

Information Network Technology Property

Policy Wording

CHUBB®

Duty of Disclosure

Your Duty of Disclosure

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

You have this duty until we agree to insure you.

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

What you do not need to tell us

You do not need to tell us anything that:

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

If you do not tell us something

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both. If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

Privacy Statement

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

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

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

Why We collect Your Personal Information

The primary purpose for Our collection and use of Your Personal Information is to enable Us to provide insurance services to You. Sometimes, We may use Your Personal Information for Our marketing campaigns, in relation to new products, services or information that may be of interest to You. If You wish to opt out of Our marketing campaigns You can contact Our customer relations team on 1800 815 675 or email CustomerService.AUNZ@chubb.com.

How We obtain Your Personal Information

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

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

When do We disclose Your Personal Information?

We may disclose the information We collect to third parties, including service providers engaged by Us to carry out certain business activities on Our behalf (such as claims assessors and call centres in Australia). In some circumstances, in order to provide Our services to You, We may need to transfer Your Personal Information to other entities within the Chubb group of companies such as the regional head offices of Chubb located in

Singapore, UK or USA (Chubb Group of Companies), or third parties with whom We (or the Chubb Group of Companies) have sub-contracted to provide a specific service for Us, which may be located outside of Australia (such as in the Philippines or USA). These entities and their locations may change from time to time. Please contact us, if you would like a full list of the countries in which these third parties are located.

Where access to Our products has been facilitated through a third party (for example: insurance broker, online marketing agency etc) We may also share Your information with that third party.

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

Your Consent

In dealing with Us, You agree to Us using and disclosing Your Personal Information as set out in this Privacy Statement and Our Privacy Policy. This consent remains valid unless You tell Us otherwise. If You wish to withdraw Your consent, including for things such as receiving information on products and offers by Us or persons We have an association with, please contact Our Privacy Officer.

Access to and correction of Your Personal Information

If you'd like a copy of your Personal Information or wish to correct or update it, want to withdraw Your consent to receiving offers of products of services from Us or persons We have an association with, or You would like a copy of Our Privacy Policy, please contact Our customer relations team on 1800 815 675 or email CustomerService.AUNZ@chubb.com.

To request access to, update or correct your personal information held by

Chubb, please complete Our Personal Information Request Form [online](#) or download it from www2.chubb.com/au-en/footer/privacy.aspx and return to:

Email

CustomerService.AUNZ@chubb.com
Fax: + 61 2 9335 3467
Address:
GPO Box 4907 Sydney NSW 2001

How to Make a Complaint

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

Privacy Officer

Chubb Insurance Australia Limited
GPO Box 4907 Sydney NSW 2001
+61 2 9335 3200
Privacy.AU@chubb.com.

General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice (the Code). The objectives of the Code are to further raise standards of service and promote consumer confidence in the general insurance industry. Further information about the Code and your rights under it is available at www.codeofpractice.com.au and on request.

If your policy, or a part of your package policy, provides cover on a claims made or claims made and notified basis, the following two sections will apply, but not otherwise.

Claims-Made and Claims-Made and Notified Coverages

These coverages apply only to claims that are either first made against you during the period of insurance or both first made against you and notified to us in writing before the expiration of the period of the insurance cover provided by the Policy. If your Policy does not

have a continuity of cover provision or provide retrospective cover then your Policy may not provide insurance cover in relation to events that occurred before the contract was entered into.

Notification of Facts that might give rise to a claim

Section 40(3) of the Insurance Contracts Act 1984 only applies to the claims-made and the claims-made and notified coverages available under the Policy.

Pursuant to Section 40(3) of the Insurance Contracts Act 1984, and only pursuant to that section, if you give notice in writing to us of facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of such facts but before the insurance cover provided by the Policy expires, then we are not relieved of liability under the Policy in respect of the claim, when made, by reason only that it was made after the expiration of the period of the insurance cover provided by the Policy.

Complaints and Dispute Resolution

We take the concerns of our customers very seriously and have detailed complaint handling and internal dispute resolution procedures that you can access. Please note that if we have resolved your initial complaint to your satisfaction by the end of the 5th business day after we have received it, and you have not requested that we provide you a response in writing, the following complaint handling and internal dispute resolution process does not apply. This exemption to the complaints process does not apply to complaints regarding a declined claim, the value of a claim, or about financial hardship.

Stage 1 - Complaint Handling Procedure

If you are dissatisfied with any aspect of your relationship with Chubb including

our products or services and wish to make a complaint, please contact us at:

The Complaints Officer
Chubb Insurance Australia Limited
GPO Box 4065
Sydney NSW 2001
O 1800 815 675
E Complaints.AU@chubb.com

The members of our complaint handling team are trained to handle complaints fairly and efficiently.

Please provide us with your claim or policy number (if applicable) and as much information as you can about the reason for your complaint.

We will investigate your complaint and keep you informed of the progress of our investigation. We will respond to your complaint in writing within fifteen (15) business days provided we have all necessary information and have completed any investigation required. In cases where further information or investigation is required, we will work with you to agree reasonable alternative time frames and, if We cannot agree, you may request that your complaint is taken to Stage 2 and referred to Our internal dispute resolution team. We will otherwise keep you informed about the progress of our response at least every ten (10) business days, unless you agree otherwise.

Please note if your complaint relates to Wholesale Insurance (as defined in the General Insurance Code of Practice), we may elect to refer it straight to Stage 2 for review by our Internal Dispute Resolution team.

Stage 2 - Internal Dispute Resolution Procedure

If you advise us that you wish to take your complaint to Stage 2, your complaint will be reviewed by members of our internal dispute resolution team, who are independent to our complaint handling team and are committed to

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reviewing disputes objectively, fairly and efficiently.

You may contact our internal dispute resolution team by phone, fax or post (as below), or email at:

Internal Dispute Resolution Service
Chubb Insurance Australia Limited
GPO Box 4065
Sydney NSW 2001
O +61 2 9335 3200
F +61 2 9335 3411
E DisputeResolution.AU@chubb.com

Please provide us with your claim or policy number (if applicable) and as much information as you can about the reason for your dispute.

We will keep you informed of the progress of our review of your dispute at least every ten (10) business days and will respond to your dispute in writing within fifteen (15) business days, provided we have all necessary information and have completed any investigation required. In cases where further information or investigation is required, we will work with you to agree reasonable alternative time frames. If we cannot agree, you may refer your dispute to the Australian Financial Complaints Authority (AFCA) as detailed under Stage 3 below, subject to its Rules. If your complaint or dispute falls outside the AFCA Rules, you can seek independent legal advice or access any other external dispute resolution options that may be available to you.

Stage 3 - External Dispute Resolution

If you are dissatisfied with our internal dispute determination, or we are unable to resolve your complaint or dispute to your satisfaction within forty-five (45) days, you may refer your complaint or dispute to AFCA, subject to its Rules.

AFCA is an independent external dispute resolution scheme approved by the Australian Securities and Investments Commission. We are a member of this scheme and we agree to be bound by its

determinations about a dispute. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

You may contact AFCA at any time at:

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

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

Insurance Council of Australia

Where we cannot provide you with insurance cover, we will refer you to the Insurance Council of Australia (the ICA) for information about alternative insurance options (unless you already have someone acting on your behalf). The ICA has established a referral service called 'Find an Insurer'. Information on finding alternative insurers can be found at www.findaninsurer.com.au.

Financial Claims Scheme

We are an insurance company authorised under the Insurance Act 1973 (Cth) (Insurance Act) to carry on general insurance business in Australia by the Australian Prudential Regulation Authority (APRA) and are subject to the prudential requirements of the Insurance Act.

The Insurance Act is designed to ensure that, under all reasonable circumstances, financial promises made by Us are met within a stable, efficient and competitive financial system.

Because of this We are exempted from the requirement to meet the compensation arrangements Australian financial services licensees must have in place to compensate retail clients for loss or damage suffered because of breaches by the licensee or its representatives of Chapter 7 of the Corporations Act 2001 (Cth). We have compensation arrangements in place that are in accordance with the Insurance Act.

In the unlikely event that We were to become insolvent and were unable to meet Our obligations under the Policy, a person entitled to claim may be entitled to payment under the Financial Claims Scheme. Access to the Scheme is subject to eligibility criteria. Please refer to <https://www.fcs.gov.au> for more information.

The Policy is issued by Chubb Insurance Australia Limited ABN: 23 001 642 020 AFSL: 239687.

Our website can be visited at www.chubb.com/au.

May 2019

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Introduction

This is a Chubb **INT Property** Insurance Policy. Please read the entire Policy carefully.

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

The operative Parts, Sections and sub-sections of this Policy are as indicated in the Schedule. Unless a particular Part, Section or sub-section is identified in the Schedule as being operative, it is of no effect and no cover is granted under it.

Please note that Part 4 - Professional Expenses is a 'claims-made' cover i.e. it applies only to claims first made against the Insured and reported to Chubb during the Policy Period. You must refer to Part 4 for further guidance in the event of a claim.

General Provisions

General Insuring Agreement

In consideration of payment of the premium, and subject to the terms and conditions of this Policy, Chubb and the Insured agree that Chubb will provide insurance cover as set out in those Parts, Sections and sub-sections identified as operative in the Schedule.

Terms

"The Company", "Us", "We", "Our" and "Chubb" means Chubb Insurance Australia Limited ABN: 23 001 642 020 AFSL: 239687.

"Limit of Liability" or "Limit of Insurance" means the limit or limits of liability stated in the Schedule to apply to any Part, Section or sub-section. "Policy Period" means the period of time stated in the Schedule. "Insured", "You", "Your" and "Yours" means the entity identified as the insured in the Schedule.

Definitions Applicable To All Parts Of This Policy

Additional Expenses

means any necessary extra expenses sustained by the Insured following a postponement over and above those expenses that would have been incurred had the **event** not been postponed, or reasonable additional costs incurred to reduce or prevent a **cancellation, interruption or postponement** that has occurred or appears likely to occur. Additional expenses will not include lost earnings or profit.

Annual Rent Receivable

means the amount of **rent receivable** during the twelve months immediately before the date of the **damage** allowing for the **trend in the business**.

Ascertained Net Expenses

means those actual expenses, costs and/or guarantees or irrevocable monetary commitments including advertising, promotions and exploitation costs (net of salvage or other recoveries, including any portion of revenues that at the time of loss the Insured is not obliged to return), which were spent by the Insured prior to the **cancellation or interruption** of the **event**. It will not include lost earnings or profit.

Audit

means an audit or official:

- review;
- examination; or
- investigation;

by an Australian Federal, State or Territory government body (including the Australian Taxation Office) concerning returns lodged for taxation, levies or duty payable by the Principal Organisation or lodged by the Principal Organisation pursuant to superannuation or workers' compensation legislation.

It is deemed to start when the Principal Organisation or **professional** initially receives written notice of it and to finish when the Principal Organisation or **professional** receives formal notice indicating it has concluded (including any assessment, amended assessment or advice as to finding or outcome).

Bodily Injury

Bodily injury means physical:

- injury;
- sickness; or
- disease;

sustained by a person, including death, humiliation, mental anguish, mental injury and shock resulting from such injury, sickness or disease. All such humiliation, mental anguish, mental injury and shock will be deemed to happen at the time of the injury, sickness or disease from which it resulted.

Book Value

means historical cost less accumulated depreciation, as reflected in the Insured's most recent financial records prior to the date of loss.

Breakdown

means the actual failure, distortion, breaking or burning out of any part of a machine whilst in use arising from either mechanical or electrical defects in the machinery or failure or fluctuation of the electricity supply causing sudden stoppage of the functions thereof and necessitating repair or replacement before it can resume working. It will not include within its meaning damage from any extraneous cause.

Building

means buildings, including landlords' fixtures and fittings, alterations and decorations therein and thereon including fixed glass (including its framework lettering or any intruder alarm foil attached to it), foundations, walls, gates, fences, car parks, yards, pavements, drains, sewers, piping,

cabling, wiring and associated control equipment and accessories only to the extent of the Insured's responsibility and liability.

Business Hours

means any period during which the Insured Location or contract sites are physically occupied by the Insured or an **employee** entrusted with **money** for the purposes of the Insured's business.

Business Interruption

means loss resulting from interruption of or interference with the business carried on by the Insured in consequence of **damage**.

Cancellation

means the necessary cancellation, withdrawal, curtailment or abandonment of the **event**.

Computer Breakdown

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

Contract Works

means the permanent and temporary works executed in performance of the contracts insured and materials for use in connection therewith.

Crime

means the criminal taking of **money**, **securities** or **property** to the deprivation of an Insured.

Customer

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

Damage or Damaged

for the purposes of Part 1 only means direct physical:

- loss of, or
- destruction of, or
- damage to

the **property insured** from any sudden and accidental cause except as otherwise excluded.

Defined Peril

means:

- fire;
- lightning;
- explosion;
- aircraft or other aerial devices or articles dropped there from;
- riot;
- civil commotion;
- strikers;
- locked-out workers;
- persons taking part in labour disturbances;
- malicious persons;
- theft or attempted theft;
- earthquake;
- storm;
- **flood**;
- escape of water from any tank apparatus or pipe;
- impact by any road vehicle or animal.

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 programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Electronic Data Processing Equipment

means:

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

Electronic Data Processing Media

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

Electronic Data Recovery Costs

mean the reasonable and necessary costs incurred by the Insured to:

- copy, re-create, replace or retrieve **electronic data** owned or used by the Insured, or which resides on a **system** owned or leased by the Insured;
- restore a **system** owned or leased by the Insured to the functionality that existed prior to the **malicious programming**.

