

Industrial Special Risk

Golf Club ISR Policy Wording



GolfAustralia



SPORTSCOVER™

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Information

This document contains two separate sections:

General Information

This part of the document contains information You need to know before You take out an insurance Policy. Please read it carefully before taking out this insurance.

Policy Terms and Conditions

The Policy part of this document contains the Policy Terms and Conditions, which detail all the terms, conditions and exclusions relating to this Policy. It forms part of Your legal contract with us.

If we issue You with an insurance Policy, You will be given a Schedule. The Schedule sets out the specific terms applicable to Your cover and should be read together with the Policy Terms and Conditions. The Policy Terms and Conditions and the Schedule we send to You form Your legal contract with us so please keep them in a safe place for future reference. If You require further information about this product, please contact Your insurance broker.

About Lloyd's

Unlike most other insurers, Lloyd's is not a company. It is a market where Lloyd's syndicates insure risk. Lloyd's is the world's leading specialist insurance market, conducting business in over 200 countries and territories worldwide, backed by excellent financial ratings which cover the whole market.

Lloyd's is a major general Insurer in Australia, authorised under the provisions of the Australian insurance Act. Lloyd's syndicates have approximately \$1 billion placed in trust in Australia, purely to act as an additional layer of security to pay claims.

About Sportscover

Australian owned Sportscover is one of the world's leading sports insurance underwriters with offices in Australia, the United Kingdom, China, Canada and the Pacific. Sportscover specialises in accident, liability, property, travel and contingency insurances for sport and leisure. Sportscover has its own Lloyd's syndicate, SCS 3334, which is managed by Sportscover Underwriting Limited, and is the only A+ rated dedicated sports insurer in the world.

This Policy is available exclusively to You through approved intermediaries who have access to Sportscover.

Important Information about Sportscover's Advice

Any advice Sportscover gives about this Policy does not take into account any of Your particular objectives, financial situation or needs. For this reason, before You act on Sportscover's advice, You should consider the appropriateness of the advice taking into account Your own objectives, financial situation and needs. Before You make any decisions about whether to acquire this Policy we recommend You should read this insurance Policy.

General Information for Business Insurance Policy

The information contained in this part is general information only and does not form part of Your contract with us. The Policy Terms and Conditions in the rest of this booklet contain details of Your contract.

Important Information

This Policy and Your current Schedule are important. Please ensure You read them carefully and keep them in a safe place. The Policy, current Schedule, definitions, conditions, exclusions, extensions and endorsements are to be read together as one contract. Any word or expression to which a specific meaning has been given in any part of this Policy shall bear this meaning wherever it may appear unless such meaning is inapplicable to the context in which the word or expression appears.

This Policy makes provision for payment of goods and services tax by You in relation to premiums and by us in relation to claims.

If You have any questions regarding the Policy, please contact Your insurance broker. Plans, documents, reports, contracts, receipts, manuals and serial numbers relating to Your property should be kept. If a claim occurs the documents may be required by us and they will assist You completing Your claim form.

Duty of Disclosure – What You Must Tell Us

Under the Insurance Contracts Act 1984 (the Act), You have a duty of disclosure. The Act requires that before a Policy is entered into, You must give us certain information we need to decide whether to insure You and anyone else to be Insured under the Policy, and on what terms. Your duty of disclosure is different, depending on whether this is a new Policy or not.

New Business

Where You are entering into this Policy for the first time (that is, it is new business and is not being renewed, varied, extended or reinstated) You must tell us everything You know and that a reasonable person in the circumstances could be expected to tell us, in answer to the specific questions we ask.

When answering our questions You must be honest.

Who needs to tell us

It is important that You understand You are answering our questions in this way for Yourself and anyone else whom You want to be covered by the Policy.

If You do not tell us

if You do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the Policy. If You answer our questions fraudulently, we may refuse to pay a claim and treat the Policy as never having worked.

Renewals, variations, extensions and reinstatements

Once Your Policy is entered into and is no longer new business then Your duty of disclosure to us changes. You are required before You renew, vary, extend or reinstate Your Policy, to tell us everything You know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure You, and anyone else to be Insured under the Policy, and if so, on what terms.

You do not have to tell us about any matter

- That diminishes the risk
- That is of common knowledge
- That we know or should know in the ordinary course of our business as an Insurer, or
- Which we indicate we do not want to know.

If You do not tell us

If You do not comply with Your duty of disclosure we may reduce or refuse to pay a claim or cancel Your Policy. If Your non-disclosure is fraudulent we may treat this Policy as never being in force.

Change of Risk or Circumstance

You should advise us as soon as practicable of any change to Your normal business as disclosed in the application form or statement of fact, such as, but not limited to changes in location, acquisitions and new overseas activities.

Privacy

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. We are bound by the Privacy Act 1988 (cth.), when collecting and handling Your personal information. Sportscover has developed a privacy policy which explains what sort of personal information we hold about You and what we do with it.

We will only collect personal information from or about You for the purpose of assessing Your application for insurance and administering Your insurance Policy, including any claims You make. We will only use and disclose Your personal information for a purpose You would reasonably expect.

We may need to disclose personal information to our reInsurers, (who may be located overseas), insurance intermediaries, insurance reference bordereaux, credit reference agencies, our advisers and those involved in the claims handling process (including assessors and investigators), for the purposes of assisting us and them in providing relevant services and products, or for the purposes of litigation. We may disclose personal information to people listed as co-Insured on Your Policy and to family members or agents authorised by You. We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request Your consent to any other purpose.

By providing Your personal information to us, You consent to us making these disclosures. Without Your personal information we may not be able to issue insurance cover to You or process Your claim.

