



WINSURE INSURANCE GROUP PTY LIMITED

COMMERCIAL FIRE & OTHER PERILS AND LIABILITY CERTIFICATE

Wording: Winsure CommBusPak (v1) 08.10

PART I

COMMERCIAL FIRE & OTHER PERILS INSURANCE

GENERAL DEFINITIONS (Applicable to Part I only)

"Proposal" means the signed proposal and declaration and any information in addition thereto or in substitution thereof supplied to Underwriters by or on behalf of the Insured.

"Insured" means the person or persons, firm or company specified in the Schedule.

"Broker" means the entity specified in Item 8 of the Schedule.

"Underwriter(s)" means certain Underwriters at Lloyd's of London or Insurers as noted in the Certificate Schedule.

"Business" means the Business specified in the Schedule except insofar as any other description of the Business may appear in the Schedule applicable to any individual Section in which case the description so appearing will apply for the sole purpose of that individual Section.

"Premises" means the building(s) occupied by the Insured in connection with the Business excluding any building(s) or part thereof specifically excluded.

"Period of Insurance" means the period specified in the Schedule and any further period(s) for which Underwriters may accept payment of a premium in respect of this Certificate but only if an endorsement has been issued by the Coverholder to reflect this.

"Excess" means the first part of each and every loss which the Insured must bear after the application of any Underinsurance.

GENERAL EXCLUSIONS (Applicable to Part I only)

1. Notwithstanding anything contained in this Certificate to the contrary, this Certificate does not cover loss, destruction 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, terrorism, 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.
2. This Certificate does not cover:-
 - (i) loss, destruction or damage directly or indirectly caused by or contributed to by or arising from:
 - (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
 - (b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

- (ii) loss or destruction of or damage to computer systems' records, documents, manuscripts and business books (unless specifically insured hereunder).
 - (iii) loss, destruction or damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
 - (iv) loss, destruction or damage attributable solely to change in the water table level.
3. This Certificate does not cover any loss, destruction or damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or in relation 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; or
 - (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 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 exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

4. Electronic Data Exclusion

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

- (a) This Certificate 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 Certificate, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Certificate period to property insured by this Certificate directly caused by such listed peril.

Listed Perils
Fire
Explosion

5. Electronic Data Processing Media Valuation

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

Should electronic data processing media insured by this Certificate suffer physical loss or damage insured by this Certificate, 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 Certificate 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.

6. Notwithstanding any provision to the contrary within this Certificate 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 Assured.

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

7. 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".

8. 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.
9. This Certificate does not cover loss, destruction or damage in respect of which the Insured is entitled to indemnity under any other insurance.

GENERAL CONDITIONS (Applicable to Part I only)

1. 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.

2. It is a condition precedent to the liability of Underwriters that:-

(a) all protections provided for the safety of the Property Insured shall be maintained in good order throughout the Period of Insurance and shall not be withdrawn, altered or varied without the prior consent of Underwriters and shall be in full and effective operation when the Premises are closed for business or left unattended and at all other appropriate times;

(b) any alarm forming part of the protections shall be maintained in good order throughout the Period of Insurance under a maintenance contract with the installing company or a member of the National Supervisory Council for Intruder Alarms or equivalent body.

3. Notice must be immediately given to Underwriters of any change in the Business conducted in the said Premises or if any of the buildings become unoccupied.

4. If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, such claim hereunder shall be forfeited.

5. This Certificate may be cancelled at any time at the request of the Insured in writing to Underwriters through the Broker and the premium hereon shall be adjusted on the basis of Underwriters receiving or retaining either: -

(a) the earned premium, calculated in accordance with the premium adjustment provisions relating to Sections D and E, if covered, plus the short term proportion of the non-adjustable premium, calculated in accordance with Underwriter's standard clause, details of which are available on request, or

(b) the short term earned proportion of the Provisional or Minimum Premium, as applicable, plus the short term earned proportion of the non-adjustable premium,

whichever is the greater.

This Certificate may also be cancelled for any of the reasons allowed by the Insurance Contracts Act 1984 (as amended) by giving 3 working days notice in writing of such cancellation to the Insured's last known address, and the premium hereon shall be adjusted on the basis of Underwriters receiving or retaining either: -

(i) the earned premium, calculated in accordance with the premium adjustment provisions relating to Sections D and E, if covered, plus the pro rata earned proportion of the non-adjustable premium, or

(ii) the pro rata earned proportion of the Provisional or Minimum Premium, as applicable, plus the pro rata earned proportion of the non-adjustable premium,

whichever is the greater.

6. Notwithstanding anything contained in this Certificate to the contrary relating to the submission of declarations, if any part of the premium for any section of this Certificate is calculated on estimates, the Insured shall, as soon as possible after the expiry of each Period of Insurance, furnish such details as Underwriters may require and the premium for such period shall be adjusted subject to any minimum premium.

CLAIMS CONDITIONS

1. Applicable to Sections A – H of Part I other than Section G

It is a condition precedent to the liability of Underwriters that, following any happening likely to give rise to a claim, the Insured will, as soon as possible, but no later than seven days thereafter:-

- (a) give notification in writing to Underwriters via the Broker or its agents,
- (b) provide such information and assistance as Underwriters may reasonably require,
- (c) in the event of theft, attempted theft or riot, inform the Police, and offer them all reasonable assistance in the apprehension of the person(s) responsible and the recovery of any property stolen.

Underwriters will settle claims when amounts thereof and applicability of this Certificate are established.

2. Applicable to Section C of Part I

In the event of a claim being made under Section C, the Insured shall, not later than thirty days after the expiry of the Indemnity Period or within such further time as Underwriters may in writing allow, at its own expense, deliver in writing to Underwriters a statement of the particulars of its claim together with details of all other insurances insuring the Damage or any part of it or consequential loss of any kind resulting therefrom. The Insured shall, at its own expense, also produce and furnish to Underwriters such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by Underwriters for the purpose of investigating or verifying the claim together with, if demanded, a statutory declaration of the truth of the claim and of any matters connected therewith. No claim under Section C shall be payable unless the terms of Claims Condition 1 and this Claims Condition 2 have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to Underwriters forthwith.

3. Applicable to Section G of Part I

Notwithstanding anything contained in this Certificate to the contrary the following shall apply:

Underwriters shall in all other cases have the opportunity of inspecting the damage before any repairs or replacements are commenced.

Underwriter's liability shall cease for any insured item which has sustained damage and is operated without being repaired to the Underwriter's satisfaction.

The value of any salvage shall be subtracted from the amount calculated.

The Insured shall act to mitigate any Loss or damage to the extent that can be reasonably expected.

SECTION A: FIRE AND OTHER PERILS LISTED BELOW

COVER

Under this Section, Underwriters agree to indemnify the Insured, up to the respective Sums Insured specified in the Schedule, for loss or destruction of or damage to the Property Insured at the Premises specified in the Schedule, occurring during the Period of Insurance, directly caused by the following perils and special perils (if applicable).

PERILS

1. A: FIRE and/or LIGHTNING.

B: FIRE consequent upon explosion wherever the explosion occurs.

2. EXPLOSION

In respect of this Peril 2, this Certificate does not cover loss, destruction or damage by explosion (other than loss, destruction or damage by fire resulting from explosion) caused by the bursting of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured.

3. AIRCRAFT and other aerial devices or articles dropped therefrom.

4. EARTHQUAKE shock, or fire directly or indirectly caused by earthquake.

5. A: STORM OR TEMPEST

In respect of this Peril 5 A, this Certificate does not cover loss, destruction or damage directly or indirectly caused by Flood or frost.

B: BURSTING or OVERFLOWING or LEAKAGE of water pipes, water mains, water tanks or water apparatus.

In respect of this Peril 5 B, this Certificate does not cover loss, destruction or damage directly or indirectly caused by bursting or overflowing any sprinkler installation or boilers other than domestic boilers.

