below.

C. Tenant's Risk

The following risks are rated separately and each one is optional:

1. Tenant's Fittings.

Where you are a tenant at the *Business Premises*, You are insured for loss of or damage to any fittings and improvements owned by You which You are entitled under the terms of Your lease to remove/detach from the Premises.

2. Landlord's Property

Where the terms of Your lease of the *Business Premises*, require You to insure the landlord's property, We will insure the *Landlord (and any mortgagee)* for the building and for the landlord's fixtures subject to payment of premium as arranged. This property cover is extended to the landlord for the landlord's interest and is not liability cover extended to You for Your legal liability in connection with that property.

D. Plant & Equipment

The property insured is machinery, including tools of trade, movable plant (excluding Stock and motor vehicles) patterns, models, moulds, dies, lasts, industrial computers, industrial electrical devices and tools and all other plant and equipment used in the *Business*.

You are covered for each item lost or damaged. Each item is limited to the value of each item standing in Your financial records, or the market value, or the replacement or reinstatement value according to the cover stated in the Schedule and that value shall be the Basis of Settlement of any claim.

E. Stock-In-Trade.

The property insured under this sub-section is all stock kept on the *Business Premises* awaiting sale or awaiting delivery after sale.

In the case of stock awaiting delivery, including customers' goods for which You are responsible or for which You have assumed responsibility to insure prior to any loss, destruction or damage, the value to be used is in each case the sale price which shall be the *Basis of Settlement* of a claim.

In the case of stock not yet sold, the *Basis of Settlement* of any claim will be the value of the stock as is shown in the accounts of the Business (or the formula for ascertaining it).

F. Records & Documents

Loss of or damage to written printed filmed taped or disc records, deeds, plans or drawings or documents of any other type which are used in the *Business*, normally housed in the *Business Premises* and are owned by You. **No computer records of any description are insured under this clause.**

The basis of the calculation of any loss will be the labour costs and value of materials used in re-writing or re-drawing such records and that will be the *Basis of Settlement* of any claim.

G. Removal of Debris, Temporary Repairs and Temporary Protection

The cost of removal, storage and disposal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs and temporary protection as a direct result of an insured event up to a maximum amount of

- (a) the amount specified in the Schedule, or
- (b) the extent that the sum insured on Buildings and Contents (whichever is applicable) is not otherwise exhausted,

whichever is the greater.

2. Insured Events

The *Insured Events* referred to in the Insuring Clause are as follows:

2.1. Fire including

- a. Fire consequent upon Explosion wherever the explosion occurs
- b. Explosion consequent upon Fire at the premises insured.

2.2. Lightning;

2.3. Explosion (whether Fire ensues or not)

All explosions, including those of boilers and/or economisers and/or pressure vessels and their contents, and damage resulting from such an explosion, BUT EXCLUDING damage to boilers and/or economisers and/or pressure vessels themselves and their contents.

2.4. Wind, Storm & Precipitation:

2.4.1. Damage from Wind, Storms, Rain, Hail, Sleet and Snow,

2.4.2. BUT Excluding damage:

- (a) by the action of the sea; wave action, including tidal wave, high water;
- (b) by erosion, subsidence, landslide, mudslide or settling;
- (c) by steam or condensation;
- (d) to gates, fences, retaining walls, textile awnings, blinds or signs;
- (e) by water or rain to the interior of any buildings (or its contents) unless caused by water or rain entering such building through an opening in the walls or roof made by storm and / or tempest.
- (f) to property in the open air unless such property comprises part of a permanent structure designed to function without the protection of walls or roofs;
- (g) by rising damp or seepage;
- (h) **Flood** means the covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:
 - (a) a lake (whether or not it has been altered or modified)
 - (b) a river (whether or not it has been altered or modified)
 - (c) a creek (whether or not it has been altered or modified)
 - (d) another natural watercourse (whether or not it has been altered or modified)
 - (e) a reservoir
 - (f) a canal
 - (g) a dam

2.5. Water Damage;

Loss of or damage to the property insured caused by bursting, overflowing or leakage of water pipes or apparatus.

Definition

The words "water pipes and apparatus" are used to mean water pipes, water mains, water tanks or water apparatus EXCLUDING automatic sprinkler installations and drenchers.

This Insured Event does NOT cover:

2.5.1. Loss or damage

- (a) as a result of repairs to or removal of or extension of water pipes and apparatus,
- (b) resulting from freezing if such freezing shall occur in consequence of neglect by You,
- (c) caused by the bursting or overflowing or leakage of water pipes or apparatus occurring whilst the premises are vacant and unoccupied, but this shall not apply to periods during which the premises are normally closed for holidays or weekends,
- (d) to property in the open,
- (e) to gates, boundary fences or walls, glass, drains, sewers or water courses unless damaged by the fall of brickwork, masonry or by other items from the insured property caused by an insured peril.

2.5.2. Loss or damage directly or indirectly

- (a) caused by earthquake, subsidence or landslip
- (b) caused by fire, lightning or explosion.

2.5.3. Consequential loss of any kind or description.

2.6. Impact

Destruction or damage caused by impact with the buildings at the Business Premises or structural improvements including walls, gates or fencing by any road vehicle or by animals but EXCLUDING destruction of or damage to plate or toughened or laminated or other types of glass.

'Animals' exclude the action of birds, termites and/or vermin or similar creatures.

2.7. Earthquake

2.7.1. Subterranean Fire or Volcanic eruption or Fire caused by Earthquake or Subterranean Fire;

2.7.2. Provided that in respect of all damage insured under this sub-clause 2.7 during any one period of 48 consecutive hours to Buildings and Contents which are in the same ownership at one location and which form one Business Premises, we shall not be liable to pay or contribute the lesser of:

- (a) the first \$20,000; or
- (b) an amount equal to one percent (1%) of the total sum insured at the Business Premises.

The 85% average/underinsurance clause will first be applied to the claim before deducting the applicable amount under (a) or (b) above, for the purpose of calculating the loss arising out of one event.

2.8. Aircraft

Aircraft and other aerial devices and articles dropped from them, sonic boom and space debris,

2.9. Riots and Strikes

2.9.1. The acts of persons taking part in riots or civil commotion or strikes or lock-outs or persons taking part in labour disturbances;

But EXCLUDING:

- (a) damage caused directly or indirectly by total or partial cessation of work,
- (b) the retarding or interruption or cessation of any process or operation;
- (c) the acts of any constituted authority;

2.10. Vandalism / Malicious Damage – the acts of vandals or persons of malicious intent

2.10.1. BUT EXCLUDING:

- (a) loss or damage caused by tenants; or
- (b) loss or damage caused by persons specified in clause 2.9; or
- (c) theft of property (**and any resultant damage caused by theft of property**); or

- (d) any form or type of glass damage.

Exclusion

This insurance does NOT cover:

- (a) damage to any dynamo, transformer, motor, wiring, main or other electrical appliance directly caused by short circuiting, over running, excessive pressure or leakage of electricity but this Exclusion does not apply to damage by Fire resulting from such causes and originating outside the appliance.
- (b) damage to any temporary structure (including but not limited to a tent, marquee, stall, lean-to or similar) unless specifically noted in the schedule.

3. Basis of Settlement of Claims

Unless otherwise stated in the Schedule, the basis of settlement of loss or damage shall be:

3.1. Indemnity Basis

Being applicable to the current market value of the property insured for the claim.

3.2. Reinstatement and Replacement

At the option of the Insured and providing that this is noted on the Schedule, the basis of settlement for loss or damage will be:

Reinstatement and Replacement which shall mean:

- a. Where property is **destroyed**:

- a. if a building or fixtures in a building, the cost of reinstatement by rebuilding the building or fixtures;
- b. for property other than a building or fixtures, the cost of replacement of the property;

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

- b. Where property is **damaged**:

The cost of repairing the damage to return the property to a condition substantially the same as but not better or more extensive than its condition when new.

- c. Special Requirements

- (i) The work or replacing or repairing or restoring, as the case may be, must be commenced and carried out with reasonable dispatch, failing which the Underwriter(s) shall not be liable to make any payment beyond the amount which would have been payable under the Policy if this Clause had not been incorporated therein. That is, the settlement will be based on Indemnity or current market value.
- (ii) When any interest insured under this Policy is damaged or destroyed in part only, the liability of the Underwriter(s) shall not exceed the sum representing the cost which the Underwriter(s) could have been called upon to pay for reinstatement if such property had been wholly destroyed.
- (iii) No payment, beyond the amount which would have been payable under the Policy if this Clause had not been included, shall be made until a sum equal to the cost of reinstatement shall have been actually incurred.
- (iv) Providing that the sum payable for reinstatement shall not exceed the sum insured for the respective property,

3.3. Extra Cost of Reinstatement

(Subject to a sub-limit being shown in the policy schedule)

(Applicable to buildings, machinery, plant and all other property and contents)

This policy extends to include the extra cost or reinstatement (including demolition or dismantling) of damaged property necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority; subject to the terms, Conditions and Limit(s) or Sub-Limits of this Policy.