You also have the opportunity to find out what personal information we hold about You and, when necessary, correct any errors in this information. Generally we will do this without restriction or charge. For further information about our privacy policy or to access or correct Your personal information, please contact:

Privacy Coordinator

Sportscover
271-273 Wellington Road
Mulgrave, Victoria, Australia 3170

Phone: (03) 8562 9100

Fax: (03) 8562 9111

Email: privacy@sportcover.com

The General Insurance Code of Practice

Sportscover is a signatory to the general insurance code of Practice.

The code aims to:

- Promote more informed relations between Insurers and their customers; and
- Improve consumer confidence in the general insurance industry;
- Provide better mechanisms for the resolution of Complaints and Disputes between Insurers and their customers; and - Commit Insurers and the professionals they rely upon to higher standards of customer service.

Dispute Resolution

We will do everything possible to provide a quality service to You. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that You wish to query or draw to our attention.

We have a Complaints and Dispute Resolution Procedure which undertakes to provide an answer to Your complaint within 15 working days. If You would like to make a complaint or access Our internal dispute resolution service please contact Your nearest Sportscover office and ask to be referred to Our dispute resolution department or contact Us on www.sportscover.com

Policy Terms & Conditions for Business Insurance Policy

Insurer

The Policy is underwritten by Sportscover Lloyd's syndicate 3334 SCS. Sportscover Australia Pty Ltd. acts under authority as an agent of the Insurer.

Our Agreement with You

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

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

The insurance cover is in force for the Period of Insurance set out in the Schedule. We will cover You for loss, damage and liability occurring during that Period of Insurance, subject to the provisions of this Policy.

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

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

Your Policy

Your Business Insurance Policy consists of the Policy Terms and Conditions in this booklet and the Schedule we give You. Please read Your Policy carefully, and satisfy Yourself that it provides the cover You require.

If You want more information about any part of Your Policy, please ask us, or Your broker.

You should keep Your Policy wording and Schedule together in a safe and convenient place for future reference.

Paying Your Premium

You must pay Your annual premium by the due date. If we do not receive Your premium by this date or Your payment is dishonoured this Policy will not operate and there will be no cover.

Underinsurance/Co-Insurance

The following sections of the Policy:

[Section 1](#) – Property Damage

[Section 2](#) – Business interruption

contain Underinsurance/Co-Insurance provisions which require You to insure for full value.

This means that if You under declare values on the day of commencement of the Period of Insurance, You may not receive full compensation in the event of a loss occurring.

Underinsurance/Co-Insurance puts You in a position where You proportionally share losses.

The effect of these Underinsurance/Co-Insurance clauses can be shown by using the following formula:

For Section 1 (Material Loss or Damage)

$$\begin{array}{ccccc} \boxed{\text{Your declaration of value}} & \div & \boxed{\text{85\% of actual value at the Situation}} & \times & \boxed{\text{amount of loss}} \\ & & & & \\ = & & \boxed{\text{Amount payable by The Insurer (not exceeding the Sub-Limits of Liability)}} & & \end{array}$$

For Section 2 (Consequential Loss)

$$\begin{array}{ccccc} \boxed{\text{Your declaration of value}} & \div & \boxed{\text{Amount required to fully indemnify You}} & \times & \boxed{\text{amount of loss}} \\ & & & & \\ = & & \boxed{\text{Amount payable by The Insurer (not exceeding the Sub-Limits of Liability)}} & & \end{array}$$

The 85% Co-Insurance formula (applicable to Section 1) is not applied if:

- (a) The Sum Insured is 85% or more of the Actual Value.
- (b) The Claim is less than 5% of Your declaration value.

Please contact Us if You would like more precise details of:

- (a) How Co-Insurance might affect You.
- (b) How to calculate declared replacement values.

General Definitions

The following General Definitions apply to all Sections of this Policy unless noted to the contrary.

Aircraft – any craft or object designed to travel through air or space, other than model aircraft.

Business Hours – when You or any of Your employees are at Your Premises for the purpose of conducting Your business.

Computer Virus – an executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained and which destroys or alters the host program or other computer code or data causing undesired program or computer system operation.

Damage or Damaged – physical loss, destruction or damage that is not otherwise excluded by this Policy.

Declared Values – are the values of:

- (a) Property Insured (other than Money) under [Section 1](#) at the situation, and
- (b) Gross Profit / Gross Rentals / Gross Revenue / Insured Payroll as declared by You;

calculated in accordance with the applicable Basis of Settlement Clauses.

You shall complete a statement of Declared Values as at the commencement of the Period of Insurance and as at the end of the Period of Insurance.

Electronic Data – any facts, concepts and/or information converted to a form usable for communications and/or displays and/or distribution and or processing by electronic and/or electromechanical data processing and/or electronically controlled equipment which includes but is not limited to programs and/or software and/or other coded instructions for such equipment.

Event – Only for the purpose of the application of any excess: all loss destruction or damage resulting from earthquake occurring during each period of 72 consecutive hours shall be considered as one event, whether such earthquake is continuous or sporadic in its sweep and/or scope and the loss destruction or Damage was due to the same seismological conditions. Each event shall be deemed to have commenced on the first happening of any such loss destruction or damage not within the period of any previous event.

Excess – the amount, or the loss applicable to a specified period of time, expressed as an excess on the current Schedule or elsewhere in the Policy.

This is the first amount of any loss that You must pay before we pay Your claim.

Flood – the inundation of normally dry land by water escaping or released from the normal confines of any natural watercourse or lake (whether or not they have been altered or modified) or from any dam, reservoir or canal.