In respect of these Perils 5 A & B, this Certificate does not cover:

(a) Loss, destruction or damage: -

(i) as a result of repairs to or removal or extension of water pipes, mains, tanks or apparatus,

(ii) by bursting or overflowing or leakage occurring whilst the Premises are vacant or unoccupied,

(iii) to property in the open,

(iv) to gates, fences or walls, glass, drains, sewers or watercourses unless damaged by the fall of brickwork or masonry caused by an insured peril.

(b) Loss, destruction or damage whether caused directly or indirectly: -

(i) by subsidence or landslip or heave,

(ii) by fire, lightning or explosion.

6. ANY PERSON taking part in a RIOT, STRIKE, LABOUR DISTURBANCE, CIVIL COMMOTION or ANY PERSON OF MALICIOUS INTENT

In respect of this Peril 6, this Certificate does not cover:

(a) Loss, destruction or damage whether caused directly or indirectly by total or partial cessation or interruption or retarding of work or of any commercial or industrial process or operation.

7. IMPACT by any vehicle, horse or cattle not belonging to or under the control of the Insured or its employees,

In respect of this Peril 7, this Certificate does not cover loss or destruction of or damage to glass.

SECTION A(ii): THEFT or ATTEMPTED THEFT

In respect of this Peril 8, this Certificate does not cover: -

(a) loss, destruction or damage caused by such theft or attempted theft unless:

(i) entry to or exit from the Premises has been effected by forcible and violent means,

(ii) assault, violence or threat thereof to the Insured, the Insured's employees or people to whom the Property Insured is entrusted, has happened,

(b) loss or destruction of or damage to property by or in collusion with any of the Insured's employees or inmates of the Insured's Premises,

(c) loss or destruction of or damage to property in any yard or open space,

(d) loss, destruction or damage resulting in fire or explosion,

(e) loss or destruction of or damage to glass.

SPECIAL PERILS ADDITIONAL TO SECTION A(ONLY APPLICABLE IF STATED IN THE SCHEDULE AS AN OPTIONAL COVER)

8. ACCIDENTAL LOSS OR DESTRUCTION OF OR DAMAGE to any item or items of Property Insured under Section A as specified in the Schedule.

In respect of this Peril 9, this Certificate does not cover:

(i) loss, destruction or damage caused by:-

- (a) or arising from wear, tear, gradual deterioration, moth, vermin, damp, wet rot, dry rot, infestation, rust, atmospheric or climatic conditions, any process of dyeing, cleaning, repair, renovation, Flood, seepage, pollution or contamination;
 - (b) consequential loss;
 - (c) faulty or defective design, materials or workmanship, latent defect, inherent vice or any gradually operating cause;
 - (d) collapse or cracking of the building;
 - (e) subsidence, landslip or heave and, as regards new structures, normal settlement or bedding down;
 - (f) mechanical or electrical breakdown and/or derangement of machinery, plant or any other equipment;
 - (g) unexplained loss or disappearance;
 - (h) fraud or dishonesty by the Insured's directors, partners or employees not discovered within one month;
 - (i) explosion occasioned by the bursting of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel, machine or apparatus in which internal pressure is due to steam only;
 - (j) cracking, fracturing, collapse or overheating of boilers, economisers, vessels, tubes or pipes, nipple leakage or the failure of welds;
 - (k) breakage of articles of brittle nature unless such breakage is caused by theft, attempted theft or fire;
- (ii) loss or destruction of or damage to:-
- (a) that part of the property as a direct result of its undergoing any process or whilst in use;
 - (b) cash, currency, bank-notes, cheques, stamps, deeds, bonds, bills of exchange, promissory notes, vouchers, tokens, invoices, credit cards, debit cards, and securities for money;
 - (c) vehicles licensed for road use (other than vehicles not more specifically insured within the confines of the Insured's Premises), watercraft or aircraft;
 - (d) fuel oil pipes or underground water supply, sewage or gas pipes, electricity or telecommunication cables or other pipes/cables extending from the Premises to the public mains.
- (iii) the amount of the Excess specified in the Schedule.

9. ACCIDENTAL LOSS OR DESTRUCTION OF OR DAMAGE (other than by the Perils insured under the rest of this Section A) to Office Machinery, which means any office machine pertaining to the Business not being stock in trade or goods in trust other than property on hire or hire purchase or other instalment credit arrangement, whilst situate at the Premises or within the Territorial Limits as specified in the Schedule.

In respect of this Peril 10, this Certificate does not cover:-

- (i) loss, destruction or damage arising from atmospheric conditions, gradual deterioration, any process of cleaning or restoring or from adjustment, repair or dismantling of any part of the machine or loss or destruction of or damage to any part whilst removed from its normal working position;
- (ii) loss, destruction or damage arising from mechanical or electrical breakdown of any machine or part thereof;
- (iii) loss, destruction or damage caused by counterfeit, substitute or foreign coins;
- (iv) loss or destruction of or damage to the contents of machines;
- (v) depreciation, contamination, consequential loss or consequential damage of any kind or description;
- (vi) the amount of the Excess specified in the Schedule.

10. FLOOD

We will pay you if the Property at the Premises is Damaged during the Period of Insurance as a result of a Flood, subject to a sub-limit of 15% of the Sum Insured stated within the schedule for Section A perils 1,2,3,4,5,6 and 7.

A \$5,000 Excess is to apply to all claims covered under this optional cover.

The word Flood is hereby deleted from the Definition of Fire and Perils 5(a)

Flood is defined as a general and temporary condition of partial or complete inundation of normally dry land areas from overflow of inland or tidal waters from the unusual and rapid accumulation or runoff of surface waters from any source.

EXCLUSIONS

In respect of this Section, this Certificate does not cover:

1. loss, destruction or damage caused by seepage, pollution or contamination except (unless otherwise excluded) loss or destruction of or damage to the Property Insured which is caused by:
 - (i) seepage, pollution or contamination which itself results from a peril hereby insured against;
 - (ii) any peril hereby insured against which itself results from seepage, pollution or contamination.
2. loss, destruction or damage occasioned by, or happening through, or in consequence of strikes, lockouts, labour disturbances, riots or civil commotions, unless these perils are specified in the Schedule, and then only to the extent stated.
3. loss or destruction of or damage to stocks of coal or coke on the Premises insured caused by its own spontaneous fermentation, heating or combustion.
4. any property more specifically insured by or on behalf of the Insured.

5. consequential loss, destruction or damage of any kind or description.
6. loss or destruction of or damage to cash, currency, bank-notes, cheques, stamps, deeds, bonds, bills of exchange, promissory notes, vouchers, tokens, invoices, credit cards, debit cards, and securities for money.
7. The amount of the Excess specified in the Schedule.

STANDARD CLAUSES

1. Loss or Destruction of or Damage to Buildings

Loss or destruction of or damage to the buildings or fixtures and fittings, the property of the Insured or for which the Insured is legally responsible, during theft or attempted theft of the Property Insured is also included; the limit for such loss, destruction or damage shall not exceed 10% of the Sum Insured specified in the Schedule, in respect of Section A, Item 1, in respect of Premises where the loss, destruction or damage is done.

2. Under-insurance

This Section (except as regards loss, destruction or damage caused by thieves to the buildings or fixtures and fittings thereof) is subject to the following Condition for Underinsurance, that is to say, if the Sum Insured is 85% or less than the value of the Property Insured at the time of any loss, destruction or damage, the Insured shall only be entitled to the portion of the claim based on the following formula;

$$\text{Claim Amount} \quad \times \quad \frac{\text{Sum Insured}}{85\% \text{ of the value of the category of Property at the time of loss or damage}}$$

If two or more items with separate Sums Insured set against them are insured hereunder, each item shall be separately subject to this Condition of Under-insurance.

This provision will not apply if the total value of the claim does not exceed 5% of the sum insured.