Provisions

- (a) The work of reinstatement (which may be carried out wholly or partially upon any other site(s), if the requirement of the aforesaid Act, Regulation or By-Law so necessitate, subject to the liability of the Insurer(s) not being thereby increased), must be commenced and carried out with reasonable dispatch, failing which the Insurer(s) shall not be liable to make any payment beyond the amount which would have been payable under this Policy if this memorandum had not been incorporated herein.
- (b) The amount recoverable shall not include the additional cost incurred in complying with any such Act, Regulation, By-Law or requirement which the Insured had been required to comply prior to the happening of the damage.
- (c) Co-insurance shall not be applied to the amount recoverable under this memorandum and any amount specified shall not be taken into account for Co-Insurance purposes in terms set out in any clause contained in this Policy.
- (d) If the cost of reinstatement of damaged property inured is less than fifty percent (50%) of that which would have been the cost of reinstatement if such property had been destroyed, the amount recoverable hereunder shall be limited to:
 - a. the extra cost necessarily incurred in reinstating only that portion damaged: or
 - b. whilst applying to such property insured, the Sub-Limit stated herein;

Whichever is the greater. In the event of a Sub-Limit not being stated in this Policy the Insurer(s) shall be limited to the amount as described in sub-paragraph (a) of this provision.

3.4. Additional Extra Cost of Reinstatement

(Applicable to buildings, machinery, plant and all other property and contents).

The policy extends to cover the additional extra cost of reinstatement including demolition or dismantling of the insured property damaged necessarily incurred by the Insured to comply with the requirements of any Act of Parliament or regulation made thereunder or any by-law or regulation or other statutory Authority and not otherwise recoverable under the terms and conditions of the policy.

Provided that the indemnity afforded by this clause:

- (1) Shall be limited in respect of each loss or series of losses arising out of any one event to \$250,000. Which amount shall be separate from and additional to the limit of liability expressed in the schedule of the policy in respect of buildings, machinery, plant and all other property and contents:
- (2) Shall not include the additional cost incurred in complying with any such Act, regulation, by-law or requirement with which the Insured has been duly required to comply prior to the happening of the damage;
- (3) Shall not be subject to the Co-insurance memorandum.

The work of reinstatement (which may be carried out wholly or partially upon another site or sites if the aforesaid Act, by-law or regulation so necessitates subject to the liability of the Insurer(s) not being thereby increased) must be commenced and carried out with reasonable dispatch, failing which the Insurer(s) shall not be liable to make any payment beyond the amount which would have been payable under the policy if this memorandum had not been incorporated therein.

3.5. Expediting Expenses

(this applies subject to a sub-limit being shown in the policy schedule)

The policy extends to include costs and expenses incurred by the Insured for express carriage rates and extra payments for overtime, night, Sunday or holiday working incurred in connection with the repair or reinstatement of the Property Insured directly or indirectly arising from an event insured by the policy.

4. Co-Insurance (Average) – Under Insurance Provision

Where property insured by You is owned by You and can be sold on the open property market, if in the event of loss or damage to that property where the Sum Insured in the Schedule is 85% or less than the market value of

the property at the commencement of the relevant Period of Insurance, then the Basis of Settlement of any claim will be that We will bear that part of the loss calculated in accordance with Clause 3 above, in the same proportion that the Sum Insured bears to the (a) market value or (b) reinstatement or replacement value of the property, as applicable, and You will bear the remainder of the loss.

This sub-clause does not apply if the loss does not exceed 5% of the total Sums Insured of all property at the Business Premises.

Section Two - Business Accidental Damage

This Risk / Section is only insured in conjunction with Fire insurance including the same subject-matter insured.

1. Introduction

This Section only forms part of your Policy when **Business Accidental Damage** is shown in the Schedule with premium shown and is limited to the period of insurance indicated.

2. Definition

The following definition shall apply to the words used in this Section:

'Item' means any or all of the sub-sections **A to G** specified in **Section One Fire** that is shown in the Schedule

3. Insuring Clause

We will pay up to the Sum Insured for the cost of repairing or replacing Items that are Damaged during the Period of Insurance.

4. Limitations of Cover

1. Geographical Limits
Cover only applies to Damage that occurs within Australia, unless the situation is limited as shown in the Schedule.
2. Excess
3. You are liable for the Excess or Deductible for each and every event that results in Damage.
4. Obsolete Items or Improvements
If an Item cannot be purchased as a new Item or if an Item cannot be repaired or replaced without improving the output, capacity or efficiency of that Item then We will only pay the cost of replacing or repairing that Item less an amount equal to the value of any such improvements.

Provided that We will NOT pay for Excluded Items.

5. Exclusions

5.1. Excluded Causes

We will not pay for Damage caused by or arising from:

- a. the actual breaking, seizing, deformation or melting of any part of any Item while that Item is in use that is caused by mechanical, electrical or electronic defect within the Item that causes sudden malfunction that requires repair or replacement before the Item can resume normal operation;
- b. corruption or loss of data;
- c. vermin or insects;
- d. scratching, denting, chipping or other aesthetic defects that do not affect the operation or function of the Item;
- e. gradually operating causes such as but not limited to wear and tear, atmospheric conditions, mildew, corrosion, disease, fading, rusting or other forms of oxidization; or
- f. the Business Accidental Damage does NOT cover anything Excluded under Section One Fire 2.4.2 nor will it insure any loss or damage which would be specifically insured under any of Section(s) (4) Burglary, (5) Money or (6) Glass if any of these Sections were insured.

- g. faulty materials, faulty workmanship or latent defect.

5.2. Excluded Items

We will not pay for the following Items unless they are specified in the Schedule:

- a. mobile plant, motorised vehicles, watercraft, video equipment;
- b. Stock;
- c. Mobile telephones and radios, sporting equipment, aerial devices; and
- d. Computers, electronic diaries, organisers or their accessories.

5.3. Consequential Loss

We will not pay for Consequential Loss of any kind indirect, or consequential, financial loss or expense of any kind relating to any occurrence, incident or circumstance resulting in a claim under this policy, including without limitation loss of use, loss of income, loss due to delay, interruption to or interference with your or any third party business or personal property, lack of performance, loss of contract or goodwill, or depreciation in the value of land or stock, except as provided in Section 2.

5.4. Damage under other Sections

Excluding Damage which may be insured under any other Section, whether insured or not.

Section Three – Business Interruption

1. Definitions (for this Section only)

“Accountant” – a professional Accountant to be agreed upon by both You and Us or failing such agreement nominated by the President of the Australian Society of Certified Public Accountants.

“Annual Income” - the Gross Income during the twelve (12) months immediately before the date of damage, to which adjustment shall be made to reflect the trend in the Business and any other circumstances in order to arrive at the same result that would have been obtained had the damage not occurred.

“Annual Turnover” - The Turnover during the 12 months immediately before the date of the Damage.

“Gross Income” - the money paid or payable to You for goods sold and/or services rendered or for rental receivable (plus outgoings receivable as defined or specified in any lease) in the course of the Business *less* the purchase cost of stock and all other sources of income receivable in the course of Business and the amount of closing stock and work in progress at the end of Your financial year less purchases of stock and consumables and the amount of opening stock and work in progress at the beginning of Your financial year and Uninsured Working Expenses.

“Gross Profit” – the amount by which:

- (a) The sum of the Turnover and the amount of the Closing Stock and Work in Progress shall exceed
- (b) The sum of the amount of the Opening Stock and Work in Progress and the amount of the Uninsured Working Expenses as set out in the Schedule.

Note: The amounts of the Opening and Closing Stocks and Work in progress shall be arrived at in accordance with the Insured’s normal accountancy methods, with due provision being made for depreciation.

“Payroll” - The remuneration (including but not limited to holiday pay, sick pay, long service leave pay and bonus) plus payments for Payroll tax, fringe benefits tax, superannuation and pension fund contributions, workers compensation premiums, accident compensation levies, and the like.

“Indemnity Period” - the period beginning with the occurrence of the damage and ending not later than the number of months stated in the Schedule during which the results of the Business shall be affected in consequence of the damage.

“Loss of Rent” - the insurance under this item is limited to the loss of rent receivable as described below (see Sub-section 7).

“Outstanding Accounts Receivable”- the total amount owed to the Business by customers as at the end of the month immediately prior to the date of the damage adjusted for:

- (a) bad debts;
- (b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of damage) to customers’ accounts in the period between the date to which the last statement relates and the date of the damage; and
- (c) any abnormal condition of trade which had or could have had a material effect on the Business,

so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have been attained at the date of the damage had the damage not occurred.

“Rate of Gross Profit” - The rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage.

“Rate of Payroll” - The rate of Payroll to Turnover during the financial year immediately before the date of the Damage.

“Shortage in Turnover”- The amount by which the Turnover during a period shall, in consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period.

“Standard Income”- the Gross Income during that period corresponding with the Indemnity Period in the twelve (12) months immediately before the date of the damage adjusted to reflect the trend in the Business and any other circumstances in order to arrive at the same result that would have been obtained had the damage not occurred.

“Standard Turnover”- The amount by which the Turnover during a period shall, in consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period.

“Turnover”- The money (less discounts, if any allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the Business at the Premises.

Adjustments shall be made to the Rate of Gross Profit, Annual Turnover, Standard Turnover and Rate of Payroll as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

2. Insuring Clause

2.1 If You have selected cover under any of the Sub-sections (1) to (9) and the respective Sum(s) Insured appear(s) in the *Schedule*, as and where applicable, in the event of any building or any other property or any part thereof used by the Insured at the Premises for the purpose of the Business being physically lost, destroyed or damaged during the Period of Insurance:

And in consequence causing **interruption** or **interference** to the *Business* caused by such loss or damage to property insured under the Fire or Burglary or any other Section of this Policy or caused by an explosion of a boiler or economiser on the Premises, the Insurer(s) will, subject to the provisions of this Policy pay to the Insured the amount of loss resulting from such interruption or interference in accordance with the applicable Basis of Settlement.