Electronic data recovery costs does not include the cost to repair or replace **electronic data processing equipment** or **mobile communication property**.

Employee

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

- supplied by labour only sub-contractors;
- providing their services on a labour only basis;
- engaged in work experience or similar schemes;
- providing their services on a voluntary basis; or
- on secondment with the Insured.

Estimated Gross Revenue

means the amount declared by the Insured to Chubb as representing not less than the **gross revenue** which it is anticipated will be earned by the Insured's business, during the financial year most nearly concurrent with the Policy Period (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months).

Event

means any commercial event organised by or on behalf of the Insured in connection with the Insured's business.

Fine Art

means:

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

Flood

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

General Contents

means all contents of **buildings** including:

- machinery, plant, fixtures and fittings other than landlord's fixtures and fittings, and trade utensils;
- **valuable papers**;
- patterns, models, moulds, plans and designs;
- **electronic data processing equipment electronic data processing media** and **mobile communication property**;
- **fine art**.

Gross Revenue

means the money paid or payable to the Insured for services rendered in the course of the Insured's business at the Insured Location, excluding any **rent receivable**.

Increased Cost of Working

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

- reduction in **gross revenue**, if **gross revenue** is shown as the Basis of Settlement in the Schedule;
- reduction in **rent receivable**, if **rent receivable** is the applicable Basis of Settlement;
- increase in **research and development expenditure**,

and which, but for that expenditure, would have taken place during the **indemnity period**.

Indemnity Period

means the period beginning with the **occurrence** and ending not later than the Maximum Indemnity Period or the Indemnity Period more specifically set out in the Schedule thereafter during which the results of the Insured's business will be affected in consequence of the **damage**.

Insider

means a person, organisation or computer expressly authorised by the Insured to access a **system**.

Interruption

means the necessary interruption of an **event** which is in progress.

Land Value

means the sum certified by the Valuer General as being the value of the land so described in this Policy after due allowance has been made for variations in or other circumstances affecting such value either before or after the damage or which would have affected the value had the damage not occurred so that the figures thus adjusted will represent as nearly as may be reasonably practicable the true Land Values pertaining both before and after the damage.

Machinery and Plant

means any:

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

machinery and plant does not mean any:

1. art of a boiler or fired vessel or electric steam generator that does not contain steam or water;
2. insulating or refractory material;
3. non-metallic vessels, equipment, machines and apparatus, including their glass lining and non-metallic parts;
4. glass linings of vessels, equipment, machines and apparatus;
5. catalyst;
6. piping, vessels or electrical cables, not enclosed in conduit, buried directly in the ground;
7. sewer piping;
8. sprinkler system piping or water piping other than:
 - a) feedwater piping between any steam boiler and its feed pumps or injectors;
 - b) steam boiler condensate return piping; and
 - c) metal water piping interconnecting vessels forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating;
9. part of an unfired pressure vessel that is not under
 - a) pressure; or
 - b) internal vacuum.

Malicious Programming

means an illegal or malicious entry into electronic data or a system, which results in functions that: distort, corrupt, manipulate, copy, delete, destroy, or slow down such electronic data or system.

malicious programming does not mean:

- theft of telephone services or **damage to electronic data processing equipment, electronic data or mobile communication property.**

Mobile Communication Property

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

Money

means:

Negotiable Money:

cash, bank and currency notes, cheques and giro cheques (other than blank or partly completed cheques and giro cheques), travellers cheques, bankers drafts and giro drafts, postal orders, money orders, national savings certificates, and unused current postage stamps, and unexpired units in franking machines, trading stamps national insurance stamps (whether affixed to cards or otherwise) national savings and holiday with pay stamps, bankers drafts, promissory notes, bonds, securities, bills of exchange, dividend warrants and gift tokens, luncheon vouchers, consumer redemption vouchers all belonging to the Insured or for which they have accepted responsibility; and

Non Negotiable Money:

crossed cheques, crossed giro cheques, crossed bankers drafts, crossed giro drafts, crossed postal orders, crossed money orders, premium bonds, unused national insurance stamps, national savings certificates, credit card sales vouchers, debit card sales vouchers all belonging to the Insured or for which they have accepted responsibility.

Notifiable Disease

means illness sustained by any person resulting from food or drink poisoning or any human infectious or human contagious disease, an outbreak of which the competent local authority has stipulated must be notified to them. Notifiable disease does not include any occurrence of any prescribed infectious or contagious diseases to which the Quarantine Act 1908 as amended applies.

Nuclear

means any:

- ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof.

Occurrence

In respect of Part 1 means:

1. for earthquake, including any resulting tsunami:
 - one earthquake: or
 - a series of earthquake shocks occurring within any period of 168 hours;
2. for volcanic eruption:
 - one volcanic eruption; or
 - a series of volcanic eruptions occurring within any period of 168 hours;
3. for windstorm involving, in whole or in part, any of the perils of weather:
 - one weather event, or
 - a series of related weather events occurring within 72 hours;

4. for all other perils:

- one event; or
- a series of causally related events that:
 - a) contribute concurrently to; or
 - b) contribute in any sequence to the loss or **damage**.

For the purposes of this definition, any earthquake or volcanic eruption, or series of earthquake shocks or volcanic eruptions will be deemed to occur at the time of the first shock or eruption.

Officer

means a partner, director, officer or employee of the Insured.

Operations

means the business activities of the Insured occurring at the Insured Location including the activities of the Insured as a lessor of premises prior to the malicious programming.

Outsider

means a person, organisation or computer not authorised to access a **system**.

Period of Recovery of Computer Services

means the period of time that:

1. for **electronic data recovery costs** begins immediately after the **malicious programming** occurs; and
2. for **business interruption**, begins twenty-four (24) normal business hours after the **malicious programming** occurs.

Period of recovery of computer services will continue until the earlier of the following:

- the date operations are restored, with due diligence and dispatch, to the condition that would have existed had there been no malicious programming; or

- sixty (60) days after the date the Insured restores, with due diligence and dispatch, a **system** to the functionality that existed prior to the **malicious programming**.

In determining the condition of **operations** that would have existed had there been no **malicious programming**, no consideration will be given to unfavourable market conditions or competitive advantage gained by others as a result of such **malicious programming**.

Policy Period

In respect of Part 4 means the period of time specified in the Schedule, subject to prior termination in accordance with the conditions of this Policy.

Postponement

means the necessary postponement, delay or suspension of an **event** for a period of time, not exceeding sixty (60) days from the planned date.

Professional

means accountant or solicitor or other such professional retained by the Principal Organisation.

Professional Expenses

means the reasonable and necessary fees and disbursements incurred, with the prior written consent of the Company, by:

- an accountant who is a member of a recognised Australian accounting body; or
- any other professional, expert or consultant specifically agreed by the Company.

Property

means tangible property other than **money** or **securities**.

Property Insured

means **buildings** and **general contents** belonging to the Insured or held by the Insured in trust or on commission for which the Insured is responsible.

Prototypes

means a first or original model of a new type of design.

Rent Receivable

means the amount of the rent received or receivable from the letting of the Insured Location.

Research and Development Expenditure

means the amount of expenditure on **research and development operations** by the Insured at the premises excluding the relative cost of raw materials consumed, income derived from research undertaken under contract by the Insured on behalf of customers and financing transactions.

Research and Development Operations

means the Insured's business activities at the premises which are directly related to or directly support the development of new products or enhancements of existing products.

Research and Development Property

means written, printed or inscribed documents, plans, records or formulas; processes or cultures and resulting products, samples or other materials produced by such processes or cultures; and **prototypes**, if produced and directly associated with your research and development operations.

Research and development property does not mean animals, **money** or **securities**, property held for sale or held for delivery after sale, goods you have manufactured which are in their completed state and ready for sale or **mobile communication property**.

Scheduled Equipment

means all real and personal property as declared by the Insured in the Schedule.

Securities

means negotiable and non-negotiable instruments or contracts representing either **money** or other **property** and will include commodities, futures, and options.

Standard Gross Revenue

The **gross revenue** during that period in the twelve months immediately before the date of the **damage** which corresponds with the **indemnity period** allowing for the **trend in the business**.

Standard Rent Receivable

means the amount of the **rent receivable** during the period corresponding with the **indemnity period** in the twelve months immediately before the date of the **damage**, allowing for the **trend in the business**.

System

means a computer and all input, output, processing, storage, off-line media, library, mechanical and communication facilities, and anything which relies on a microchip for any part of the operation, which are connected to such computer, provided such computer and facilities are:

- owned and operated by the Insured; or
- leased and operated by the Insured; or
- utilised by the Insured pursuant to a written contract.

Terrorism

means any act, including the use of force or violence or the threat thereof, by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government or to put the public, or any section of the public, in fear.

Trend in the Business

means adjustments to provide for the trend of the Insured's business and variations in other circumstances affecting that business either before or after the **damage** or which would have affected that business had the **damage** not occurred, so that the figures thus adjusted will represent as nearly as may be reasonably practicable the results which but for the **damage** would have been obtained during the relative period after the **damage**.

Turnover

means the money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the Insured's business at the Insured Location.

Uninsured Working Expenses

means:

- 100% of purchases less discounts received;
- 100% of discounts allowed;
- 100% of carriage packing and freight;
- 100% of bad debts.

Valuable Papers

means documents (including stamps thereon), manuscripts, patterns, models, designs, plans and writings of every description, business books and books (written and printed). Valuable Papers does not include **Electronic Data** and **Fine Art**.

Virus or Similar Mechanism

means program code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations, whether involving self-replication or not. The definition of Virus or Similar Mechanism includes but is not limited to trojan horses, worms and logic bombs.

War

means any:

1. hostile or warlike action in time of peace or war (including any act or failure to act in controlling, preventing or suppressing any actual, impending or expected attack) by any:
 - government authority or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval or air forces;
 - military, naval or air forces; or
 - agent of any government power, authority or force;
2. insurrection, rebellion, revolution, civil war, usurped power or any activity of any organisation the objects of which are or include the overthrowing or influencing of any government or sovereign power (de jure or de facto) by any violent means, or any act or failure to act by government authority or sovereign power (de jure or de facto) in controlling, preventing or suppressing such activity; or
3. weapon of war employing atomic fission, atomic fusion, radioactive force or radioactive material, whether in time of peace or war.

Part 1 - Property Insurance

Part 1 of this **INT Property** Policy is arranged as follows:

- Section 1 - Property Damage
- Section 2 - Business Interruption
- Section 3 - Money
- Section 4 - Property in Transit
- Section 5 - Machinery Breakdown
- Section 6 - Impairment of Computer Services
- Section 7 - Theft
- Section 8 - Portable Equipment Insurance
- Section 9 - Computer and Electronic Equipment Breakdown
- Section 10 - Glass Insurance

The most the Company will pay under this Part or any Section or Extension is the applicable Limit of Insurance or Limit of Liability detailed below or shown in the Schedule.

Section 1 - Property Damage Cover

Subject to the basis of settlement under Special Conditions - Section 1 Valuation, the Company will pay for **damage** occurring during the Policy Period to **property insured** shown in the Schedule at the Insured Locations caused by or resulting from a cause not otherwise excluded.

At the Company's option the Company will either:

- pay the value of the **property insured** (or any part of it that sustains **damage**) at the time of the damage having regard to physical deterioration, physical depreciation, obsolescence or depletion, or
- reinstate or replace the **property insured** (or any part of it that sustains **damage**).

Automatic Reinstatement following Loss
Cover under Part 1 Section 1 will not be reduced by the amount of any loss provided that the Insured complies with any additional terms required by the Company and pays any additional premium due.

Extensions To Cover (Following Damage)

The following extensions of cover are provided under Part 1 Section 1 of this Policy, insured at the Insured Locations consequent upon **damage to property insured** caused by or resulting from a cause not otherwise excluded that occurs during the Policy Period. Subject to any applicable Limit of Liability stated below or shown in the Schedule.

The Company will pay:

Electronic Data Recompilation Costs
Following **damage** the cost incurred by the Insured of reproducing any **electronic data** contained on any **electronic data processing media**. Such costs will include all reasonable and necessary amounts, in recreating, gathering and assembling such **electronic data** up to a limit of \$100,000.

Temporary Removal
For **damage to property insured** whilst temporarily removed from an Insured Location for cleaning renovation, repair or similar purposes, and during inland transit to and from such Insured Location within the Part 1 Territorial Limits up to a limit of \$100,000 each and every loss.

Temporary Removal of Valuable Papers
For **damage to valuable papers** whilst temporarily removed to any building not occupied by the Insured and during inland transit anywhere within the Part 1 Territorial Limits up to a limit of \$100,000 each and every loss.

Removal of Debris and Cleaning / Clearance of Drains

The costs and expenses necessarily incurred by the Insured, with the consent of the Company, in:

- removing debris, dismantling and/or demolishing, shoring up or propping up of the portion or portions of the **property insured** which have sustained **damage**;
- clearing, cleaning and repairing drains, gutters, sewers and the like blocked or damaged as a result of **damage** by a **defined peril**.

This extension does not cover costs or expenses:

- incurred in removing debris except from the Insured Location;
- arising from pollution or contamination of property not insured by this Policy.

Professional Fees

In the event of **buildings** being lost, damaged or destroyed, the basis upon which the amount payable by the Company is to be calculated will include the cost of Architects, Consulting Engineers, Legal, and other Professional Fees necessarily incurred by the Insured in the reinstatement of the **property insured** consequent upon its damage but not for preparing any claim under this Policy provided that the Insured includes these costs in the declared values at inception of the Policy Period.