3. Architects', Surveyors', Legal and Consulting Engineers' Fees

Within the limit(s) of the Sum(s) Insured on buildings, machinery and plant, as specified in Items 1 and 2 of the Property Insured in the Schedule, this Section covers Architects', Surveyors', Legal, Consulting Engineers', and other fees necessarily incurred by the Insured in the reinstatement of the Property Insured following upon its loss, destruction or damage by any peril hereby insured against but not any fees for the preparation of the claim or estimate of loss not exceeding the amounts authorised under the scales of the various Institutions regulating such charges prevailing at the time of the loss, destruction or damage.

4. Demolition and Clearance

Within the limit(s) of the Sum(s) Insured by each Item on property, other than Stock and Materials in Trade, this Section covers costs and expenses necessarily incurred by the Insured with the consent of Underwriters for:

- (a) removing the debris of;
- (b) dismantling or demolishing;

- (c) shoring up or propping;

The portion or portions of the property lost, destroyed or damaged by any peril hereby insured against and to which such Sum(s) Insured respectively relate.

Underwriters will not pay for any costs or expenses:

- (i) incurred in removing debris except from the site of such property lost, destroyed or damaged and the area immediately adjacent to such site;
- (ii) arising from seepage into, onto or from or pollution or contamination of property not insured by this Certificate.

STANDARD CONDITIONS

1. Waste

It is a condition of this Certificate that all waste is swept up daily and placed in metal bins with self closing lids and disposed of weekly.

2. Fire Extinguishing Appliances

It is a condition of this Certificate that there are adequate Fire Extinguishing Appliances in accordance with the local fire prevention officer's recommendations or fire insurance surveyor's requirements, maintained under contract in full working order during the Period of Insurance.

3. Portable Heater

It is a condition of this Certificate that there will be no use or storage on the Premises of paraffin or portable electric or gas heaters or containers unless specifically agreed in writing by Underwriters prior to such use or storage.

4. Electrical Circuit Maintenance

It is a condition of this Certificate that all electrical circuits will be tested at least once in three years by a qualified electrical engineer and that all defects found will be remedied immediately in accordance with the Regulations of the Institute of Electrical Engineers or Local equivalent, their certificate confirming the same is to be issued to, and retained by, the Insured.

SPECIAL CLAUSES (only applicable if specified in the Schedule)

1. Sprinkler Leakage Extension Clause

Notwithstanding anything contained in this Certificate to the contrary, Underwriters agree to indemnify the Insured, up to the Sum(s) Insured specified in the Schedule for loss or destruction of or damage to the Property Insured directly caused by Sprinkler Leakage.

"Sprinkler Leakage" means water discharged or leaking from the Automatic Sprinkler Installation at the Premises insured, provided that such discharge or leakage is accidental.

In respect of this Sprinkler Leakage Extension, this Certificate does not cover: -

- (i) loss, destruction or damage caused by the discharge or leakage of water occasioned by or happening through:
 - (a) repairs or alterations to the Premises;
 - (b) the Automatic Sprinkler Installation being repaired, removed or extended;
 - (c) freezing whilst the Premises are vacant or unoccupied or freezing due to the neglect of the Insured;
 - (d) fire, lightning or explosion;
 - (e) earthquake, subsidence or landslip;
 - (f) defects in construction or condition of the Automatic Sprinkler Installation of which the Insured is aware;
- (ii) loss or destruction of or damage to the Automatic Sprinkler Installation;
- (iii) consequential loss of any kind or description.

2. Replacement of Locks

Up to the Sum(s) Insured specified in the Schedule for Items 1 and 3, this Certificate includes the reasonable expenses (not exceeding AUD1,250.00) incurred in necessarily replacing locks to the buildings or safes or strongrooms therein consequent upon the theft of keys from such building or from the residence of any of the authorised key holding directors, partners or employees of the Insured.

SECTION B: BREAKAGE OF GLASS

COVER

Under this Section, Underwriters agree to indemnify the Insured for breakage of all fixed internal and external glass, up to the Sum(s) Insured specified in the Schedule, at the Premises stated, but only if the cost of the replacement of such glass has to be borne by the Insured. In addition, Underwriters agree to indemnify the Insured for the cost of boarding up pending replacement of glass following such breakage.

In the event of breakage, all glass shall be considered to be plain and of ordinary glazing quality unless specifically mentioned in the Schedule.

EXCLUSIONS

In respect of this Section, this Certificate does not cover:-

1. the cost of removing or restoring frames or fittings;
2. breakage arising from repairs, decorations, additions, alterations to the Premises, or to glass whilst being fitted;
3. breakage due to dilapidation or deterioration of frames or fittings;

4. the amount of the Excess specified in the Schedule.

SECTION C: LOSS OF PROFITS

COVER

Under this Section, Underwriters agree to indemnify the Insured for interruption of or interference with the Business in consequence of Damage occurring during the Period of Insurance directly caused by the perils and special peril(s) specified as "Covered" within Section A, F or G of the Schedule, for loss of Gross Profit due to (a) Reduction in Turnover and (b) Increase in Cost of Working and the amount payable as indemnity, up to the Sum(s) Insured specified in Section C of the Schedule, shall be:

- (a) In respect of Reduction in Turnover, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover,
- (b) In respect of Increase in Cost of Working, the additional expenditure, subject to the provisions of Condition 6 of this Section, necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided,

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage, provided that, if the Sum(s) Insured by this Section is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

Under-insurance

This Section (except as regards loss, destruction or damage caused by thieves to the buildings or fixtures and fittings thereof) is subject to the following Condition for Underinsurance, that is to say, if the Sum Insured is 85% or less of the Actual Rate of Gross Profit at the time of any loss, destruction or damage, the Insured shall only be entitled to the portion of the claim based on the following formula;

$$\text{Claim Amount} \quad \times \quad \frac{\text{Sum Insured}}{85\% \text{ of the actual Rate of Gross Profit at the time Of loss or damage}}$$

This provision will not apply if the total value of the claim does not exceed 5% of the sum insured.

Note 1: To the extent that the Insured is accountable to the tax authorities for Goods and Services tax (or similar purchase, sales, or services tax) all terms in this Section shall be exclusive of such tax.

Note 2: For the purpose of the following definitions, any adjustment implemented in current cost accounting shall be disregarded.

DEFINITIONS

"Damage" means loss or destruction of or damage to Property Insured, specified in Section C of the Schedule, used by the Insured at the Premises for the purpose of the Business.

"Indemnity Period" means the period beginning with the occurrence of the Damage and ending not later than the last day of the period specified in Section C of the Schedule as "Indemnity Period", during which the results of the Business shall be affected in consequence of the Damage.

"Turnover" means the money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the Business at the Premises.

"Gross Profit" means the amount by which:

- (1) the sum of the amount of the Turnover and the amount of the closing stock and closing work in progress shall exceed
- (2) the sum of the amount of the opening stock, opening work in progress and purchases of stock, raw materials and components (less any discounts received) and the Specified Working Expenses.

Note: The amounts of the opening and closing stock and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

"Specified Working Expenses" (unless otherwise stated in this Certificate) means purchases and discounts relative thereto and bad debts. The words and expressions used in this definition of Specified Working Expenses shall have the meaning usually attached to them in the books and accounts of the Insured.

"Rate of Gross Profit" means the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage	)	to which such adjustments shall be made
	)	as may be necessary to provide for the
	)	trend of the Business and for variations in
	)	or other circumstances affecting the
	)	Business either before or after the
"Annual Turnover" means the Turnover during the twelve months immediately before the date of the Damage	)	Damage or which would have affected
	)	the Business had the Damage not
	)	occurred so that the figures thus adjusted
	)	shall represent as nearly as may be
"Standard Turnover" means the Turnover during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period	)	reasonably practicable the results which,
	)	but for the Damage, would have been
	)	obtained during the relative period after
	)	the Damage.

EXCLUSION

In respect of this Section this Certificate does not cover fines or damages for breach of contract, for late or non-completion of orders, or any penalties of whatever nature.