3. Basis of Settlement

Sub-section 1 – Loss of Gross Profit

The insurance under this item is limited to actual loss of Gross Profit due to: (a) Reduction in Turnover and (b) Increase in Cost of Working and the amount payable as indemnity thereunder shall be:

(a) *In respect of Reduction in Turnover.*

the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover.

(b) *In respect of Increase in Cost of Working:*

The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided.

Less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage. Provided that if the Declared Value of Gross Profit at the commencement of each Period of Insurance be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or its Proportionately increased multiple thereof, where the Indemnity Period exceeds 12 months), the amount payable hereunder shall be proportionately reduced.

Sub-section 2 - Business Gross Income

where the loss or damage to property and the interruption or interference to the Business occurs **during the Period of Insurance**;

Gross Income

- (i) In respect of reduction of Gross Income, the amount by which the Gross Income earned during the Indemnity Period shall in consequence of the damage fall short of the Standard Income.
- (ii) Additional expenditure necessarily and reasonably incurred with Our consent for the sole purpose of avoiding or diminishing the reduction in the Gross Income of the Business caused by the loss or damage. The amount expended shall not exceed the reduction in Gross Income thereby avoided (less expenses saved as a result of the damage).

If the sum insured on Gross Income is less than 90% of the annual income (or its proportionately increased multiple where the indemnity Period exceeds 12 months), the amount payable shall be proportionally reduced.

Sub-section 3 – Payroll

The insurance under this item is limited to loss in respect of Payroll and the amount payable as indemnity shall be:

(a) *In respect of Reduction of Turnover:*

- (i) during the portion of the Indemnity Period beginning with the occurrence of the Damage and ending not later than the number of weeks thereafter specified in the Schedule, the sum produced by applying the Rate of Payroll to the Shortage in Turnover during the said portion of the Indemnity Period, less any saving during the said portion of the Indemnity Period, through reduction in consequence of the Damage in the amount of Payroll paid.
- (ii) During the remaining portion of the Indemnity Period; the sum produced by applying the Rate of Payroll to the Shortage in Turnover during the said remaining portion of the Indemnity Period less any saving during the remaining portion of the Indemnity Period, through reduction in consequence of the Damage in the amount of Payroll paid, but not exceeding the sum produced by applying the percentage of the Rate of Payroll, specified in the Schedule to the Shortage in Turnover during the

remaining portion of the Indemnity Period, increased by such amount as is deducted for savings under the terms of Clause (a)(i).

Note: At the option of the Insured, the number of weeks referred to in Clause (a)(i) above may be increased to the number of weeks specified in the Schedule under the heading "Consolidated Period", provided that the amount arrived at under the provisions of Clause (a)(ii) shall not exceed such amount as is deducted under Clause (a)(i) for savings effected during the said increased number of weeks.

(b) In respect of Increase in Cost of Working

So much of the additional expenditure described Clause (b) of Item 1 as exceeds the amount payable thereunder, but not more than the additional amount which would have been payable in respect of Shortage in Turnover under the provisions of Clauses (a) (i) and (ii) of this item had such expenditure not been incurred.

Provided that if the Declared Value of Insured Payroll at the commencement of each Period of Insurance be less than the sum produced by applying the Payroll Limits to the sum insured produced by applying the Rate of Payroll to the Annual Turnover (or its proportionately increased multiple thereof, where the Indemnity Period exceeds 12 months) the amount payable shall be proportionately reduced.

Sub-section 4 - Additional Increased Cost of Working

If You have chosen to insure the Additional Increased Cost of Working, for additional premium, We will pay the additional expenditure, not otherwise recoverable under any other cover option in this section, You reasonably incur to minimise the effect of the loss or damage to the business during the Indemnity Period. We will not pay any more than the sum insured for Additional Increased Cost of Working shown in the Schedule.

Sub-section 5 - Claims Preparation Fees

The insurance under this item is to cover such reasonable professional fees as may be payable by the Insured, and such other reasonable expenses necessarily incurred by the Insured and not otherwise recoverable, for preparation of claims under the Insured's Material Damage and Business Interruption insurance policies and the Insurer(s) shall indemnify the Insured for such reasonable fees and expenses, but limited to the sum insured in the Schedule.

Sub-section 6 - Accumulated Stocks Provision

In adjusting any loss under this sub-section, account shall be taken and due allowance made if any shortage in Gross Income due to the interruption or interference is postponed by reason of the Gross Income being temporarily maintained from accumulated stocks of finished goods.

Sub-section 7 - Loss of Rent Receivable

- (a) The insurance under this item is limited to the loss of rent receivable (including amounts due for services rendered and recoverable expenses) and the amount payable as indemnity hereunder shall be the amount by which rent (including amounts for services rendered and recoverable expenses) received or receivable during the Indemnity Period shall fall short of the amount which it may be reasonably estimated would have been received during that period had the Damage not occurred including the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of rent (including amounts for services rendered and recoverable expenses), less any sum saved during that period in respect of charges or expenses payable out of rent as may cease or be reduced in consequence of the Damage.
- (b) Subject to being noted in the Schedule, "Loss of Rent Receivable due to default by the occupier(s) who has/have absconds" is insured under this Sub-Section.

The cover granted under (a) and/or (b) shall be subject to the one limit stated in the Schedule against "Loss of Rent" provided both losses arise during the same time period.

Sub-section 8 - Prevention of Access

Under this clause cover is extended to include interruption or interference with Your Business in consequence of:

- (a) damage by any Insured Event covered by the Property Section to property in the vicinity of Your premises or to property forming part of or contained in a complex of which the Location forms part;
- (b) bomb threat and terrorism at Your premises or in the vicinity of Your premises;
- (c) food poisoning either at Your premises or attributable to food or drink supplied from Your premises;
- (d) murder or suicide at Your premises or in the vicinity of Your premises;

which shall prevent or hinder the use of Your Building or access thereto, or which results in a cessation or diminution of trade due to temporary falling away of potential customers.

The vicinity means within a 5 kilometres radius from the Insured Property.

Sub-section 9 - Public Utilities, Customers and Suppliers Extension

Where damage occurs within Australia at:

- (i) an electricity power station or sub-station;
- (ii) a gas installation;
- (iii) water or sewerage installations;
- (iv) land based telecommunications installations;
- (v) a customer's premises; or
- (vi) a supplier or manufacturer of goods, components or materials;

and these premises directly supply goods or services to You or You supply goods or services to them, where damage is caused by and would be covered by an Insured Event listed in the Property Section of this Policy, the consequential reduction of Gross Income resulting from such interruption or interference shall be deemed to be loss resulting from loss or damage to property used by You at Your premises.

Provided always that:

1. under items listed in (i) to (vi) above, We shall **NOT** be liable for the first two (2) normal trading days of any loss resulting from the interruption or interference;
2. Our liability under either item (v) or (vi) above shall not exceed twenty percent (20%) of the amount(s) insured under the Policy sub-section(s) (1) to (3).
3. this insurance excludes claims arising directly or indirectly arising from damage to power poles, masts and/or powerlines.

4. Optional Extension

Outstanding Accounts Receivable

If You **select** this cover, for additional premium We will indemnify You up to the limit specified in the Schedule for loss of Outstanding Accounts Receivable resulting from loss or damage to Your business records contained in the Location, by events insured by the Property or Theft sections of this Policy.

The Insurance is limited to:

- a. the difference between:
 - (i) the Outstanding Accounts Receivable, and
 - (ii) the total of the amount received or traced in respect thereof;
- b. the additional expenditure incurred with Our consent in tracing and establishing Outstanding Accounts Receivable after the Damage,

provided that:

- (i) if the sum insured is less than the Outstanding Accounts Receivable, the amount payable shall be proportionally reduced;
- (ii) as soon as possible after the end of each month, You shall record and store at alternative premises the total of the Outstanding Accounts Receivable and these figures shall be kept for a period of 12 months.

5. Departmental Provisions

If the Business is conducted in departments the independent trading results of which are ascertainable, the cover provided by this Section shall apply separately to each department affected by the loss or damage, except that if the sum insured under this Section shall be less than the total of the Gross Income for each department (whether affected by the loss or damage or not), the amount payable shall be proportionately reduced.

6. Deductible – Time

Wherever a deductible or excess (Deductible), contained in this Policy is described as a period of time, such Deductible shall be subject to the following conditions:

- (a) The Deductible will only apply to loss in respect of: The Gross Profit, Gross Income and, if applicable, to the Payroll items
- (b) The Deductible will not apply to Any other Section Two sub-limits.
- (c) In respect of a loss as described under 1 above, the monetary value of the Deductible shall be calculated in accordance with the following formula:

$$\frac{D \times L}{IP}$$

Where

- D** = The period of the Deductible expressed in days*
- L** = The total value of the loss to which the Deductible applies
- IP** = The indemnity period in days applicable to the loss

If the deductible is expressed in hours then the day equivalent will be that number of hours divided by twenty four (24).