The maximum the Company will pay under this extension is \$50,000 each and every loss.

Information Network Technology Property Policy Wording

Capital Additions

For **damage** in so far as the same is not otherwise Insured, to additions to Your Buildings, Contents and specified items obtained or built during the Policy Period at the Insured Locations to an amount not exceeding 20% of the Limit of Liability for **buildings** and **general contents** or \$500,000, whichever is the lesser, but not in respect of any appreciation in value during the current Policy Period, provided that:

- the Insured undertakes to give particulars within sixty (60) days of commencement of the Company's liability and to effect specific insurance before the expiry of the Policy Period and to pay an additional premium on demand.

Contracting Purchaser's Interest

For **damage** to a **building** in which, at the time of **damage**, the Insured has contracted to sell its interest (where the purchase has not been but will thereafter be completed). On completion of the purchase (if and so far as the property is not otherwise insured against such **damage** by the purchaser or on its behalf) and at the option of the Insured the purchaser will be entitled to benefit under this Policy for such **damage** without prejudice to the rights and liabilities of the Insured or the Company until completion.

The maximum the Company will pay under this extension is \$500,000 each and every loss and in the aggregate per Policy Period.

Inadvertent Omissions

up to a maximum of \$500,000 each and every loss and in the aggregate per Policy Period for **damage** to property where:

- the Insured has notified the Company of its intention to insure all property in which it is interested and believes that all such property is insured; and
- such property is found to have been inadvertently omitted from such insurance.

In respect of such property, the Company will deem it to be insured within the terms of this Policy subject to payment of premium on all such property as from the inception of this Policy (or from the date of the Insured's interest in such property if it is constructed, erected or purchased after inception of this Policy), provided that as soon as the Insured is aware of such omission, it declares full details of the property to the Company.

Refrigerated Goods

for **damage** to refrigerated goods at the Insured Locations as a result of contamination, deterioration or putrefaction caused by:

- a change in temperature as a result of:
 - a) **breakdown** of or **damage** to the refrigerator;
 - b) non operation of any thermostatic or automatic controlling devices pertaining to the refrigerator;
 - c) accidental failure of the public supply of electricity;
- action of refrigerant fumes escaping from the refrigerator.

The Company will also pay the costs reasonably incurred in the necessary transfer of refrigerated goods to an alternative cold store. The maximum amount that the Company will pay for covered **damage** to refrigerated goods and for costs reasonably incurred in the necessary transfer of refrigerated goods is \$10,000.

Exhibitions, Fair or Trade Shows

for **damage** to **general contents** whilst at any exhibition, fair or trade show including transit to and from such exhibitions, fairs, tradeshows and Insured Locations up to a limit of \$25,000 each and every loss.

This extension does not cover theft of **mobile communication property** while left unattended.

Directors and Employees Personal Effects for **damage** to the personal property (other than motor vehicles) of directors, partners, employees and visitors of the Insured up to a maximum of \$10,000 any one person.

Fine Art

damage to **fine art** up to a limit of \$20,000 each and every loss and \$50,000 in the aggregate in any one Policy Period.

Expediting Costs and Temporary Repairs the cost of:

- making temporary repairs to; and
- expediting the repair, reinstatement or replacement of

property insured subsequent to **damage**, necessarily and reasonably incurred by the Insured with the consent of the Company, up to a limit of \$50,000 each and every loss.

Trace and Access

the costs incurred with the consent of the Company to detect the point of escape of substances, which has caused or may reasonably be expected to cause **damage to property insured** up to a limit of \$50,000 in the aggregate in any one Policy Period.

Fire Brigade Charges and Extinguishing Expenses

- fire brigade charges;
- charges made by any organisation responsible for preserving public safety;
- the cost of refilling of gas flooding systems, whether the discharge was accidental or not; and
- the cost of replacement of sprinkler heads incurred by the Insured or for which the Insured is liable following damage to property insured up to a limit of \$50,000 each and every loss.

*Arson, Theft, Terrorism or Criminal
Damage Reward*

a reward (of up to 10% of the value of a claim under this Section) for information leading to a conviction in respect of arson, theft, **terrorism** or criminal damage (if insured by this policy) involving **property insured**.

Property in the Open Air

for **damage** to fences, gates, signs, textile awnings and blinds caused by wind, rain or hail, up to a limit of \$20,000 each and every loss.

Trees, Shrubs, Plants or Lawns

damage to trees, shrubs, plants or lawns, rockeries or other established items of landscaping at an Insured Location caused by or resulting from a **defined peril** (other than storm or **flood**) up to a limit of \$25,000 each and every loss.

Damage by Emergency Services

damage to:

- **property insured**;
- any landscaped areas

(together with any remedial costs necessarily and reasonably incurred) caused by the emergency services, up to a limit of \$50,000 each and every loss.

Loss of Metered Water

loss resulting from accidental escape of metered water from tanks, apparatus and pipes in consequence of **damage** to **property insured** to the extent that such loss is determined by measurement from the water authority meter for which the Insured is responsible, up to a limit of \$10,000 each and every loss.

The Insured must record the reading of the water at the Insured Locations at intervals of not more than 7 days.

*Incompatibility of Computer System
Records*

in the event of settlement of a claim resulting in the replacement of **property insured** under this Part with property that is incompatible with the

Insured's undamaged **electronic data processing media**, the cost of:

- modification to electronic data processing equipment;
- replacing or reinstating programs or **electronic data**

necessarily and reasonably incurred with the consent of the Company to achieve compatibility, up to a limit of \$50,000 in the aggregate in any one Policy Period.

Research and Development Property

the necessary and reasonable additional cost the Insured incurs to repair or replace **research and development property** in order to meet the last scheduled introduction date (prior to **damage**) for any new product which incorporates such **research and development property**, up to a limit of \$50,000 in the aggregate in any one Policy Period.

Pairs and Sets

the reduced value of undamaged **general contents** that is part of the Insured's product or any product in the Insured's care custody or control which has become unmarketable as a complete product because of damage to general contents which is part of the same product, up to a limit of \$50,000 in the aggregate in any one Policy Period.

**Extensions To Cover (Not Following
Damage)**

The Company will pay:

Fly Tipping

the reasonable and necessary cost the Insured incurs to remove property left at an Insured Location without the Insured's permission up to a limit of \$25,000 each and every loss.

This will not cover loss resulting from interruption of or interference with the Insured's business.

Loss Prevention Expenses

the reasonable and necessary costs the Insured incurs to protect **property insured** and **research and development property** at the Insured Locations from imminent **damage** up to a limit of \$50,000 each and every loss.

**Special Conditions - Section 1 -
Valuation**

Reinstatement Or Replacement:

(Applicable to **buildings** and **general contents**.)

The basis upon which the amount payable is to be calculated will be the cost of reinstatement of the damaged property at the time of its reinstatement, subject to the following Provisions and subject also to the terms, Conditions and Limit(s) of Liability of this Policy.

For the purpose of the insurance under this special condition 'reinstatement' will mean:

- a) where property is lost or destroyed: in the case of a **building**, the rebuilding thereof or in the case of 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 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.

Provisions

1. The work of rebuilding, replacing repairing or restoring as the case may be (which may be carried out upon any other site(s) and in any manner suitable to the requirements of the Insured, but subject to the liability of the Company not being thereby increased), must be commenced and carried out with reasonable despatch, failing which the Company

will not be liable to make any payment greater than the indemnity value of the damaged property at the time of the happening of the damage.

2. When any property to which this special condition applies is damaged in part only, the liability of the Company will not exceed the sum representing the cost which the Company could have been called upon to pay for reinstatement if such property had been wholly destroyed.
3. No payment beyond the amount which would have been payable under this Policy if this special condition had not been incorporated herein will be made until a sum equal to the cost of reinstatement will have been actually incurred; provided that where the Insured reinstates or replaces any lost or destroyed property at a cost which is less than the cost of reinstatement (as defined) but greater than the value of such property at the time of the happening of its loss or destruction, then the cost so incurred will be deemed to be the cost of reinstatement.

Computer Betterment

In the event of **damage** to **electronic data processing equipment** necessitating replacement and **electronic data processing equipment** of like kind and quality is not obtainable the Company will pay for new **electronic data processing equipment** which is

- as similar as possible to that which has sustained **damage**; and
- capable of performing the same function.

For the purposes of the Reinstatement Conditions this will not be considered as betterment to the Insured.

Valuable Papers

In the event of **damage** to **valuable papers** the basis upon which the amount payable under Part 1 Section 1 is

to be calculated will be the cost incurred by the Insured of:

- blank materials as stationery;
- clerical labour expended in reconstitution of **valuable papers**; and
- reproduction of information recorded in such **valuable papers**

but does not include the value to the Insured (or any person) of the information contained therein.

Fine Art

In the event of **damage** to **fine art** the basis upon which the amount payable under Part 1 Section 1 is to be calculated will be the lesser of:

- the cost to restore or repair the item; or
- the market value of the item on the date of loss;

For **fine art** which is described as a part of a pair or set, either:

- the stated value of the entire pair or set; or
- the cost to repair the pieces and if the pair or set with the repaired pieces has a lower market value than it had prior to the loss the Company will reimburse the difference; or
- the stated value of the pieces prior to the **damage** when the pieces cannot be found or repaired and if the remaining pieces have a reduced market value the Company will reimburse the difference after consultation with the Insured.

Floor Space Ratio Index

In the event of any **building** being **damaged** so as to constitute total loss or constructive total loss and, as a result of the exercise of Statutory powers and/or authority by any Government Departments, Local Government or any other Statutory Authorities reinstatement of such **building** as before is prohibited and reinstatement is only permissible subject to a reduced floor space ratio index:

The Company agrees to pay in addition to any amount payable on reinstatement of such **building** the difference between:

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

In arriving at the amount payable under a) and b) above, any payments made by the Company will include the extra cost of reinstatement, including demolition or dismantling of the **building**, necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority.

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

Loss of Land Value

Notwithstanding the exclusions applicable to all Sections of Part 1:

- a) In the event of the absolute refusal by the competent Local or Government Authority to allow the reconstruction of the **building** following **damage**, the Company will pay by way of indemnity the amount of excess of the land value before over the land value after the **damage** to improvements, or
- b) in the event of the competent Local or Government Authority allowing only partial reconstruction of the **building** after **damage**, the Company will pay by way of indemnity the deficiency between the land value after such reconstruction and the land value before the **damage**, less any sum

paid by way of compensation by such Authority arising out of the action referred to in a) or b) above.

The liability of the Company will be limited to \$1,000,000 for any one loss or series of losses arising out of any one occurrence at any one location.

Special Conditions

1. Settlement will be made following the ruling of the competent Local or Government Authority resulting in the loss of land value. Should settlement have been made however and subsequently the ruling of the competent Local or Government Authority be changed prior to completion of the reconstruction, resulting in an increase in the land value, that part of the claim paid in excess of the revised land value will be refunded to the Company.
2. All differences relating to the land value arising out of this Policy will forthwith be referred to the decision of two registered valuers; one to be appointed by each of the parties and in case the two registered valuers do not agree, of a third valuer, appointed by the President of the Australian Institute of Valuers as an expert, whose decision will be binding.

Abandoned Undamaged Portion of a Building

If any **building** is **damaged** and due to the exercise of statutory powers or delegated legislation or authority by any Government Department, Local Government or other statutory Authority, reinstatement of such **building** is carried out upon another site, then the abandoned undamaged portion of such **building** will be deemed to have been destroyed; provided that if the presence of such abandoned undamaged portion of the **building** increases the sale value of the original site, the increase in sale value will be deducted from the total amount otherwise payable by the Company under this policy. All differences relating

to the amount of such increase in site value will be referred to the decision of two registered valuers; one to be appointed by each of the parties to this policy. If the two valuers do not agree, their differences will be referred to the decision of a third valuer, appointed by the President of the Australian Institute of Valuers as an expert, whose decision will be binding.

Extra Cost of Reinstatement

Cover extends to include the extra cost of reinstatement (including demolition or dismantling) of **damaged** property necessarily incurred to comply with the requirements of any lawful authority imposed after the **damage**; subject to the following Provisions and subject also to the terms, Conditions and Limit of Insurance or sub limits of liability of this Section.

Provisions:

- a) The work of reinstatement (which may be carried out wholly or partially upon any other site(s), if the requirements of the aforesaid Act, Regulation or By-Law so necessitate, subject to the liability of the Company not being thereby increased), must be commenced and carried out with reasonable despatch, failing which the Company will not be liable to make any payment beyond the amount which would have been payable under this Section if this memorandum had not been incorporated herein.
- b) The amount recoverable will not include the additional cost incurred in complying with any such Act, Regulation, By-Law or requirement with which the Insured had been required to comply prior to the happening of the **damage**.
- c) If the cost of reinstatement of **damaged** property is less than twenty five per cent (25%) of that which would have been the cost of reinstatement if such property had been destroyed, the amount recoverable hereunder will be

limited to the extra cost necessarily incurred in reinstating only that portion **damaged**.

Section 2 - Business Interruption

Cover

The Company will pay the amount of loss resulting from interruption of or interference with the business carried on by the Insured at the Insured Locations consequent upon **damage** to **property insured** caused by or resulting from a loss under Part 1 Section 1 not otherwise excluded that occurs during the Policy Period.