Hazardous Substance –

- (a) any Pollutant, contaminant or other substance declared by a governmental authority to be hazardous to health or the environment; or
- (b) any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergenic, pathogenic or toxigenic.

Hovercraft – any vessel, craft or device made or intended to float on or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.

Insured – the person/s or entity/ies named in the Schedule as the Insured and any subsidiaries and/or social clubs established for the benefit of Your employees.

Insurer – various underwriters at Lloyd’s, each of whom (including their executors and administrators) is only liable for their share of any claim, loss, liability or expense payable under this Policy.

Limit of Liability – the amount shown in the Schedule for each applicable Section of this Policy for which You are Insured for any one loss or series of losses arising out of one event or Occurrence.

Money – current coin, bank notes, currency notes, cheques, credit card sales vouchers, postal orders, Money orders, negotiable and non-negotiable securities and other like documents of value, phone cards and/or stored value cards, unused postage and revenue stamps, public transport tickets, private transport tickets (excluding airline tickets), bridge or highway tokens, car wash tokens, lottery tickets, authorised gift vouchers from external parties, contents of franking machines and includes cash boxes, alarm bags, or any other portable container used to convey Money all belonging to You or for which You are legally responsible or have assumed a responsibility to insure but does not mean any of these in the possession of or carried by professional Money carriers, professional carriers or common carriers.

Period of Insurance – the period set forth in the Schedule, or any shorter period arising as a result of cancellation of this Policy, and any extension thereof which may be agreed in writing between You and Us.

Policy – includes this document, the Schedule and any attachment or memoranda affixed and any future documents issued (either at inception or during the Period of Insurance) to You which amends this Policy wording or Schedule; and the Proposal.

Pollutant –

- (a) any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals; or
- (b) any waste. materials including material to be recycled, reconditioned or reclaimed; or any other air emission, odour, waste water, oil, oil products, infectious or medical waste, asbestos, asbestos products, or any noise emission.

Pollution or Contamination – the discharge, dispersal, release, escape of any type of Pollutant into or upon property, land, atmosphere or any watercourse of body of water including, but not limited to, ground water.

Premium – the premium specified in the Schedule or in any endorsement to the Schedule.

Premises – the buildings, outbuildings and yards used by You for Your business at the situation.

Proposal – the written Proposal form submitted to us containing particulars and statements (together with any other written information which may have been supplied in conjunction therewith) bearing the date as stated in the Schedule.

Schedule – the most current Schedule of Insurance or any future renewal Schedule, including any endorsements issued by us in connection with this Policy.

Security – various underwriters at Lloyd's, each of whom (including their executors and administrators) is only liable for their share of any claim, loss, liability or expense payable under this Policy.

Securities – any negotiable or non-negotiable instruments or contracts representing Money or other property including but not limited to shares, preference shares, stocks, bonds, promissory notes or other equity or debt security.

Situation – the location(s) stated in the Schedule.

Subsidiary Company or Subsidiary –

- (a) any company or other incorporated entity which by virtue of any applicable Australian legislation or law is deemed directly or indirectly to be a subsidiary of the corporation specified in the Schedule; or
- (b) any company or other incorporated entity over which the corporation specified in the Schedule is in a position to exercise effective direction or control through ownership or control of more than fifty percent (50%) of the issued voting shares of such company or entity.

Vehicle – any type of machine on wheels or on self laid tracks made or intended to be propelled by other than manual or animal power, and any trailer or other attachment to be utilised in conjunction with or drawn by any such machine.

Watercraft – any vessel, craft or thing made or intended to float on or in or travel through water, other than model boats.

We/Us/Our – Sportscover Australia Pty. Ltd acting under a binder as an agent of the security.

You / Your – the person(s), companies or firms named in the current Schedule as the 'Insured' and as more specifically defined under [section 3](#) of this Policy.

Your Business – the business as described in the Schedule (and, where applicable, as further described in any more specific underwriting information provided to us at the time when this insurance was negotiated).

General Exclusions

The following General exclusions apply to all sections of this Policy.

1. War, Terrorism, Radioactivity

This Policy excludes loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

1.1 War, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or

1.2 Any act(s) of terrorism.

For the purpose of this [exclusion 1.2](#), an act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation 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) de jure or de facto, and which:

- Involves violence against one or more persons, or
- Involves damage to property, or
- Endangers life other than that of the person committing the action, or
- Creates a risk to health or safety of the public or a section of the public, or
- Is designed to interfere with or to disrupt an electronic system.

1.3 Radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion. Provided that this [exclusion 1.3](#) shall not apply to liability arising from radio-isotopes, radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits.

This Policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to the above.

2. Business in Liquidation or Ceases to Trade

If Your business is placed into liquidation or administration, a receiver is appointed or Your business is wound up or is permanently discontinued, then unless otherwise agreed by us in writing, all cover under this Policy ceases from the time Your interest is transferred or Your business ceases to trade other than cover provided under section 4 of this Policy.

3. Geographical Limitations

Unless we agree in writing to the contrary, we will not pay for any loss or damage to Your Property Insured that is outside the commonwealth of Australia at the time of its damage, except as specifically stated otherwise in the appropriate section.

4. Wilful Acts

Subject to the provisions of the Insurance Contracts Act 1984, we will not pay for any loss or damage caused by either Your wilful act or by the wilful act of another party committed with Your knowledge and consent and which You were capable of preventing.

5. Known Defects

We will not pay for loss or damage caused by faults or defects known to You or any employee whose knowledge in law would be deemed to be Yours and not disclosed to us at the time this insurance was arranged.