Section Four – Burglary

1. Definitions (for this Section only)

In this Section the terms and words used below have the following meanings:

“Burglary” as used in this Policy means the stealing of anything in the premises or unlawful damage to the premises or anything therein by any person(s) who:

- a. violently broke and entered the Business Premises, **OR**
- b. concealed himself or herself on the Business Premises during business hours and vacated the Business Premises after business hours by breaking out, actual or constructive.

“Burglars” as used in this Policy shall be construed in accordance with the Definition above.

“Stock-in-Trade” – goods belonging to You awaiting sale, goods sold awaiting delivery to customers, including all goods intended for sale, in which You may acquire an insurable interest during the Period of Insurance (but not including Tobacco, cigarettes and cigars unless separately specified in the Schedule).

“Contents” - all contents used in the Business including tools of trade, movable plant (excluding Stock and motor vehicles), office machinery and equipment, furniture, fixtures and fittings and fixed machinery, customers' goods for which You are responsible or for which You have assumed responsibility to insure prior to any loss, destruction or damage.

“The Cost of Replacing” or **“The Replacement Cost”** - the cost of buying a replacement insured item of equal but not better quality item at the time of loss.

“The Reinstatement Cost” - the cost of repairing an insured item to a similar condition but not better than condition when new at the time of loss.

2. Insuring Clause

If You have selected this cover and it is noted on the Schedule, We will pay You up to the limit of the *Sum Insured* for this Section specified in the Schedule, less the Excess, for loss of or damage occurring during the *Period of Insurance* to:

a. Contents;

and/or

b. Stock-in-Trade;

And/or as separately specified in the Schedule;

as a result of *Burglary*:

Underwriters further agree to pay the You:

for damage (other than damage coverable under an ordinary Fire Policy) done by Burglars to the premises or Landlord’s fixtures and fittings thereof, or for which You are legally responsible as tenant, limited to 10% of the sum insured under this Section (3) Burglary as an addition to the sum insured for this Section.

Peak Period Increases

Peak period increases of thirty percent (30%) in the Stock sum insured apply during the following periods (unless shown otherwise in the Schedule):

- a. from sixty (60) days before Christmas Day to the twentieth day following, both days inclusive;
- b. from thirty (30) days before Easter Sunday to the twentieth day following, both days inclusive.

Limits and Excesses

The Sum Insured and other limits in the Schedule and certain clauses are aggregate limits for all claims arising from loss of or damage to the insured property occurring during the Period of Insurance appearing in the Schedule and are also individual limits for each and every loss / damage.

Excesses payable by You where indicated are payable on each and every claim.

3. Basis of Settlement

Unless otherwise stated in the Schedule, the basis of settlement of loss or damage shall be:

- a. Contents: Replacement Cost
- b. Stock-in-Trade:
 - (i) for goods sold - the Sale price;
 - (ii) for unsold goods - the Cost price.

4. Exclusions

This insurance does NOT cover

- (i) loss or damage due to Burglary or to any attempt thereof by, or in collusion with, any members of Your staff or household or inmates of the premises.
- (ii) loss of or damage to Cash, Currency, Bank Notes, Stamps, Deeds, Bonds, Bills of Exchange, Promissory Notes, Securities for Money or other documents except as provided for in this Policy.

5. Burglary Protection Condition

If Your premises are fitted with a burglar alarm or burglar alarm system it is a condition that:

- a. the burglar alarm or system will be subject to a continuing maintenance contract with an installing or other engineer and will be examined and tested by such an engineer at not more than six (6) monthly intervals and at all times will be maintained in good condition and efficient working order.
- b. the System will be made operative whenever the premises are left unoccupied.

Section Five - Money

1. Definition

In this Section “Money” shall have the same meaning as the term defined in the Definitions section of this policy:

“Money” means cash, notes, negotiable instruments, cheques, postal notes, post office money orders, negotiable securities, postage stamps, credit cards sale vouchers, instant lottery tickets, telephone credit cards or franking machine credits and duty and tax stamps.

2. Insuring Clause

If You have selected this cover and it is noted in the *Schedule*, We will pay you up to the limits specified of the Sum(s) Insured in the Schedule, less the Excess, for loss of or damage to Money from any cause whatsoever occurring during the Period of Insurance whilst:

- a. in transit anywhere in Australia;
- b. on the Business Premises during Business Hours;
- c. on the Business Premises outside Business Hours;
- d. on the Business Premises whilst contained in locked Safe or Strongroom;
- e. at Your or Your employee’s residence.
- f. Whilst contained in Automatic Teller Machines (ATM)
Sum insured is limit of insurance any one situation or in the event of more than one ATM at one situation the sum insured is the aggregate limit of insurance at one situation, unless otherwise specified in the Schedule.

We will also pay for loss of or damage done by thieves to safes, strongrooms or ATM containing money insured by this Policy – Sum Insured – Cost of Repairs.

When the Schedule shows that “Blanket” cover applies, then this means that all the sub-sections are covered for the same amount unless there is an alternate limit(s) specified for any one sub-section or sub-sections when such alternate limit(s) shall apply.

Peak Period Increases

Peak period increases of thirty percent (30%) in the Sum(s) Insured apply during the following periods (unless shown otherwise in the Schedule):

- a. from sixty (60) days before Christmas Day to Bank closing time on the first Banking day thereafter, both days inclusive;
- b. from thirty (30) days before Easter Sunday to Bank closing time on the first banking day thereafter, both days inclusive.

3. Exclusions

This insurance does NOT cover

- a. loss of Money (including undisbursed wages and salaries) occurring at Your Premises or other places of disbursement when the said Premises or other places of disbursement are closed or left unattended, unless the Money is in a locked Safe or Strongroom.
- b. loss occasioned by dishonesty on the part of any members of Your staff or employees other than messengers, or employees acting as messengers, in the course of their journeys.

- c. loss from any unattended vehicle.
- d. Loss of Money carried by professional money carriers, professional carriers or general carriers.
- e. loss of Money from any Safe or Strongroom opened by a key (s) or by use of details of combination which have been left on the Business Premises during non – Business Hours.

4. Theft Protection Condition

4.1 Your obligations

You are to:

- 1.1 take all reasonable precautions to avoid or minimize loss or damage;
- 1.2 maintain all Business premises, fittings, appliances and equipment in a sound condition;

1.3 Burglary Protection Condition

If Your premises are fitted with a burglar alarm or burglar system it is a condition that:

- a. the burglar alarm or system will be subject to a continuing maintenance contract with an installing engineer and will be examined and tested by such an engineer at not more than six (6) monthly intervals and at all times will be maintained in good condition and efficient working order. The System shall be tested each business day;
 - b. The System will be made operative whenever the premises are left unoccupied.
- 1.4 comply with all statutory obligations, by-laws and regulations imposed by any public authority, for the safety of persons or property; and
 - 1.5 obtain certificates of inspection for all equipment as may be required by any Statute or Regulation.

Section Six - Glass

1. Definitions

In this Section the terms and words appearing below have the following meanings:

<i>“Breakage”</i>	fracture extending through the entire thickness of the glass or basin.
<i>“External Glass”</i>	fixed glass in external windows, doors, showcases, skylights but excluding external glass walls such as “curtain walls”.
<i>“Internal Glass”</i>	glass in internal partitions, windows and doors, refrigerating cabinets, glass in counters, shelving, interior showcases, fixed mirrors and other fixed internal glass including ceramic vitreous china urinals and toilet pans and hand basins and Perspex, or similar type of product, used in lieu of glass in partitions and doors.
<i>“Accidental”</i>	causes other than weather conditions, fire or malicious damage.
<i>“Malicious”</i>	deliberate acts of persons carried out with malice.

2. Insuring Clause

If You have selected this cover and it is noted in the *Schedule*, We will cover You, less the Excess in respect of Breakage of Fixed External Glass and Internal Glass as indicated in the Schedule and at the Location belonging to You or for which You are legally responsible, occurring during the Period of Insurance.

Additional Benefits

In the event of accidental Breakage of insured glass, We will also pay up to \$3,000 in total under Clauses (1) to (5) below or the amount specified in the Schedule, whichever is the greater for all losses arising out of the one occurrence.

1. Temporary Protection and Shuttering

The cost of temporary shuttering, boarding up or other security protection necessary, pending replacement of the broken glass.

2. Signwriting

Damage to signwriting, ornamentation, reflective materials or burglary alarm tapes and connections.

3. Shopfronts

Damage caused by external violence to window / door frames and tiled shop fronts.

4. Damage to Property

Damage or spoilage due to Breakage of insured glass.

5. Damage to Electric Signs

Damage to electrically illuminated signs including those made of Perspex or plastic and We will pay even when other insured glass is not damaged.

Excesses payable by You where indicated are payable on each and every claim.

