



ASRTM
underwriting
AGENCIES



Policy Wording Property Insurance

ASR Underwriting Agencies ABN 84 113 542 233 AFSL 291522

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Important Information

Insurer

The Policy is underwritten by Certain Underwriters at Lloyds of London

Information about your Policy

This is the Policy wording. It tells you:

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

Details of the insurance which are particular to you are shown on the Certificate which we send to you with the Policy wording. The date when your insurance cover ends is particularly important.

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

How Goods and Services Tax affects any payments we make. The amount of premium payable by you for this policy includes an amount on account of the GST on the premium. When we pay a claim, your GST status will determine the amount we pay.

When you are:

(a) not registered for GST, the amount we pay is the sum insured/limit of indemnity or the other limits of insurance cover including GST.

(b) registered for GST, we will pay the sum insured/limit of indemnity or the other limits of insurance and where you are liable to pay an amount for GST in respect of an acquisition relevant to your claim (such as services to repair a damaged item insured under the Policy) we will pay for the GST amount.

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

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

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

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

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

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

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

Your Duty of Disclosure

The law requires you to tell us everything you know (or could reasonably be expected to know in the circumstances) which is relevant to our decision to insure you and the terms on which we insure you.

This duty applies before you enter into a contract with us, that is, before we accept your application and also before each time you alter or renew the policy.

Each person named as the Insured has the same duty.

Penalty for Non-disclosure

If you do not tell us everything that is relevant, we may:

- . reduce or refuse to pay a claim,
- . cancel your Policy, or
- . invalidate the policy from its beginning and not be bound by it if you have acted fraudulently.

You don't need to tell us anything which

- . reduces the risk,
- . is common knowledge,
- . we already know, or ought to know in the ordinary course of our business, or
- . we indicate we do not want to know.

If you are not sure that something is relevant, it is best to disclose it anyway.

Also, be sure to notify us of any changes which affect your Policy.

Important Information

Evidence of value

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

Full Insurance Protect your Assets

If you have elected to insure your building and contents (excluding stock) for reinstatement and replacement costs, the sum insured should represent the full replacement value at new costs and if this is not done, losses may not be paid in full.

It is your responsibility to ensure adequacy of sums insured and you should re-assess these sums insured during the currency of the policy and prior to renewal each year.

Cooling-off information

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

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

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

Preventing our 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 this Policy we will not cover you under this Policy for that loss, damage or liability.

Third Party Interests

You must inform us of the interests of all third parties (eg. financiers, lessors) to be covered by this insurance. We will protect their interests only if you have informed us of them and we have noted them on the Certificate.

Our Agreement

We agree to provide you with the insurance cover set out in each of the Policy sections which you select and which are listed in the Schedule.

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

The insurance cover is in force for the period of insurance set out in the Schedule. We will cover you for loss, damage and liability occurring during that period of insurance, subject to the provisions of the policy.

We will not pay any more than the sum insured or limit of liability for each section which is shown in the Schedule.

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

General definitions applying to all sections of this Policy

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

Word or Term Meaning

Australia the Commonwealth of Australia, its dependencies and Territories.

Business the trade or occupation described in the Schedule carried on at and from the location (and no other for the purpose of this insurance).

Business hours your office and working hours (including overtime) during which you or your employees are on the location for the purpose of your business.

Excess the amount specified in the Schedule, payable by you on each and every claim arising out of one event or occurrence under that Policy section.

Should more than one excess be payable under this Policy for any claim or series of claims arising from the one event, such excesses shall not be aggregated and the highest single level of excess only shall apply.

Location/s the place(s) listed in the Schedule. Market value the retail value of items of a similar type, age and condition, with adjustment for its special features, if any. Used price guides and any other information may be used to assist in determining market value.

Money 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.

Period of insurance the duration of this Policy for the period specified in the Schedule, or any renewal period for which the appropriate premiums are paid in each case.

Policy this Policy together with any Schedule and endorsement.

Important Information

Policy Schedule the current Schedule of Insurance which has been numbered and issued by or on behalf of us.

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

We, us, our Certain Underwriters at Lloyds of London

You, your the insured named in the Schedule.

General Insurance Code of Practice

We subscribe to the General Insurance Code of Practice.

The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

The Code aims to:

- Constantly improve claims handling in an efficient, honest and fair manner;
- Build and maintain community faith and trust in the financial integrity of the insurance industry; and
- Provide helpful community information and education about general insurance.

Complaints and Dispute Resolution Process

If you have a complaint about an insurance product issued by us or a service you have received from us, including the settlement of a claim, please contact your intermediary to initiate the complaint with us. If you are unable to contact your intermediary, call us on (07) 3442 3333.

We will ask you to complete a Complaint Report Form and your complaint will be reviewed by our Internal Review Panel free of charge.

We will keep you informed of the progress of our review at least every 10 working days and give you our response in writing within 15 working days provided we have all necessary information and have completed any investigation required.

In the unlikely event that this does not resolve the matter or you are not satisfied with the way your complaint has been dealt with, you should contact the Compliance Manager at:

Lloyd's Australia Limited

Level 21

123 Pitt Street
Sydney NSW 2000
Telephone: (02) 9223 1433

You will be advised whether your dispute will be handled by either Lloyd's Australia or the Complaints Department at Lloyd's in London.

- Where you are a retail client and your dispute is eligible for referral to the Financial Ombudsman Service (FOS), your dispute will be reviewed by a person at Lloyd's Australia with appropriate authority to deal with your dispute.

FOS will review our decision in accordance with their terms of reference. You are not bound by their decision. However, we are bound to act immediately on FOS's decision. This is a free service provided by an independent body. Brochures outlining the operations of FOS are available from us or the Insurance Council of Australia in your State or Territory. You can phone the FOS from anywhere in Australia on 1300 780 808 or write to them at:

Financial Ombudsman Services Limited
Level 12
717 Bourke St
Docklands
Melbourne Vic 3008
Email: info@fos.org.au

- Where you are a retail client and your dispute is not eligible for referral to the FOS, or where you are a wholesale client, Lloyd's Australia will refer your dispute to the Complaints Department at Lloyd's, who will then liaise directly with you.

In this case, you may be eligible for referral to the Financial Ombudsman Service (UK). Such referral must occur within 6 months of the final decision by the Complaints Department at Lloyd's. Further details will be provided by the Complaints Department with their final decision to you.

Your dispute will be acknowledged in writing within 5 business days of receipt, and you will be kept informed of the progress of our review of your dispute at least every 10 business days. The length of time required to resolve a particular dispute will depend on the individual issues raised, however in most cases you will receive a full written response to your dispute within 15 business days of receipt, provided we have received all necessary information and have completed any investigation required.

This service is free of charge to policyholders

Important Information

Emergency Mitigation Costs

In the case of an emergency, where you are required to prevent further loss or damage to your property as a direct result of that emergency, and the property is covered by your policy, we give you the authority to arrange reasonable emergency repairs on our behalf subject to a maximum limit of AUD\$5,000.

Fire and other insured events

1. Definitions which apply to this section

1.1 Buildings. All buildings, including alterations and additions commenced during the period of insurance if the value of such alterations and additions does not exceed 10% of the sum insured on buildings or \$250,000 whichever is the lesser

Buildings also include:

- (a) Lessors fixtures and fittings
- (b) All services to the buildings
- (c) All other structural improvements at the location including fencing, gates, paths and roadways.

1.2 Contents. All stock in trade and merchandise, including trading stock in the course of production, business furniture, machinery, plant and equipment, and includes antiques, curiosities and works of art limited to \$1,000 any one article; belonging to you or for destruction or damage for which you are responsible or for which you have assumed responsibility to insure prior to the occurrence of any destruction or damage.

Contents also includes:

- (a) customers goods for which you are responsible or for which you have assumed responsibility to insure prior to any destruction or damage.
- (b) the cost of repair or replacement of necessary patterns, models, moulds, dies and lasts but limited unless repaired or replaced to the value standing in your financial records
- (c) improvements, alterations, decorations, fittings and additions to leased buildings which have been made by you and for which you are not entitled to be reimbursed by the lessor in the event of destruction or damage. Contents does not include money, security documents, stamps or explosives.

1.3 Manager's Contents

- 1. All household goods and personal effects at the site which belong to you, your family or for whose loss or damage you or your family are responsible (this includes any manager living on the premises).
- 2. Articles of special value which you have listed on the Certificate of Insurance under *special items of contents*.
- 3. If you live in a strata title building, the internal paintwork, wallpaper and any fixture or structural improvement within or attached to that residence which the Body Corporate is not required by law to insure.
- 4. If you are a tenant, landlord's fixtures and fittings for which you are legally liable and fixtures and fittings installed by you for your own use. The most we will pay for landlord's furnishings is 10% of the sum insured.
- 5. Golf buggies, garden equipment or motorised wheelchairs none of which require registration.
- 6. Hand propelled watercraft such as surfboard or canoe.
- 7. Furniture and equipment of an office or surgery at the site.

What Manager's Contents does not mean

- 1. Fish, birds or animals of any description.
- 2. Trees, shrubs and any other plant life other than potted plants.
- 3. Any caravan, trailer, aircraft or aerial device.
- 4. Motorised vehicles other than golf buggies, garden equipment or motorised wheelchairs none of which require registration.
- 5. Watercraft other than hand propelled watercraft such as surfboard or canoe.
- 6. Accessories or spare parts of motor vehicles, caravans, trailers or watercraft while they are in or attached to the motor vehicle, caravan, trailer or watercraft.
- 7. Cash takings relating to your trade, business, or profession for loss or damage if at the time of the theft:
 - The premises is unoccupied and has been unoccupied for a continuous period of more than 60 days, unless with our written consent.
 - The premises is insufficiently furnished to live in at the time of theft or attempted theft and has been for more than 14 days unless with our written consent.
 - You leased out part of the premises and the loss or damage was not caused by forced entry.

Excess: means the first amount of any claim to which you contribute.

Special Conditions and Limitations.

1. Pairs, sets and collections

A pair, set or collection means 2 or more articles the collective value of which exceeds the sum of their individual values. If any item lost or damaged is part of a pair, set or collection, we pay no more than the actual value of the item. We do not give any allowance for any special value it may have as forming part of the pair, set or collection, or for any reduction in value of the remaining part or parts.

2. Floor coverings, blinds and curtains

For carpets and other floor coverings, curtains and internal blinds we pay only for items in the room, hall or passage where the damage occurred. We do not pay to replace undamaged materials but will pay up to \$750 for the cost of matching or complementing the new materials to undamaged property.