EXTENSION

Professional Accountants' Charges

This Section is extended to include the Insured's professional accountants' reasonable charges if, at the time, they are regularly acting as such for the Insured, which may be required by Underwriters under Claims Condition 2 of this Certificate, for producing and certifying any particulars or details contained in the Insured's books of account or other business books or documents or such other proofs, information or evidence as may be required by Underwriters in connection with a claim under this Section.

Provided always, that the sum of the amount payable under this Extension shall be included within the Gross Profit Sum(s) Insured for this Section.

CONDITIONS

1. Alternative Trading

If, during the Indemnity Period, goods shall be sold or services shall be rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by others on its behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

2. Departmental Business

If the Business is conducted in departments the independent trading results of which are ascertainable, the provisions of clauses (a) and (b) of COVER of this Section shall apply separately to each department affected by the Damage except that, if the Sum Insured is less than the aggregate of the sums produced by applying the Rate of Gross Profit for each department of the Business (whether affected by the Damage or not) to the relative Annual Turnover (or to a proportionately increased multiple thereof where the Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

3. Payments on Account

Claim payments on account may be made during the Indemnity Period if requested.

4. Alteration of Risk

Notwithstanding anything contained in this Section to the contrary, Underwriters shall avoid this Section if: -

(a) the Business is wound up or carried on by a liquidator or receiver or is permanently discontinued, or

(b) the Insured's interest ceases otherwise than by death,

at any time after the commencement of this Certificate, unless its continuance is admitted by endorsement signed by or on behalf of Underwriters.

5. Due Diligence

Notwithstanding anything contained in this Certificate to the contrary, the Insured shall, with due diligence, do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the Business and to avoid or diminish the loss, whether by taking other premises or by any other means.

6. Uninsured Standing Charges

If any standing charges of the Business are not insured by this Section (having been deducted in arriving at the Gross Profit) then, in computing the amount recoverable hereunder as Increase in Cost of Working, that proportion only of the additional expenditure shall be brought into account in arriving at the Turnover during the Indemnity Period.

7. Accumulated Stocks

In adjusting any loss, account shall be taken and equitable allowance made if any shortage in Turnover due to the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods.

SECTION D: MONEY

COVER

Under this Section, Underwriters agree, to the extent and in the manner provided herein, to indemnify the Insured for amounts not exceeding the Sum(s) Insured specified in the Schedule for: -

SUB-SECTION 1

loss of money from any cause whatsoever whilst

- A (i) in transit in the custody of the Insured or its authorised representative, to and from the Bank or Post Office and the Insured's Premises,
(ii) in transit as more specifically described in the Schedule,
- B within any of the Premises specified in the Schedule
 - (i) when open for business and not left unattended,
 - (ii) when closed for business and left unattended, but limited to AUD250 or currency equivalent any one loss unless such money is in a locked safe or strongroom,
- C contained in the private residences of the Insured or of a principal or employee of the Insured,
- D contained in a Bank Night Safe until removed by a Bank Official.

SUB-SECTION 2

loss or destruction of or damage done by thieves to safes or strongrooms or any case, bag, or waistcoat containing money insured herein,

SUB-SECTION 3

loss or destruction of or damage to the clothing of any principal or employee of the Insured as a result of an assault on such principal or employee by any person stealing or attempting to steal money insured herein, occurring during the Period of Insurance specified in the Schedule.

DEFINITION

As used in this Sub-Section, "Money" means:

Cash, Bank and Currency Notes, Cheques, Bankers' Drafts, Postal Orders, Money Orders, Securities for Money, Current Postage Stamps, Embossed Stamps, Franking Machine unexpired units, Credit Card Sales Vouchers, G.S.T. Purchase Invoices

The property of the Insured or for which the Insured is responsible.

EXCLUSIONS

In respect of this Sub-Section, this Certificate does not cover:

1. loss by dishonesty on the part of any of the Insured's employees,
2. consequential loss, loss or shortages due to depreciation or currency fluctuation or clerical or accounting errors or omissions,
3. loss from unattended vehicles,
4. loss or damage occurring outside the Territorial Limits specified in the Schedule.

CONDITIONS

1. It is a condition precedent to the liability of Underwriters that the protections and precautions provided for the safety of the insured money shall be in use at all times, and maintained in good order throughout the currency of this Certificate and in no way varied or removed without the written consent of Underwriters.
2. It is a condition precedent to the liability of Underwriters that all keys and duplicate keys of safes, strongrooms, and alarms are removed from the Premises specified in the Schedule at all times when such Premises are closed for business and left unattended.
3. The provisional premium is subject to adjustment as specified in the Schedule on the estimated aggregate amount of Money in transit during the Period of Insurance. The Insured shall supply, within thirty days after expiry, a declaration of the actual aggregate amount of Money in transit, showing separately all transits specified in the Schedule.

SECTION E: GOODS IN TRANSIT

COVER

Underwriters hereby agree, to the extent and in the manner provided herein, to indemnify the Insured, up to the Sum(s) Insured specified in the Schedule, for all risks of physical loss or destruction of or damage, occurring during the Period of Insurance, to goods and/or merchandise, sheets, ropes, packing materials and the like (excluding containers), being the property of the Insured whilst in transit.

DEFINITION

As used in this Section, "In Transit" means in transit per the Insured's vehicles and/or trailers and/or containers (including all such conveyances in the Insured's care, custody or control) and/or other methods of dispatch between any address(es) within the Territorial Limits specified in the Schedule, including any loading and unloading, and packing and unpacking; and, whilst in the normal course of transit, the goods and/or merchandise are temporarily housed on or off the vehicles and/or trailers, or in containers that are on or off the vehicles and/or trailers, for up to 72 hours.

EXCLUSIONS

In respect of this Section, this Certificate does not cover:

1. loss, destruction, or damage in respect of, or arising from, or caused by, mildew, moth, vermin, inherent vice, deterioration, insufficiency of insulation, electrical and/or mechanical derangement unless caused by external means, contamination, shortage in weight, evaporation, taint, consequential loss, loss of market, or delay.
2. livestock, jewellery, furs, watches, precious metals and stones, treasury notes, bullion, cash, bonds, deeds, stamps, securities, manuscripts, documents and plans, safety razor blades, non ferrous metal and scrap, perfumery, tobacco, cigars, cigarettes, wines, spirits, and the like, explosives, radios, television sets, tape recorders and similar articles, unless permission is obtained from the Underwriters and rates and terms agreed prior to the carriage of such goods and/or merchandise.
3. theft of or from vehicle(s) and/or trailer(s) and/or container(s) when left unattended, unless:
 - (i) between 1800 hours and 0600 hours, such vehicle and/or trailer and/or container is garaged in a building or parked in a fully enclosed yard, which is securely closed and locked or under constant surveillance and the vehicle and/or trailer and/or container has all doors, windows, boot, and other openings closed and securely locked, and all additional protective devices put into full and proper operation, and has all keys removed, so far as local fire regulations permit;
 - (ii) between 0600 hours and 1800 hours, such vehicle and/or trailer and/or container has all doors, windows, boot, and other openings closed and securely locked, and all additional protective devices put into full and proper operation, and has all keys removed.
4. any loss directly or indirectly arising under the Carriage of Goods by Road Act 1965 which gives effect to the Convention on the Contracts for International Carriage of Goods by Road (C.M.R.).
5. any loss directly or indirectly occasioned by, or happening through, or in consequence of strikes, lockouts, labour disturbances, riots or civil commotions.
6. the amount of the Excess specified in the Schedule, except losses in respect of, arising from, or caused by fire damage to, and/or collision of the conveying vehicle and/or trailer and/or container.

CONDITIONS

1. Under-insurance

This Section is subject to the following Condition for Underinsurance, that is to say, if the the Sum Insured is 85% or less than the value of the Property Insured at the time of any loss, destruction or damage, the Insured shall

formula:
Claim amount x

Sum Insured

following

If two or more items with separate Sums Insured set against them are insured hereunder, each item shall be separately subject to this Condition of Under-insurance.

This provision will not apply if the total value of the claim does not exceed 5% of the sum insured.