Loss will be calculated:

- in accordance with the Basis of Settlement;
- subject to the Maximum Indemnity Period applicable in the Schedule; and
- subject to the Limit of Liability applicable in the Schedule or applicable sub-limit of liability listed below.

Basis Of Settlement

Gross Revenue

Loss will be calculated by:

1. Determining the difference between **gross revenue** during the **indemnity period** and the **standard gross revenue**;
2. Subtracting any amount by which the Insured has reduced the loss by incurring **increased cost of working** which, but for that expenditure, would have taken place during the **indemnity period**;
3. Adding the **increased cost of working** incurred during the **indemnity period**, but only to the extent that the reduction in **gross revenue** is reduced; and
4. Subtracting any sum saved during the **indemnity period** in respect of such of the charges and expenses of

the Insured's business payable out of **gross revenue** as may cease or be reduced in consequence of the **damage**.

Increased Cost of Working

Loss will be calculated by determining the additional expenditure necessarily and reasonably incurred for the sole purpose of minimising any interruption to or interference with the Insured's business during the **indemnity period** provided that it does not exceed the amount of the reduction in **gross revenue** thereby avoided.

Additional Increase in Cost of Working

Loss will be calculated by determining the Additional Increase in Cost of Working in excess of the amount payable under the, '**Gross Revenue**', '**Increased Cost of Working**' or '**Rent Receivable**' basis (as applicable) necessarily incurred during the **indemnity period** for the sole purpose of:

- avoiding or diminishing the reduction in **gross revenue**; or
- avoiding or diminishing a reduction in **rent receivable** in order to resume or maintain normal business operations.

The maximum amount the Company will pay under this extension is \$100,000 each and every loss unless specified otherwise in the Schedule.

Rent Receivable

Loss will be calculated by:

- determining the difference between **rent receivable** during the **indemnity period** and the **standard rent receivable**;
- subtracting any amount by which the Insured has reduced the loss by incurring **increased cost of working** which, but for that expenditure, would have taken place during the **indemnity period**;
- adding the **increased cost of working** incurred during the **indemnity period**, but only to the

extent that the reduction in **rent receivable** is reduced; and

- subtracting any sum saved during the **indemnity period** in respect of such of the charges and expenses of the Insured's business payable out of **rent receivable** as may cease or be reduced in consequence of the **damage**.

Extensions To Cover

A. Extensions (Following Damage)

Cover under Part 1 Section 2 is extended as follows:

The Company will pay:

Accounts Receivable

For loss resulting from the interruption or interference with the Insured's business in consequence of **damage** during the Policy Period to the Insured's books of account or other business books or records resulting in the inability to trace or establish outstanding debit balances in whole or in part.

Loss will be calculated as the total of:

- sums due to the Insured from **customers**;
- subtracting the amount of any such sum evidenced by records not damaged or otherwise established or collected by the Insured;
- subtracting an amount to allow for probable bad debts which would normally have been uncollectible by the Insured.

On hire purchase and deferred payment accounts receivable, unearned interest and service charges will be deducted. The maximum the Company will pay under this extension is \$100,000 each and every loss unless specified otherwise in the Schedule.

Accountants Fees

The reasonable charges payable by the Insured to their professional accountants for:

- producing such particulars or details or any other proofs, information or evidence as may be required by the Company under the terms of this Policy; and
- reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents;

up to a limit of \$50,000 each and every loss unless specified otherwise in the Schedule.

Contractual Penalties

The fines and damages that the Insured is legally liable to pay for breach of a written contract for non-completion or late completion of orders incurred solely in consequence of **damage** during the Policy Period up to a limit of \$50,000 each and every loss unless specified otherwise in the Schedule.

New Product Delay

For the actual loss of **gross revenue** the Insured incurs and discovers after lost or damaged Property insured directly related to **research and development operations** are repaired or replaced and insured **research and development operations** are restored, with reasonable speed to the condition that would have existed if no direct physical loss or damage occurred.

Such payment will be made:

- only if the Insured discovers the Gross Profit loss within 24 months after the date of the direct physical loss or damage;
- only after the new product or the enhanced product is made available in the market-place; and
- for the period equal to the length of time it originally took to restore such lost or damaged property with reasonable speed.

If a competitor introduces a similar product prior to the date the Insured scheduled the introduction of the Insured's new or enhanced product, the

Insurer will reduce the amount of such actual Gross Profit loss to the extent attributable to the competitor's product. The Gross Profit loss must be caused by or result from direct physical loss or damage by a covered peril to property insured, and must result in a delay in the introduction of any new product or the enhancement of any existing product.

The most the Insurer will pay for New Product Delay is \$100,000 each and every loss unless specified otherwise in the Schedule.

**B. Extensions
(Following Damage; Locations Not Occupied By The Insured)**

Cover under Part 1 Section 2 is extended to include loss resulting from the interruption of or interference with the Insured's business in consequence of **damage**:

- a) of a type insured by this Part; and
- b) at the locations described in points 1. to 4. directly below;

during the Policy Period to:

1. Denial of Access

Any property within 5 kilometres of any Insured Location, which will prevent or hinder the use of the Insured Location or access thereto.

This extension will not apply to property of any supply undertaking from which the Insured obtains electricity, gas, water or telecommunication services. The maximum payable under this extension is \$100,000 each and every loss unless specified otherwise in the Schedule.

2. Suppliers and Customers

The premises of any of the Insured's direct suppliers, manufacturers or processors of components, goods or materials (excluding the supply undertakings for gas, electricity, water and telecommunications services), and premises of the Insured's **customers**.

Notwithstanding anything in this Policy

to the contrary The Company will not be liable for losses caused by the perils of **flood**, storm and earthquake outside Australia. The maximum payable under this extension is \$100,000 each and every loss unless specified otherwise in the Schedule.

3. Property in Transit

Property insured whilst in transit by road, rail or inland waterway, excluding **damage** to frozen or refrigerated goods as a result of breakdown or failure of refrigeration equipment unless such breakdown or failure is caused by fire, collision or overturning of a road vehicle or railway train.

Property insured whilst temporarily housed in the course of transit for the purpose of storage, making up, packing or processing.

This extension does not apply if the Insured is acting as a carrier for hire. The maximum payable under this extension is \$50,000 each and every loss unless specified otherwise in the Schedule.

4. Public Utilities and Computer Installations

Property at any:

- generating station or sub-station of any electricity supply undertaking
- land based premises of any gas supply undertaking or of any natural gas producer linked directly therewith;
- water works and pumping stations of any water supply undertaking; or
- land based premises of any telecommunications undertaking; or
- computer installation, including ancillary equipment and data processing media, utilised by the Insured,

Within Australia to a limit of \$250,000 each and every loss unless specified otherwise in the Schedule.

For the avoidance of doubt this extension does not apply to damage at

or to any over-head and underground communication, transmission or distribution lines and their supporting structures.

5. Trade Exhibitions

Property at any trade exhibition anywhere in the world which causes curtailment of the trade exhibition, up to a limit of \$25,000 each and every loss unless specified otherwise in the Schedule.

C. Extension Infectious Disease, Murder And Closure Extension

Cover is extended for loss as insured hereunder resulting from interruption of or interference with the Insured Location in direct consequence of the intervention of a public body authorised to restrict or deny access to the Insured's Location directly arising from an occurrence or outbreak at the premises of any of the following:

1. 1.1 **notifiable disease**, or
- 1.2 the discovery of an organism likely to cause **notifiable disease**.
2. the discovery of vermin or pests;
3. an accident causing defects in the drain or other sanitary arrangement;
4. murder or suicide;
5. injury or illness sustained by any person resulting from food or drink poisoning or arising from or traceable to foreign or injurious matter in food or drink provided on premises;

leading to restriction or denial of the use of the Insured Location on the order or advice of the local health authority or other competent authority.

Cover under this Extension does not include the costs incurred in cleaning, repair, replacement, and recall or checking of property.

For the purposes of this Extension only, the

cover commences upon the intervention of the public body and continues for a maximum indemnity period of three (3) months or up to the sub-limit of \$250,000 in the aggregate in any one Policy Period, whichever is the lesser.

Special Conditions

Alternative Trading

If goods will be sold or services rendered elsewhere than at the Insured Locations for the benefit of the Insured's business either by the Insured or by others on their behalf, the money paid or payable in respect of such sales or services will be brought into account in arriving at the **gross revenue**, if the applicable Basis of Settlement is **gross revenue**, during the **indemnity period**.

Professional Accountants

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Company for the purpose of investigating or verifying any claim under this Policy may be produced by professional accountants if at the time they are regularly acting as such for the Insured, and their report will be prima facie evidence of the particulars and details to which such report relates.

Payments on Account

In the event of loss the Company may at their discretion and if requested by the Insured, make payments on account during the **indemnity period**.

Premium Adjustment

If Premium is shown in the Schedule as adjustable, the first and annual premiums are provisional and are based upon the **estimated gross revenue**.

Not later than six (6) months after the expiry of each Policy Period the Insured will provide the Company with a declaration, confirmed by the Insured's auditors, of **gross revenue** earned during the financial year most nearly concurrent with such Policy Period.

If any **damage** has occurred giving rise to a claim for loss of **gross revenue** that is indemnified under this policy, the above mentioned declaration will be increased by the Company for the purposes of premium adjustment by the amount by which the **gross revenue** was reduced during the financial year solely in consequence of the damage.

If the declaration (adjusted as provided for above, and proportionally increased where the Maximum Indemnity Period exceeds twelve months) is:

- less than the estimated gross revenue for the relevant period the Company will allow a pro rata return premium not exceeding 50% of the premium paid on the estimated gross revenue.
- greater than the estimated gross revenue for the relevant period, the Insured will pay a pro rata addition to the premium paid on the estimated gross revenue.

Section 3 - Money

Under this Section the Company will pay for **damage** occurring during the Policy Period to **money**:

- in the **building** at the Insured Locations; and
- at any of the Insured's contract sites or exhibition sites during **business hours**; and
- in private residences of any business partner, director, officer or employee of the Insured; and
- in a bank night safe until removed by a bank official; and
- in transit in the personal custody of a business partner, director, officer or employee of the Insured, or of an approved security organisation; and
- in the post

caused by or resulting from a cause not otherwise excluded.

In no event will the Company's liability exceed the applicable Limit of Liability shown in the Schedule.

Additional Premises - Provisional Cover

Cover is extended to include money at or in transit to or from any new business premises occupied by the Insured after the commencement of the Policy Period, within Australia, for 30 (thirty) days from first being used by the Insured (unless the Policy Period or the Insured's occupancy of such premises ends sooner, whichever will first occur), but the cover is limited to the business described in the Schedule.

The Company's maximum liability under this additional benefit is limited to 20% of the sum insured shown in the Schedule in relation to each item of money covered under this section. Full details of such additional property are to be supplied to us within 30 (thirty) days of your commencement to use the property. If the Company agrees to cover money at the additional location, we may require payment of an additional premium.

Extensions

Under this Section the Company will also pay for **damage** within the Part 1 Territorial Limits to:

- any safe strong room or franking machine the property of the Insured or for which they are responsible; and
- any container or waistcoat whilst being used for carrying **money**,
- **money** in transit;
- replacement of locks as a result of the necessary replacement or adjustment of locks at an Insured Location following theft or attempted theft of **money** at such location;
- **money** in the Insured's dwelling or that of any person to whom such **money** is entrusted

as a result of theft or attempted theft of **money** unless such **damage** is

otherwise insured;

- clothing and personal effects of any **officer** of the Insured resulting from an assault in an attempt to steal **money**; and
- any charges payable by the Insured as a consequence of a bank or other financial institution stopping payment of Non Negotiable Money as a consequence of **damage** whilst in the post.

Bank and Public Holidays Extension

The sum insured for **money** cover is automatically increased by 100% on days that are gazetted bank or public holidays. This increase will apply up until bank closing time on the next business day after such holiday. This additional benefit does not apply to damage to safes and strongrooms.

Money of Directors and Employees

Cover is extended to include **money** (excluding personal money) of directors and employees of the Insured if the person to whom the **money** belongs is not named as an Insured. Cover is limited to \$2,500 any one item and \$10,000 overall in respect of any one loss. This additional benefit provides cover to the Insured. It does not provide any insurance cover to any director or employee.

Personal Accident Assault

The Company will pay \$5000 if any **officer** suffers **bodily injury** as a direct result of and within twenty-four (24) months from its occurrence robbery or attempted robbery in the course of the Insured's business.

Section 4 - Property In Transit

Cover

Under this Section the Company will pay for **damage** to the **general contents** whilst in transit by road rail or inland waterway including loading and unloading and temporary housing in course of transit within the Part 1 Territorial Limits.

The Company will also pay the reasonable cost incurred in:

- conveyance of the **general contents** and its container to another vehicle following the disabling of the original conveying vehicle by its catching fire, collision or overturning including delivery to original destination or return to point of despatch;
- reloading the **general contents** and its container in the event of its falling from the conveying vehicle;
- clearance of the debris of the **general contents** and its container provided that this cost is not recoverable under another policy or from any other source.

In no event will the Company's liability exceed in respect of any item insured the applicable Limit of Liability shown in the Schedule.

Exclusions

In addition to the exclusions contained in the Excluded Causes and Excluded Property Section of this policy, this Section does not cover **damage** to **general contents** in transit:

- by air or sea;
- resulting from atmospheric or climatic conditions unless reasonable precautions have been taken to protect the **general contents** against such conditions;
- arising as a result of packing being inadequate to withstand normal handling during transit or due to insufficient labelling or incorrect addressing;
- carried by the Insured for hire

or reward unless the Insured is contractually responsible for **damage** occurring to such **general contents**;

- by theft or attempted theft from any vehicle whilst the vehicle is unattended by the driver or mate unless all windows, doors and other means of access are fully closed, fastened and, where possible, locked and all keys are removed from the vehicle to a place of safety;
- which is **contract works** property.