Additional limitations under this definition

The maximum we pay on the following contents items No. 1 to No. 8 is set out below.

1. **Works of art, pictures,**
Works of art, pictures, tapestries, rugs, and antiques, musical instruments (other than pianos or organs). **\$1,000 per item, pair, set or collection limited to 15% of the Sum Insured for any one claim.**
2. **Items of jewellery, gold or silver articles**
Items of jewellery, gold or silver articles, watches, collections of any kind. **\$1,000 per item, pair, set or collection limited to 15% of the Sum Insured for any one claim.**
3. **Computers**
Computers (including portable computers) associated hardware and software which are only used for personal use. **\$5,000 in total.**
4. **Accessories or spare Parts**
Accessories or spare parts of motor vehicles, caravans, trailers and watercraft but not in or attached to the motor vehicle, caravan, trailer or watercraft. **\$1,000 in total.**
5. **Cash, treasury notes,**
Cash, treasury notes, savings certificates, stamps, money orders, and other negotiable instruments. **\$750 in total.**
6. **Office equipment**
Office equipment used by you or your family in your own business while at the Location stated in the Schedule. **\$5,000 in total.**
7. **Tools, instruments and equipment**
Tools, instruments and equipment whilst contained in the building and used in your business. **\$2,500 in total.**
8. **Business Stock**
Business Stock held on a temporary basis, whilst contained in the building and used in your own business but not stock consisting of flammable liquids or hazardous materials of any description. **\$1,000 in total.**

1.4 Flood. The inundation of normally dry land by water escaping from or released from the normal confines of any natural water course or lake (whether or not altered or modified) or any dam, reservoir or canal.

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

used in the business, in a building at the location, and are owned by you or are in your custody in the ordinary course of the business.

1.6 Sea. Oceans, bays, ports or tidal waters.

1.7 Water. Includes snow, sleet or hail.

2. Cover

We will indemnify you up to the limit specified in the Schedule

2.1 in respect of physical loss of or damage to:

- (a) Buildings
- (b) Contents
- (c) Where you are the tenant of the location, for the purposes of the property section only, contents shall include
 - (i) any fittings and improvements owned by you
and
 - (ii) the buildings (for which you are responsible under the terms of any lease), caused by theft or attempted theft.
- (d) Other interests as defined in the Schedule, directly caused by the following insured events.

3. Insured events

3.1 Fire

3.2 Lightning

3.3 Wind and water Wind and water including water and any other liquid discharged from mains, pipes, gutters, drains, tanks or fixed apparatus used to hold or carry liquids, but not loss or damage:

- (a) by sea, tidal wave, high water, unless caused by or arising from a direct consequence of an earthquake or any other seismological disturbance.
- (b) flood, erosion, subsidence, landslide, mudslide or settling.
- (c) by steam or condensation

- (d) by water seeping from outside the premises
- (e) to gates, fences, retaining walls, textile awnings, blinds or signs, or
- (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.

The reasonable costs incurred in locating the source of insured loss or damage, where such loss or damage is caused by bursting or leaking of any mains, pipes, gutters, drains, tanks or fixed apparatus used to hold or carry water or other liquids, is included up to the sum of \$5,000 in any one period of insurance.

3.4 Sprinkler leakage

- (a) Water discharged or leaking from any automatic sprinkler or drencher installation or tank connected therewith.
- (b) The indemnity granted shall include expenses incurred for attendance of the Fire Brigade for the purpose of shutting off the water supply following accidental discharge of water from the automatic sprinkler or drencher system or the cost of removal of such water or cleaning operations incidental thereto. However, this clause 3.4 shall not include the cost of cleaning up any pollutant material which has gone beyond the boundaries of the location or has entered the public drainage system or any creeks or waterways.

3.5 Impact

Impact by:

- (a) vehicles designed for use on land
- (b) animals, excluding animals kept on the premises
- (c) a falling tree or part of a tree but not if the loss or damage is caused by you or a person acting with your express or implied consent felling or lopping trees.

3.6 Explosion

All explosions including those of boilers used for domestic purposes only, but excluding:

- (a) damage to boilers and/or economizers and/or pressure vessels and their contents resulting from the explosion thereof, and
- (b) damage to property which is insured by any other policy covering boiler explosion or sprinkler leakage, except for any amount beyond that payable for damage to the property under such other policy.

3.7 Earthquake

Earthquake, subterranean fire or volcanic eruption, or Fire occasioned by or in consequence of earthquake, subterranean fire or volcanic eruption, provided that in respect of damage occurring during any one period of forty eight (48) consecutive hours to buildings (which shall mean all buildings whether or not separated by roadways) and contents which are in the same ownership, at one location and which form one establishment, 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 location.

The amount calculated under Clauses 3.7(a) or 3.7(b) shall first be deducted from the amount of each claim, as finally determined, for loss arising out of any one event.

3.8 Aircraft

Aircraft and other aerial devices and/or articles dropped therefrom, sonic boom and space debris.

3.9 Riots and strikes

The acts of:

- (a) persons taking part in riots or civil commotion or strike or lock-outs or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation, but excluding damage caused directly or indirectly by total or partial cessation of work or the retarding or interruption or cessation of any process or operation, or
- (b) any lawfully constituted authority in connection with the acts referred to in Clause 3.9(a). Property

3.10 Vandalism

The acts of vandals or persons of malicious intent (including persons carrying out a theft or attempted theft) but excluding:

- (a) loss or damage caused by tenants, or
- (b) persons specified in insured event 3.9, or
- (c) theft of property,

provided that:

- (i) you shall bear the first \$1000 (or the amount specified in the Schedule, whichever is the greater) of each and every claim arising out of one event, and
- (ii) the police are immediately informed of any damage.

We will not cover loss or damage by any insured event insurable under the glass section of this Policy.

3.11 Accidental damage

We will cover accidental loss or damage to your property at the premises other than the events or items listed in 'What you are not covered for under Accidental Damage cover'.

The maximum amount we will pay for Accidental damage cover for any occurrence is \$10,000 unless a higher amount is specified in the current Policy Schedule as the Accidental damage sum insured.

What you are not covered for under Accidental Damage cover

We will not pay for claims under 'Accidental Damage' cover for:

1. loss or damage caused by any defined events cover in this section
2. loss or damage caused by events or to the items listed under 'General Exclusions/Endorsements'
3. loss or damage insurable under any other section or sections of this policy
4. for damage which occurs as a result of your failure to repair or prevent bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks or fixed pipes used to hold or carry liquid within a reasonable amount of time of discovering an occurrence
5. unexplained disappearance or unexplained inventory shortage, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by you
6. pollution or contamination of property unless caused by a defined event
7. loss or damage following breakage of glass and to signwriting or ornamentation affixed to the glass
8. machinery breakdown, electrical or electronic breakdown, boiler or pressure vessel explosion or implosion
9. computer virus
10. any person deliberately switching off or disconnecting the power supply
11. shrubs or pot plants
12. live animals, birds or fish or any other living creature
13. any property in transit
14. any property during the course of, and as a result of, its processing or being processed.

4. Additional benefits

We will cover:

4.1 Property temporarily removed

Property temporarily removed from the Location to any other premises within Australia (and in transit there and back) excluding stock already sold and in transit to a customer, up to an amount of ten percent (10%) of the contents and stock sum insured, but only to the extent that the sum insured on that item is not otherwise exhausted. Insured event 3.11 (Accidental damage) does not apply to this additional benefit.

4.2 Architects and other fees

Architects, surveyors and legal fees, all necessarily incurred in the repair or reinstatement of damage to your property following loss or damage for which a claim is admissible under this section but only to the extent that the sum insured on that item is not otherwise exhausted.

We will also cover, in addition to the sum insured shown in the Schedule against the item (where appropriate):

4.3 Peak period increases

Peak period increases of thirty percent (30%) in the stock sum insured during the following periods (unless otherwise shown 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.

4.4 Rewriting of records

The cost of rewriting or reproducing necessary written or printed documents, computer system records, business records, plans and designs limited to an amount equal to 10% of the contents sum insured or \$50,000, whichever is the lesser.

4.5 Loss of land value

Up to \$100,000 for the reduction in land value which shall be the value certified by the valuer general or other competent person or authority selected by us, that results from the requirements of any legal authority that does not allow rebuilding or only partial rebuilding at the location following loss or damage covered under this section.

Provided that:

- (a) this shall be calculated by subtracting the land value after rebuilding or after we have agreed that rebuilding is not possible from the land value before the damage and
- (b) we will not pay more than 10% of the sum insured shown for buildings at the premises where the damage happened.

Coinsurance condition does not apply in respect of this benefit.

4.6 Fire extinguishment costs

Fire extinguishment costs to a maximum of \$25,000 covering:

- (a) wages of your employees
- (b) the cost of replenishment of fire fighting appliances or damage to materials (including employees. Clothing and personal effects) unless otherwise specifically insured
- (c) the costs you are liable for under any Fire Brigade Act or similar legislation, provided always that our liability in respect of these costs shall be limited to those necessarily and reasonably incurred in extinguishing fires at or adjoining the location of the property insured by this section or immediately threatening to involve such property.

4.7 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) \$5,000, or
- (b) the amount specified in the Schedule, or
- (c) the extent that the sum insured on buildings and contents (whichever is applicable) is not otherwise exhausted, whichever is the greater.

4.8 Employees tools, equipment, personal effects and clothing Personal property of directors and employees of your business if:

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

Cover is limited to \$5,000 any one person but if any person is entitled to indemnity under any other policy of insurance effected by him/her or by any person other than you, this cover will only apply in respect of any amount in excess of that provided by such other policy. There is no cover for you or any person named as the insured on your Policy Schedule.

4.9 Landscaping

Notwithstanding clause 3.11(b)(i) the cost of loss of or damage to Landscaping which shall include trees, shrubs, plants and lawns, including expenses reasonably incurred in clearing, cleaning or repairing drains, gutters, sewers, pipes, tanks or fixed apparatus resulting from an insured event (other than event 3.3). Our liability shall not exceed the sum of \$1,000 any one loss.

5. Basis of settlement of claims (Property section)

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

5.1 Reinstatement and replacement shall mean:

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

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

- (i) The work of rebuilding, or replacement, or repairing as the case may be (which may be carried out upon another site and in any manner suitable to your requirements but subject to our liability not being thereby increased), must be commenced and carried out with reasonable despatch, failing which we shall effect settlement on an indemnity basis.
- (ii) When any property to which this Clause applies is damaged or destroyed in part only, our liability shall not exceed the sum specified in the Schedule.
- (iii) No payment beyond the amount which would have been payable under this section shall be made until a sum equal to the cost of reinstatement shall have been actually incurred. All other insurances covering the property by or on your behalf shall be on a similar reinstatement basis.
- (iv) In the case of a property with architectural features and/or structural materials possessing an ornamental or historical character or for which the original materials are not available the Basis of Settlement shall be deemed to be amended to include the following

The cost necessary to replace, rebuild or restore the property to a reasonably equivalent appearance and capacity, using the original design and suitably equivalent materials.