6. Date Recognition

In respect of any claim of whatsoever nature which consists of or arises directly or indirectly out of or in connection with the failure or inability of any:

- (a) electronic circuit, microchip, integrated circuit, microprocessor, embedded system, BIOS or other instruction set, hardware, software, firmware, program, computer, data processing equipment, telecommunication equipment or systems, or any similar device, or any
- (b) media or systems used in connection with any of the foregoing

whether Your property or not, at any time to achieve fully and successfully any or all of the purposes and consequential effects intended by the use of any number, symbol or word to denote, represent or express a date including, but without being limited to, any failure or inability to recognise, capture, save, retain or restore and/or correctly to manipulate, interpret, transmit, return, calculate or process any date, data, information, command, logic or instruction as a result of or in connection with

- (i) anything referred to in (a) or (b) recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time, or
- (ii) the operation of any command or logic which has been programmed or incorporated into anything referred to in (a) or (b) above.

This exclusion will not exclude any claim for subsequent damage to any property Insured by this Policy or consequential loss which is solely and directly occasioned by a defined event (as defined hereunder), arising under any of the sections listed below, but only to the extent that such claim would otherwise be Insured under those sections.

[Section 1 – Property Damage](#)

[Section 2 – Business interruption](#)

Defined Event

For the purposes of this exclusion only, 'defined event' shall mean fire, lightning, thunderbolt, explosion implosion, earthquake, subterranean fire, volcanic eruption, impact, Aircraft and other aerial devices or articles dropped or falling from them, the acts of persons taking part in riots, civil commotions, strikers or of locked out workers or of persons taking part in labour disturbances, malicious persons, storm and/or tempest and/or rainwater and/or wind and/or hail, water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or pipes, impact by any road vehicle or animal, or theft (other than theft by employees).

7. Electronic Data Exclusion

We will not cover electronic data or the cost of rewriting records as a result of loss of electronic data.

However, we will provide cover for losses to electronic data and rewriting of records arising out of the following perils:

Fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, Aircraft and/or other aerial devices or articles dropped or falling from them, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances, malicious persons, storm and/or tempest and/or rainwater and/or wind and/or hail, water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes, impact by any road vehicle or animal, or theft (other than theft by employees).

If the electronic equipment cover section of the Policy is current and electronic data and electronic data media is Insured we will also provide cover for losses to electronic data arising out of vibration, power surge, low voltage, mechanical, electrical and electronic breakdown, but not breakdown occurring as a result of any virus, worm, trojan horse, hacking, or any unauthorised access.

General Conditions

The following General Conditions apply to all Sections of this Policy

1. Accountancy Records

You must provide to us all books of account, business books and other documents as may be required to investigate or verify claims. If You do not, we may refuse to pay or may reduce the amount of a claim.

2. Assignment

This Policy and any rights hereunder cannot be assigned without Our prior written consent.

3. Notification of Alteration of Risk

Upon You becoming aware of any changes to the business description as stated in the Schedule, or other changes material to the risk of loss or damage, You shall notify us in writing as soon as reasonably practicable.

We reserve the right to accept or deny cover at the time of such notification and to establish a separate rate and premium for any such change in description of business as described in the Schedule.

However, this insurance will not be prejudiced by:

- (a) such changes in the use or occupancy of the Premises as are usual or incidental to Your business,
- (b) the performance of any structural alterations or repairs to Property Insured, providing the circumstances are reported to us in writing within a reasonable time after You become aware of them; and provided that You agree to pay a reasonable additional premium for the increased risk if so requested by us;
- (c) the cessation of operations or vacancy of any building for a period in excess of ninety (90) consecutive days, providing the circumstances are reported to us within a reasonable time after You become aware of them; and provided that You agree to pay a reasonable additional premium for the increased risk if so requested by us.

4. Breach of Condition or Warranty

Breach of a condition or warranty without Your knowledge or consent or error in name, description or situation of property will not prejudice Your rights under this Policy provided notice in writing is given to us when such breach or error comes to Your knowledge. Reasonable extra premium shall be paid if required, from the date of such breach or error.

5. Cancelling Your Policy

How You may cancel this Policy

- You may cancel this Policy at any time by telling us in writing that You want to cancel it. You can do this by giving the notice to Your broker.

If You do cancel You must pay a pro-rata Premium for the time the cover has been in force plus our cancellation fee.

- Where 'You' involves more than one person, we will only cancel this Policy when a written agreement to cancel this Policy is received from all persons named as the Insured.

How we may cancel this Policy

- We may cancel Your policy or any Cover Section subject to Section 60 of the Insurance Contracts Act 1984, by giving You written notice of Our proposed cancellation in person or by post to Your last known address.

Cancellation will take effect at the earlier of the following times

- (a) When another contract of insurance is obtained that is intended to replace Your Policy or Cover Section; or
- (b) At 4.00 pm on the third **day** after delivery of the cancellation notice to You or Your last known address.

After cancellation of Your Policy or any Cover Section We will refund that part of the Premium that has been paid that applied to the cancelled period.

6. Premium funders

If the premium has been funded by a premium funding company which holds a legal right over this Policy by virtue of a notice of assignment and irrevocable power of attorney, a refund will be made to the premium funding company of the proportionate part of the premium applicable to the unexpired Period of Insurance.

7. Excess

If more than one excess can be applied to one occurrence, then You will only need to pay the highest excess. The applicable Limit(s) or Sub Limit(s) of Liability shall apply in addition to, and shall not be reduced by, the amount of any applicable excess.