Special Conditions

1. The Insured will take all reasonable measures to maintain vehicles in a roadworthy condition.
2. The Insured will notify the carrier of the goods of **damage** within the time limits stipulated in the Carriage contract.

Section 5 - Machinery Breakdown

Cover

Under this Section, the Company will pay for **damage** occurring during the Policy Period arising from abrupt and accidental **breakdown** of **machinery and plant** (excluding **electronic data processing equipment**) and **business interruption** resulting therefrom caused by or resulting from a cause not otherwise excluded and subject to the Limit of Liability shown in Schedule.

Reinstatement Conditions

In the event of the **damage** to the **machinery and plant** under Section 5, the basis upon which the amount payable under this section is to be calculated will be the cost of:

- where **machinery and plant** is destroyed or lost, its replacement by similar property in either case in a condition equal to but not better or more extensive than its condition when new, or
- where **machinery and plant** is damaged, the repair of the **damage** and the restoration of the damaged

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portion of the property to a condition substantially the same as but not better than or more extensive than its condition when new.

Subject to the following Special Provisions:

Special Provisions

1. The work of reinstatement (which may at the Company's option be carried out upon another site and in any manner suitable to the requirements of the Insured, subject to the amount that the Company will pay not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment, beyond the amount which would have been payable under Section 5 if this condition had not been incorporated, will be made.
2. When any **machinery and plant** is lost or damaged in part only, the amount that the Company will pay will not exceed the sum representing the cost which the Company could have been called upon to pay for reinstatement if such **machinery and plant** had been wholly destroyed.
3. No payment beyond the amount which would have been payable under this Section 5 if this condition had not been incorporated therein will be made until the cost of reinstatement has actually been incurred.
4. Where by reason of any of the above special provisions no payment is to be made beyond the amount which would have been payable under Section 5 if this condition had not been incorporated therein, the rights and liabilities of the Company and the Insured in respect of the **damage** will be subject to the terms and conditions of the Section as if this condition had not been incorporated.
5. All other Machinery Breakdown

insurances covering the property affected by or on behalf of the Insured shall be on a similar reinstatement basis.

Business Interruption

The basis of settlement in respect of loss resulting from interruption of or interference with the business carried on by the Insured at the Insured Locations consequent upon **damage to machinery and plant** will be in accordance with Part 1 Section 2 of this Policy.

Expediting Expenses

Cover under Part 1 Section 5 is extended to include, up to a limit of \$25,000, the costs incurred for reasonable expenses in respect of temporary repairs, overtime, express freight or hiring of temporary plant.

These costs must occur as a result of **damage** covered under Part 1 Section 5.

However, this extension of cover does not include:

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

Insulating Oil or Refrigeration Costs

Cover under Part 1 Section 5 is extended to include, up to a limit of \$5,000, the cost to replace:

- insulating oil from transformers or capacitors;
- liquids or refrigerant gas from air-conditioning or refrigeration units.

These costs must occur as a result of **damage** covered under Part 1 Section 5.

However this extension of cover does

not include loss of gas or liquid resulting from:

- leakage from glands, seals, gaskets or joints;
- fatigue fractured pipes.

Increased Cost of Working

Cover under Part 1 Section 5 is extended to include the following costs.

Where **damage** covered under Part 1 Section 1 causes interruption to the normal operation of **Machinery and Plant** (excluding **Electronic Data Processing Equipment**) the Company will pay the Insured necessary expenditure for the use of a substitute machine apparatus during the period of interruption but only after deduction of expense amounts the Insured would have incurred to maintain normal business operations.

For the purpose of this extension only, cover for such costs commences at the expiration of twenty-four (24) hours after the period of interruption commences and continues for a maximum of thirty (30) days.

Exclusions

In addition to the exclusions contained in the Excluded Causes and Excluded Property Sections of this policy, this Section will not cover:

- **damage** caused by faulty, inadequate or defective installation;
- **damage** for which a supplier contractor or repairer is responsible either by law or under contract;
- **damage** caused by failure of **machinery and plant** to perform in accordance with plans or specifications;
- any rate tax duty development or other charge or assessment arising out of capital appreciation as a result of complying with any of the said regulations or requirements.
- **damage** caused by freezing caused by or resulting from weather conditions;
- **damage** arising out of the willful act

- or gross negligence of the Insured or their representatives;
- the cost of complying with Building Regulations or local authority or statutory requirements;
- relating to undamaged property or undamaged portions of property;
- under which notice has been served prior to the **damage**.
- **damage** to Machinery and Plant over 20 years of age;
- **damage** to boilers, cooling towers, air-conditioning chiller sets, diesel generators, elevator motor equipment, inclinators motor equipment or lift motor equipment where a formal scheduled and preventative maintenance inspection and testing contract is not in place.

Section 6 - Impairment Of Computer Services

Cover

Under this Section, the Company will pay for:

- **electronic data recovery costs**; and
- the amount of loss resulting from interruption of or interference with the Insured's business carried on at the Insured Locations

incurred due to the actual impairment of the Insured's business during the **period of recovery of computer service** caused by or resulting from actual loss to **electronic data** or a **system** due to any one or series of occurrences of **malicious programming** by an **insider** or an **outsider** during the Policy Period.

Basis Of Settlement

Loss resulting from interruption of or interference with the business carried on by the Insured at the Insured Locations will be calculated in accordance with the Basis of Settlement described in Part 1 Section 2 for **gross revenue** from which the following will be subtracted:

- any amount by which the Insured has reduced the loss by resuming or continuing operations, in whole or in part, by using any available **electronic data** or **system**, including the **electronic data** or **system** impacted by the **malicious programming**;
- any amount relating to **turnover** or **gross revenue** that would likely have been earned as a result of an increase in the volume of business due to favourable business conditions caused by the impact of the covered loss on **customers** or on other businesses.

The most the Company will pay under Part 1 Section 6 in respect of **malicious programming** by an:

1. **insider** will be \$100,000 each and every loss unless specified otherwise in the Schedule;
2. **outsider** will be \$10,000 each and every loss and \$50,000 in the aggregate in any one Policy Period, unless specified otherwise in the Schedule.

Special Conditions

Records

All records pertaining to this policy including but not limited to financial records, accounting procedures, bills invoices, other vouchers, deeds, liens, contracts, status and feasibility reports, budgeting and marketing records will be open to inspection by an authorised representative of the Company at any reasonable time.

System Security

If a system is protected by security software, the Insured at their own cost is required to maintain and upgrade such software as is necessary so that it provides a technologically credible level of security.

The Company will not be liable for any loss or damage caused by **malicious programming** if, prior to the **malicious programming**, the Insured:

- knew of any defect or deficiency in the security software and failed to correct it;
- failed to maintain the security software in complete working order; or
- knew of any technologically credible upgrades to the security software that could have prevented the **malicious programming**, and failed to make them.

Resumption or Continuance of Operations

If the Insured elects not to resume or continue operations:

- any loss payment for **business interruption** will be based on the length of time it would have taken to resume or continue operations with due diligence and dispatch; and
- the Company will not make any payment for **increased cost of working** or additional increased cost of working.

Professional Accountants

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Company under the Claims Conditions of this policy for the purpose of investigating or verifying any claim hereunder, may be produced by professional accountants if at the time they are regularly acting as such for the Insured, and their report will be prima facie evidence of the particulars and details to which such report relates.

Salvage

The Company will reduce the amount of any loss for the salvage value that remains of any property bought for temporary use during the **period of recovery of computer services**, once operations are resumed.

Alternative Trading

If during the **period of recovery of computer services** goods will be sold or services rendered elsewhere than at the Insured locations for the benefit of the Business either by the Insured or by others on their behalf, the money paid or payable in respect of such sales or services will be brought into account in arriving at the:

- **gross revenue**, if the applicable Basis of Settlement is Gross Revenue; or
- research and development expenditure, if the applicable Basis of Settlement is Research and Development Expenditure, during the **period of recovery of computer services**.

Exclusions

In addition to the exclusions contained in the General Exclusions of this policy, this Section will not cover:

1. fraudulent, dishonest or criminal acts or omissions committed alone or in collusion with others by the Insured or by any **employee**, partner, director, trustee, member, officer, manager or any other person or persons performing acts coming within the scope of the usual duties of an **employee** or by anyone authorised to act for the Insured, or anyone to whom the Insured has entrusted covered property for any purpose.

This exclusion does not apply to **malicious programming** by an **insider**.

2. any **malicious programming** which:
 - is not specifically directed at a **system**;
 - is designed or intended to affect more than one computer **system** or network; or
 - actually affects more than one computer **system** or network.

- this exclusion does not apply to **malicious programming** by an **outsider**.

3. extortion or other similar threat.

Section 7 - Theft

Cover

The Company will pay for loss or damage occurring during the Policy Period to **property insured** shown in the Schedule at the Insured Locations caused by or resulting from theft or attempted theft.

At the Company's option the Company will either:

- pay the value of the **property insured** (or any part of it that sustains damage) at the time of the damage having regard to physical deterioration, physical depreciation, obsolescence or depletion, or
- reinstate or replace the **property insured** (or any part of it that sustains damage).

In no event will the Company's liability exceed the applicable Limit of Liability shown in the Schedule.

Automatic Reinstatement following Loss
Cover under Part 1 Section 7 will not be reduced by the amount of any loss provided that the Insured complies with any additional terms required by the Company and pays any additional premium due.

Extensions To Cover (Following Theft Or Attempted Theft)

The following extensions of cover are provided under Part 1 Section 7 of this Policy, insured at the Insured Locations consequent upon theft or attempted theft of the **property insured** caused by or resulting from a cause not otherwise excluded that occurs during the Policy Period. Subject to any applicable Limit of Liability stated below or shown in the Schedule.

The Company will pay:

Electronic Data Recompilation Costs
Following theft or attempted theft the cost incurred by the Insured of reproducing any **electronic data processing media**. Such costs will include all reasonable and necessary amounts, in recreating, gathering and assembling such **electronic data** up to a limit of \$50,000 in the aggregate in any one Policy Period.

Temporary Removal

For theft or attempted theft to **property insured** whilst temporarily removed from an Insured Location for cleaning renovation, repair or similar purposes, and during inland transit to and from such Insured Location within the Part 1 Territorial Limits up to a limit of \$100,000 each and every loss.

Temporary Removal of Valuable Papers

For theft or attempted theft of **valuable papers** whilst temporarily removed to any **building** not occupied by the Insured and during inland transit anywhere within the Part 1 Territorial Limits up to a limit of \$100,000 each and every loss.

Theft Damage to Buildings

For **damage to buildings** for which the Insured is liable (not otherwise insured by this Policy) caused by theft or attempted theft up to a limit of \$50,000 each and every loss.

Directors and Employees Personal Effects

For theft or attempted theft of the personal property (other than motor vehicles) of directors, partners, employees and visitors of the Insured up to a maximum of \$10,000 any one person.

Replacement of Locks

The costs incurred as a result of the necessary replacement or adjustment of locks at an Insured Location following theft or attempted theft from such location. Cover under this Extension

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is in addition to the applicable Limit of Insurance and subject to a limit of \$25,000 each and every loss.

Theft of Property in the Open Air

For theft or attempted theft occurring during the Policy Period to **general contents** that are securely and permanently fixed to the outside of the **building** up to a limit of \$10,000 in the aggregate in any one policy period.

Expediting Costs and Temporary Repairs
The cost of:

- making temporary repairs to; and
- expediting the repair, reinstatement or replacement of **property insured** subsequent to theft or attempted theft, necessarily and reasonably incurred by the Insured with the consent of the Company, up to a limit of \$25,000 each and every loss.

Theft Reward

A reward (of up to 10% of the value of a claim under this Section) for information leading to a conviction in respect of theft (if insured by Part 1) involving **property insured**.

Fine Art

Theft or attempted theft of **fine art** up to a limit of \$20,000 each and every loss and \$50,000 in the aggregate in any one Policy Period.

Incompatibility of Computer System Records

In the event of settlement of a claim resulting in the replacement of **property insured** under this Part with property that is incompatible with the Insured's undamaged **electronic data processing media**, the cost of:

- modification to electronic data processing equipment;
- replacing or reinstating programs or **electronic data**

necessarily and reasonably incurred with the consent of the Company to achieve compatibility, up to a limit of

\$50,000 in the aggregate in any one Policy Period.

Research and Development Property

The necessary and reasonable additional cost the Insured incurs to repair or replace **research and development property** in order to meet the last scheduled introduction date (prior to theft or attempted theft) for any new product which incorporates such **research and development property**, up to a limit of \$50,000 in the aggregate in any one Policy Period.

Trees, Shrubs, Plants or Lawns

Damage to trees, shrubs, plants or lawns, rockeries or other established items of landscaping at an Insured Location caused by or resulting from theft, up to a limit of \$25,000 each and every loss.

Pairs and Sets

The reduced value of undamaged **general contents** that is part of the Insured's product or any product in the Insured's care custody or control which has become unmarketable as a complete product because of theft or attempted theft of **general contents** which is part of the same product, up to a limit of \$50,000 in the aggregate in any one Policy Period.