In the event of loss or damage to property we shall be liable for no greater proportion of the loss or damage than the sum insured at the location bears to eighty percent (80%) of the replacement value of the property insured, provided that our liability shall not exceed the sum insured stated against each item in the Schedule.

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

5.2 Extra cost

We will also pay in respect of property (excluding stock) insured under this section the extra cost of reinstatement including demolition or dismantling of such property necessarily incurred to comply with the requirements operative at the time of reinstatement of:

- any Act of Parliament or regulation made thereunder, or
- any by-law or regulation of any Municipal or other statutory authority, provided in either case that:
 - (a) the work of reinstatement (which may be carried out wholly or partially upon another site if the aforesaid Act, by-law or regulation of any Municipal or other statutory authority so necessitates subject to our liability not being thereby increased) must be commenced and carried out with reasonable despatch failing which we shall not be liable to make any payment beyond the amount which would have been payable under this section if this Clause had not been incorporated therein

- (b) the amount recoverable shall not include the additional cost incurred in complying with any such Act, regulation, by-law or requirement with which you had been required to comply prior to the happening of the damage
- (c) Clause 6 shall not be applied to the amount recoverable under this Clause
- (d) if the cost of reinstatement of the damage directly caused by any of the insured events is less than fifty percent (50%) of what would have been the cost of reinstatement of the property insured had such property been destroyed, the amount recoverable will
 - (i) be limited to the extra cost necessarily incurred in reinstating only that portion damaged, and
 - (ii) not include any extra cost in relation to any portion of the property not damaged, and
 - (iii) not exceed, in any event, the sum which we could have been called upon to pay if such property had been wholly destroyed.

5.3 Floor space ratio index (plot ratio)

Where buildings are damaged and reinstatement of such damage is limited or restricted by:

- (a) any Act of Parliament or regulation thereunder, or
 - (b) any by-law or regulation of any Municipal or other statutory authority resulting in either case in the reduction of the floor space ratio index (plot ratio) of the site, then we shall pay in addition to any amount payable on reinstatement of such buildings the difference between:
 - (i) the actual costs incurred in reinstatement subject to the reduced floor space ratio index (plot ratio) and
 - (ii) the estimated cost of reinstatement at the time of damage had the reduced floor space ratio index (plot ratio) not applied.
- Provided that our liability under Clauses 5.1, 5.2 and 5.3 in total shall not exceed the limit of indemnity stated in the Schedule in respect of the buildings which are the subject of the claim.

5.4 Indemnity

If the basis of settlement is shown in the Schedule as Indemnity, we will pay the cost to repair or replace the insured property less an equitable amount for age, wear, tear, depreciation and will make an adjustment for the general condition and remaining useful life of the individual item or components that are damaged.

In the event of loss or damage to property we shall be liable for no greater proportion of the loss or damage than the sum insured at the location bears to eighty percent (80%) of the current value of the property insured, provided that our liability shall not exceed the sum insured stated against each item in the Schedule.

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

6. Endorsement

Strata title mortgagee(s) interest.

In respect of a building which is a strata title unit, the benefits otherwise payable under Insured events 3.1 to 3.10 shall be restricted to the interest of the mortgagee(s) stated in the

Schedule, as if such mortgagee(s) was (were) the only party (parties) insured in respect of such unit. Insured event 3.11, the co-insurance condition in this section and the provisions of general condition 4.1 of this Policy do not apply in respect of such interest(s).

1. Definitions

1.1 Accountant. a professional Accountant to be appointed by both you and us or failing such appointment nominated by the President of the Institute of Chartered Accountants

in Australia or by the President of the Australian Society of CPA.s.

1.2 Annual income. the Gross Profit 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.

1.3 Average Weekly Profit. the average weekly Gross Profit during the 52 weeks immediately before the damage (or such lesser period in the event that your business has been in operation for less than 52 weeks) 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.

1.4 Gross Profit. the money paid or payable to you for goods sold and/or services rendered or for rental received or payable (plus outgoings as defined or specified in any lease) in the course of the business less the purchase cost of stock.

1.5 Indemnity period. the period beginning with the occurrence of the damage and ending not later than the number of weeks or months stated in the Schedule during which the results of the business shall be affected in consequence of the damage.

1.6 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.

1.7 Standard income. the Gross Profit 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.

1.8 Weekly Profit. the Gross Profit received by you for each week the business is in operation.

2. Cover

2.1 We will indemnify you up to the limits specified in the Schedule for loss of Gross Profit or Weekly Profit (as selected by you and shown in the Schedule) resulting from interruption or interference to the business caused by loss or damage to property insured under the property or theft sections or any other policy insuring the same events and for which liability is admitted unless liability is not admitted solely due to the operation of or provision in any such section or policy excluding liability for loss

below a specified amount, or caused by an explosion of a boiler or economiser on the premises.

2.2 Where Gross Profit has been selected, the amount payable as indemnity shall be:

- (a) Gross Profit
 - (i) In respect of reduction of Gross Profit, the amount by which the Gross Profit 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 Profit of the business caused by the loss or damage. The amount expended shall not exceed the reduction in Gross Profit thereby avoided (less expenses saved as a result of the damage).
- (b) Claim Preparation Costs, Reasonable Professional Fees and such other reasonable expenses as are necessarily incurred by you with our consent for preparation of claims under the Property, Business Interruption and Theft sections of this Policy and which are not otherwise recoverable under this Policy, up to the sum of \$5,000 or the amount shown in the Schedule, whichever is the greater.

2.3 Where Weekly Profit has been selected, the amount payable as indemnity, shall be:

- (a) Weekly Profit. The percentage of the weekly sum insured that the reduction in your Weekly Profit bears to the average Weekly Profit, provided that the interruption or interference to the business is for a period exceeding one week and our liability shall not exceed the average Weekly Profit.
- (b) Claim Preparation Costs, Reasonable Professional Fees and such other reasonable expenses as are necessarily incurred by you with our consent for preparation of claims under the Property, Business Interruption and Theft sections of this Policy and which are not otherwise recoverable under this Policy, up to the sum of \$5,000 or the amount shown in the Schedule, whichever is the greater.

2.4 Additional increased cost of working

If you have chosen to insure the additional increased cost of working, 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.

2.5 Accumulated stocks provision. In adjusting any loss, an account shall be taken and due allowance made if any shortage in Gross Profit or Weekly Profit due to the interruption or interference is postponed by reason of the Gross Profit or Weekly Profit being temporarily maintained from accumulated stocks of finished goods.

3. Additional benefits

3.1 Prevention of access

The indemnity under this section 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
- (c) infectious human diseases or food poisoning, murder or suicide which shall prevent or hinder the use of your building or access thereto, or results in a cessation or diminution of trade due to temporary falling away of potential customers.

3.2 Public utilities, customers and suppliers extension

(a) Where damage occurs within Australia at:

- (i) an electricity power station or sub station
- (ii) a gas supplier
- (iii) water or sewerage services
- (iv) land based telecommunications installations
- (v) a customers 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 Profit 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 (a)(i) to (a)(iv) 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 (a)(v) or (a) (vi) above shall not exceed twenty percent (20%) of the amount insured under this Policy section as Gross Profit or Weekly Profit, whichever is selected.

4. Optional benefit

Outstanding accounts receivable

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 provision

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 Profit or Weekly Profit (whichever is selected) for each department (whether affected by the loss or damage or not), the amount payable shall be proportionately reduced.

6. Special condition

On the happening of damage which results in a claim as soon as practicable you shall deliver to us a written statement of claim certified by an accountant and make available all books and records (including access to data stored on media) necessary for verification of the claim.

7. Co-insurance condition

(applicable to Gross Profit 2.2 cover only)

If the sum insured on Gross Profit is less than 80% of the annual income (or its proportionately increased multiple where the indemnity period exceeds 12 months), the amount payable shall be proportionally reduced.

1. Definitions

1.1 Property. Stock or contents as specified, as the case may be, to the value specified in the Schedule

1.2 Stock. Stock in trade belonging to you or for which you are legally responsible, including all stock in which you may acquire an insurable interest during the period of insurance (but not including tobacco, cigarettes and cigars)

1.3 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.

1.4 Manager's Contents

1. All household goods and personal effects at the site which belong to you, your family or for whose loss or damage you or your family are responsible (this includes any manager living on the premises).
2. Articles of special value which you have listed on the Certificate of Insurance under *special items of contents*.
3. If you live in a strata title building, the internal paintwork, wallpaper and any fixture or structural improvement within or attached to that residence which the Body Corporate is not required by law to insure.
4. If you are a tenant, landlord's fixtures and fittings for which you are legally liable and fixtures and fittings installed by you for your own use. The most we will pay for landlord's furnishings is 10% of the sum insured.
5. Golf buggies, garden equipment or motorised wheelchairs none of which require registration.
6. Hand propelled watercraft such as surfboard or canoe.
7. Furniture and equipment of an office or surgery at the site.

What Manager's Contents does not mean

1. Fish, birds or animals of any description.
2. Trees, shrubs and any other plant life other than potted plants.
3. Any caravan, trailer, aircraft or aerial device.
4. Motorised vehicles other than golf buggies, garden equipment or motorised wheelchairs none of which require registration.
5. Watercraft other than hand propelled watercraft such as surfboard or canoe.
6. Accessories or spare parts of motor vehicles, caravans, trailers or watercraft while they are in or attached to the motor vehicle, caravan, trailer or watercraft.
7. Cash takings relating to your trade, business, or profession for loss or damage if at the time of the theft:
 - The premises is unoccupied and has been unoccupied for a continuous period of more than 60 days, unless with our written consent.
 - The premises is insufficiently furnished to live in at the time of theft or attempted theft and has been for more than 14 days unless with our written consent.
 - You leased out part of the premises and the loss or damage was not caused by forced entry.

Excess: means the first amount of any claim to which you contribute.

Special Conditions and Limitations.

1. Pairs, sets and collections

A pair, set or collection means 2 or more articles the collective value of which exceeds the sum of their individual values. If any item lost or damaged is part of a pair, set or collection, we pay no more than the actual value of the item. We do not give any allowance for any special value it may have as forming part of the pair, set or collection, or for any reduction in value of the remaining part or parts.