2. Protections Maintenance

The Insured shall take all reasonable precautions for the protection and safeguarding of the goods and/or merchandise, and all vehicles, trailers, containers and protective devices shall be maintained in good order. Such devices shall be used at all times and shall not be varied or withdrawn without written consent of Underwriters.

3. Insured's Duty after Loss

It is the duty of the Insured in the event that any of the Property Insured is lost or damaged, to take all reasonable steps to effect its recovery or preservation.

4. Adjustment of Premium

The premium for this Section is adjustable at expiry at the rate specified in the Schedule and, within one month of the expiry of each Period of Insurance, the Insured shall declare to Underwriters the certified gross carryings and/or sendings for such Period of Insurance. If the amount so declared shall differ from the estimated carryings/sendings specified in the Schedule, then the difference in premium shall be adjusted and there shall be paid a proportionate additional premium to Underwriters or a refund to the Insured as the case may be, subject to Underwriters retaining the minimum premium specified in the Schedule.

SECTION F: DETERIORATION OR PUTREFACTION OF REFRIGERATED STOCK

COVER

Underwriters hereby agree to indemnify the Insured for deterioration or putrefaction of the Refrigerated Stock contained in each of the Refrigeration Unit(s) specified in the Schedule up to the Sum(s) Insured specified in the Schedule for each Refrigeration Unit.

This Section shall only apply if such deterioration or putrefaction is due to a change in temperature following:

- (a) breakdown of any of the Refrigeration Unit(s) specified in the Schedule; or
 - (b) failure of the public electricity or gas supply; or
 - (c) the action of refrigerant fumes escaping from such Refrigeration Unit(s) specified in the Schedule;
- occurring during the Period of Insurance shown in the Schedule.

CONDITION

It is a condition of this Certificate that the Refrigeration Unit(s) specified in the Schedule is/are regularly maintained under contract by the manufacturer, installer or a competent engineer.

EXCLUSIONS

In respect of this Section, this Certificate does not cover deterioration or putrefaction as a result of:

1. the deliberate act of any electricity or gas supply authority or the exercise by any such authority of its power to withhold or restrict supply;
2. the failure of the electricity or gas supply due to strikes or any other withdrawal of labour by any of the employees of any electricity or gas authority;
3. the breakdown of any Refrigeration Unit(s) that are in excess of ten years of age;
4. the amount of the Excess specified in the Schedule.
5. loss, destruction or damage resulting from fire or explosion,

SECTION G MACHINERY BREAKDOWN

COVER

Under this Section, Underwriters agree to indemnify the Insured, up to the respective Sums Insured specified in the Schedule, for loss or destruction of or damage to the Property Insured at the Premises, specified in the Schedule, occurring during the Period of Insurance, directly caused by an Insured Event.

DEFINITIONS

"Insured Event" means loss or destruction of or damage caused solely by and as a direct consequence of electrical or mechanical breakdown which necessitates the repair or replacement of the items specified in the Schedule subsequent to the successful completion of initial commissioning of the specified items.

"Breakdown" means sudden and unforeseen physical, mechanical, electrical or electronic malfunction or failure which becomes apparent at the time it occurs and requires immediate repair or replacement to enable normal operation to continue.

LIMIT OF INDEMNITY

1. Underwriters shall be liable for the expenses less depreciation to return the damaged item to its former state of serviceability including where reasonably necessary:
 - (i) cost of dismantling and re-erection of the Property Insured specified in the Schedule and removal of debris
 - (ii) charges for overtime and work on public holidays
 - (iii) freight within Australia including transportation as freight by any recognised airline's scheduled service(s)
 - (iv) replacement of refrigerant lost from insured items as a direct result of damage-
 - (v) hire of a temporary replacement electric motor during the time taken to repair damage to any Insured electric motor.
2. Depreciation to be deducted as follows:
 - (i) Where insured damage necessitates replacement or exchange of sealed or semi-sealed motor/ compressor units or complete sealed or semi-sealed condensing units or

compressors of complete open-drive condensing units, or complete open-drive condensing units depreciation shall be deducted from the delivered cost of replacement or exchange units as follows:

Type of Unit	Rate of Depreciation
All Units	10% per annum

Annual depreciation shall apply for each complete year of service following initial commissioning or replacement whichever has most recently occurred. Total depreciation for any one item shall not exceed 80% (eighty percent).

- (ii) In respect of boilers or other pressure vessels (where insured) no deduction shall be made for depreciation in respect of parts replaced except for sudden and accidental cracking or distortion of tube headers or steaming coils in Presha or Clayton type steam generators. Underwriter's liability for any such tubes shall not exceed the installed replacement cost of the tubes depreciated at the rate 20% for each year elapsed from the date on which the tubes were originally installed. This depreciation shall be subject to a maximum deduction of 80% of the installed replacement costs of the tubes affected.
 - (iii) For all other types of machines or equipment not encompassed in 2 (i) or 2 (ii) no deduction shall be made for depreciation in respect of parts replaced.
3. All damage which can be repaired shall be repaired. However should the total cost of repair exceed:
- (i) In respect to damage other than to boilers and other pressure vessels
 - (a) the actual depreciated installed value of the item or
 - (b) the Sum Insured

Underwriter's maximum liability shall be the lesser of (a) and (b).

or
 - (ii) In respect of damage to boilers and other pressure vessels
 - (a) the cost of replacement of the item with an item of a similar function, type, capacity and quality and in a condition equal to but not better than the condition of the item when new
 - or
 - (b) the Sum Insured

Underwriter's maximum liability shall be the lesser of (a) and (b).
4. The Sum Insured of the machine or
- (a) when the machine is less than five (5) years old the cost of replacing the items destroyed with items of similar type and capacity to the insured items when new
 - or

- (b) when the machine is five (5) years old or more the actual value of the item immediately before loss or damage.

The maximum liability shall be the lesser of (a) or (b) above.

EXCLUSIONS

In respect of this Section, this Certificate does not cover:

the cost of:

- (i) replacement of damaged, worn or spent belts, filters, fuses, electric heating elements, cutting blades, glass components, lubricants, fuel and all operating media
- (ii) replacement of component parts worn through normal machine operation
- (iii) adjustment cleaning or recharging of refrigeration or air-conditioning equipment unless necessary as part of the rectification of loss or damage insured by this Section.
- (iv) preventative maintenance work
- (v) alteration, addition, improvements or overhauls whether carried out in the course of indemnified repairs or as a separate operation
- (vi) replacement or restoration following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation)
- (vii) repair of scratches to painted or polished surfaces.
- (viii) Consequential loss, damage or liability of any kind or description whatsoever,
- (ix) Loss or damage due to faults or defects known to the Insured or any of the Insured's employees at the time of arrangement of this Insurance and not disclosed to the Insurer.
- (x) Loss or damage to the Insured's plant or property arising during the application of any hydraulic test of the plant occasioned thereby.
- (xi) the breakdown of any machinery that is in excess of ten years of age.
- (xii) loss, destruction or damage resulting from fire or explosion,

CONDITIONS

1. Where in the Schedule it specifies the existence of a maintenance agreement it is a condition of this Section that the said maintenance agreement shall be kept current and in force at all times.

2. Inspection

Underwriter's representative shall, upon demand, have the right to inspect and examine any item insured by this Section of the Certificate.

3. Newly Installed or Deleted Items

In respect of newly installed machinery and other items requiring specification in the Schedule the Insured is required to inform Underwriters within 30 days of such items being put into operation. An additional premium or refund of premium may be charged or credited accordingly.

SECTION G (II) ELECTRONIC EQUIPMENT BREAKDOWN

COVER

Under this Section, the Underwriter agrees to indemnify the Insured, up to the respective Sums Insured specified in the Schedule, for loss or destruction of or damage to the Property at the Premises specified in the Schedule, occurring during the Period of Insurance, directly caused by an Insured event.

DEFINITIONS

"Insured Event" means Loss or Destruction of or Damage caused solely by and as a direct consequence of electric, electronic or mechanical breakdown which necessitates the repair or replacement of the items specified in the schedule subsequent to the successful completion of initial commissioning of the specified items.