Exclusions

This insurance does NOT cover:

a. Breakages arising during or in consequence of:

- (i) Fire, explosion;
- (ii) Hailstorm, flood;
- (iii) Riot, civil commotion.

b. Intentional Damage

Damage or liability intentionally caused or incurred by:

- (i) You; or
- (ii) a member of Your family; or
- (iii) a person acting with Your express or implied consent or that of a member of Your family.

c. breakage of glass or sanitary ware or sinks during their installation or removal or work on them, their framework or other fittings.

d. damage to

- (i) tubing or light fittings
- (ii) signs (except as mentioned in Additional Benefit (5) above)
- (iii) existing cracked or imperfect glass
- (iv) glass caused by artificial heat
- (v) glass not fit for the purpose intended

Section Seven – Tax Audit

1. Definitions

In this Section the terms and words appearing below have the following meanings:

“Audit” means the investigation of Your Business, financial or tax affairs by:

- a. The Australian Tax Office (ATO) following lodgement of Your tax returns; or
- b. The responsible Commonwealth, State or Territory Department, Body or Agency following lodgement of Your returns and the making of an assessment (including a self-assessed liability) or

relevant document in regard to Your obligation to pay an amount under the Commonwealth, Sate or Territory legislation, in relation to:

1. Income tax;
2. Fringe benefits tax;
3. Capital gains tax;
4. Wholesale and sales tax;
5. Payroll tax;
6. Goods & services tax; or
7. Superannuation contributions tax.

For the purpose of this Section, the Audit commences at the time You first receive notice that the Auditor proposes to conduct an Audit, and is completed when:

- a. The Auditor has given written notice to You to that effect,
- b. The Auditor notifies You that it has made findings in connection to an Audit and notified You of those findings and/or the actions the Auditor propose to take in connection with those findings, or
- c. When the Auditor has issued an assessment or amended assessment as to Your liability to pay an amount under any relevant legislation.

“Auditor” is an officer authorised under Commonwealth, State or Territory legislation to conduct Audits of taxation or financial affairs.

“Professional Fees” means:

1. Fees paid to registered tax agents, financial advisers, company auditors, accountants and solicitors who are not Your employees, for the preparation of evidence to be submitted to the Auditor;
2. Fees charged to You for preparation of evidence by Your financial service providers;
3. Overtime paid by You to Your employees to prepare for or represent You in any Audit;
4. Travelling and accommodation expenses incurred by You or Your employees in order to attend an Audit.

2. Insuring Clause

If you have selected this cover and it is noted in the *Schedule*, We will cover You, less the Excess in respect of the Professional Fees reasonable and necessarily incurred within the Commonwealth of Australia in connection with an Audit which commences during the Period of Insurance.

We will not pay You more than the amount shown in the Schedule during any one Period of Insurance.

3. Excess

You will bear as an uninsured contribution, 10% of all Professional Fees incurred with a minimum contribution of \$500 In respect of each and every claim under this Section. All payments of Professional Fees made by Us in settlement of a claim under this Section will be exclusive of Your contribution directly to the supplier(s) of the service for which Professional Fees are payable.

4. Specific exclusions applicable to this Section

We will not pay:

1. For any legal liability, court costs, fines, penalties, tax, penalty tax or interest;
2. In relation to routine enquiries from an Auditor which are not identified as being either preliminary to or relating to an Audit being conducted by an Auditor:
 - a. For Professional Fees incurred: After the Audit has been completed,
 - b. Due to Your improper, unwarranted or unjustified refusal or failure to comply with any lawful request for the production of documents or the supply of information. Refusal or failure to comply will not be deemed to be improper, unwarranted or unjustified if You refuse or fail to comply upon the written advice of Your accountant or solicitor,
 - c. From Audits under customs legislation,
 - d. From Audits which You were notified of or knew or prior to the Period of Insurance.
 - e. From Audits of income received or earned, or where the source of income is outside the Commonwealth of Australia or where the service giving rise to the claim are performed by people or entities ordinarily resident outside the Commonwealth of Australia.
 - f. From any fraudulent act or omission committed by You or on Your behalf or by Your employee(s),

- g. Which are ordinarily associated with the maintenance and upkeep of Your Business accounts, returns, taxation and financial records and the preparation prior to lodgement of Your accounts, returns, taxation and financial records as required by any relevant legislation,
 - h. Incurred more than twelve (12) months after to commencement of the Audit, unless You can show that completion of the Audit has been delayed as a result of the conduct of the Auditor;
3. If the return in relation to which the Audit is proposed to be conducted was not reviewed by an accountant prior to dispatch;
 4. If You have not maintained all records that You are required to maintain or should or would maintain in the ordinary course of Your Business.
- 5. Specific conditions applicable to this Section**

If You do not meet the following conditions, We may reduce or refuse to pay a claim.

(1) Errors

If You or any person acting on Your behalf becomes aware of any error in any return of income or other documents supplied to a Commonwealth, State or Territory Commissioner of Taxation, You must notify the Commissioner of Taxation without delay.

(2) Tax Returns

You must submit all returns and documents within the time limits prescribed by all relevant statutes or regulations or within any extensions of time as lawfully granted by a Commissioner of Taxation.

(3) Income Disclosure

You must make full and complete disclosure of all income (including capital gains), turnover and expenses required by any tax legislation. If the final assessment of Your taxable income for the period being audited is more than 20% higher than the taxable income which You originally declare, We will not pay any part of Your claim.

(4) Claims

If You have a claim under this Section You agree to:

- a. Keep Us fully informed of all material matters in relation to Your claim;
- b. Send Us copies of all correspondence in relation to Your claim within five (5) working days or receiving them;
- c. Instruct Your accountants and solicitors to provide Us with all relevant documents and information in relation to Your claim; and
- d. Permit Us, when necessary, to instruct Your accountants and solicitors in matters relating to Your claim and for the cost of these instructions to form part of Your claim. This does not mean We will take over or represent You in the Audit or investigation.

We or Our duly appointed agent may conduct Our own investigation to any matter which is or may be the subject of a claim under this Policy.

Section Eight - Special Motor Vehicle Reimbursement of Excess

1. Definitions

Wherever the following words or terms are used in the policy they mean:

Excess / Deductible

Means the amount specified in the schedule that you shall first contribute towards each claim or series of claims arising out of the one occurrence

Insured / You / Your

Means you, your and the person(s) or entity named in the schedule

Member

Members of the named Lion's Club in the schedule.

Motor Vehicle

Means the registered vehicle.

No Claims Bonus

Means the discount applicable which your Comprehensive Motor Vehicle Insurer applies to your policy.

Period of Insurance

Means the period of insurance specified in the schedule

Schedule

Means the schedule document in which underwriters give you that attaches to and forms part of your policy.

Situation / Premises

Means the premises noted in the schedule which is owned by, leased by or occupied by you.

Sum Insured

Means the amount specified in the schedule being the maximum amount payable for any one claim.

Underwriters / Insurers

Means JUA Underwriting Agency Pty Ltd acting for and on behalf of Certain Underwriters at Lloyd's of London.

2. Insuring Clause

Underwriters shall indemnify the Insured up to the sum insured for any excess payable under a Comprehensive Motor Vehicle Policy following an accident whilst a Private Motor vehicle is being used on a Lions Club Activity and which is not otherwise recoverable from any other source, and/or the Lions Club Members' Loss of No Claim Bonus.

3. Limit Of Liability & Excess

Unless specifically stated on the schedule, the maximum limit of liability payable for any one claim under this policy is \$2,000. There is zero excess applicable to this policy.

4. Conditions

It is a condition of cover that at the time of the incident, the Motor Vehicle was covered under an active Comprehensive Motor Vehicle Insurance Policy.

Section Nine - Fidelity Guarantee Insurance

1. Definitions

Wherever the following words or terms are used in the policy they mean:

Excess / Deductible

Means the amount specified in the schedule that you shall first contribute towards each claim or series of claims arising out of the one occurrence

Insured / You / Your

Means you, your and the person(s) or entity named in the schedule

Member

Members of the named Lion's Club in the schedule.

Money / Cash

Means cash, notes, negotiable instruments, cheques, postal notes, post office money orders, negotiable securities, stamps, credit card sales vouchers, instant lottery tickets, bus or transport tickets, telephone credit cards or franking machine credits which belong to you or for which you are legally responsible or have assumed responsibility in insure.

Period of Insurance

Means the period of insurance specified in the schedule

Schedule

Means the schedule document in which underwriters give you that attaches to and forms part of your policy.

Securities

Means all negotiable and non-negotiable instruments or contracts representing either money or property but does not include money.

Situation / Premises

Means the premises noted in the schedule which is owned by, leased by or occupied by you.

Sum Insured

Means the amount specified in the schedule being the maximum amount payable for any one claim.

Underwriters / Insurers

Means JUA Underwriting Agency Pty Ltd acting for and on behalf of Certain Underwriters at Lloyd's of London.

2. Insuring Clause

Underwriters shall indemnify the Insured to an amount not exceeding the sum insured stated in the schedule in accordance with the basis of settlement for loss of property:

- (a) Belonging to the Insured;
- (b) For which the Insured is legally liable.

Provided such loss is the direct result of act(s) of fraud or dishonesty committed during the period of insurance by one or more of the Insured's members specified in the schedule, whether acting alone or in collusion with any other person(s), such act(s) being committed with the manifest intent:

- (c) To cause the Insured to sustain such loss; and
- (d) To obtain financial benefit for said member(s), or other person, entity or organisation intended by the member(s) to receive such benefit.

3. Insured To Protect Interest Insured

The Insured shall take all reasonable precautions for the care, safety and protection of the interest insured and comply with all statutory obligations, by-laws and regulations imposed by any public authority for the safety, use and storage of the interest insured.