8. How Goods and Services Tax (GST) affects any payments We make

The amount of premium payable by You for this Policy includes an amount on account of the GST on the premium. When we pay a claim, Your GST status will determine the amount we pay

When You are:

- (a) Not registered for GST, the amount we pay is the applicable Limit(s) or Sub Limit(s) of Liability including GST.
- (b) Registered for GST, we will pay the applicable Limit(s) or Sub Limit(s) of Liability and where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim (such as services to repair a damaged item Insured under the Policy) we will pay for the GST amount.

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

You must advise us of Your correct Australian business number and Taxable Percentage. Any GST liability arising from Your incorrect advice is payable by You. Where the amount of Your claim is greater than the applicable Limit(s) or Sub Limit(s) of Liability, we will only pay an amount for GST (less Your entitlement for input tax credit) applicable to the amount of the loss settlement. This means that if these amounts are not sufficient to cover Your loss, we will only pay the GST relating to Our settlement of the claim.

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

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in A new tax system (goods and services tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is Your entitlement to an input tax credit on Your premium as a percentage of the total GST on that premium.

9. Our Maximum Liability

Except as otherwise stated elsewhere in this Policy, the maximum amount we will pay will not exceed the amount stated in the Schedule as the applicable Limit(s) or Sub Limit(s) of Liability for those sections selected.

The Limit(s) or Sub Limit(s) of Liability shall apply in addition to, and shall not be reduced by, the amount of any applicable excess.

10. Currency

All amounts under this Policy are expressed and payable in Australian dollars.

11. Inspections

We (or agents appointed by us) have the right to inspect and examine, by mutual appointment, any Property Insured.

12. Jurisdiction

All disputes arising out of or under this Policy shall be subject to determination by any court of competent jurisdiction within Australia according to the law which applies to that jurisdiction.

13. Progress Payments

We will not unreasonably withhold progress payments. We will make progress payments on claims at intervals to be agreed by us following receipt of an interim report from our loss adjuster or representative.

14. Reasonable Care

You must take reasonable precautions to prevent Personal injury or Property damage as if You were not covered by this Policy such as:

- (a) Maintain and look after other person's or organisation's property and buildings used or occupied by You, in accordance with Your agreement with them.
- (b) If Your occupation includes digging below ground at sites away from Your business Premises, You must obtain the location of underground services from the owners of the services.
- (c) Use and store all hazardous materials as required by law. If You do not take reasonable precautions, we may refuse to pay part or all of Your claim.

15. Waiver of Subrogation Rights

We may not be liable to pay any benefits under this Policy for loss, damage or liability if You agree or have agreed to limit or exclude any right of recovery against any third party who would be liable to compensate You with respect to that loss, damage or liability however:

- (a) We shall waive any rights and remedies or relief to which we are or may become entitled by subrogation against:
 - (i) any co-Insured (including directors, officers and employees);
 - (ii) any corporation or entity (including directors, officers and employees) owned or controlled by any Insured or against any co-owner of the property Insured.
- (b) You may without prejudicing Your position under this Policy:
 - (i) release any statutory governmental, semi-governmental or municipal authority from any liability if required at law to do so;
 - (ii) agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause;
 - (iii) agree to enter into a lease for occupancy of any building or part of a building or a lease or hiring of property where the terms of the lease or hiring include a disclaimer clause in favour of the lessor or the owner.

16. Claim Preparation Expenses

We will pay for costs necessarily and reasonably incurred for the preparation of a claim for which we agree to indemnify You under this Policy. The most we will pay is the amount of the sub limit of liability stated in the Schedule in respect to claim preparation expenses.

Provided that before You incur these claim preparation costs You obtain our written approval to incur these costs.

17. Non-Imputation

Where this insurance is arranged in the joint names of more than one Insured person, company or organisation, as described in the Schedule, it is hereby declared and agreed that:

- (a) each Insured shall be covered as if it made its own proposal for this insurance
- (b) any declaration, statement or representation made in any proposal shall be construed as a separate declaration, statement or representation by each Insured
- (c) any knowledge possessed by any Insured shall not be imputed to the other Insured(s).

18. Complaints Handling & General Insurance Code of Practice

This certificate is insurance council of Australia's General Insurance Code of Practice compliant, apart from any claims adjusted outside Australia. Underwriters at Lloyd's proudly support the General Insurance Code of Practice. The purpose of the code is to raise standards of practice and service in the General Insurance Industry. Any enquiry or complaint relating to this insurance should be referred to Sportscover Australia Pty Ltd in the first instance. If this does not resolve the matter or you are not satisfied with the way a complaint has been dealt with, you should write to:

Lloyd's Underwriters' General Representative in Australia

Suite 2, Level 21
Angel Place
123 Pitt Street
Sydney NSW 2000

Telephone Number: (02) 9223 1433
Facsimile Number: (02) 9223 1466

who will refer your dispute to the complaints department. Complaints that cannot be resolved by the complaints department may be referred to the Financial Ombudsman service. Further details will be provided at the appropriate stage of the complaints process.

The underwriters hereon agree that:

- (i) In the event of a dispute arising under this insurance, the underwriters at the request of the Assured will submit to the jurisdiction of any competent court in the commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such court.
- (ii) Any summons notice or process to be served upon the underwriters may be served upon the Lloyd's Underwriters' General Representative in Australia as referenced above who has authority to accept service and to enter an appearance on the underwriters' behalf, and who is directed at the request of the Assured to give a written undertaking to the Assured that he will enter an appearance on the underwriters' behalf.
- (iii) If a suit is instituted against any one of the underwriters, all underwriters hereon will abide by the final decision of such court or any competent Appellate court.