"Breakdown" means sudden and unforeseen physical mechanical electrical or electronic malfunction or failure which becomes apparent at the time it occurs and requires immediate repair or replacement to enable normal operation to continue.

LIMIT OF INDEMNITY

1. Underwriters shall be liable for the expenses less depreciation to return the damaged item to its former state of serviceability including where reasonably necessary:
 - (i) cost of dismantling, re-erection and removal of debris
 - (ii) charges for overtime and work on public holidays
 - (iii) freight within Australia including transportation as freight by any recognised airline's scheduled service(s)

2. All damage which can be repaired shall be repaired. However should the total cost of repair exceed:
 - (i) The Sum Insured of the machine
 - (ii)
 - (a) when the machine is less than five (5) years old the cost of replacing the items destroyed with the items of similar type and capacity to the insured items when new or
 - (b) when the machine is five (5) years old or over the actual value of the item immediately before loss or damage

Underwriters maximum liability shall be the lesser of (a) or (b).

CONDITIONS

1. Where in the Schedule it specifies the existence of a maintenance agreement it is a condition of this section that the said maintenance agreement shall be kept current and in force at all times.

2. Inspection

Underwriter's representative shall upon demand have the right to inspect and examine any item insured by this Section of the Certificate.

3. Claims and Repair Procedure

Notwithstanding anything contained in this Certificate to the contrary the following shall apply:

Underwriters shall in all other cases have the opportunity of inspecting the damage before any repairs or replacements are commenced.

Underwriters liability shall cease for any insured item which has sustained damage and is operated without being repaired to Underwriters satisfaction.

The excess and the value of any salvage shall be subtracted from the amount calculated.

If more than one insured item is damaged in one occurrence the Insured shall bear only the highest single excess applicable to such items.

4. Newly Installed or Deleted Items

In respect of newly installed machinery and other items requiring specification in the Schedule the Insured is required to inform Underwriters within 30 days of such items being put into operation. An additional premium or refund of premium may be charged or credited accordingly.

EXCLUSIONS

This Section does not cover:

The cost of:

- (i) Loss or damage which is recoverable under the terms of any warranty guarantee or maintenance agreement or service agreement.
- (ii) replacement of damaged, worn or spent belts, filters, fuses, electric heating elements, cutting blades, glass components, lubricants, fuel and all operating media
- (iii) Loss of data stored in the equipment unless insured under the Loss of Data Option.
- (iv) replacement of component parts worn through normal machine operation
- (v) adjustment cleaning or recharging of refrigeration or air-conditioning equipment unless necessary as part of the rectification of loss or damage insured by this Section.
- (vi) preventative maintenance work
- (vii) alteration, addition, improvements or overhauls whether carried out in the course of indemnified repairs or as a separate operation
- (viii) replacement or restoration following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation)
- (ix) repair of scratches to painted or polished surfaces.
- (x) Consequential loss damage or liability of any kind or description whatsoever,
- (xi) Loss or damage due to faults or defects known to the Insured or any of the Insured's employees at the time of arrangement of this Insurance and not disclosed to Underwriters.
- (xii) Loss or damage to the Insured's plant or property arising during the application of any hydraulic test of the plant occasioned thereby.

The first AUD250 and/or the amount specified in the Schedule (whichever is the greater) of each and every claim except where otherwise provided for.

SECTION G (II) LOSS OF DATA (OPTIONAL)

COVER

This option is only available for loss of data as a result of breakdown of equipment insured under the Electronic Equipment Breakdown Section.

LIMIT OF INDEMNITY

Underwriters shall be liable for the cost incurred to restore the Data to a condition equivalent to that existing prior to the breakdown including the cost of overtime necessarily incurred. Underwriter's liability under this optional sub-section shall not exceed the limit of indemnity specified in the schedule.

CONDITIONS

The Insured shall maintain all reasonable and proper backup procedures to ensure offsite copies of data are available.

EXCLUSIONS

This Section does not cover:

- (i) Any loss or damage unless the equipment in which the data is processed is insured under the Electronic Equipment Breakdown and Underwriters have agreed to meet the claim for breakdown.
- (ii) Any loss or damage if the Insured has failed to maintain reasonable and proper backup procedures.

SECTION (H) DISHONESTY OF EMPLOYEES

COVER

Under this Section, Underwriters agree to indemnify the Insured subject to satisfactory proof against direct pecuniary loss by any Act committed by an Employee as defined below, but only up to the Sum Insured specified in the Schedule. Underwriters will also pay the cost of Accountants' fees not exceeding the sum specified in the schedule necessarily incurred, but only where the Sum Insured specified in the Schedule is not otherwise exhausted.

DEFINITIONS

"Employee" means any person employed by the Business referred to in the Certificate Schedule but does not include a director of a corporation or a trustee of a trust while carrying out their duties as a director or trustee only.

"Act" means an act of fraud or dishonesty committed by an Employee.

CONDITIONS

Upon the discovery of any circumstances giving rise or likely to give rise to a claim under this Section the Insured must:

1. Give notice to Underwriters explaining fully all such circumstances;

2. Comply with the General and Claims Conditions of Part I of this Certificate as soon as possible.
3. Deliver to Underwriters a statement in writing of any claim certified and/or prepared by a Public Accountant together with all details reasonably practicable as to the loss. The Insured must also produce and furnish to Underwriters all books of account and other business books, invoices, vouchers and other documentations which they may reasonably require and any other information verified if requested by Underwriters on oath;
4. If and when required by Underwriters (but at Underwriters expense if a conviction is obtained) use all diligence in prosecuting or assisting to prosecute any Employee to conviction for any Act in respect of which a claim shall have been made under this Section.
5. In the event of any claim being made under this Section the Insured must to the extent allowed by law retain all salary commission moneys or assets the property of any Employee in respect of whom a claim is made which may be in or come into the Insureds' hands or under the Insureds' control and shall apply the same towards making good the amount of any default due to Acts insured against under this Section. However, if the insured loss exceeds the amount recoverable under this Section such retention shall be applied first to the uninsured portion of the loss.

EXCLUSIONS

In respect of this Section, this Certificate does not cover:

1. Pecuniary loss unless the Act is discovered not later than six (6) months after the termination of this Certificate or not later than six (6) months after the termination of employment of the Employee, whichever shall have happened first;
2. More than the Sum Insured stated in the in the Schedule in respect of an employee, notwithstanding that the Act was committed by such Employee during more than one (1) period of Insurance.
3. Pecuniary loss arising from an Act committed more than twelve (12) months prior to the date of receipt by Underwriters of notice of such Act however in respect of any Act committed during the period of Insurance and discovered after but within six (6) months of termination of cover under Section H or within six (6) months of termination of the employment of such employee whichever shall have happened first, the Insured is entitled to claim for any such Act which occurred within twelve (12) months prior to the date of termination of cover under Section H or the date of termination of such employment, which ever shall have happened first;
4. Any subsequent discovery of any such Act by the Employee.
5. More than the Sum Insured stated in the Schedule in respect of any one Period of Insurance for any one Employee and for all Employees.
6. The Excess stated in the Schedule.

**ENDORSEMENT ATTACHING TO AND FORMING PART OF PART I COMMERCIAL FIRE & OTHER PERILS
CERTIFICATE**

Seasonal increase of stock applicable to Section A.

The sum insured on your stock will be increased by 30%:

- (a) from sixty (60) days before Christmas Day to the thirtieth (30th) day following, both days inclusive
- (b) from thirty (30) days before Easter Sunday to the twentieth day following, both days inclusive
- (c) from two (2) weeks before and including gazetted public or bank holidays, such period to include adjoining weekend periods.

Seasonal increases of money applicable to Section D.

The sum insured under money section is increased by 50% or up to AUD 30,000 whichever is the lesser during:

- (a) from sixty (60) days before Christmas Day to bank closing time on the thirtieth (30th) day following, both days inclusive
- (b) from thirty (30) days before Easter Sunday to bank closing time on the twentieth day following, both days inclusive
- (c) 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.