Damage by Emergency Services

Damage to:

- **property insured**;
- any landscaped areas

(together with any remedial costs necessarily and reasonably incurred) caused by the emergency services subsequent to theft or attempted theft, up to a limit of \$50,000 each and every loss.

Extension To Cover

The Company will pay:

Employee Dishonesty

For loss of **general contents** resulting from **crime** committed by an **employee** acting alone or in collusion with others, provided that the loss:

- occurs during the Policy Period; and
- is discovered within thirty (30) days of it occurring.

This Extension does not cover:

1. any loss caused by an **employee**, acting alone or in collusion with others, which is sustained after the Insured acquires knowledge of any prior act of **crime**, fraud or dishonesty by such **employee**;
2. loss or that part of any loss the proof of which involves in any manner:
 - profit and loss computation or comparison; or
 - comparison of inventory records with an actual physical count;
3. any **crime**, fraud or dishonesty committed with the knowledge of the Insured;
4. any **crime**, fraud or dishonesty committed outside Australia;
5. any **crime**, fraud or dishonesty where the Insured is unable to identify which **employee** is responsible; or
6. any **crime**, fraud or dishonesty committed by the Insured's family

The Company will pay up to a limit of:

- a) \$5,000 each and every loss; and
- b) \$10,000 in the aggregate in any one Policy Period.

The Company will not cover any claims under this Extension if Part 3 - Employee Theft is shown as insured in the Schedule. Cover under this Extension will not accumulate with cover provided under Part 1 Section 3.

Basis Of Settlement

Reinstatement or Replacement

The basis upon which the amount payable under this section is to be calculated will be the cost of reinstatement of the damaged property at the time of its reinstatement, subject to the terms, Conditions and Limit(s) of Liability of this Policy.

For the purpose of the insurance under this special condition 'reinstatement' will mean:-

- a) Where property is lost or destroyed, the replacement thereof by similar property in a condition equal to, but not better or more extensive than, its condition when new;
- b) Where property 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.

Computer Betterment

In the event of theft or attempted theft of **electronic data processing equipment** necessitating replacement and **electronic data processing equipment** of like kind and quality is not obtainable the Company will pay for new **electronic data processing equipment** which is

- as similar as possible to that which was the subject of the theft or attempted theft; and
- capable of performing the same function.

For the purposes of the Reinstatement Conditions this will not be considered as betterment to the Insured.

Valuable Papers

In the event of theft or attempted theft of **valuable papers** the basis upon which the amount payable under Part 1 Section 7 is to be calculated will be the cost incurred by the Insured of:

- blank materials as stationery;
- clerical labour expended in reconstitution of **valuable papers**; and
- reproduction of information recorded in such **valuable papers**

but does not include the value to the Insured (or any person) of the information contained therein.

Fine Art

In the event of theft or attempted theft of fine art the basis upon which the amount payable under Part 1 Section 7 is to be calculated will be the lesser of the:

- cost to restore or repair the item; or
- market value of the item on the date of loss;

For **fine art** which are described as a part of a pair or set, either the:

- stated value of the entire pair or set; or
- cost to repair the pieces and if the pair or set with the repaired pieces has a lower market value than it had prior to the loss the Company will reimburse the difference; or
- stated value of the pieces prior to the theft or attempted theft when the pieces cannot be found or repaired and if the remaining pieces have a reduced market value the Company will reimburse the difference after consultation with the Insured.

In no event will the Company pay more than the stated value of the pair or set as shown in the Fine Art Schedule.

Exclusions

In addition to the exclusions contained in the Excluded Causes and Excluded Property Sections of this policy, this Section will not cover:

1. theft or attempted theft by the Insured, an **employee** of the Insured, or any family members of the Insured, except as provided for under Extensions to Cover Employee Dishonesty
2. theft or attempted theft of **property insured** whilst in the open air, except as provided for under Extensions to Cover Theft of Property in the Open Air.

Section 8 - Portable Equipment Insurance

Cover

Under this Section the Company will pay for **damage** occurring during the Policy Period to **scheduled equipment** or **mobile communication property** anywhere in the world caused by or resulting from a cause not otherwise excluded, in accordance with the Basis of Settlement.

The most the Company will pay under this Section or any Extension is the applicable Limit of Liability stated in Part 1 Section 8 of the Schedule.

Basis Of Settlement

The Company will repair, reinstate or replace, up to but not exceeding the values declared in the Schedule, and at all times subject to the Limit of Liability in Part 1 Section 8 of the Schedule. If the Insured elects to claim the indemnity value of any damaged **scheduled equipment** or **mobile communication property**, the Company will pay to the Insured the value of such property at the time of the happening of the **damage** or at the Company's option repair, reinstate or replace such property or any part thereof.

The most the Company will pay in respect of any one item of unspecified **mobile communication property** is \$2,500 each and every loss.

Exclusions

In addition to the exclusions contained in the Excluded Causes and Excluded Property Sections of this policy, this Section does not cover **damage** directly or indirectly caused or occasioned by or arising from:

1. theft from any unlocked vehicle;
2. **breakdown or computer breakdown**

Section 9 - Computer And Electronic Equipment Breakdown

Cover

Under this Section the Company will pay for the cost incurred by the Insured in the repair or replacement of **electronic data processing equipment** following **computer breakdown** occurring during the Policy Period to **property insured** shown in the Schedule at the Insured Locations caused by or resulting from a cause not otherwise excluded.

At the Company's option the Company will either:

- pay the value of the **electronic data processing equipment** at the time of the **computer breakdown** having regard to physical deterioration, physical depreciation, obsolescence or depletion, or
- reinstate or replace the **electronic data processing equipment**.

The most the Company will pay under this Section is the applicable Limit of Liability stated in Part 1 Section 9 of the Schedule.

Extensions To Cover - Mobile Communication Property

Under this extension the Company will also pay for the cost incurred by the Insured in the repair or replacement of **mobile communication property** following **computer breakdown** occurring during the Policy Period caused by or resulting from a cause not otherwise excluded. The most the Company will pay is the Limit of Liability for that item of **scheduled equipment** noted in Part 1 Section 8 of the Schedule, or \$2,500 each and every loss for any unspecified **mobile communication property**.

Extensions To Cover (Following Breakdown)

The following extensions of cover are provided under Part 1 Section 9 of this Policy, insured at the Insured Locations consequent upon **computer breakdown of electronic data processing equipment** caused by or resulting from a cause not otherwise excluded that occurs during the Policy Period. Subject to any applicable Limit of Liability stated below or shown in the Schedule.

The Company will pay:

Electronic Data Recompilation Costs

The cost incurred by the Insured of reproducing any **electronic data processing media**. Such costs will include all reasonable and necessary amounts, in recreating, gathering and assembling such **electronic data** up to a limit of \$50,000 each and every loss unless specified otherwise in the Schedule.

Expediting Costs and Temporary Repairs

The cost of:

- making temporary repairs to; and
- expediting the repair, reinstatement or replacement of

electronic data processing equipment subsequent to **computer breakdown**, necessarily and reasonably incurred by the Insured with the consent of the Company, up to a limit of \$50,000 each and every loss.

Incompatibility of Computer System Records

In the event of settlement of a claim resulting in the replacement of **electronic data processing equipment** under this Section with property that is incompatible with the Insured's undamaged **electronic data processing media**, the cost of:

- modification to electronic data processing equipment;
- replacing or reinstating programs or electronic data

Necessarily and reasonably incurred with the consent of the Company to achieve compatibility, up to a limit of \$50,000 each and every loss.

Business Interruption

For loss resulting from the interruption or interference with the Insured's business in consequence of **computer breakdown** during the Policy Period.

Basis Of Settlement

Computer Betterment

In the event of **breakdown of electronic data processing equipment** necessitating replacement and **electronic data processing equipment** of like kind and quality is not obtainable the Company will pay for new **electronic data processing equipment** which is

- as similar as possible to that which has sustained **damage**; and
- capable of performing the same function.

For the purposes of the Reinstatement Conditions this will not be considered as betterment to the Insured.

Section 10 - Glass Insurance

Cover

Under this Section the Company will pay for the cost of replacing and fixing the glass in its frame or in its normal location with glass of a similar type and quality to glass that is broken.

Extensions To Cover

The Company will also pay for costs incurred by the Insured in respect of:

- replacement of Undamaged Parts of the fixed glass solely to preserve the cosmetic integrity of the **building**;
- boarding up and temporary glazing;
- removal and re-fixing of window fittings, whether damaged or not;

as a result of **damage** to glass and

- replacement of glass following malicious scratching.

Exclusions Applicable To All Sections Of Part 1

The following exclusions apply to each Section of Part 1 of this Policy except where expressly varied in any Section.

Excluded Property

Part 1 of this Policy does not cover:

1. water, air, land (including top-soil, back-fill, drainage or culverts), bridges, roads, runways, railway lines, dams, reservoirs, storage lakes, canals, rigs, wells, tunnels, docks, piers, jetties, excavations, wharves, mines, property underground and off-shore property;
2. animals, growing crops, trees and other vegetation, including lawns and shrubs, except to the extent insured under Section 1 and Section 7 Extensions to Cover Trees, Shrubs, Plants or Lawns;
3. jewellery, precious stones, bullion, furs, **fine art**, curiosities and relics,

except to the extent insured under Section 1 and Section 7 Extensions to Cover Fine Art;

4. **electronic data**, except when and to the extent insured under Extensions to Cover under Section 1 and under Section 9;

5. overhead electrical and telecommunication transmission and distribution lines, overhead transformers or other similar overhead communication, transmission or distribution equipment and their supporting structures other than those within 250 metres of Insured Locations;

6. **money**, except to the extent insured under Part 1 Section 3;

7. vehicles required to be licensed for road use (including accessories thereon), caravans, trailers, railway locomotives or rolling stock, watercraft, aircraft or spacecraft (including but not limited to satellites);

8. property in transit, except to the extent insured under Part 1 Section 4 or Part 1 Section 8;

9. a) property undergoing construction, erection, alteration or addition when the value of work exceeds 10% of the Limit of Insurance in Part 1 Section 1 or \$500,000 whichever is the lesser; b) empty premises undergoing demolition

10. moveable property in the open air, fences, gates, textile awnings and blinds in respect of **damage** caused by wind, rain or hail, except to the extent insured under Section 1 Extension to Cover Property in the Open Air;

11. property (except money) whilst in transit except to the extent it is insured under Section 4;

12. explosives and contraband;

13. property that is or becomes empty or disused for a continuous period in excess of 60 days unless agreed by the Company;

Excluded Causes

Part 1 of this Policy does not cover **damage** directly or indirectly caused or occasioned by or arising from:

- 1.1 inherent vice, latent defect, gradual deterioration, wear and tear, frost or any other gradually operating cause;
- 1.2 escape of liquid from processing equipment where such defined escape is due to the use of equipment by the Insured or anybody employed by or acting on behalf of the Insured, except to the extent insured under Section 1 Extension to Cover Trace and Access;
- 1.3 corrosion, rust, wet or dry rot, mildew, mould, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects, except when and to the extent insured under Part 1 Section 9;
- 1.4 change in temperature, humidity, colour, flavour, texture, smell, scent, disease, smut, smoke or finish, except when and to the extent insured under Part 1 Section 9;
- 1.5 changes in the water table level;
- 1.6 theft or attempted theft, except when and to the extent insured under Part 1 Section 7;
- 1.7 settling, cracking, shrinkage, or expansion of car parks, yards, pavements, foundations, walls, floors, ceilings, or swimming pools;

- 1.8 joint leakage, failure of welds, cracking, fracturing, nipple leakage, implosion, collapse or overheating of: boilers, economisers, superheaters, pressure vessels, tubes or pipes, or any range of steam and feed piping in connection therewith;
- 1.9 the bursting of a boiler, economiser, vessel, machine or apparatus belonging to or under the control of the Insured, other than those in which internal pressure is due to water or steam;
- 1.10 magnetic flux, mechanical or electrical **breakdown** or derangement of the particular machine, apparatus or equipment or **electronic data processing equipment** in which such **breakdown** or derangement originates (however this exclusion does not apply to **computer breakdown** under Section 9 of Part 1 or coverage under Section 5 of Part 1);
- 1.11 **computer breakdown** for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement;
- 1.12 **computer breakdown**, except when and to the extent insured under Part 1 Section 9
- but this will not exclude subsequent **damage** or **business interruption** resulting therefrom due to a cause not otherwise excluded.
- 2.1 faulty or defective workmanship, design or materials, misapplication of tools, operational error or omission on the part of the insured or any of their employees, except when and to the extent insured under part 1 section 9;
- 2.2 the **property insured**, and the contents of any **machinery or plant**, undergoing any process, test or commissioning or being actually worked upon;
- 2.3 the correction of defects in design or content of any computer records or program and any costs and expense associated therewith;
- 2.4 the deliberate act of a supply undertaking in withholding the supply of water gas electricity fuel or telecommunications services;
- 2.5 subsidence, ground heave or landslip.
- 2.6 loss of market or delay;
- 2.7 any wilful act or neglect of the insured;
- 2.8 the insured or any **officer** of the insured parting with title or possession of any property if induced to do so by any fraudulent scheme, trick or pretence, misrepresentation (whether verbal or not) or concealment;
- 2.9 acts of fraud or dishonesty by any **officer** or authorised representative or agent of the insured or any other person to whom the insured entrusts **property insured** or **money** (save as insured under part 1 section 3);
- 2.10 disappearance, unexplained or inventory shortage, misfiling or misplacing of information, accountancy depreciation, or currency fluctuation;
- 2.11 safe or strong room being opened by the use of a key or combination code through the key or combination having been left at the insured location outside **business hours**;
- 2.12 war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, nationalisation, confiscation, requisition, seizure, or destruction by the government or any public authority;
- 2.13 or in connection with any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence of loss including any cost or expense of whatsoever nature directly or indirectly incurred by the insured;
- However, this exclusion does not apply to Sections:
3. Money
 7. Theft
 8. Portable Equipment insurance
 10. Glass Insurance
- If the Company alleges that by reason of this exclusion any loss, damage, cost or expense is not covered by this policy, the burden of proving the contrary will be upon the Insured.
- 2.14 Any act of strikers locked out workers or persons taking part in labour disturbances;
- 2.15 malicious damage or vandalism (except in respect of **damage** to any **property insured** and **business interruption** caused by or resulting from fire or explosion), bursting, overflowing, freezing, discharging or leaking of water tanks, apparatus, pipes, heating, cooling or fire protection systems when the insured locations are empty or disused for a continuous period of thirty days or more;

2.16 pollution or contamination, except in respect of **damage** to the **property insured** caused by or resulting from:

- pollution or contamination which itself results from a **defined peril**;
- a **defined peril** which itself results from pollution or contamination;

2.17 physical loss, destruction or damage occasioned by or happening through:

- a) **flood**; or
- b) water from or action by the sea, tidal wave or high water

Provided that this exclusion 2.17 will not apply if loss, destruction or damage is caused by or arises out of an earthquake or seismological disturbance.