Section 1 — Property Damage

The Indemnity

In the event of any Damage (not otherwise excluded) happening at the Situation to the Property Insured, We will, subject to the provisions of this Policy including the limitation on Our liability, indemnify You in accordance with the applicable Basis of Settlement.

Additional Benefits

We will also indemnify You for the following Additional Benefits. However, unless otherwise stated to the contrary hereunder, Our liability shall not be increased beyond the applicable Limit(s) or Sub Limit(s) of Liability as stated in the Schedule.

(a) Professional Fees

Architects', surveyors', consulting engineers', town planning and other consultants', legal and other fees and clerks of works' salaries for estimates, plans, specifications, quantities, tenders, reports, consultations, giving of evidence and supervision necessarily incurred in Reinstatement consequent upon damage to Property Insured but not such costs, fees and salary for preparing any claim hereunder. Our liability under this Additional Benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to professional fees.

(b) Government Fees

Any fee, contribution or other impost payable to any government, local government or other statutory Authority; where payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to reinstate any building(s) Insured hereunder; provided that we shall not be liable for payment of any fines and/or penalties imposed upon You by any such Authorities. the cost of government fees is included in the limit of liability.

(c) Fire Extinguishment Costs

Costs and expenses necessarily and reasonably incurred for the purpose of:

- (i) extinguishing fire at or in the immediate vicinity of Your Premises or threatening to involve the Property Insured or for the purpose of preventing or diminishing imminent damage to the Property Insured by any other event Insured against by this Policy, and including gaining access consequent upon damage to Your Premises,
- (ii) the replenishment of fire fighting appliances and apparatus;
- (iii) shutting off the supply of water or other substance following accidental discharge from any fire protective equipment or otherwise escaping from intended confines;
- (iv) statutory charges payable by You to a fire brigade or fire fighting authority for attendance at a fire or chemical emergency involving Your Premises.

Our liability under this Additional Benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to fire extinguishment costs.

(d) Protection and Security Guard Costs

Costs and expenses necessarily and reasonably incurred for the protection and safety of the Property Insured (including the employment of security guards to safeguard Property Insured) pending the repair or replacement made necessary by any damage for which a claim is payable under this section.

Our liability under this Additional Benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to protection and security guard costs.

(e) Locks and Keys

The cost of replacing locks and/or keys and/or electronic access cards and/or combinations where (if as a result of burglary, theft or any attempt thereat) the keys and/ or electronic access cards are stolen and/or details of combinations have become known, or if there are reasonable grounds to believe the keys and/or electronic access cards may have been duplicated.

We will also pay costs and expenses necessarily and reasonably incurred for:

- (i) opening safes and/or strongrooms as a result of the theft of keys and/or combinations becoming known, and
- (ii) switching off and re-setting security or alarm systems consequent upon damage recoverable hereunder.

Our liability under this Additional Benefit limited to the amount of the sub limit of liability stated in the Schedule in respect to locks and keys.

(f) Removal of Debris

Costs and expenses necessarily and reasonably incurred in respect of:

- (i) the removal, storage and/or disposal of Debris (or anything which caused the Damage) from the Situation and the cost of cleaning up at the situation, including the removal of water and/or other substances used to extinguish or suppress fire or otherwise minimise the extent of the Damage.
- (ii) the removal, storage and/or disposal of Debris from premises, roadways, services, railways or waterways owned by any other person or entity (and (notwithstanding [Perils Exclusion 6](#)) where You are liable at law to remove, store or dispose of such debris as a result of the damage, together with the cost of cleaning up; provided that such liability was not assumed by You under an agreement entered into after the commencement of the Period of Insurance or any renewal thereof unless liability would have attached in the absence of such agreement.

Provided that the insurance under this section does not extend to any liability that You may incur to pay compensation to others as a consequence of Pollution or contamination of any kind.

- (iii) the demolition and removal of any Property Insured that is no longer useful for the purpose for which it was intended, providing such demolition and removal is necessary to repair, replace or rebuild damaged Property Insured.

- (iv) the demolition, dismantling, shoring up, propping, underpinning of the Property Insured or the carrying out of other temporary repairs to the Property Insured as a result of the damage, including the shoring up, propping or underpinning of adjoining premises as a result of the damage.

Our liability under this Additional Benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to removal of debris.

(g) Rent Payable

Rent payable by You where the building or any part(s) thereof are unfit for occupation in consequence of damage to the building or elsewhere on or about the building.

Our liability under this Additional Benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to rent payable.

(h) Temporary Accommodation Expenses

Where any residential accommodation occupied by You or by any of Your employees is Property Insured under [Section 1](#) of this Policy and is rendered uninhabitable by the occurrence of an Insured event, this insurance is extended to include reasonable expenses for alternative accommodation necessarily incurred by You provided that:

- (i) such expenses are not otherwise Insured,
- (ii) the period for which the expenses are covered will be limited to the period reasonably required for Reinstatement of the damaged Property Insured; and
- (iii) we will be entitled to deduct a reasonable allowance for expenses reduced or avoided in consequence of the damaged Property Insured being rendered uninhabitable.

Our liability under this Additional Benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to temporary accommodation expenses.

(i) Personal property (including tools of trade)

The cost of repairing or replacing personal property (including tools of trade) belonging to Your directors, partners, executive officers and employees, and personal property of visitors or patients whilst such persons are at Your premises, where such property has been damaged by any peril or event Insured against hereunder. However, unless You are responsible for the damage, this extension of cover does not apply to damage to the personal effects of any of Your directors or employees who is entitled to indemnity for that damage under any other policy of insurance.