4. Conduct Of Business

The Insured shall observe and continue to apply in every material manner all procedures and methods of conducting its business relevant to the preservation of the interest insured as have been represented to JUA Underwriting Agency Pty Ltd (JUA) by the Insured in the proposal and otherwise in writing, but the Insured may make changes to such procedures and methods as are approved beforehand in writing by (JUA).

5. Limit Of Liability – Non Accumulation Of Liability

Underwriters total liability shall not exceed the sum insured stated in the schedule for any one event. Events or series of events caused by acts or omissions of the same person or persons (whether identifiable or not) and events in which such person or persons is/are involved or implicated shall be treated as one event.

Regardless of the number of years this policy shall continue in force and the number of premiums that shall be paid or payable, the liability of underwriters shall not be cumulative in amounts from year to year or from period to period.

6. Excess

Excesses payable by you where indicated are payable on each and every claim. The excess amount will be noted in your policy schedule.

7. Retrospective Cover

If this policy is substituted for any prior policy carried by the Insured which prior policy is terminated, cancelled or allowed to expire at the time of such substitution, JUA agrees that this policy shall apply to any loss which is discovered by the Insured after the commencement of this policy and within the time limitations provided by this policy, which loss would have been recoverable by the Insured under the prior policy except for the fact that the time within which to discover any loss has expired, provided:

1. The cover provided hereunder shall form part of, and shall not be in addition to, the sum insured stated in the schedule; and
2. Such loss would have been covered under this policy and this policy with its terms, limitations and conditions at the time of such substitution been in force when the act(s) causing such loss were committed; and
3. Recovery under this policy as a result of such loss shall not exceed:
 - (a) The amount which would have been recoverable under this policy at the time of substitution, had this policy been in force when such act(s) were committed; or

(b) The amount which would have been recoverable under such prior policy had such prior policy continued in force until the discovery of such loss;
Whichever is the lesser.

8. Reimbursement Of Investigation Costs

Underwriters will reimburse the Insured to an amount not exceeding \$25,000 or ten percent (10%) of any claim paid under this policy, whichever is the lesser amount, for fees payable by the Insured to its external auditors, consultants, investigators, private enquiry agents and the like (such persons not being employees within meaning of this policy) and which are reasonably and necessarily incurred to support a valid claim that is subsequently collectable by the Insured under this policy provided that the total liability of Underwriters under this policy is not otherwise exhausted.

9. Reinstatement Of Indemnity

Indemnity to the full extent provided under the terms of this policy shall be reinstated immediately after the occurrence of any event in respect of which reimbursement to the Insured by Underwriters is made under this policy, subject however to, "Limit of Liability - Non Accumulative of Liability", and "Member History" to the contrary.

10. Special Wording For Co-Operatives

Where the Insured is a duly registered co-operative, this policy will extend to apply to every officer or other person who is a member of the co-operative having the receipt or charge of money of the co-operative.

11. Exclusions

Underwriters will not be liable for:

(a) Member History

Loss arising from any act or acts of fraud or dishonesty committed by a Lion's Member after the insured shall reasonably be expected to have knowledge or information of any act or acts of fraud or dishonesty by such Lion's Member or reasonable cause for suspicion of any such act or any want of integrity on the part of such Lion's Member whether committed whilst engaged with the Insured or earlier.

(b) Discovery

Loss or acts not discovered within twelve (12) months of the termination of this policy.

(c) Associated Persons

Loss or damage arising from any acts of fraud or dishonesty committed by any of the Insured's family where the Insured is a natural person.

(d) Consequential Loss

Indirect or consequential loss of any kind whatsoever incurred by the Insured as a result of a loss covered under this policy.

(e) Punitive and Exemplary Damages – Fines & Penalties

Fines and penalties incurred by the Insured or for compensation for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this policy.

(f) Legal Defence Expenses

Fees, costs or expenses incurred or paid by the Insured in respect of any legal proceedings whether or not such proceedings result or would result in a loss to the Insured covered by this policy.

(g) Arson and Vandalism

Acts of arson or vandalism by any of the Insured's members.

Section Ten - General Property Insurance

1. Definitions

Wherever the following words or terms are used in the policy they mean:

Accidental

Means unexpected and unintended from the insured's standpoint.

Breakdown

Means sudden and unforeseen physical damage resulting from electronic, electrical or mechanical failure of the insured equipment arising from internal causes, power surges or low voltage.

Depreciated

Means the diminish in the value of an insured item over a period of time.

Excess / Deductible

Means the amount specified in the schedule that you shall first contribute towards each claim or series of claims arising out of the one occurrence

Insured Item / Property

Means the items which are specified in the schedule including carrying cases and usual accessories and which are owned by you or for which you are legally responsible. All insured items must be listed on the policy schedule including but not limited to: Electronic Equipment, Computers, Laptops, Cameras, iPads, Tablets and Mobile or Smart Phones.

Insured / You / Your

Means you, your and the person(s) or entity named in the schedule

Market Value

Means the retail value of items of a similar type, age and condition with adjustment for its special features if any.

Member

Members of the named Lion's Club in the schedule.

New Replacement Cost

Means the cost of a new replacement items of equivalent make, model and current manufacture including freight, customs and installation charges.

Money / Cash

Means cash, notes, negotiable instruments, cheques, postal notes, post office money orders, negotiable securities, stamps, credit card sales vouchers, instant lottery tickets, bus or transport tickets, telephone credit cards or franking machine credits which belong to you or for which you are legally responsible or have assumed responsibility in insure.

Period of Insurance

Means the period of insurance specified in the schedule

Schedule

Means the schedule document in which underwriters give you that attaches to and forms part of your policy.

Securities

Means all negotiable and non-negotiable instruments or contracts representing either money or property but does not include money.

Situation / Premises

Means the premises noted in the schedule which is owned by, leased by or occupied by you.

Specified Items

Means each item of property that is specifically described on the policy schedule. Any item worth more than \$2,500 must be specified.

Sum Insured

Means the amount specified in the schedule being the maximum amount payable for any one claim.

Theft

Means the stealing of the insured property or part thereof in the premises by any person who violently breaks and enters the premises.

Underwriters / Insurers

Means JUA Underwriting Agency Pty Ltd acting for and on behalf of Certain Underwriters at Lloyd's of London.

Unspecified Items

Means each item of property which is not a specified item but which is part of a group or class of property described generally on the schedule. The group or class described may include hand tools and hand held power tools. Unspecified items do not include any item worth more than \$2,500.

2. Insuring Clause

Underwriters agree to cover the insured for accidental loss or damage to the insured property occurring anywhere in Australia during the period of insurance. This policy covers the portable or valuation items the

insured carries with them in the course of their club activities.

3. Exclusions

Underwriters exclude claims arising directly or indirectly caused by:

- (a) Theft by Lions Club Members;
- (b) Theft, other than theft resulting from forcible and violent entry evidenced by visible damage to the securely locked portion of any building or vehicle containing any insured item;
- (c) Theft from any open space or yard;
- (d) Mechanical, electronic or electrical breakdown;
- (e) Dishonesty by you or others, to whom any insured items may be delivered, entrusted, loaned or rented;
- (f) Vermin, wear and tear and gradual deterioration;
- (g) The process of dyeing, cleaning, repairing the insured items;
- (h) Pressure waves caused by aircraft;
- (i) Weather damage while the property is in a building; or
- (j) Flood.

It is further noted that underwriters will not cover loss or damage to:

- (k) Any sporting equipment whilst in use;
- (l) Any consequential loss or damage;
- (m) Loss occurring outside the Commonwealth of Australia.

4. Basis Of Indemnity

Unless otherwise stated in the schedule, the basis of settlement of loss or damage shall be replacement value.

5. Limit Of Liability

Underwriters total liability during any one period of insurance or for any claim arising out of one event, or series of events arising directly or indirectly from one source or original cause will not exceed, for each item specified in the schedule the sum insured shown in the schedule for that item.

Section Eleven - Contingency

1. Insuring Clause

The Policy covers the reimbursement of the scheduled prize payable by the Insured if a player in the declared Event achieves a Hole in One on either the Main Prize Hole or declared Ancillary Holes. Re-instatement – the Re-instatement of the prize payable in the event of a Hole in One being achieved is only covered if cover selected and the additional premium is paid. The Certificate will reflect this cover.

This is a Prize Indemnity policy, we are not covering any liability related problems i.e. injuries or property damage. We do offer those covers, but under a separate policy for Sporting Events.

2. Exclusions

The following exclusions apply in addition to the General Exclusions.

- (a) Claims where the player has not been listed as a Participant
- (b) in the Tournament/Event.
- (c) Claims originating on a non-target hole.
- (d) Any Hole in One where the target hole is less than 124 meters.
- (e) Any claims where the Hole in One has not been correctly adjudicated or failure of the Insured to follow the claims procedure.
- (f) Re-instatement not declared to Us and where the additional premium has not been paid

3. Conditions

- (a) The Insured must ensure that an Official Witness must be in place throughout the Event.