Exclusion 2.17 a. will not apply to the first \$100,000 of any loss caused by flood unless specified otherwise in the Schedule.

Nor does this Part of this Policy cover:

3.1 **damage**, distortion, erasure, corruption or alteration of **electronic data** from **malicious programming** 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, but this will not exclude subsequent **damage** or **business interruption** caused by or resulting from fire or explosion and otherwise to the extent insured under part 1 section 6;

3.2 **damage to property insured** or any loss or expense whatsoever resulting or arising there from or any **business interruption** or any liability whatsoever directly or indirectly caused by or contributed to by or arising from:

- ionising radiation or

contamination by radioactivity from any nuclear fuel or from any nuclear waste resulting from the combustion of nuclear fuel;

- the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

3.3 **damage** to any **building** or other structure caused by or resulting from its own cracking or collapse unless resulting from a **defined peril**.

3.4 **damage to property insured**:

- caused by fire resulting from its undergoing any heating process or any process involving the application of heat, except when and to the extent insured under Part 1 Section 9;
- resulting from its undergoing any process of production, packing, treatment, servicing or repair except in respect of **damage to any property insured** and **business interruption** caused by or resulting from fire or explosion;
- the solidification of molten material except in respect of subsequent damage to any property insured and business interruption caused by or resulting from a **defined peril**

Part 2 - Employee Theft Insurance

Under this Part of this Policy, the Company will indemnify the Insured for direct financial loss, resulting from **crime** committed by an **employee** acting alone or in collusion with others, provided that the loss:

- occurs during the Policy Period; and
- is discovered within 12 months of it occurring.

The most the Company will pay under this Part or any Extension is the applicable Limit of Liability shown in the Schedule.

Limit of Liability

Any losses covered under Part 2 of this policy resulting from a single act or any number of acts in which the same **employee** is concerned or implicated, whether such act or acts occurred before or during the Policy Period, are to be treated as a single loss for the purposes of this Part. In the case of a number of acts, loss will be deemed to have been discovered on the date of the first discovery of any of such acts.

If the Company agrees to make payment to any person or organisation other than the **Insured**, such payment will be deemed to have been made to the **Insured**.

Retroactive Cover

If this Part of the Policy replaces any previous Employee Theft policy of the Insured that expires at the time of inception of this Policy, the Company will also pay under this Part for any loss arising from **crime** committed within the 12 months prior to inception of this Part, provided that:

- the crime is discovered within the Policy Period; and
- the discovery period in such previous policy has expired; and
- the loss would have been covered under this Part had it been in force when the **crime** was committed; and

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- the Company will pay the lesser of:
 1. the amount which would have been payable under the previous policy if the previous policy was still in force at the date of discovery of the **crime**; or
 2. the Limit of Liability under this Part at the time of replacement.

Investigative Costs

The Company will be liable for Investigative Costs of the Insured not exceeding \$5,000.

Investigative Costs means reasonable expenses (other than regular or overtime wages, salary or fees of any insured person or office overheads, travel costs unrelated to a loss or other administration costs) incurred by the Insured, with the Company's prior written consent, to establish the existence and amount of any direct loss covered by this Part in excess of the applicable Deductible Amount.

Exclusions To Part 2

Cover under this Part of the Policy does not apply to:

1. loss of trade secrets, confidential processing methods or other confidential information of any kind;
2. **crime** committed by an **employee** or partner controlling at any time more than 10% of the issued share capital of an insured, whether acting alone or in collusion with others;
3. loss sustained by one insured to the advantage of any other insured;
4. interest, gains, profits, or other income on **money, securities** or **property** taken;
5. indirect or consequential loss of any kind;
6. loss caused by an **employee**, acting alone or in collusion with others,

which is sustained after the Insured acquires knowledge of:

- **crime**, fraud or dishonesty by such **employee** during the term of employment with an Insured; or
- fraud or dishonesty involving **money, securities** or other property valued at \$10,000 or more committed by such **employee** prior to employment with the Insured;

except if such knowledge is only acquired by a person who is acting in collusion with such **employee**;

7. loss of or damage to property except as otherwise specifically covered by part 2;
8. loss arising from extortion;
9. loss caused by any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character;
10. loss resulting directly or indirectly from trading or other dealings in **money, securities, or property**, provided however this exclusion will not apply to loss resulting solely and directly from **crime** by an **employee** which results in improper personal financial gain for that **employee** other than salary, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other **employee** emoluments;
11. loss or that part of any loss the proof of which involves in any manner:
 - profit and loss computation or comparison; or
 - comparison of inventory records with an actual physical count;

provided, however, that where the Insured establishes wholly apart from such comparison that it has sustained a loss covered under this policy, then

it may offer its inventory records and actual physical count of inventory in support of the amount of loss claimed;

12. any expenses incurred by the insured in establishing the existence or the amount of any loss covered under this policy other than those covered in investigative costs;
13. loss sustained by any **employee** benefit plan
14. loss arising out of **war**;
15. loss arising out of any:
 - ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combination of nuclear fuel; or
 - radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof.
16. liability arising out of **terrorism**.

Loss: Notice and Proof of Loss.

In the event of a loss under this Part 2, the Insured will give written notice to the Company after discovery at the earliest practicable moment, and in any event within 90 days. The Insured will furnish a proof of loss with full particulars to the Company, in accordance with the Claims Conditions.

The Insured may offer a comparison between an Insured's inventory records and actual physical count of its inventory to prove the amount of loss, but only where the Insured establishes wholly apart from such comparison that a covered loss has been sustained.

Only the Insured can:

- give notice of loss and furnish proof of loss under this Part; or
- make a claim for, adjust, receive or enforce payment of any loss.

Non-Accumulation of Liability

Regardless of the number of years this Policy remains in effect and the total premium amounts due or paid, the amount the Company will pay for a loss under this Part 2 will not be cumulative from year to year or from Policy Period to Policy Period.

When there is more than one Insured, the aggregate liability of the Company for losses sustained by one or all of them will not exceed the amount for which the Company would be liable if all losses were sustained by any one of them.

Valuation

For the purposes of establishing the amounts payable by the Company under this Part, the following will apply for valuation purposes:

1. For **securities**, the least of:
 - the closing price of **securities** on the business day immediately preceding the day on which a loss is discovered;
 - the cost of replacing **securities**; or
 - the cost to post a lost instrument bond; such cost will be paid by the company on behalf of the insured
2. for paper, microfilm, tapes, disks, computers and other material or means for storing information, the cost of such material or means as if blank and not the value of whatever is recorded therein;
3. for **property**, the least of:
 - the price paid by an Insured for the **property**; or
 - the cash value of the **property** at the time the loss was discovered;
4. for foreign currency, the Australian Dollar value of the foreign currency based on the standard rate of exchange published by the Reserve Bank of Australia on the date that the final judgment is rendered, the amount of the settlement is agreed

upon or the other element of loss is due, respectively.

Interests

The coverage under this Part is for the benefit only of the Insured named in the Schedule and the Company will not be liable hereunder for loss sustained by anyone else.

Part 3 - Cancellation Of Event Expenses

Under this Part of this Policy, the Company will indemnify the Insured for direct financial loss (as set out in 'Losses covered' below) resulting from **cancellation, interruption or postponement** of an event that is the sole and direct consequence of any sudden and accidental event beyond the Insured's control, provided such **cancellation, interruption or postponement** is made necessary after the effective date of this policy but before the planned conclusion of the event or before expiration date of the Policy, whichever comes first.

The most the Company will pay under this Part or any Extension is the applicable Limit of Liability shown in the Schedule.

Losses covered

The losses covered by this Part are:

1. **ascertained net expenses** for which the insured is liable resulting from **cancellation or interruption** or;
2. **additional expenses** for which the insured is liable resulting from postponement;
3. **additional expenses** incurred by the Insured, which serve to reduce any loss the Company, would otherwise pay resulting from **cancellation, interruption or postponement**.

This Part of this Policy does not cover **bodily injury or damage to property insured**.

Exclusions To Part 3

The Company will not pay under this Part of the Policy for **cancellation, interruption or postponement** which results directly or indirectly from:

1. circumstances which existed prior to the inception of this policy and which threatened to result in a covered loss, if the insured knew or should have known of such circumstances and failed to make them known to the company in writing prior to inception;
2. adverse weather conditions in respect of outdoor events and those staged in temporary structures;
3. non-appearance of any individual scheduled to perform or appear;
4. lack of financial support of any kind;
5. breach of contract of any kind;
6. lack of audience or public support;
7. loss of public image;
8. any dishonest, fraudulent, criminal or malicious act committed by you or by any of your employees, agents or representatives;
9. strike by your employees;
10. national mourning;
11. failure to make all material arrangements for the production of the **event** or to procure any licence or permit required to hold the event;
12. the **event** being held in violation of any law or statute;
13. any outbreak of foot & mouth disease;
14. severe acute respiratory syndrome (sars) and its sequelae;
15. avian influenza, equine influenza and their respective sequelae;

16. war;

17. any;

- ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combination of nuclear fuel; or
- radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof;

18.terrorism.

Part 4 - Professional Expenses

Claims under this Part 4 are claims made. Except as otherwise provided, this Part 4 covers only **professional expenses** on account of an **audit** first notified to the Insured or **professional** during the **policy period**.

Please Read Part 4 Carefully.

Insuring Clause

In consideration of payment of the premium and subject to the Schedule, limitations, conditions, provisions, and other terms of this Policy, the Company agrees as follows:

The Company will pay on behalf of an Insured those **professional expenses** incurred on account of an **audit** being made against the Insured that is first notified by the organisation responsible for the **audit** to the Insured or **professional**:

- a) verbally during the policy period; or
- b) in writing:
 - during the **policy period**; or
 - no later than sixty 60 days after the effective date of the expiration or termination of this Policy, if it has not been renewed by the Company.

Professional Expenses Limit

The Company's maximum liability

for **professional expenses** for the **policy period** will be \$25,000 unless specified otherwise in the Schedule. This maximum applies regardless of the number of **audits**:

- a) notified to the Insured; or
- b) conducted with respect to the Insured.

Exclusions To Part 4

The Company will not be liable for **professional expenses**:

1. in connection with any **audit** if written notice of such **audit** has been given under any policy of which this policy is a renewal or replacement and if such prior policy affords coverage (or would afford such coverage except for the exhaustion of a relevant limit of liability) for such **professional expenses**, in whole or in part, as a result of such notice;
2. on account of any **audit** which an Insured or professional had:
 - notice was proposed or pending;
 - knowledge or information that it may occur;
 - or information indicative to a reasonable person that it was likely to occur;prior to the Pending or Prior Date set forth in the Schedule (or, if no date shown in the Schedule, prior to the **policy period** commencing);
3. for an **audit** involving financial returns or activities more than eighteen months prior to the Pending or Prior Date set forth in the Schedule (or, if no date shown in the Schedule, prior to the policy period commencing);

4. in connection with an **audit** concerning non compliance by the insured of relevant legislation in circumstances where a return or document was not prepared, checked or lodged by a **professional**.
5. that comprise part of an existing retainer, fixed fee or similar arrangement;
6. on account of any **audit** that are in respect of work or tasks that would have been required to be done in the absence of such **audit**;
7. in connection with any **audit** which is solely to determine whether the insured will be the subject of a fine, penalty or prosecution due to alleged acts or omissions on its behalf;
8. for any **audit** where, prior to the **audit**, a return or document that was required to be lodged was not duly lodged as and when required;
9. that are not for tasks or activities directly arising out of an audit;
10. incurred without the prior written consent of the Company.

The Company will not be liable for

1. any fines, penalties or interest;
2. any tax, levy, fee, duty or any other governmental impost or charge;
3. further **professional expenses** (up to the **professional expenses** Limit) if a return or document required to be lodged during an **audit** is not duly lodged as and when required.

Special Conditions Specific To Part 4 *Reporting and Notice*

If during the policy period an Insured becomes aware of circumstances which could give rise to an **audit** to be conducted on the Insured;

and gives written notice of such circumstances to the Company, then any **audit** subsequently arising from such circumstances will be considered to have been made during the policy period in which the circumstances were first reported to the Company.