Our liability under this Additional Benefit to any one person is limited to the amount of the sub limit of liability stated in the Schedule in respect to personal property (including tools of trade).

(j) Social Club

The cost of repairing or replacing property of Your welfare, sports and social club, which has been damaged by any peril or event Insured against hereunder. This Policy extends to cover the property of any social club, sports club or similar body whose activities are principally for the benefit of Your employees and is deemed to be included in the description of Insured Property as if it were owned by You.

Our liability under this Additional Benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to social club.

(k) Customs, Excise and Other Duties

Customs, excise and/or other duties which You may become liable to pay in the event of damage to Property Insured and/or Your liability to compensate others who may become liable for such customs, excise and/or other duties.

Our liability under this Additional Benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to customs, excise and other duties.

(l) Locating the source of Water Damage

The cost of locating the source of any water damage which is caused by water bursting or leaking from any pipes, water mains, tanks or drains. However, we will not pay for the cost of repairing or replacing any pipes, water mains, tanks or drains unless they have been damaged by an Insured event.

Our liability under this Additional Benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to locating the source of water damage.

(m) Expediting Expenses

Costs and expenses incurred for expediting the Reinstatement of any damaged Property Insured. such costs and expenses, includes but is not limited to, penalty rates for wages during overtime, shift, night, Sunday or holiday working; the hire of additional labour, equipment or resources, payment for carriage by express passenger, fast goods or other rail or road transport, or carriage by air freight via licensed airline(s) operating regular Scheduled services but not by aircraft chartered for such carriage unless agreed in writing by us.

Our liability under this Additional Benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to expediting expenses.

(n) Liability to Make Enquiries

Costs and expenses necessarily and reasonably incurred by the Insured in respect of any legal liability to make statutory inquiries or other inquiries as a result of damage to the Property Insured. The term "statutory inquiries" shall mean any judicial, coronial or other form of inquiry or hearing established by or at the direction of any government, semi-government, local or planning authority.

Our liability under this Additional Benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to liability to make enquiries.

(o) Taking Inventory

Costs and expenses necessarily and reasonably incurred by the Insured in taking inventory (including unpacking, repacking and restocking) to identify, quantify and value any property which has been damaged consequent upon the occurrence of any peril or event hereby Insured against, including examination of property not belonging to but in the care, custody or control of the Insured.

Our liability under this Additional Benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to taking inventory.

(p) Rewards

This Policy is extended to cover the cost of any reward paid by You for the purpose of protecting or recovering any Property Insured. However:

- (a) No payment will be made unless it contributes to the protection or recovery of Your property; and
- (b) The terms of the reward must be agreed by us prior to the reward being offered; and
- (c) Our liability will not be increased beyond the applicable Limit or Sub Limit of Liability on that property.

Our liability under this Additional Benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to rewards.

(q) Landscaping

Reasonable costs of landscaping at Your Premises, including trees, shrubs, plants, lawn, gates, fences and retaining walls, following damage by an Insured event. Our liability under Additional Benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to landscaping.

Provided that only the insurance under [Clause \(a\)](#) of these Additional Benefits shall be subject to the application of the Under Insurance Memorandum applicable to [Section 1](#).

Definitions Applicable to Section 1

Debris — means the residue of damaged Property Insured excluding any material which is itself a Pollutant and which is deposited beyond the boundaries of the situation.

Documents – means written or printed: deeds, wills, agreements, manuscripts, maps, plans, drawings, office and business records of every description, computer data, designs, books of account, books, letters, certificates, documents or forms of every description (but excluding book debts and Money) belonging to You, or in Your custody, or for which You are legally liable or have assumed a responsibility.

Indemnity Value – means the cost necessary to rebuild, replace, repair or restore (as the case may be) Property Insured to a condition substantially the same as its condition at the time of the damage, but not better or more extensive than that condition, taking into consideration its age, wear and tear and remaining useful life.

Market Value – means the estimated amount for which Your goods or merchandise should exchange immediately before the damage, between a willing buyer and a willing seller in an arms-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

Property Insured – means all real and personal property of every kind and description (except as hereinafter excluded) belonging to You or for which You are responsible, or have assumed responsibility to insure prior to the occurrence of any damage, including all such property in which You may acquire an insurable interest during the Period of Insurance. The term 'personal property' shall include Money as defined in the general definitions of this Policy.

Designation Clause – for the purpose of ascertaining the classification under which any property is Insured, we agree to accept the designation assigned to such property by You.

Basis of Settlement

(a) On buildings, machinery, plant and all other property and contents (other than those specified below); the cost of Reinstatement, Replacement or Repair in accordance with the provisions of the Reinstatement and Replacement, Extra Cost of Reinstatement and Output Replacement Memoranda as set out herein

Provided that if You elect to claim the Indemnity Value of any Damaged property, we will pay to You the value of such property at the time of the happening of the damage or at Our option reinstate, replace or repair such property or any part thereof. In any event we will pay costs incurred by You in accordance with the provisions of the Extra Cost of Reinstatement Memorandum.

(b) On machinery, plant and equipment leased on a Residual Value basis:

- (i) In the event of the actual or constructive total loss or destruction of such property; the amount for which You, as lessee, are contractually liable to the lessor, but not exceeding the sum represented by rent payable under such lease(s) for the period commencing on the date of the loss or destruction and ending not later than the retirement date(s) of such lease(s), plus the Residual value(s), less any salvage value.
- (ii) Where the Reinstatement value of such property exceeds its Residual value, we will also pay to You difference between the Reinstatement value and the Residual value.
- (iii) Where such property is damaged but not lost or destroyed, the basis of settlement shall be the cost of repairs in accordance with the provisions of the Reinstatement or Replacement and Extra Cost of Reinstatement Memoranda and any other applicable Memoranda as set out herein.