- (b) An Official Witness must be an independent, non-participant over the age of 21, appointed by the Insured and accepted and stated on the Certificate, who is positioned adjacent to the Main Prize Hole green throughout the Event.
- (c) In addition to an Official Witness and where Prize Values of \$10,000 or above are insured, the Main Prize Hole activity must be video-recorded and unedited. The recording must be made by an independent non-participant over the age of 21, appointed by the Insured and positioned adjacent to the Main Prize Hole green throughout the Event.
- (d) The Main Prize Hole will be specified in the Certificate and will measure from teeing ground to flag stick no less than the specified yard age, women may shoot from a distance of up to 14 meters less than that of men but not less than 124 meters from the Main Prize Hole.
- (e) In no event may a player shoot at the Main Prize Hole from less than 124 meters.
- (f) Absolutely no practice shots or mulligans are permitted on the Main Prize Hole.
- (g) Only one shot per contestant per hole is permitted. The Royal and Ancient define a shot as a "stroke".
- (h) Only an authorised number of shots are specifically permitted during the stipulated round of the named Event on the exact date stated in the Certificate.
- (i) A Hole in One must occur by an official registered competitor in the specified Event named on the Policy Certificate.

General Exclusions Applicable to All Sections

This policy will not cover claims for loss or damage in connection with:

a. War And Civil War Clause

Loss of or damage to property insured directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, martial law, confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or local authority.

b. Radioactivity

- 1) Loss or destruction of or damage to any property whatsoever or any loss or expenses whatsoever resulting or arising therefrom or any consequential loss
- 2) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from

- (i) ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- (ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

c. War And Terrorism

Notwithstanding any provision to the contrary within this Insurance or any endorsement thereto it is agreed that this Insurance excludes liability for loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to

(1)and/or (2) above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

d. Australia Terrorism and Cyclone Insurance Act 2003 Notice

The Underwriters have treated this Insurance (or part of it) as an Insurance to which the Australia Terrorism and Cyclone Insurance Act 2003 (ATACIA) applies.

ATACIA and the supporting regulations made under the Act deem cover into certain policies and provide that the Terrorism exclusion to which this Insurance is subject shall not apply to any "eligible terrorism loss" as defined in ATACIA.

Any coverage established by ATACIA is only in respect of any "eligible terrorism loss" resulting from a "terrorist act" which is a "declared terrorist incident" as defined in ATACIA. The Terrorism exclusion to which this Insurance is subject applies in full force and effect to any other loss and any act or event that is not a "declared terrorist incident".

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged.

If any or all of the Underwriters have reinsured this Insurance with the Australian Reinsurance Pool Corporation, then any such Underwriters will not be liable for any amounts for which they are not responsible under the terms of ATACIA due to the application of a "reduction percentage" as defined in ATACIA which results in a cap on the Underwriter's liability for payment for "eligible terrorism losses".

e. Communicable Disease

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

f. Sanction Limitation and Exclusion Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, Australia or United States of America.

g. Asbestos Clause

This Policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the policy period by one of these Listed Perils:

Fire; Explosion; Lightning; Windstorm; Hail, Direct impact of vehicle, aircraft or vessel; Riot or civil commotion; Vandalism or malicious mischief; or Accidental discharge of fire protective equipment.

This coverage is subject to all limitations in the Policy to which this wording forms part and, in addition, to each of the following specific limitations:

- The said building or structure must be insured under this Policy for damage by the Listed Peril.
- The Listed Peril must be the immediate, sole cause of the damage to the asbestos.
- You must report to Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos.
- Insurance under this Policy in respect of asbestos shall not include any sum relating to:
 1. any faults in the design, manufacture or installation of the asbestos.
 2. asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.
- Policy excess
 - a. for Business Package Policies, 10% of Sum Insured listed under Fire Section, subject to a minimum excess applying of \$100,000
 - b. for Industrial Special Risks Policies, 10% of Section 1 Declared Values at the site damaged, subject to a minimum excess applying of \$100,000
- Basis of settlement is limited to the Indemnity Value to repair damaged portion. Any additional costs for improvement required to meet any State or Federal Government or any Council Legislation are not covered by this policy and would be at the Insured's own cost. This also extends to exclude improvements under any benefits of the policy (including but not limited to Extra Cost of Reinstatement or Additional Extra Cost of Reinstatement or Government Fines & Penalties)
- Any damage to any property (including Contents, Stock, Raw Materials, Machinery & Plant) due to Asbestos debris or particles is limited to 10% of the Sum Insured listed under the Fire Section, subject to a maximum sum insured of \$500,000 applying.
- Where there is any benefit paid under this Policy relating to Asbestos Damage, the Business Interruption section will not be applicable.
- The Insured needs to ensure there is an Asbestos Register & Management Plan prepared and kept at the Premises.

Coverage provided for properties with Asbestos have additional terms and conditions imposed. In instances where JUA have not been previously advised of Asbestos construction, our Underwriters will consider there is no cover provided for any damage caused by or from any Asbestos construction.

h. Vacancy

Loss or damage during any period in excess of sixty (60) days during which the Business Premises are left unoccupied, unless with our written consent. To have been occupied, the Business Premises must have been used for business purposes for at least two consecutive days.

i. Computer System Records

Loss of or damage to Computer Systems Records, nor any claim whatsoever arising from such loss or damage.

j. Cessation of work

Loss or damage resulting from total or partial **cessation** or interruption or retarding of work or of any commercial or industrial process or operation.

k. Loss (whether temporary or permanent)

of the insured property or any part thereof by reason of **legal or illegal occupation** of such property or of any premises.

i. Loss of earnings

Loss of earnings, loss by delay, loss of market or consequential or indirect loss or damage of any kind whatsoever.

m. Intentional Damage

Loss or damage intentionally or recklessly (without care for the consequences for actions) caused by:

- 1) You; or
- 2) A member of Your family or if You are a Company Your directors or shareholders; or
- 3) A person acting with Your express or implied consent or that of a member of any of the above parties.

n. Wear, tear and deterioration

Loss caused by wear and tear, fading, rust, oxidation, mildew, mould, wet or dry rot, atmospheric dampness or temperature, inherent vice, latent defect, loss of weight, evaporation, change in colour or texture, or deterioration by reason of age.

o. Property Cyber And Data Exclusion

1. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:

- 1.1. Cyber Loss;
- 1.2. loss, damage, liability, claim, cost, expense of whatsoever 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;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
3. This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

Definitions

4. Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
5. 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.
6. Cyber Incident means:
 - 6.1. any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
 - 6.2. 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.
7. Computer System means:
 - 7.1. 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.

8. 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.

p. Radioactive Contamination Exclusion Clause Physical Damage-Direct

This policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused "NEVERTHELESS if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of this policy) be covered

EXCLUDING however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

NOTE - If Fire is not an insured peril under this policy the words from "NEVERTHELESS" to the end of the clause do not apply and should be disregarded.

q. **Biological or Chemical Materials Exclusion**

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

r. **Microorganism Exclusion (Absolute)**

This Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to: mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in the Policy that provides insurance, in whole or in part, for these matters.

s. **Fraudulent Claims Clause (Australia)**

If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the Assured or anyone acting on the Assured's behalf to obtain any benefit under this Policy, or if any loss hereunder be occasioned by the wilful act or with the connivance of the Assured, the Underwriters, without prejudice to any other right(s) they might have under this Policy, shall be entitled to refuse to pay such claim

t. **Territorial Exclusion: Russia, Ukraine, and Belarus**

Notwithstanding anything to the contrary in this Policy, this Policy excludes any loss, damage, liability, cost or expense of whatsoever nature, directly or indirectly arising from or in respect of any:

- i. entity domiciled, resident, located, incorporated, registered or established in an **Excluded Territory**;
- ii. property or asset located in an **Excluded Territory**;
- iii. individual that is physically in an **Excluded Territory**;
- iv. claim, action, suit or enforcement proceeding brought or maintained in an **Excluded Territory**;
- v. payment in an **Excluded Territory**.

This exclusion will not apply to any coverage or benefit required to be provided by the insurer by law or regulation applicable to that insurer, however, the terms of any sanctions clause will prevail.

For purposes of this exclusion, "**Excluded Territory**" means:

- Belarus (Republic of Belarus); and
- Russian Federation; and
- Ukraine (including any disputed regions of Ukraine and including the Crimean Peninsula)

All other terms, conditions and exclusions remain unchanged.

General Conditions Applicable to All Sections

1. Your obligations

You are to:

- 1.1 take all reasonable precautions to avoid or minimise loss or damage;
- 1.2 maintain all Business premises, fittings, appliances and equipment in a sound condition;
- 1.3 comply with all statutory obligations, by-laws and regulations imposed by any public authority, for the safety of persons or property; and
- 1.4 obtain certificates of inspection for all equipment as may be required by any Statute or Regulation.

2. Contribution

In any contribution between insurers in the event of double insurance, We will pay our ratable proportion of the loss.

3. Change in the Risk

If any of the following changes in the risk occur:

- 3.1. in the trade or manufacture carried on, or whereby the nature of the occupation or other circumstances affecting the building insured or containing the property insured is changed in such a way as to increase the risk of loss or damage;
- 3.2. whereby Your interest ceases by will or operation of law;
- 3.3. whereby the Business is wound up or carried on by an insolvency practitioner or permanently discontinued;

You must give us written notice of any such change as soon as practicable by Registered Post or facsimile message or email (with confirmation of receipt).

4. Cancellation

4.1 You may cancel the contract of insurance at any time by giving Us written notice in which case We will retain the pro-rata rate for the time that the Policy has been in force.