The Insureds will give to the Company written notice of any **audit** as soon as practicable and, in any event, no later than sixty (60) days after the effective date of the expiration or termination of Part 4 if the Policy is not renewed by the Company.

Relevant Insureds and any **professional** will give to the Company such information and co-operation as it may reasonably require, including but not limited to copies of relevant past returns, financial records, name and contact details of any **professional** and the manner in which the Insured first became aware of the **audit**, in the case of Part 4.

Termination of Prior Policies

The inception of Part 4 will terminate, if not already terminated, any policies specified in Termination of Prior Policies under Part 4 in the Schedule.

Conditions To All Parts Of This Policy

Insured's duties in the event of a claim

In the event of **damage** for which a claim is or may be made under Part 1 the Insured will:

1. Ensure that we are notified as soon as practicable, but in no event later than thirty (30) days after any loss event;
2. notify the police authority

immediately it becomes evident that any **damage** has been caused by theft or attempted theft or by malicious persons;

3. carry out and permit to be taken any action which may reasonably be practicable to prevent minimise or check any further **damage** or interruption or interference with the insured's business;
4. deliver to the company at the insured's expense:

4.1 full information in writing of circumstances, nature and amount of **damage**;

4.2 details of any other insurance on any **property insured**;

4.3 all such proofs and information relating to the claim as may be reasonably required;

4.4 if demanded, a statutory declaration of the truth of the claim and of any matters connected with it.

If the event is one in consequence of which a claim may be made under Part 1 Section 2 of the Policy, the Insured will, not less than thirty (30) days after the expiry of the Indemnity Period or within such further time as the Company may allow, deliver to the Company:

- written particulars of their claim together with details of all other insurances covering property used by the Insured at the Insured Location for the purpose of the Insured's business or any part of it or any resulting business interruption;
- 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 the Company 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 with it.

In respect of all parts of this Policy You and any other involved Insured must:

- immediately send us copies of any demands, notices, summonses or other legal papers received in connection with a claim;
- authorise us to obtain records and other information if requested;
- cooperate with us in the:
 - a) investigation and settlement of a claim; and
 - b) defence against a claim;

No Insured may settle any claim, incur any claim defence expenses (other than for first aid), assume any contractual obligation or admit any liability with respect to any claim without our written consent. We will not be liable for any settlement, claim defence expenses, assumed obligation or admission to which we have not consented.

If the terms of this condition have not been complied with any payment already made on account in respect of the claim will be repaid to the Company forthwith and the Company will have no further obligation to make payment with respect to that claim.

Notice to us under this policy will be given in writing addressed to:

Notice of Claim: Claims Department
Chubb Insurance Australia Limited
Grosvenor Place
Level 38, 225 George Street
Sydney NSW 2000

Such notices will be effective on the date of receipt by the Company at such address.

Information Network Technology Property Policy Wording

Alteration

The Policy will be avoided or reduced to the extent permitted by Australian Law, if after the commencement of this policy:

1. the insured's business is wound up or carried on by a liquidator or receiver or permanently discontinued, or
2. the interest of the insured ceases other than by death, or
3. any alteration is made either in the insured's business or in the insured location or property therein whereby the risk of loss destruction or **damage** is increased,
4. the insured will advise the company immediately in writing of any material change, of which it is aware or ought reasonably to be aware, in the risk insured under this Policy;

unless agreed in advance by the Company in writing.

The Policy will be avoided or reduced to the extent permitted by Australian Law in respect of any **property insured** altered after the commencement of this policy:

1. by removal, or
2. whereby the risk of **damage** is increased, or
3. whereby the interest of the insured ceases except by will or operation of law, unless agreed in advance by the Company in writing.

Assignment

Assignment of interest under this Policy will not bind the Company without its prior consent.

Audits and Inspection

At any time during the Policy Period or thereafter, the Insured will make available to the Company (and the Company will have the right to audit,

inspect and copy) any books, papers and other records of the Insured (including those of its agents and brokers) in connection with this Policy or the subject matter hereof.

Authorisation

The person or organisation first named as the Insured in the Schedule agrees to act on behalf of all persons and organisations insured under this Policy with respect to the giving and receiving of any notice provided for in this Policy, the payment of premiums, the receiving of any return premiums that may become due, and the negotiation, agreement to and acceptance of endorsements. All persons and organisations insured under this Policy agree that such person or organisation will so act on their behalf.

Cancellation of Policy

- a) Subject to the Insurance Contracts Act, this policy may be cancelled at any time at the request of the Insured first named in the schedule, in which case the Company will retain a pro rata amount of the premium for the time this policy has been in force.
- b) The Company may cancel this policy by giving the Insured written notice to that effect where -

1. the Insured or any person who was at any time the Insured failed to comply with the duty of utmost good faith;
2. the person who was the Insured at the time when this policy was entered into failed to comply with the duty of disclosure;
3. the person who was the Insured at the time when this policy was entered into made a misrepresentation to the Company during the negotiations for this policy but before it was entered into;

4. The Insured or any person who was at any time the Insured failed to comply with a provision of this policy, including a provision with respect to the payment of the Premium;

5. the Insured has made a fraudulent claim under this policy or any other policy of insurance (whether with the Company or some other insurer) that provided insurance cover during any part of the period during which this policy provides insurance cover;

6. the Insured failed to notify the Company of any specific act or omission where such notification is required under the terms of this policy; or

7. the Insured acted in contravention of or omitted to act in compliance with any condition of this policy which empowers the Company to refuse to pay, or reduce its/their liability in respect of, a claim in the event of such contravention or omission.

Changes

This Policy may be changed only by a written endorsement issued by a duly authorised representative of the Company.

Company's Right following a Claim

On the happening of damage in respect of which a claim is made the Company and any person authorised by the Company may, without thereby incurring any liability or diminishing the Company's rights under this policy, enter, take or keep possession of the premises where such damage has occurred and take possession of or require to be delivered to the Company any **property insured** and deal with such property for all reasonable purposes and in any reasonable manner. No **property insured** may be abandoned to the Company whether taken possession of by the Company or not.

Information Network Technology Property Policy Wording

Compliance With Applicable Trade Sanction Laws

This Policy does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit Us, Our parent company or Our ultimate controlling entity from providing insurance

Compliance By Insureds

We have no duty to provide coverage under this policy unless you and any other Insured have fully complied with all of the terms and conditions of this policy.

Our rights to apply this condition in Australia will be subject to Section 54 of the Insurance Contracts Act 1984.

Conformance

In the event any term or condition of this policy is found to be invalid, illegal or unenforceable, in whole or in part, such term or condition or part thereof will be deemed not to apply to this policy. However, the validity, legality and enforceability of all other terms and conditions remains unchanged.

Currency

All premiums, limits, deductibles, retentions, loss and other amounts under this policy are deemed to be expressed and payable in Australian dollars. If judgment is rendered, settlement is denominated or another element of loss is expressed in currency other than Australian dollars, then the payment under this policy will be made in Australian dollars at the standard rate of exchange published by the Reserve Bank of Australia on the date that the final judgment is rendered, the amount of the settlement is agreed upon or the other element of loss is due, respectively.

If the Reserve Bank of Australia does not publish the applicable standard rate of exchange, then we will use the standard rate of exchange published on the Oanda web site (<http://www.oanda.com>) on the date that the final judgment is rendered, the amount of the settlement

is agreed upon or the other element of loss is due, respectively.

Fire Extinguishing Appliance

The Insured will keep the fire extinguishing appliances in working order during the Policy Period of this policy.

Fire Protection Devices

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

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

Fraud

Subject to the Insurance Contracts Act, if any claim be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on the Insured's behalf to obtain any benefit under this policy, or if any destruction or damage be occasioned by the wilful act or with the connivance of the Insured, the Company without prejudice to any other right the Company might have under this policy, may be entitled to refuse to pay such claim.

Goods And Services Tax (GST)

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

The amount of any deductible or retention payable will be less any input tax credit that is or may be available to the Insured.

Governing Law and Jurisdiction

The terms and conditions of this policy will be governed by and construed in accordance with the laws of New South Wales. If the Insured or anybody

else sues the Company as a result of a dispute arising out of, in connection with or relating to this policy, then such legal proceeding against the Company must be brought in and determined exclusively in a New South Wales court of competent jurisdiction.

Headings

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

Inspections and Surveys

We have the right but are not obligated to:

- make inspections and surveys of property, business methods or procedures at any time;
- give the Insured reports on the conditions of what we inspect or survey; and
- recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organisation to provide for the health or safety of workers or the public. We also do not warrant that conditions:

- are safe or healthful;
- comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organisations which make insurance inspections, surveys, reports or recommendations that are used by us to determine insurability and the premiums to be charged.

Information Network Technology Property Policy Wording

Limits of Insurance

The following condition applies to each Section of Part 1 of this Policy except where expressly provided to the contrary.

In no event will the Company's liability for any one loss or series of losses arising out of one event exceed:

- in respect of any Section the Limit of Liability or Limit of Insurance shown in the schedule, or
- in respect of any extension of cover the limit of liability shown in the schedule, whichever is the lesser.

Misrepresentation and Non-Disclosure

If the Insured -

1. failed to disclose any matter which the insured was under a duty to disclose to the company; or
2. made a misrepresentation to the Company before this policy was entered into

and if the Company would not have entered into this policy for the same premium and on the same terms and Conditions expressed in this policy but for the failure to disclose or the misrepresentation.

then -

- a) the liability of the Company in respect of any claim will be reduced to an amount to place the Company in the same position in which the Company would have been placed if such nondisclosure had not occurred or such misrepresentation had not been made; or
- b) if the non-disclosure or misrepresentation was fraudulent, the Company may avoid this policy.

Non-Invalidation

This policy will not be invalidated by any act or omission or by any alteration whereby the risk of loss is increased, unknown to or beyond the control of the Insured, providing that the Insured immediately they become aware of any such thing, will give notice to the Company and pay an additional premium if required.

Other Insurance

The insured will give written notice as soon as practicable to the Company of any other insurance or insurances effected covering the loss.

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

Salvage

If any damaged **property insured** is recovered by the Insured or the Company, after a loss payment is made, the party making the recovery must give the other parties prompt notice.

If any recovered property has a salvage value, the Company will control the disposition of such salvage.

When **property insured** is recovered the Insured may keep the:

- recovered property and return the loss payment to the Company; or
- loss payment and the Company will keep the recovered property.

When any recovered **property insured** which the Insured chooses to keep is in need of repair the Company will pay for the repairs subject to the:

- applicable Limit of Liability shown in the schedule;
- policy basis of settlement conditions.

If any recovered property has a salvage value or if there is any money recovered through Subrogation such recoveries will be applied net of the expense of such recovery in the following order:

- first to the Insured for any uninsured loss or **damage** from an insufficient limit of liability;
- second to the Company for any amounts paid in settlement of the Insured's claims; and
- third to the Insured for any deductible amount that the Insured paid or penalties the Insured paid as a result of coinsurance.

The Company will determine the amount of loss or **damage** on the basis that it would have been settled had the amount of the recovery been known at the time the loss was originally determined.

If there are expenses:

- in recovering any lost or damaged **property insured**; or
- as a result of subrogation

the Company will share the expense with the Insured and any company, which provided excess insurance in proportion to their respective shares. If there is no recovery and proceedings are conducted solely by the Company, the Company will bear the expenses of the proceedings.

Subrogation

The Company will have rights of subrogation to all the Insured's rights of recovery against any person or organisation before or after any payment under this policy. The Insured will execute and deliver such instruments and papers and do whatever else is necessary to secure such rights. The Insured will do nothing after loss to prejudice such rights.

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If the Company makes any recovery as a result of such action, the Insured may only recover from the Company any amount by which the amount recovered by the Company exceeded the amount paid to the Insured by the Company in relation to the loss.

Subrogation Waiver

For the purposes of Part 1, in the event of a claim arising under this Part, the Company agrees to waive any rights, remedy or relief to which it might become entitled to by subrogation against:

- any company standing in the relation of parent to subsidiary (subsidiary to parent) to the Insured current at the time of the **damage**;
- any company which is a subsidiary of a parent company of which the Insured are themselves a subsidiary current at the time of the **damage**.

Reinstatement

If any **property insured** is to be reinstated or replaced by the Company, the Insured will at their own expense provide all such plans, documents, books and information as may reasonably be required. The Company will not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and will not in any case be bound to expend in respect of any item insured more than its Sum Insured or the Limits of Liability (whichever is less).

Reasonable Precautions

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

Representations

It is a provision of this policy that in accepting it, the Insureds agree that the representations and statements contained in any application:

- are accurate and complete;
- were made to induce our reliance upon them;
- were made on behalf of all Insureds;
- are material to our decision to provide coverage; and

are considered as incorporated in and constituting part of this policy.

Transfer Of Rights And Duties

The Insured's rights and duties under this Policy may not be transferred without our written consent.

About Chubb in Australia

Chubb is the world's largest publicly traded property and casualty insurer. Chubb, via acquisitions by its predecessor companies, has been present in Australia for 100 years. Its operation in Australia (Chubb Insurance Australia Limited) provides specialised and customised coverages including Business Package, Marine, Property, Liability, Energy, Professional Indemnity, Directors & Officers, Financial Lines, Utilities as well as Accident & Health, to a broad client base, including many of the country's largest companies. Chubb also serves successful individuals with substantial assets to protect and individuals purchasing travel and personal accident insurance.

More information can be found at www.chubb.com/au.

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