PART II:

COMBINED LIABILITY INSURANCE

BUSINESS

The Insured carries on business in the following territories and no others for the purpose of this Certificate:

- (a) business premises: the country specified by the Address(es) in the Schedule
- (b) products and services supplied and non-manual business visits Worldwide excluding the United States of America and Canada.

PERIOD OF INSURANCE

As stated in the Schedule.

The Underwriters hereby give notice of cancellation at the above expiry date. This is for the purpose of review and does not signal Underwriters' intention not to renew the Certificate.

THIRD PARTY JURISDICTIONS COVERED BY THE CERTIFICATE

World-Wide but excluding any judgment, award or settlement made within countries which operate under the laws of the United States of America or Canada (or any order made anywhere in the world to enforce such judgment, award, settlement or proceedings either in whole or in part) unless the Insured has requested that there shall be no such limitation and has accepted the terms offered by the Underwriters in granting such cover, which offer and acceptance must be signified by specific endorsement to this Certificate.

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.

1. OPERATIVE CLAUSE

The Underwriters will indemnify the Insured against their legal liability to pay damages (including claimants' costs, fees and expenses) in accordance with the law of any country stated in the Schedule as a third party jurisdiction covered by the Certificate.

This indemnity applies only to such legal liability as defined by each insured Section of this Certificate arising out of the Business, subject always to the terms, conditions and exclusions of such Section and of the Certificate as a whole.

2. DEFINITIONS

For the purpose of this Certificate:

- 2.1 **Insured** means:
- 2.1.1 the person, persons or corporate body named in the Schedule
 - 2.1.2 subsidiary companies of the Insured notified to and accepted in writing by the Underwriters.
- 2.2 **Business** means the business stated in the Schedule conducted at or from premises of the Insured and shall include:
- 2.2.1 the ownership, repair and maintenance of the Insured's own property
 - 2.2.2 provision and management of canteen, social, sports and welfare organisations for the benefit of any Person Employed and medical, firefighting, and security services
 - 2.2.3 private work undertaken by any Person Employed for any director or partner of the Insured with the prior consent of the Insured.
- 2.3 **Injury** means death, bodily injury, illness or disease of or to any person.
- 2.4 **Damage** means loss of possession of or physical damage to tangible property.
- 2.5 **Person Employed** means any:
- 2.5.1 employee being a person under a contract of service or apprenticeship with the Insured
 - 2.5.2 labour master and persons supplied by him
 - 2.5.3 person employed by labour only sub-contractors
 - 2.5.4 self employed person under the control of the Insured
 - 2.5.5 person hired to or borrowed by the Insured
 - 2.5.6 person undertaking study or work experience or youth training scheme with the Insured
 - 2.5.7 working for the Insured in connection with the Business.
- 2.6 **Product** means any tangible property after it has left the custody or control of the Insured which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the Insured.
- 2.7 **Pollution** means pollution or contamination of the atmosphere or of any water, land, buildings or other tangible property.
- 2.8 **Defence Costs** mean costs, fees and expenses incurred by the Insured with the written consent of the Underwriters in the defence or settlement of any claim, suit or proceedings which are or would, if successful, be covered under this Certificate, including legal expenses arising out of

representation at any inquest or inquiry or arising out of the defence of any proceedings in a Court of Summary Jurisdiction in respect of matters which may form the subject of indemnity by this Certificate.

3. INDEMNITY TO OTHERS

The indemnity granted extends to:

- 3.1 managerial or supervisory Persons Employed in their business capacity for legal liabilities arising out of the performance of the business and any director or partner of the Insured in respect of private work undertaken by any Person Employed for such director or partner with the prior consent of the Insured
- 3.2 the officers, committees and members of the Insured's canteen, social, sports, medical, fire fighting, security services and welfare organisations for legal liabilities incurred in their respective capacity as such
- 3.3 any person or firm for legal liabilities arising out of the performance of a contract with the Insured constituting the provision of labour only
- 3.4 any principal for legal liabilities arising out of work carried out by the Insured under a contract or agreement in respect of which the Insured would have been entitled to indemnity under this Certificate if the claim had been made against the Insured
- 3.5 the personal representatives of any person or party indemnified by reason of this Clause 3 in respect of legal liability incurred by such person or party.

Provided always that all such persons or parties shall observe, fulfil and be subject to the terms, conditions and exclusions of this Certificate as though they were the Insured.

4. CROSS LIABILITIES

Each person or party specified as the Insured in the Schedule is separately indemnified in respect of claims made against any of them by any other such person or party subject to the Underwriters' total liability not exceeding the stated Limits of Indemnity.

5. LIMITS OF INDEMNITY

SECTIONS A, B and C– The Underwriters' total liability to pay damages (including claimants' costs, fees and expenses) shall not exceed the sum stated in the Schedule in respect of any one occurrence or series of occurrences arising from one originating cause. Each Section shall be subject to its own Limit of Indemnity, provided always that should the same originating cause or occurrence give rise to indemnity under more than one Section, the total amount of Underwriters' liability for all claims arising out of one originating cause or occurrence under all such Sections combined shall not exceed the single greatest Limit of Indemnity available under the Sections providing indemnity

SECTIONS B AND C separately – The Underwriters' total liability to pay damages (including claimants' costs, fees and expenses) shall not exceed the sum stated in the Schedule against each Section in respect of all occurrences combined during the Period of Insurance.

6. DEFENCE COSTS

The Underwriters will also pay Defence Costs provided that Underwriters' shall not be liable for any fines or penalties imposed as a consequence of any claim, suit or proceedings. Defence Costs will be payable in addition to or inclusive within the Limits of Indemnity as stated in the Schedule. Where Defence Costs are payable in addition to the Limit of Indemnity, if the amount required in settlement of the third party claim is greater than the Limit of Indemnity available under this Certificate in respect of such claim, then the Underwriters will not pay more than their corresponding proportional share of the associated Defence Costs.

SECTION A – PUBLIC LIABILITY

7. SECTION A – INDEMNITY

The Insured is indemnified by this Section in accordance with the Operative Clause for and/or arising out of accidental Injury and/or Damage occurring during the Period of Insurance.

8. SECTION A – EXCLUSIONS

This Section does not apply to or include legal liability:

- 8.1 arising out of Pollution or arising out of any Product
- 8.2 arising out of the ownership, possession or use by or on behalf of the Insured or any person or party entitled to indemnity of any vehicle or trailer which is either registered or is required to be registered under law other than legal liability:
 - 8.2.1 caused by the use of any tool or plant forming part of or attached to or used in connection with any motor vehicle or trailer
 - 8.2.2 arising beyond the limits of any carriageway or thoroughfare caused by the loading or unloading of any motor vehicle or trailer
 - 8.2.3 arising out of any motor vehicle or trailer temporarily in the Insured's custody or control for the purpose of parking

Provided always that no indemnity is granted against liability for which compulsory insurance or security is required by legislation or for which the government or other authority has accepted responsibility

- 8.3 arising out of the ownership, possession or use by or on behalf of the Insured of any aircraft, spacecraft, hovercraft, offshore installation, rig, platform or watercraft (other than watercraft not exceeding 10 metres in length whilst on inland waterways)
- 8.4 for Damage to property owned, leased to, hired by, under hire purchase, on loan to, held in trust by or otherwise in the Insured's care, custody or control other than:
 - 8.4.1 clothing and personal effects of Persons Employed and visitors

8.4.2 premises (including contents therein) temporarily occupied by the Insured for work therein or thereon but no indemnity shall be granted for Damage to that part of the property on which the Insured is or has been working and which arises out of such work

8.4.3 premises tenanted by the Insured but always excluding liability arising out of

- (a) fire
- (b) explosion
- (c) any other perils which the tenancy agreement requires the Insured to insure against
- (d) any other perils which the tenancy agreement makes the Insured responsible for unless the Insured would have been liable in the absence of such an imposition

8.5 arising out of breach of professional duty or wrongful or inadequate advice given separately for a fee.