4.2 We may cancel this Policy by giving You written notice to that effect where You have:

- a. failed to comply with the duty of utmost good faith;
- b. failed to comply with the duty of disclosure at the time when the contract of insurance was entered into, varied or renewed;
- c. made a misrepresentation to Us during the negotiations for the contract of insurance before We entered into, varied or renewed the contract;
- d. failed to comply with a condition or provision of the Policy;
- e. failed to pay the premium or failed to pay any installment(s) for longer than one month;
- f. made a fraudulent claim under this Policy or any other policy of insurance (whether with Us or some other Insurer) that provided insurance cover during any part of the period during which this Policy of insurance provides insurance cover;
- g. given Us notice of a change in the risk in accordance with the preceding clause 3;
- h. failed to notify Us of any specific act or omission where such notification is required under the terms of this Policy.

We may cancel the contract of insurance in accordance with any right at law but subject to the provisions of the Insurance Contracts Act 1984 or any amendments.

4.3 When We cancel the Policy, it will have effect from whichever is the earlier of the following times:

- a. the time when another policy of insurance replacing this Policy is entered into; or
- b. 4 p.m. of the third business day after the day on which the notice was given to You.

5. Other Insurance

You must notify Us in writing of any insurance or insurances already effected or which may be subsequently effected covering, whether in whole or in part, the property hereby insured.

6. Changes to the Policy Document

No change in this Policy will be valid unless agreed in writing by Us nor shall the requirements of any Section be deemed to be waived unless We agree in writing.

7. Transfer of Interest

No interest in this Policy can be transferred without Our written consent.

8. Reinstatement of Sum(s) Insured

1.1 After We have admitted that the loss or damage is covered by this insurance, there is no automatic reinstatement of the **Sum(s) Insured** under this Policy.

1.2 If you require reinstatement of the Sum(s) Insured, a written request must be made to Us and in the event that We agree to reinstate the Sum(s) Insured, We will issue a quote for any additional premium and upon the agreed date, the Sum(s) Insured shall be reinstated to its pre-claim limit subject to payment of any additional premium.

9. General Insurance Code of Practice

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice ("the Code"), which is a voluntary self-regulatory code. The Code aims to raise the standards of practice and service in the insurance industry.

Lloyd's has adopted the Code on terms agreed with the Insurance Council of Australia. For further information on the Code please visit www.codeofpractice.com.au.

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code. For more information on the Code Governance Committee (CGC) go to www.insurancecode.org.au

Complaints and disputes

If you have any concerns or wish to make a complaint in relation to this policy, our services or your insurance claim, please let us know and we will attempt to resolve your concerns in accordance with our Internal Dispute Resolution procedure. Please contact JUA Underwriting Agency Pty Ltd in the first instance:

Complaints Officer
Complaints@jua.com.au

We will acknowledge receipt of your complaint and do our utmost to resolve the complaint to your satisfaction within 10 business days.

If we cannot resolve your complaint to your satisfaction, we will escalate your matter to Lloyd's Australia who will determine whether it will be reviewed by their office or the Lloyd's UK Complaints team. Lloyd's contact details are:

Lloyd's Australia Limited
Email: ldraustralia@lloyds.com
Telephone: (02) 8298 0783
Post: Suite 1603 Level 16, 1 Macquarie Place, Sydney NSW 2000

A final decision will be provided to you within 30 calendar days of the date on which you first made the complaint unless certain exceptions apply.

You may refer your complaint to the Australian Financial Complaints Authority (AFCA), if your complaint is not resolved to your satisfaction within 30 calendar days of the date on which you first made the complaint or at any time. AFCA can be contacted as follows:

Telephone: 1800 931 678
Email: info@afca.org.au
Post: GPO Box 3 Melbourne VIC 3001
Website: www.afca.org.au

Your complaint must be referred to AFCA within 2 years of the final decision, unless AFCA considers special circumstances apply. If your complaint is not eligible for consideration by AFCA, you may be referred to the Financial Ombudsman Service (UK) or you can seek independent legal advice. You can also access any other external dispute resolution or other options that may be available to you.

The Underwriters accepting this Insurance agree that:

- (i) if a dispute arises under this Insurance, this Insurance will be subject to Australian law and practice and the Underwriters will submit to the jurisdiction of any competent Court in the Commonwealth of Australia;
- (ii) any summons notice or process to be served upon the Underwriters may be served upon:

*Lloyd's Underwriters' General Representative in Australia
Suite 1603
Level 16
1 Macquarie Place
Sydney NSW 2000*

- (iii) who has authority to accept service on the Underwriters' behalf;
- (iii) if a suit is instituted against any of the Underwriters, all Underwriters participating in this Insurance will abide by the final decision of such Court or any competent Appellate Court.

In the event of a claim arising under this Insurance notice should be given as soon as possible to:

John Melville
JUA Underwriting Agency Pty Ltd
Claims@jua.com.au

10. Australian Non-Litigation Dispute Resolution Endorsement

Any enquiry or complaint relating to this insurance should be referred to the Coverholder in the first instance. If this does not resolve the matter or you are not satisfied with the way a complaint has been dealt with, you should write to:

Lloyd's Underwriters' General Representative in Australia

1603, Level 16
1 Macquarie Place
Sydney NSW 2000
Telephone Number: (02) 8298 0783
Facsimile Number: (02) 8298 0788
Email: ldraustralia@lloyds.com

If your dispute remains unresolved you may be referred to the Australian Financial Complaints Authority (AFCA). AFCA can be contacted by phone 1800 931 678 or email info@afca.org.au or www.afca.org.au. For other disputes you will be referred to other proceedings for resolution. Details are available from Lloyd's Underwriters' General Representative in Australia at the address above.

11. Overseas Jurisdiction Clause

It is hereby agreed that :-

1. this insurance shall be governed by the law of the Commonwealth of Australia whose Courts shall have jurisdiction in any dispute arising hereunder; and
2. any summons, notice or process to be served upon the Underwriters for the purpose of instituting any legal proceedings against them in connection with this insurance may be served upon

*Lloyd's Underwriters' General Representative in Australia
Suite 1603
Level 16
1 Macquarie Place
Sydney NSW 2000*

who have authority to accept service on their behalf.

Claims Conditions

JUA Underwriting Agency Pty Limited is an underwriting agency authorised under written agreement to deal with and settle claims under this Policy as an agent for the Underwriter(s) rather than You.

What You must do if you want to make a claim.

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

1. When loss or damage occurs You must:

- a. Inform the Police as soon as practicable if property is Lost (Burglary or Theft) or Maliciously Damaged or it is considered that a crime may have been committed to cause the insured loss.
- b. Take all reasonable steps to reduce the loss or damage and to prevent further damage, including temporary repairs;
- c. promptly inform us by telephone, in person or by facsimile;
- d. preserve any damaged property and make it available for inspection by Our Representative or Agent (including a loss adjuster);
- e. not authorise the repair or replacement of anything without Our agreement, other than temporary repairs.

2. If you want to make a claim You must:

- a. fill in Our claim form
- b. return it to us as soon as possible after the event that gave rise to the claim;
- c. give us all the information and documentation which We request. If We ask for it, You must provide us with a Statutory Declaration verifying the truth of Your Claim and any matters connected with it;
- d. provide Us and Our assessor / adjuster / investigator / solicitor with any assistance We or they require in relation to the claim.

3. Inspection of Loss

You must give Us access to Your property and the Location or make them available to Us for inspection if You make a claim.

4. Control of Claims and Recoveries

- 1.1 We control all claims
- 1.2 We may recover from others any amount We have paid for a claim and You must allow Us to take legal action in Your name against another person to recover any payment We have made on a claim. We may keep any amount We recover in priority to Your right to recover any amount that You have lost which is not insured under this Policy, whether or not We have paid Your claim in whole or part.

5. Several Liability

The liability of the Underwriters is several and not joint and is limited solely to the extent of their individual proportions as shown in the attached table of security in the Contract wording. The Underwriters are not responsible for the subscription of any co-subscribing underwriter or any other insurer or co-insurer who for any reason does not satisfy all or part of its obligations.

6. Limits and Excesses

- 6.1 The Sum Insured wherever referred to in this Policy is a limit both as to each claim and an aggregate limit of all claims in an Insured Period.
- 6.2 You must pay the amount of any Excess shown in the Schedule for each claim You make. Payment of Your Excess may be requested when You lodge Your claim form or the Excess may be deducted from Our payment to You. In all cases the Excess applies as the first part of any loss, the remainder of the admitted loss is born by Us.

7. Salvage

Upon payment by Us of any claim the property damaged, if unrepairable, which was the subject of the claim becomes Our property and You must allow us to take possession of it and We may deal with it and sell it as We see fit.

If We are prevented from taking possession of the movable damaged property or fail to do so (unless that failure is unreasonable in all the circumstances), You cannot abandon the property thereby prejudicing Our rights.

8. False Claims

If You, or someone acting on Your behalf, makes a false claim or causes loss or damage deliberately, We may:

- a. refuse to pay the claim;
- b. cancel this Policy; or

c. take legal action against You.

9. Insurance Contracts Act

The contract of insurance (of which this Policy forms part) is governed by the terms of the Insurance Contracts Act 1984 or any amendments.

If by reason of Your act in failing to comply with any term, condition or provision of this Policy, We may refuse to pay a claim or reduce our liability for a claim.

If after Your act You may be in the position of having to prove that a loss (or part of it) was not caused by the act (Section 54 (3) of the Insurance Contracts Act).