2. Floor coverings, blinds and curtains

For carpets and other floor coverings, curtains and internal blinds we pay only for items in the room, hall or passage where the damage occurred. We do not pay to replace undamaged materials but will pay up to \$750 for the cost of matching or complementing the new materials to undamaged property.

Additional limitations under this definition

The maximum we pay on the following contents items No. 1 to No. 7 is set out below.

1. Works of art, pictures,

Works of art, pictures, tapestries, rugs, and antiques, musical instruments (other than pianos or organs). **\$1,000 per item, pair, set or collection limited to 15% of the Sum Insured for any one claim.**

2. Items of jewellery, gold or silver articles

Items of jewellery, gold or silver articles, watches, collections of any kind. **\$1,000 per item, pair, set or collection limited to 15% of the Sum Insured for any one claim.**

3. Computers

Computers (including portable computers) associated hardware and software which are only used for personal use. **\$5,000 in total.**

4. Accessories or spare Parts

Accessories or spare parts of motor vehicles, caravans, trailers and watercraft but not in or attached to the motor vehicle, caravan, trailer or watercraft. **\$1,000 in total.**

Theft Section

5. Office equipment

Office equipment used by you or your family in your own business while at the Location stated in the Schedule. **\$5,000 in total.**

6. Tools, instruments and equipment

Tools, instruments and equipment whilst contained in the building and used in your business. **\$2,500 in total.**

7. Business Stock

Business Stock held on a temporary basis, whilst contained in the building and used in your own business but not stock consisting of flammable liquids or hazardous materials of any description. **\$1,000 in total.**

2. Cover

We will pay you up to the limits specified in the Schedule, less the excess, for loss of or damage to:

- (a) Contents, for which we will pay the replacement value at the time of its loss or damage
- (b) Stock, for which we will pay the value at the time of its loss or damage or at our option reinstate or replace such contents or stock or any part thereof as a result of:

2.1 theft or attempted theft consequent upon the actual forcible and violent entry into any part of the building(s) at the location

2.2 theft or attempted theft thereof by a person concealed at the location followed by his/her exit therefrom after business hours

2.3 assault or violence, violent intimidation or threat thereof to you or your employees

2.4 theft, fraud or dishonesty by any of your employees provided that the loss is discovered within twenty one (21) days of its occurrence and our limit of liability, during any one period of insurance shall not exceed \$1,000 but excluding any loss by:

- theft in which any member of your household is involved as a principal or accessory
- theft from any open space whether fenced or unfenced outside the walls of the building.

3. Exclusions

We will not cover loss of or damage to:

3.1 Money

3.2 documents, patterns, models, moulds, plans or designs, unless specified in the Schedule

3.3 tobacco, cigarettes or cigars, unless specified in the Schedule.

3.4 damage to Gaming machines where the money trays are left locked or closed during non business hours.

4. Theft protection condition (not a condition unless indicated in the Schedule)

It is a condition that:

4.1 the burglar alarm system (the System.) installed in the premises 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

4.2 the System will be made operative whenever the premises are left unoccupied. Compliance with this condition shall be a condition precedent to our liability.

5. Additional benefits

5.1 Theft without forcible entry

Subject to the sum insured not being otherwise exhausted, we will cover you for losses of or damage to electronic equipment (excluding stock) resulting from theft without forcible and violent entry from an office at the location up to an amount of \$2,000 or the amount shown in the Schedule.

5.2 Replacement of locks

In addition to the total sum insured shown on the schedule, we will also pay up to an amount of \$2,000 for the cost of re-coding or replacing locks to which keys are stolen or for the cost of replacing keys and the cost of opening safes or strongrooms.

This additional cover only applies following loss or damage resulting from an insured event and to locks securing external doors, windows and other openings of the premises. Cover is limited to the cost of replacing such locks with locks of similar type and quality.

5.3 Employees tools, equipment, personal effects and clothing

In addition to the sum insured shown on the Schedule for contents, we will also cover the cost of employees tools, equipment, personal effects and clothing not otherwise insured against loss or damage resulting from an insured event whilst at the location up to the sum of \$2,000 or the amount shown in the Schedule, whichever is the greater.

5.4 Peak period increases

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

5.5 Loss of negotiable securities

If, as a result of events 2.1, 2.2 or 2.3 occurring during the period of insurance you suffer loss of cash, bank notes, negotiable cheques, Australia Post money orders, negotiable securities, sales vouchers or stamps, we will pay you the amount of such loss not exceeding in total the sum of \$100.

5.6 Temporary protection

We will pay you for the cost of temporary protection necessarily incurred to secure the safety of the property insured pending repair of the damage, provided that our total liability during any one period of insurance for all such costs of temporary protection shall be limited to the sum of \$2,000.

1. Cover

We will cover you up to the limits specified against each item in the schedule, less the excess, in the event of loss of or damage to money belonging to you and connected with the business:

1.1 in transit anywhere in Australia or in a banks night safe.

Wages and salaries subsequent to transit will be covered until disbursed provided that if not paid out by the end of business hours on the day of transit; the amount of cover shall be limited to forty percent (40%) of the particular wages and salaries transit and during non-business hours they shall be kept in a securely locked safe or strongroom

1.2 in the building(s) during business hours

1.3 in the building(s) outside business hours

1.4 in the building(s) whilst contained in a locked safe or strongroom

1.5 at your or your employee's residence

1.6 for damage to safes and strongrooms.

1.7 Managers Contents Cash, treasury notes,

Cash, treasury notes, savings certificates, stamps ,money orders, and other negotiable instruments. **\$750 in total.**

2. Additional benefit

Peak period increases

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

2.1 from sixty (60) days before Christmas Day to bank closing time on the first banking day thereafter, both days inclusive

2.2 from thirty (30) days before Easter Sunday to bank closing time on the first banking day thereafter, both days inclusive

2.3 on gazetted public or bank holidays, such period to include adjoining weekend periods. Our liability under this clause shall cease at bank closing time on the next bank business day following the gazetted holiday.

3. Exclusions

We will not cover loss of money:

3.1 due to shortage resulting from clerical or accounting errors or loss due to errors in receiving or paying out

3.2 not discovered within seven (7) working days of the occurrence

3.3 due to your fraud or dishonesty or that of any member of your family, directors or partners

3.4 exceeding \$1,000 during any one period of insurance by or through the collusion of or any act of fraud or dishonesty by any of your employees

3.5 carried by professional money carriers, professional carriers or common carriers

3.6 from any unattended vehicle

3.7 from any safe or strongroom opened by a key or by use of details of combination which have been left on the business premises during non business hours.

3.8 money left in gaming machines during non-business hours.

4. Theft Protection Condition (not a condition unless indicated in the Schedule)

It is a condition that:

4.1 the burglar alarm system (the System.) installed in the premises 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

4.2 the System will be made operative whenever the premises are left unoccupied.

Compliance with this condition shall be a condition precedent to our liability

1. Definitions

Breakage.	Fracture extending through the entire thickness of the glass or basin.
External glass.	Fixed glass in external windows, doors, showcases, skylights.
Internal glass.	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.

2. Cover

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.

3. Exclusions

We will not cover:

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

3.2 damage to

- (a) tubing or lightfittings, and
- (b) signs, (except under clause 4.5)
- (c) existing cracked or imperfect glass
- (d) glass caused by artificial heat
- (e) glass not fit for the purpose intended.

4. Additional benefits

In the event of accidental breakage of insured glass, we will also pay up to \$3,000 in total under Clauses 4.1 to 4.5 or the amount specified in the Schedule, whichever is the greater for all losses arising out of the one occurrence.

4.1 Temporary protection and shuttering

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

4.2 Signwriting

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

4.3 Shopfronts

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

4.4 Damage to property

damage or spoilage due to breakage of insured glass.

4.5 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.

Employee Dishonesty Section

1. Definitions applicable to this section

"Employee" means any person who is employed by You in the Business who You compensate by salary; wages, commission or other benefit and have the right at all times to govern, control and direct in the performance of their work An employee does not include:

- a. a partner, director or trustee unless they are acting in their capacity as an employee; or
- b. any broker, factor, consignee or contractor. "Time Limitations" means those limitations as to the time of discovery of a loss and/or the time when a loss occurred that appear in the cover and in additional benefit 1. Retroactive cover applicable to this Section.

2. Cover

We will pay You In accordance with the Basis of Settlement for any loss of Property Insured (including Money) caused by a Defined Event, provided that:

- a. the loss happens during the Period of Insurance;
- b. the loss is discovered not later than 12 months after the expiry of the Period of Insurance or not later than 12 months after the termination of the employment of the Employee, whichever occurs first;
- c. the Sum Insured for any one Employee shown in the Schedule under this Section will be reduced by the total of any claims payable by Us for losses resulting from the fraudulent or dishonest conduct of that Employee in any period before the current Period of Insurance;
- d. We will not be liable for more than the Sum Insured for all Employees shown in the Schedule in respect of all losses suffered during the Period of Insurance.

3. Defined Event applicable to this section

Fraudulent or dishonest conduct of an Employee (whether acting alone or In collusion with others) for their own gain or for the financial benefit of any other person or organization intended by the Employee to receive a benefit

4. Basis of Settlement applicable to this section

The Basis of Settlement will be:

1. for Property Insured other than Money, We at Our option:
 - a. pay to You the amount of the loss of Property Insured; or
 - b. reinstate or replace that property, but in so doing We will not be bound to reinstate or replace exactly and completely, but only as circumstances permit and in a reasonably sufficient manner.
2. for Money, We will pay to You the amount of Your loss; provided that:
 1. a. We will not pay more than the amount shown in the Schedule for any one Employee and for any loss that arises out of the act or acts of any one Employee or for which that Employee is concerned or implicated by acting in concert with any other person;
 - b. for all losses suffered during the Period of Insurance, We will not pay in total more than the amount shown in the Schedule for all Employees.
 2. a. for Property Insured other than Money, after payment for or replacement of any lost property, that property; if recovered will belong to Us subject to Your right to reclaim it upon repayment of any amount paid by Us;
 - b. for Money, any recovery made either by You or by Us after settlement of the claim will first be applied to any uninsured loss borne by You.

5. Excess

We will not pay the amount of the Excess shown in the Schedule for this Section.

Superannuation funds The meaning of "You", "Your", is extended to include any superannuation or pension scheme formed by You and exclusively for the benefit of Employees provided that it does not include any scheme that is administered by a professional funds manager.