SECTION B – PRODUCTS LIABILITY

9. SECTION B – INDEMNITY

The Insured is indemnified by this Section in accordance with the Operative Clause for and/or arising out of accidental Injury and/or Damage occurring during the Period of Insurance and arising out of or in connection with any Product.

10. SECTION B – EXCLUSIONS

This Section does not apply to or include legal liability:

10.1 arising out of Pollution

10.2 for costs incurred in the repair, reconditioning or replacement of any Product or part thereof which is or is alleged to be defective

10.3 arising out of the recall of any Product or part thereof

10.4 arising out of any Product which with the Insured's knowledge is intended for incorporation into the structure, machinery or controls of any aircraft, other aerial device, hovercraft or waterborne craft

10.5 arising by virtue of a contract or agreement but which would not have arisen in the absence of such contract or agreement

SECTION C – POLLUTION LIABILITY

11. SECTION C – INDEMNITY

The Insured is indemnified by this Section in accordance with the Operative Clause for and/or arising out of accidental Injury and/or Damage occurring during the Period of Insurance and arising out of Pollution which was the direct result of a sudden, identifiable, unintended and unexpected event occurring in its entirety at a specific time and place during the Period of Insurance.

12. SECTION C – EXCLUSIONS

This Section is subject to the Exclusions of Sections A and B other than 8.1 (as regards Pollution) and 10.1 and also does not apply to or include legal liability for:

- 12.1 Damage to premises presently or at any time previously owned or tenanted by the Insured
- 12.2 Damage to land or water within the boundaries of or below any land or premises presently or at any time previously owned or leased by the Insured or otherwise in the Insured's care, custody or control.
- 12.3 Damage caused or contributed to by the Insured's failure to take reasonable precautions to prevent Pollution.

GENERAL EXCLUSIONS

13. EXCLUSIONS APPLICABLE TO ALL SECTIONS OF PART II OF THE CERTIFICATE

This Certificate does not apply to or include legal liability:

- 13.1 for or arising out of the deliberate, conscious or intentional disregard by the Insured's technical or administrative management of the need to take all reasonable steps to prevent Injury or Damage
- 13.2 for or arising out of Injury to a Person Employed where such Injury arises out of and in the course of employment by the Insured
- 13.3 for or arising out of liquidated damages clauses, penalty clauses or performance warranties unless it is proven that liability would have attached in the absence of such clauses or warranties
- 13.4 directly or indirectly occasioned by, happening through or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.
- 13.5 This Policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused * NEVERTHELESS if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of this Policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.
* NOTE. - If Fire is not an insured peril under this Policy the words "NEVERTHELESS" to the end of the clause do not apply and should be disregarded.
- 13.6 for any award of punitive or exemplary damages whether as fines, penalties, multiplication of compensatory awards or damages, or in any other form whatsoever
- 13.7 for the Excess stated in the Schedule in respect of the first amount of each occurrence

- 13.8 arising from circumstances known to the Insured prior to the inception date of this Certificate.
- 13.9 for any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of, or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to Asbestos or materials or products containing Asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss
- 13.10 for loss, injury, 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 exclusion, 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 exclusion also applies to loss, injury, 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, injury, 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 exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

This exclusion shall take precedence over any other term of the Certificate, including any endorsement added at any time, which does not expressly override it.

GENERAL CONDITIONS

14. General Conditions applicable to all Sections of Part II of the Certificate

- 14.1 The Insured shall give immediate notice in writing to the Underwriters of any occurrence that may give rise to a claim under this Certificate and shall give all such additional information as the Underwriters may require. Every claim, writ, summons, notice of adjudication, referral notice or process and all documents relating thereto shall be forwarded to the Underwriters immediately they are received.
- 14.2 No admission, offer, promise or payment shall be made or given by or on behalf of the Insured without the written consent of the Underwriters, who shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute in the name of the Insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Insured shall give all such information and assistance as the Underwriters may reasonably require.

- 14.3 The Underwriters may at any time pay to the Insured in connection with any claim or series of claims under this Certificate to which a Limit of Indemnity applies the amount of such Limit (after deduction of any sums already paid) or any lesser amount for which such claims can be settled and upon such payment being made the Underwriters shall relinquish the conduct and control of and be under no further liability in connection with such claims except for the payment of Defence Costs incurred prior to the date of such payment.

This clause does not apply where and to the extent Defence Costs are inclusive within the Limit of Indemnity.

Provided that if the Underwriters exercise the above option and the amount required to dispose of any claim or series of claims exceeds the Limit of Indemnity and such excess amount is insured either in whole or in part, with Defence Costs payable in addition to the Limit of Indemnity under this Certificate then the Underwriters will also contribute their proportion of subsequent Defence Costs incurred with their prior written consent as the Limit of Indemnity bears to the amount paid to dispose of a claim.

- 14.4 The Insured shall give notice to the Underwriters of any alteration or circumstance which materially affects the risks insured under this Certificate and until the Underwriters are advised of such alteration or circumstance and shall have expressly agreed in writing to accept liability for such altered risk and the Insured has paid or agreed to pay the additional premium, if any, the Underwriters shall not be liable in respect of any claim or claims due wholly or partially to any such alteration or circumstance.
- 14.5 Where the premium is provisionally based on the Insured's estimates, the Insured shall keep accurate records and within 90 days of expiry of the Period of Insurance declare such particulars as the Underwriters require. The premium shall then be adjusted and any difference paid or allowed to the Insured as the case may be subject to any minimum premium that may apply. Failure to declare such particulars to the Underwriters shall entitle the Underwriters to estimate if they so wish such particulars and to assess the further premium payment due calculated on such estimated particulars.
- 14.6 Any written proposal and/or declaration made by the Insured shall form the basis of this contract of insurance and is deemed to be incorporated herein.
- 14.7 If any claim under this Certificate is in any respect fraudulent all benefit in respect of such claim shall be forfeited.
- 14.8 The Underwriters may cancel this Certificate for any of the reasons allowed by the Insurance Contracts Act 1984 (as amended) by giving 3 working days notice in writing of such cancellation to the Insured's last known address.
- 14.9 This Certificate and the Schedule will be interpreted in accordance with the law of Australia. The Certificate and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Certificate or the Schedule shall bear such specific meaning wherever it may appear.
- 14.10 All disputes concerning the interpretation of this Certificate are understood and agreed by both the Insured and the Underwriters to be subject to Australian Law. Each party agrees to submit to the jurisdiction of any court of competent jurisdiction within Australia and to comply with all requirements necessary to give such court jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of such court.
- 14.11 The Insured shall advise the Underwriters at the time of any claim under this Certificate of the details of all other liability insurance from which the Insured may benefit, regardless of

whether such claim is in the Insured's opinion recoverable from such other insurance, in order for the Underwriters to establish rights of contribution which they may have.

ENDORSEMENTS ATTACHING TO AND FORMING PART OF PART II COMBINED LIABILITY CERTIFICATE

SERVICE OF SUIT CLAUSE NMA1854

The Underwriters accepting this insurance agree that:

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

*Lloyd's Underwriters' General Representative in Australia
Suite 2, Level 21
Angel Place
123 Pitt Street
Sydney NSW 2000*

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

- (iii) if a suit is instituted against any of the Underwriters, all Underwriters participating in this insurance will abide by the final decision of such Court or any competent Appellate Court.

CARE CUSTODY AND CONTROL EXTENSION

This extension modifies exclusion 8.4. All the other terms, conditions and exclusions of the Certificate still apply.

Exclusion 8.4 shall not apply to the first AUD10,000 of each and every occurrence in excess of the Excess stated in the Schedule. Provided always that the Underwriters shall not be liable for

- (a) Damage to vehicles in the Insured's care, custody or control for the purpose of parking in respect of which a fee is charged
- (b) Damage to that part of any property on which the Insured is or has been working and which arises out of such work

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".

NMA 2984
27/01/04