Accumulation of Sum Insured Any amount payable to You under this Section will not accumulate with any other cover that may be available for the same loss under Section Three — Theft and/or Section Four — Money of this Policy

6. Additional benefits applicable to this section

Consequent upon a claim being admitted following the happening of a Defined Event, We will also:

1. Retroactive cover

- cover any loss that is within the Time Limitations, if this Section of the Policy is substituted for any prior Policy of Employee Dishonesty insurance carried by You that Is terminated, cancelled or allowed to expire at the time of substitution, provided that:
- a. the loss would have been recoverable by You under the prior Policy except for the fact that the time within which to discover any loss had expired;
 - b. the cover We provide will fall within, and will not be in addition to, the Sum Insured shown in the Schedule;
 - c. the loss would have been covered under this Section had this Section with its terms, limitations and conditions at the time of the substitution been in force when the acts or defaults causing the loss were committed;
 - d. recovery under this Section for the loss will not exceed the amount that would:
 - (i) be recoverable under this Section had those acts or defaults been committed immediately before discovery; or
 - (ii) have been recoverable under the prior Policy had it continued in force until the discovery of the loss; whichever is the lesser;
 - e. We will not be liable for any loss arising from any act of fraud or dishonesty committed more than 12 months before the commencement of this Section of the Policy

2. Unidentifiable employee

Pay for any loss You suffer where You are unable to identify the specific Employee whose conduct has given rise to the loss, provided that:

- a. You have insured for the conduct of all Employees; and
- b. You can prove to Our reasonable satisfaction that the loss was caused by the fraud or dishonest conduct of one or more Employees.

3. Automatic reinstatement

reinstates the Sum Insured to the original amount immediately preceding such claim subject to the payment of any extra premium We may require, provided that We will not be liable more than once for the Sum Insured stated in the Schedule for any loss that arises out of the act or acts of any one Employee or for which that Employee is concerned or implicated by acting in concert with any other person.

4. Cost of recovery

Pay up to an additional 20% of the Sum Insured for costs and expenses You have reasonably incurred with Our permission in an attempt to recover Property Insured that has been lost as a result of a Defined Event. We may withhold Our consent for recovery if, in Our opinion, the attempted recovery is not economically viable.

7. Specific exclusions applicable to this section

We will not pay for:

1. any loss or part of a loss the proof or quantification of which depends upon any shortage revealed by or inconsistency in any accounting records, an inventory computation or enumeration, a comparison of inventory records with an actual physical count, or a profit and loss computation;
2. any loss arising from the conduct of an Employee after you have knowledge or information of any prior act of fraud or dishonesty by that Employee;
3. any loss arising from a failure to make payment of or default under any loan or credit transaction obtained from or made by You whether authorised or unauthorised unless there is fraud or dishonesty by an Employee;
4. any loss arising out of a change or variation in the method of conducting the Business that results in information furnished to Us in any Proposal or application for this insurance or any supporting documentation being different in some material degree.

5. Electronic Data

This Policy Section does not insure:

- a. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of *ELECTRONIC DATA*,
- b. error in creating, amending, entering, deleting or using *ELECTRONIC DATA*, or
- c. total or partial inability or failure to receive, send, access or use *ELECTRONIC DATA* for any time or at all, from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation, or processing by electronic or electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.

8. Specific conditions applicable to this section

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

1. Checks and precautions

You must perform all checks or precautions described by You in any Proposal for this insurance or any documentation supporting the Proposal.

2. Change In Business arrangements

You must inform Us immediately in writing and obtain Our written consent if there has been any change in the ownership of the Business without Our prior written consent.

3. Claims against employee

In the event of any loss being discovered You must, to the extent allowed by law, retain all salary~ commission moneys or assets that are the property of the Employee in respect of whose conduct a claim is made and which are or may come within Your control and You must apply them towards making good the amount of the loss.

4. Dishonest employee

You must give to Us written notice immediately upon the discovery of any conduct that is fraudulent or dishonest by any Employee or of reasonable cause for suspicion as to any such conduct or of any lack of integrity by an Employee whether giving rise to a claim or not. We will not pay for any loss occurring after the date of discovery of such conduct.

Machinery & Electronic Equipment Breakdown Section

This Cover Section is operative only when it is shown in the schedule.

This Cover Section needs to be read in conjunction with the General Conditions, General Definitions and General Exclusions set out in the Policy Document. Where there is a conflict between any indemnity provided by this Cover Section and any General Conditions, Limitations or Exclusions then the Conditions, Limitations and Exclusions set out in this Cover Section will prevail.

SECTION A – DEFINITIONS (Applicable to this Cover Section)

It is important that you read these definitions and understand the meaning of the words and how they are used in this Cover Section.

1. Damage

"Damage" shall mean a sudden and accidental breakdown of an item of Equipment or a part thereof, which manifests itself at the time of its occurrence by physical damage to the item or part thereof that necessitates its repair or replacement, but

Damage shall not mean:

- a) depletion, deterioration, corrosion or erosion of material;
- b) wear and tear;
- c) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- d) vibration or misalignment;
- e) the breakdown of any structure or foundation supporting the item or any part thereof;
- f) the functioning of any safety device or protective device; nor
- g) the cracking of any part of a gas turbine exposed to the products of combustion.

2. Breakdown

Breakdown means sudden and unforeseen internal electronic, electrical or mechanical component malfunction or failure which stops the function of any machinery or electronic equipment which necessitates immediate repair or replacement to allow the normal use of the machinery or electronic equipment to resume.

3. Equipment

"Equipment" shall mean any item owned, leased, operated or controlled by the Insured and described below, subject to the exclusions specified herein:

- a) any boiler, any fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, but **Equipment shall not include:**
 - i) any boiler setting, any refractory or insulating material;
 - ii) any part of a boiler or fired vessel that does not contain steam or water;
 - iii) any hose, buried piping, sewer piping, drainage piping, sprinkler system or its accessory equipment; nor
 - iv) any oven, stove, furnace or kiln but not excluding heat recovery piping or vessels used therewith;
- b) any mechanical or electrical machine or electrical apparatus used for the generation, transmission or utilisation of mechanical or electrical power, but **Equipment shall not include:**
 - i) 1) any elevator, escalator, crane or hoist.
2) any oven, stove, furnace or kiln
but not excluding:
 - a) any pump, compressor, fan, blower, engine or turbine;
 - b) any separate enclosed gear set connected to such machine or apparatus by a coupling, clutch or belt;
 - c) any electrical equipment;
 - d) any electronic equipment used solely to start, stop, control or monitor such machine or apparatus.
 - ii) any vehicle, power shovel, excavator dragline or other mobile equipment, but not excluding any electrical equipment used with such machine or apparatus; nor
 - iii) any conveyor belt.
- c) any electronic equipment used:
 - i) for the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio or telephone signals;
 - ii) for research, diagnostic, treatment, experimental or other medical or scientific purposes;
 - iii) for computing, data processing, duplicating, inventory control, monitoring, scanning or office services; or
 - iv) to start, stop, control or monitor one or more insured itemsbut **Equipment shall not include:** 1. any anode, x-ray or video amplifier tube.

4. One Damage

If Damage to one item causes Damage simultaneously to another item or a series of Damage occurs simultaneously as a result of the same cause, they will be considered One Damage and only one deductible will apply.

5. Insured Property

Insured Property is:

- a) property owned by the Insured;
- b) property of others in the care, custody or control of the Insured for which the Insured is legally liable.

6. Data

Data means facts, information, knowledge or software in a machine readable form capable of being processed by data processing or other computerised equipment.

7. Media

Media means material, on which data is recorded, such as magnetic tapes, hard disks, floppy disks, cartridges, CD or DVD.

8. Location

Location means the premises owned by, leased by or occupied by the Insured and named in the policy schedule.

SECTION B - COVER: PROPERTY DAMAGE

The Company agrees to indemnify You in respect of Damage to any Equipment caused by a Breakdown which occurs during the policy period shown in the Schedule and which is used by the business or in conjunction with the business at the Location shown in the schedule.

The maximum amount that we will pay for any one claim is the amount shown in the Schedule.

BASIS OF SETTLEMENT

We will, **at our option**:

- (a) repair or pay the costs to repair the Equipment;
- (b) if the item(s) of Equipment cannot be repaired and the item(s) is ten (10) years old or less we will:
 - (i) replace the item of Equipment with Equipment of similar standard or specification; or
 - (ii) pay the cost of replacement;
- (c) if the item(s) of machinery can not be repaired and the item(s) are more than 10 years old, pay the market value of item(s) immediately before the breakdown;
- (d) replace the electronic equipment with an item of equal (or nearest but higher) performance or capacity.

Depreciation

Where any item(s) of Equipment are Damaged and are more than ten (10) years old then the following depreciation will be applied;

- a) depreciation will only apply to parts necessary to repair or re-instate the Equipment;
- b) depreciation will not apply to any labour costs associated with the repair, re-instatement or replacement of Equipment;
- c) depreciation will be applied to the replacement of old Equipment that cannot be repaired or it is not economical to repair the Equipment and where the Equipment is more than 10 years old at the time the Equipment was Damaged.
- d) depreciation will apply to replacement parts and replacement Equipment using a 10% depreciation factor per annum for Equipment aged in excess of 10 years up to a maximum of 75% depreciation being applied for any one item of Equipment.

NB: Excess is the amount specified in the Schedule, payable by you on each and every claim arising out of one event or occurrence under this Cover Section.

Should there be a claim admitted for Section B and Section C for any claim or series of claims arising from the One Damage such excesses shall not be aggregated and the highest single excess only shall apply.

SECTION C - COVER: SPOILAGE (DETERIORATION OF REFRIGERATED STOCK)

1. Basis Of Settlement

(NB: This coverage cannot be taken without Section B – Property Damage being taken as well).

The maximum amount that we will pay for any one claim is the amount shown in the Schedule.

The Company hereby agrees:

- a) to pay the Insured the amount of loss to Insured Property of the Insured;
- b) to pay the amount of loss to Insured Property of others in the care, custody or control of the Insured and for which the Insured is legally liable; and
- c) to pay that amount of expense which is reasonably incurred by the Insured to reduce or avert such loss, but only to the extent that the total amount that otherwise would have been paid under part C above is thereby reduced;

Provided such loss or expense is due to spoilage resulting solely from Damage which occurs while this Coverage is in effect to Equipment which is in use or connected ready for use at a location named in the schedule subject to the Limit of Liability specified in the Schedule for this Coverage.

2. Additional Exclusions (Specific To Cover Section C)

The Company shall not be liable for payment:

- a) for any loss resulting from the failure of the Insured to use due diligence and dispatch and all reasonable means to protect Insured Property from further loss or damage following Damage;
- b) for more than the actual cash value thereof at the time of the Damage with proper deductions for depreciation, however caused.

3. Reduction of Payment

The Company may take such means as will in the opinion of the Company reduce or avert the loss, in whole or in part, including the disposition of salvage of Insured Property. All extra expense so incurred by the Insured at the written direction of the Company or by the Company, shall be a part of and not in addition to the Limit of Liability specified in the Schedule for this Coverage.

4. Excess

The amount of excess specified in the Schedule for this Cover Section shall be deducted from the total amount of any loss and expense for which the Company is liable under this Cover Section for any One Damage and no liability shall exist for such amount deducted.

NB: Excess is the amount specified in the Schedule, payable by you on each and every claim arising out of one event or occurrence under this Cover Section. Should there be a claim admitted for Section B and Section C for any claim or series of claims arising from the One Damage such excesses shall not be aggregated and the highest single excess only shall apply.

SECTION D - EXCLUSIONS

NB: These exclusions refer specifically to the Machinery and Electronic Equipment Breakdown Cover Section but should be read in conjunction with the "General Exclusions/Endorsement" that apply to all Cover Sections.

1. Defined events exclusion

This Cover Section does not insure any Damage to any Equipment from any loss or damage caused by events 3.1 to 3.10 insured under Cover Section Property of this policy whether the Property Cover section has been taken or not.

2. Wear and tear exclusion

This Cover Section does not insure the cost of replacement of parts damaged by normal use or operation of any equipment insured under this policy.

3. Act of a power supplier

This Cover Section does not insure loss or damage due to any deliberate act of the power supplier, including withholding, restricting or load shedding the supply of electricity.

4. Items of Equipment not covered

This Cover Section does not insure loss of or damage to;

- a) belts, ropes, wires, chains, tyres, dies, exchangeable tools, filters, refrigerant dryers, fuses, electric heating elements, electrical contacts, thermostats, thermostatic expansion valves, jointing, gland packing, seals, moulds, engraved cylinders, crushing surfaces, cutting blades, refractory materials, glass components, porcelain components, ceramics, refractories, felts, sieves, fabrics, lubricants, fuel, catalysts or any operating media.
- b) adjustment, cleaning or recharging of refrigeration or air-conditioning equipment unless necessary as part of the repair of loss or damage covered by this Cover Section.

5. Maintenance, alterations and repair

- (a) **Unless necessary** as part of the repair of loss or damage covered by this policy section, **you are not insured for the cost of:**
 - (i) preventative maintenance work;
 - (ii) alterations, additions, improvements, overhauls or any non-essential repairs;
 - (iii) replacement or restoration following gradual deterioration (including rust corrosion, erosion, oxidation or scale formation) or damage due to cavitations;
 - (iv) repairing chipping, scratching, denting or marring that does not materially affect the use or operation of the machinery or electronic equipment; or
 - (v) restoring loose connections or joints where no other component failure has occurred.
- (b) **This Cover Section does not insure** loss or damage caused by or arising out of maintenance, repair, alterations, additions, improvements, and overhaul or by direct application of a tool.

6. Commissioning and Testing

This Cover Section does not insure loss or damage arising:

- a) Out of the machinery being subjected to tests
- b) involving abnormal stresses or;
- c) Arising out of machinery being intentionally overloaded; or
- d) Prior to successful initial commissioning or during test or experimentation.
- e) An insulation breakdown test or;
- f) Is being dried out.

7. Existing defects

This Cover Section does not insure loss or damage due to faults or defects known to You or which ought to be reasonably known by You or Your employees.

8. Data media corruption

This Cover Section does not insure loss or damage as a result of

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

9. Statutory requirements

This Cover Section does not insure loss or damage due to failure to comply with statutory requirements relating to the safeguarding or operation of the machinery or electronic equipment.

10. Safety devices

This Cover Section does not insure safety devices lost or damaged as a consequence of the operation of these devices.

11. Maintenance agreement

This Cover Section does not insure the costs for repairing or replacing if the manufacturer, supplier, agent or any other person is responsible under the terms of a maintenance agreement

12. Consequential Loss

This Cover Section does not insure any consequential loss arising from any Damage to any Equipment or Food Spoilage insured under this policy.

Machinery & Equipment Breakdown Section

SECTION E - CONDITIONS

NB: These conditions refer specifically to this Cover Section and should be read in conjunction with the "General conditions applicable to all sections".

1. Additional Insured

Any person or organisation named in the policy as an "Additional Insured" shall be considered as an Insured under the policy only as respects their interest in the Property Insured.

The naming of any Additional Insured shall not serve to increase the liability of the Company under this policy for loss from any One Damage.

2. Examination of Books and Records

The Company may examine and audit the books and records of the Insured as they relate to the policy at any time during the Policy Period and up to three years thereafter.

3. Inspection

The Company has the right to inspect any Equipment at any reasonable time. Neither the right to make inspections nor the making of them is an undertaking to the Insured or others that such Equipment is safe and not hazardous or injurious to health.

4. Suspension

Upon the discovery of any Equipment in or exposed to a dangerous condition, any representative of the Company may immediately suspend the insurance against loss from Damage to that Equipment by giving written notice to the Insured either by mail, by facsimile or in person at the mailing address shown in the policy or at the location of the Equipment. Once the insurance has been suspended, it can only be reinstated by an Endorsement to the policy issued by the Company.

The Insured shall be allowed the unearned pro-rata portion of the premium for that Equipment for the period that the insurance is suspended, such allowance to be paid at the expiration of the policy period.

5. Cancellation

Please refer to Cancellation condition No. 5 (five) set out in the "General Conditions applicable to all sections".

6. Limit of Liability

With respect to any Coverage provided by this Cover Section the liability of the Company for any One Damage shall not exceed the Limit of Liability specified in the Schedule.

If more than one Insured is named in the policy, the Company shall not be liable for an amount in excess of that for which it would have been liable had only one Insured been named.

7. Excess

Excess is the amount specified in the Schedule, payable by you on each and every claim arising out of one event or occurrence under that Policy section.

Should more than one excess be payable under this Policy for any claim or series of claims arising from the one event, such excesses shall not be aggregated and the highest single level of excess only shall apply.

8. Subrogation

Upon assuming liability or making any payment under this policy, the Company shall be subrogated to the Insured's rights of recovery therefore against any person or organisation. The Insured must provide any legal documents and other assistance required by the Company to pursue such rights. The Insured shall do nothing after the Damage to waive or prejudice these rights of recovery.

9. Dispute Resolution

If you do not agree with our decision on a claim under this Cover Section and should the matter not be resolved to your satisfaction then you may take advantage of the Complaints process set out in this PDS (Policy Disclosure Statement).

General Exclusions / Endorsements

Applicable to all sections

We will not cover:

1. Unoccupancy

Loss, damage or liability during any period in excess of sixty (60) consecutive 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 (2) consecutive days.

2. Application of heat

Loss of or damage to property occasioned by its undergoing any process necessarily involving the application of heat.

3. Intentional damage

Damage or liability intentionally caused or incurred by:

3.1 You, or

3.2 a member of your family, or

3.3 a person acting with your express or implied consent or that of a member of your family.

Applicable to all sections

We will not cover:

1. Unoccupancy

Loss, damage or liability during any period in excess of sixty (60) consecutive 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 (2) consecutive days.

2. Application of heat

Loss of or damage to property occasioned by its undergoing any process necessarily involving the application of heat.

3. Intentional damage

Damage or liability intentionally caused or incurred by:

3.1 You, or

3.2 a member of your family, or

3.3 a person acting with your express or implied consent or that of a member of your family.

4. What you are not covered for under this policy

We will not pay for loss or damage caused by:

- a) tenants
intentional loss or damage caused by your tenants
- b) (i) birds, insects, mice, rats or other vermin
(ii) rust, corrosion, or oxidisation
(iii) mildew, mould, wet or dry rotting, disease, contamination, latent defect, pollutants or industrial fallout
(iv) inherent vice, change of colour, loss of weight, loss of volume, change in flavour, change in texture
(v) variation in temperature, variation in humidity, variation in controlled atmosphere
(vi) wear, tear, fading or gradual deterioration
- c) movement of foundations
(i) vibration, heaving, creeping, shrinking, settling or expansion of foundations or supports of your property
(ii) erosion, subsidence or earth movement unless caused suddenly by a defined event (not otherwise excluded)
(iii) collapse of property unless caused suddenly by a defined event (not otherwise excluded)
- d) faulty work
(i) error in, omission of or wrong design
(ii) faulty materials or faulty workmanship
- e) incorrect siting of property
- f) heat
spontaneous combustion, fermentation, heating or any process involving the direct application of heat
- g) flood
- h) the sea
the action of water from the sea, tidal wave or high water

Terrorism Exclusion Endorsement

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto 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 any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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 any act of terrorism.

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 Insured.

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

08/10/01

NMA 2920

War & Civil War Exclusion Clause (Approved by Lloyd's Underwriters' Non-Marine Association)

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage 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 or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

1/1/38

NMA464

Radioactive Contamination & Explosive Nuclear Assemblies Exclusion Clause

(Approved by Lloyd's Underwriters' Non-Marine Association)

This Policy does not cover

- (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- (b) any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
 - (i) ionising 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.

4/4/68

NMA1622

Asbestos & Silica Dust Exclusion

This insurance does not apply to and no duty to defend is provided by us for any claim or claims arising out of

Any "property damage" due to or arising out of the actual or alleged presence of asbestos fibres or silica dust and/or particles in any form, including the cost of remedial investigations or feasibility studies, or the cost of testing, monitoring, cleaning or removal of any property or substance: or

"Bodily injury", "property damage", "advertising injury", "personal injury" or medical payments or any other action based on the insured(s) supervision, removal, instructions, recommendations, warranties (expressed or implied), warnings or advice given or withheld regarding asbestos fibres or silica particles and/or dust.

"Bodily injury", "personal injury" or medical payments caused by asbestosis, silicosis, mesothelioma, emphysema, pneumoconiosis, pulmonary fibrosis, pleuritis, endothelium or any lung disease or any ailment caused by, or aggravated by exposure, inhalation, consumption or absorption of asbestos fibres or dust or silica particles and/or dust: or

TNGLA

LMA5019

Additional Limitations and Conditions Endorsement (Standard) (For Worldwide Use Other Than in USA & Canada)

THIS ENDORSEMENT CONTAINS PROVISIONS IN CLAUSES II, V AND VI THAT MAY LIMIT OR PREVENT RECOVERY UNDER THIS POLICY FOR DEBRIS REMOVAL (AS PROVIDED IN CLAUSE II) AND/OR RESULTING LOSS (AS PROVIDED IN CLAUSE V).

I. LAND, WATER AND AIR EXCLUSION CLAUSE

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure land (including but not limited to land on which the insured property is located), water or air, howsoever and wherever occurring, or any interest or right therein. The foregoing exclusion shall not apply to water which is contained in plumbing or firefighting installations in the Assured's buildings at the time of any damage insured by this Policy.

II. DEBRIS REMOVAL CLAUSE

Nothing contained in this Clause shall override any seepage and/or pollution and/or contamination exclusion or any radioactive contamination exclusion or any other exclusion applicable to this Policy. The inclusion of this Clause shall in no event increase the Limit of Liability of Underwriters under this Policy or any other endorsement applicable to this Policy.

Any provision within this Policy (or within any other Endorsement which forms part of this Policy) which insures debris removal is cancelled and replaced by the following:

1. In the event of direct physical damage to property, for which Underwriters agree to pay hereunder, or which but for the application of a deductible or underlying amount they would agree to pay (hereinafter in this Clause referred to as "Damage"), this Policy also insures, subject to the limitations below and method of calculation in Clause VI of this Endorsement and to all the other terms and conditions of the Policy, expense:

- (a) which is reasonably and necessarily incurred by the Assured in the removal, from the premises of the Assured at which the Damage occurred, of debris which results from the Damage; and
- (b) of which the Assured becomes aware and advises the amount to Underwriters hereon within one year of the commencement of the Damage;

provided however, that nothing in this Clause shall insure any expense provided under Clause V of this Endorsement.

2. The maximum amount of expense for removal of debris (subject to the limitations of paragraph 1 above) that can be included in the method of calculation in Clause VI of this Endorsement, shall be the greater of £20,000 (twenty thousand pounds, or the equivalent in local currency) or 10% (ten per cent) of the amount of the Damage from which expense results.

III. SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION EXCLUSION CLAUSE

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

1. any loss, damage, cost or expense; or
2. any increase in insured loss, damage, cost or expense; or
3. any loss, damage, cost, expense, fine, penalty or other sum which is incurred, sustained or imposed by, or by the threat of, any judgement, order, direction, instruction or request of, or any agreement with, any court, government agency, any public, civil or military authority or any other person (and whether or not as a result of public or private litigation);

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination, or threat thereof.

The term "any kind of seepage or any kind of pollution and/or contamination" as used in this Endorsement includes (but is not limited to):

1. seepage of or pollution and/or contamination by anything, including but not limited to that which is designated by any governmental, public or regulatory body or authority as toxic, hazardous, dangerous or deleterious to persons, property or the environment under any law, ordinance, regulation or decree;
2. the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

IV. LISTED PERILS RESULTING FROM SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION CLAUSE

This Policy is amended as set forth below. All other terms and conditions of this Policy remain unchanged and continue to apply with full force and effect. Nothing contained in this Clause shall override any radioactive contamination exclusion applicable to this Policy. If any of the perils listed below results from seepage and/or pollution and/or contamination, then such resultant perils shall not be excluded solely by the foregoing Seepage and/or Pollution and/or Contamination Exclusion Clause.

Listed Perils Fire, Explosion.

Nothing in this Clause, however, shall extend this Policy to insure:

1. loss, damage, cost, expense, fine or penalty, or other sum arising from any kind of seepage or any kind of pollution and/or contamination that causes or results from a listed peril; or
2. loss or damage at any premises other than the premises where the listed peril took place; or
3. property and/or interests other than those insured by this Policy against the listed perils.

Additional Limitations and Conditions Endorsement (Standard)

(For Worldwide Use Other Than in USA & Canada)

V. LIMITED SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION RESULTING FROM PHYSICAL DAMAGE CAUSED BY LISTED PERILS CLAUSE

THIS CLAUSE IS VOID AND OF NO FORCE OR EFFECT UNLESS AN AMOUNT IS SPECIFIED IN PARAGRAPH 2) BELOW.

This Policy is amended as set forth below. All other terms and conditions of this Policy remain unchanged and continue to apply with full force and effect. Nothing contained in this Clause shall override any radioactive contamination exclusion or, except as set forth herein, the foregoing Seepage and/or Pollution and/or Contamination Exclusion Clause. The inclusion of this Clause shall in no event increase the Limit of Liability of Underwriters under this Policy or any other endorsement applicable to this Policy.

1. If,
 - (a) any of the perils listed below is the sole, immediate and direct cause of physical damage to property insured by this Policy against such listed peril (hereinafter in this Clause referred to as "Original Damage"); and
 - (b) the Original Damage is the sole, immediate and direct cause of seepage onto, and/or pollution and/or contamination of property which is:
 - (i) at the same premises as the Original Damage; and
 - (ii) insured by this Policy against the listed peril causing the Original Damage; and
 - (c) said property is damaged thereby (hereinafter in this Clause referred to as "Resulting Damage");

then this Policy, subject to the following additional terms and limitations and the method of calculation in Clause VI of this Endorsement, also insures:

- (d) the Resulting Damage; and
- (e) the reasonable and necessary expense incurred by the Assured for debris removal and/or clean up which is:
 - (i) limited to the same premises as the Original Damage; and
 - (ii) made necessary solely by the Resulting Damage;

but which shall in no event include any expense of clean up or removal of land, water or air, (which Resulting Damage and expense of debris removal and/or clean up, hereinafter in this Clause are referred to as "Resulting Loss");

provided, however, that this Policy only insures the Resulting Loss where:

- (f) Underwriters have agreed to pay for the Original Damage or, but for the operation of a deductible or underlying amount, would have agreed to pay for the Original Damage; and
- (g) within one year of the commencement of the listed peril which caused the Original Damage, the Assured became aware and advised Underwriters of the amount of:
 - (i) the Resulting Loss; and
 - (ii) any other interest to be claimed under this Policy as a result of the Resulting Damage, whether physical damage, business interruption, extra expense or otherwise.

Listed Perils Fire, Lightning, Explosion.

Nothing in this Clause, however, shall extend this Policy to cover any condition that existed prior to the Original Damage nor to insure any loss, damage, cost, expense, fine, penalty, or other sum which is incurred, sustained or imposed by, or by the threat of, any judgement, order, direction, instruction or request of, or any agreement with, any court, government agency, any public, civil or military authority or any other person (and whether or not as a result of public or private litigation) in connection with any kind of seepage or any kind of pollution and/or contamination from any cause.

2. The maximum amount for any Resulting Loss and any other interest claimed under this Policy as a result of the Resulting Damage, whether physical damage, business interruption, extra expense or otherwise, that can be included in the method of calculation in Clause VI of this Endorsement is (or the equivalent in local currency).

VI. METHOD OF CALCULATION

In calculating the amount, if any, payable under this Policy for a claim including expense of debris removal (as provided for and limited in Clause II of this Endorsement) and/or Resulting Loss (as provided for and limited in Clause V of this Endorsement), the amount of such expense of debris removal and/or such Resulting Loss shall be added to:

- (a) the amount of the Damage (as defined in Clause II) or the amount of the Original Damage (as defined in Clause V); and
- (b) all other amounts, if any, insured under this Policy as a result of the same occurrence that Underwriters hereon agree to pay or, but for the application of a deductible or underlying amount, they would agree to pay;

then the resulting sum shall be the amount of which first all deductibles and then any underlying amounts to which this Policy is subject shall be applied and then balance, if any, shall be the amount payable, subject to all other provisions of this Policy and to the applicable limit(s), sub-limit(s) and aggregate limit(s).

13/05/93

NMA2560

1. *Electronic Data Exclusion*

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

- (a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- (b) However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils

Fire
Explosion

2. *Electronic Data Processing Media Valuation*

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

25/01/01
NMA 2915

Service of Suit Clause

The Underwriters hereon agree that :-

- (i) In the event of a dispute arising under this Policy, Underwriters at the request of the insured (or reinsured) will submit to the jurisdiction of any competent Court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such Court.
- (ii) Any summons notice or process to be served upon the Underwriters may be served upon

Lloyd's Underwriters' General Representative in Australia

Suite 2, Level 12

Angel Place

123 Pitt Street

Sydney NSW 2000

Telephone Number: (02) 9223 1433

who has authority to accept service and to enter an appearance on Underwriters' behalf, and who is directed at the request of the insured (or reinsured) to give a written undertaking to the insured (or reinsured) that he will enter an appearance on Underwriters' behalf.

- (iii) If a suit is instituted against any one of the Underwriters all Underwriters hereon will abide by the final decision of such Court or any competent Appellate Court.

17/4/75

NMA1854

Australia Terrorism Insurance Act 2003 Notice

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

ATIA 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 ATIA.

Any coverage established by ATIA is only in respect of any "eligible terrorism loss" resulting from a "terrorist act" which is a "declared terrorist incident" as defined in ATIA. 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 ATIA due to the application of a "reduction percentage" as defined in ATIA which results in a cap on the Underwriter's liability for payment for "eligible terrorism losses".

27/01/04

NMA2984

Microorganism Exclusion (Absolute)

This policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly 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.

14/09/2005

LMA5018

Several Liability Notice

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

08/94

LSW 1001 (Insurance)

Electronic Data Recognition Exclusion (E.D.R.E.)

This Policy does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- (a) the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not;
- (b) any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

17/12/97

NMA 2802

Cancellation Clause

NOTWITHSTANDING anything contained in this Insurance to the contrary this Insurance may be cancelled by the Assured at any time by written notice or by surrendering of this Contract of Insurance. This Insurance may also be cancelled by or on behalf of the Underwriters by delivering to the Assured or by mailing to the Assured, by registered, certified or other first class mail, at the Assured's address as shown in this Insurance, written notice stating when, not less than 30 days (except for non-payment of premium where 10 days) thereafter, the cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and this Insurance shall terminate at the date and hour specified in such notice.

If this Insurance shall be cancelled by the Assured the Underwriters shall retain the customary short rate proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the Earned Premium hereon or the customary short rate proportion of any Minimum Premium stipulated herein whichever is the greater.

If this Insurance shall be cancelled by or on behalf of the Underwriters the Underwriters shall retain the pro rata proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the Earned Premium hereon or the pro rata proportion of any Minimum Premium stipulated herein whichever is the greater.

Payment or tender of any Unearned Premium by the Underwriters shall not be a condition precedent to the effectiveness of Cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

20/4/61

NMA 1331

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.

06/02/03

NMA2962

1. Your obligations

You are to:

- 1.1 take all reasonable precautions to avoid or minimise loss, damage, disablement or liability
- 1.2 maintain all business premises, fittings, appliances and equipment in sound condition
- 1.3 comply with all statutory obligations, by-laws and regulations imposed by any public authority, for the safety of persons or property, and
- 1.4 obtain certificates of inspection for all equipment required by any statute or regulation to be so certified.

2. Contribution

If at the time of any loss, damage, liability or injury there is any other existing insurance, whether effected by you or by any other person or persons covering the same property, we will not be liable to pay or contribute more than our rateable proportion of such loss, damage or liability.

3. Misrepresentation and non-disclosure If:

- 3.1 you failed to disclose any matter which you were under a duty to disclose to us, or
- 3.2 you made a misrepresentation to us before the contract of insurance was entered into, and
- 3.3 as a consequence we would not have entered into the contract for the same premium and on the same terms and conditions expressed in this Policy, then (a) our liability in respect of any claim shall be reduced to an amount to place us in the same position in which we would have been placed if the failure to disclose had not occurred or the misrepresentation had not been made, or (b) if the non-disclosure or misrepresentation was fraudulent, we may avoid this Policy.

4. Alteration

Unless our written consent is obtained, we will not cover loss, damage or liability caused or contributed to by any alteration after the commencement of this Policy:

- 4.1 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 damage or the likelihood of liability losses
- 4.2 whereby your interest ceases by will or operation of law
- 4.3 whereby the business is wound up or carried on by an insolvency practitioner or permanently

5. Cancellation

- 5.1 You may cancel this Policy at any time in which case we will retain the pro-rata rate for the time the Policy has been in force.
- 5.2 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 Policy was entered into
 - (c) made a misrepresentation to us during the negotiations for the Policy before we entered into the policy
 - (d) failed to comply with a provision of the policy
 - (e) failed to pay the premium or failed to pay any instalments 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) failed to notify us of any specific act or omission where such notification is required under the terms of this Policy.
- 5.3 We may cancel this Policy pursuant to any right at law but subject to the provisions of the Insurance Contracts Act 1984.
- 5.4 When we cancel the policy it will have effect from whichever of the following times is the earliest .
 - (a) the time when another policy of insurance replacing this Policy is entered into, or
 - (b) 4 o'clock in the afternoon of the third business day after the day on which notice was given to you.
- 5.5 When we cancel the Policy we will repay on demand a rateable proportion of the premium for the unexpired period of insurance from the date of cancellation.
- 5.6 If we have to cancel the policy due to non-payment of the premium we will charge the following short period rate premiums. We will hold you and or your insurance intermediary liable to pay these amounts.

Within 1 month of inception: 15% of the quoted premium

Within 2 months of inception: 20% of the quoted premium

Within 3 months of inception: 25% of the quoted premium

6. Other insurance

You shall 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.

7. Changes in Policy

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.

8. Transfer of interest

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

9. Automatic reinstatement

9.1 After we have admitted liability for loss or damage (other than for a total loss under the property section or claims in respect of products liability), we automatically reinstate the sum insured to the amount shown in the Schedule at the time of loss.

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

Claims

What you must do if you want to claim under this Policy you must follow these procedures if something happens which causes loss or damage or injury which may lead to a claim. If

you do not, we may refuse your claim or reduce the amount we pay you.

1. When loss or damage occurs you must:

- (a) take all reasonable steps to reduce the loss or damage and to prevent further damage
- (b) immediately make a full report to the police if:
 - (i) you know or suspect that property has been stolen,
 - (ii) someone has broken into your premises, or
 - (iii) someone has caused malicious damage to your property
- (c) not make any admission of liability, offer, promise or payment in connection with any event
- (d) promptly inform us by telephone or in person
- (e) preserve any damaged property and make it available for inspection by our representative or agent (including a loss adjuster)
- (f) not authorise the repair or replacement of anything without our agreement.

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

- (a) fill in our claim form
- (b) return it to us within 30 days of 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, and
- (d) immediately send us any court document or other communication you receive about the claim. Do not take any action yourself or ask anyone else to do so on your behalf.

3. Proceedings and negotiations

3.1 We control all claims.

3.2 We require that you give us all information and assistance we may need:

- (a) to settle or defend claims, or
- (b) to recover from others any amount we have paid for a claim.

3.3 you must allow us to:

- (a) make admissions, settle or defend claims on your behalf, and
- (b) take legal action in your name against another person to recover any payment we have made on a claim. We may keep any amount we recover in priority to your right to recover any amount that you have lost which is not insured under this Policy, whether or not we have paid your claim in whole or in part.

4. Discharge of our liabilities

At any time we can pay to you or on your behalf, for all claims made against you for any one occurrence:

- (a) the limit of liability of the section under which the claim is made, after deducting any amounts already paid, or
- (b) any lower sum for which the claim may be settled.
If we do so:
 - (i) the conduct of any outstanding claim(s) will become your responsibility, and
 - (ii) we will not be liable to pay any further amounts other than costs, charges, or expenses that we agreed to pay before we made the payment referred to above.

5. Limits and excess

5.1 We will not pay more than the sum insured in respect of any claim other than those benefits that are identified as payable in addition to the sum insured, or unless we agree in writing to pay legal costs or expenses in relation to a claim.

5.2 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 may be deducted from our payment to you.

5.3 If you suffer damage which leads to a claim under more than one section of this Policy:

- (a) the highest applicable excess is payable, but
- (b) only one excess is payable.

6. Inspection and salvage

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

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

7. Other insurances

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

8. Contribution

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

9. 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.

10. Insurance Contracts Act 1984

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

11. Due observance

If you fail to comply with any term, condition or provision of the policy, we may refuse to pay a claim, but in any event our rights will be subject to the provisions of Section 54 of the Insurance Contracts Act 1984.

The Certain Underwriters at Lloyd's, London want you to know how we protect the confidentiality of your non-public personal information. We want you to know how and why we use and disclose the information that we have about you. The following describes our policies and practices for securing the privacy of our current and former customers.

INFORMATION WE COLLECT

The non-public personal information that we collect about you includes, but is not limited to:

- Information contained in applications or other forms that you submit to us, such as name, address, and social security number
- Information about your transactions with our affiliates or other third-parties, such as balances and payment history
- Information we receive from a consumer-reporting agency, such as credit-worthiness or credit history

INFORMATION WE DISCLOSE

We disclose the information that we have when it is necessary to provide our products and services. We may also disclose information when the law requires or permits us to do so.

CONFIDENTIALITY AND SECURITY

Only our employees and others who need the information to service your account have access to your personal information. We have measures in place to secure our paper files and computer systems.

RIGHT TO ACCESS OR CORRECT YOUR PERSONAL INFORMATION

You have a right to request access to or correction of your personal information that is in our possession.

CONTACTING US

If you have any questions about this privacy notice or would like to learn more about how we protect your privacy, please contact the agent or broker who handled this insurance. We can provide a more detailed statement of our privacy practices upon request.

LSW 1135B

Lloyd's Australian Alternative Disputes Resolution Clause

In the event that a dispute arises between Underwriters and the Insured/Reinsured out of or otherwise in relation to this agreement, then:

- (a) Any party to the dispute shall, without prejudice to any other right or entitlement they may have, give written notice to the other party (the "**Dispute Notice**") requiring them within 7 days of this notice to negotiate (whether in a face to face meeting or by teleconference) in good faith as to how the dispute can be resolved;
- (b) If a dispute is not resolved within 10 days of the Dispute Notice, either party can request the other party within a further 10 days to agree on either:
 1. a process for resolving the dispute through means other than litigation or arbitration, such as further negotiation, mediation, or any other alternative dispute resolution technique. The rules governing any such technique shall be agreed as between the parties and where no such agreement as to the process and or guidelines is reached within 10 days, then it shall be by mediation by a mediator selected by the Chairperson for the time being of Lawyers Engaged in Alternative Dispute Resolution (**LEADR**) (or other appropriate professional body as agreed by the parties); or
 2. referral of the matters in dispute to an independent expert for an expert determination. The parties agree that they will not be bound by the determination of the expert. The expert:
 - (a) will be a person agreed between the parties within 10 days of the dispute being referred to expert determination or failing this, the expert will be a person appointed by the Australian Insurance Law Institute (or other appropriate professional body as agreed by the parties);
 - (b) will act as an expert and not as an arbitrator;
 - (c) will proceed in such a manner as he or she thinks fit without being bound to observe the rules of natural justice or the rules of evidence;
 - (d) will take into consideration all documents, information and other written and oral material that the parties place before him or her including documents, information and material relating to the facts in dispute and to arguments and submissions upon the matters in dispute; and
 - (e) will act with expedition to provide the parties with a determination in writing within 35 days of the referral to him or her of the matters in dispute.

Both parties must use their best endeavours to achieve resolution by the selected process and further agree that neither party will initiate litigation (as set out in clause (c) below) without first pursuing such informal resolution techniques in good faith;

In the event that the dispute is not resolved by such informal process within 35 days of the Dispute Notice (or such other period as agreed in writing between the parties) the dispute shall be referred to litigation.

- (c) Following either a mediation or an expert determination pursuant to clause (b) of this provision, either party may then initiate proceedings in any competent Court in the Commonwealth of Australia in relation to the matters in dispute.

Such proceedings may only be commenced on 14 days written notice to the other party and shall be determined in accordance with the law and practice applicable in such Court.

Any summons, notice or process to be served upon Underwriters may be served upon:

Lloyd's Underwriters' General Representative in Australia

Suite 2, Level 21

Angel Place

123 Pitt Street

Sydney NSW 2000

Australia

who has authority to accept service and to appear on Underwriters' behalf.

If proceedings are instituted against any one of the Underwriters, all Underwriters participating in this insurance will abide by the final decision of such Court or any competent Appellate Court.

- (d) Except where the dispute renders it impossible to do so, the parties will continue performing their respective obligations under the Policy while the dispute is being resolved, unless and until such obligations are terminated or expire in accordance with this agreement.
- (e) Each party must use its reasonable endeavours to ensure that where a dispute is reasonably foreseeable, it is dealt with at a sufficiently early stage to ensure that there is a minimal effect on the ability of either party to perform its obligations under the Policy.
- (f) Notwithstanding anything in this schedule, either party may at any time commence Court proceedings in relation to any dispute or claim arising under, or in connection with the Policy where the party seeks urgent interlocutory relief.

02/02

LSW1145