For the purpose of this [clause \(b\)](#):

- (1) There shall be deemed to be a constructive total loss of a damaged item of machinery, plant or equipment when the cost necessary to repair that item exceeds the cost necessary to replace it with similar property in a condition equal to, but not better or more extensive than, its condition when new.
- (2) The term 'Residual Value' shall mean the minimum amount which the lessee has guaranteed that the lessor will receive on conclusion of the lease, by disposal of the leased property.
- (3) The 'Reinstatement Value' shall mean the cost of Reinstatement as defined in [clause \(a\)](#) of the Reinstatement or Replacement Memorandum.

- (c) **On raw materials, supplies and other merchandise not manufactured by You;** the replacement cost at the time and place of replacement or, if such property is not replaced, the value thereof at the time and place of the Damage.
- (d) **On material in process of manufacture;** the replacement value of the raw materials and the value of labour and other overhead charges expended thereon at the time and the place of the damage.
- (e) **On finished goods;** the replacement value of the raw materials and the value of labour and other overhead charges expended thereon before any allowance for profit or the cost of re-stocking such goods, whichever is the lesser.
- (f) **On goods sold but not delivered for which You are responsible, and with regard to which under the conditions of sale, or any statute or at common law, the contract of sale is cancelled either wholly or in part by reason of the Damage;** the contract price or, in the case of a partial cancellation of the contract of sale, that part of the contract price which shall have been lost to You because of the partial cancellation.
- (g) **On customers' goods for which You are responsible or may be held legally liable in the event of Damage to such goods;** the replacement cost at the time and place of replacement.
- (h) **On computer systems records which includes Electronic Data, Documents, manuscripts, deeds, specifications, plans, drawings, designs, business books and other records of every description;** the cost of reinstating, replacing, reproducing or restoring same, including information contained therein or thereon but excluding the value to the Insured of the said information; or, if such is not required, the basis of settlement shall be the replacement cost of materials as blank stationery at the time and place of the damage.
- (i) **On patterns, models, moulds, jigs, templates, dies or casts;** the cost of repair or replacement (if actually replaced) otherwise the indemnity value to You of such property.
- (j) **On glass;** the cost of repairing or replacing the broken glass including the cost of temporary shuttering and hiring of security service pending replacement of broken glass, the cost of replacing signwriting, ornamentation, burglar alarm tapes or protective films on the glass, the removal and re-fixing of window and show case frames and fittings and heat reflecting material or process on the glass.
- (k) **On personal property (including tools of trade) belonging to Your directors, partners, executive officers and employees, and personal property of visitors or patients whilst such persons are at Your premises;** the cost of replacement or repair as described in clauses (a) and (b) of the Reinstatement or Replacement Memorandum or, if such property is not replaced or cannot be repaired, the replacement value thereof at the time and place of the damage.
- (l) **On personal property of Your welfare, sport and social clubs;** the cost of Reinstatement, replacement or repair as described in clauses (a) and (b) of the Reinstatement or Replacement Memorandum.

(m) On works of Art and/or Curios;

- (1) Where the damage is repairable, the cost of repair or restoration to a condition substantially the same as its condition prior to the occurrence of the damage.
- (2) Where the property is physically lost or destroyed; the cost of replacement or, where such property cannot be replaced, the greater of the market value immediately prior to the occurrence of the loss or destruction or the value as evidenced by the latest valuation(s) held by You.

(n) On empty premises awaiting demolition; the salvage value of the building materials and/or landlords fixtures and fittings, net of demolition costs.

(o) On Securities (as herein defined):

- (i) If the securities can with Our approval be replaced, the cost of replacement paid or payable by You, or
- (ii) If the securities cannot or are not to be replaced by You, the greater of:
 - (a) The price for which You purchased them, and
 - (b) The closing market value on the last business day prior to the date of discovery by You of the loss or destruction of the securities, or if the time of discovery by You is after the close of the market, their closing market value on the day of discovery by You of the loss or destruction of the securities;
- (iii) In the case of a loss of subscription, conversion or redemption privileges through the loss of any security, the value of such privileges immediately preceding the expiration thereof;
- (iv) Where the property is held by You as security, pledge or collateral for an advance or loan, the lesser of:
 - (a) The value of the property as determined and recorded by You when making the advance or loan, or;
 - (b) In the absence of such record the unpaid portion of the advance or loan plus accrued interest thereon at prevailing commercial rates;

such valuation being the in the currency in which the loss was sustained. Losses sustained in currencies other than Australian dollars shall be settled by converting the amount of loss to Australian dollars at the market rate at the time of settlement of the loss or such other rates as may be expressly agreed with us.

If there is no market price or value on the relevant day stated herein, then, the value shall be agreed between You and us or, in default thereof, You and the Ourselves shall submit to arbitration and be bound by the decision of the arbitrator.

The arbitrator must be appointed by mutual agreement between the parties within seven (7) days of either party giving notice that the matter will be required to be submitted for arbitration. If the parties cannot agree on an arbitrator, then either party may request the President of the Securities Institute of Australia to appoint an arbitrator.

If the said President is a present or past employee of any parties to this insurance contract or has a direct or indirect interest in the security or securities in dispute, then another senior officer of the Securities Institute of Australia who is not likewise compromised shall appoint the arbitrator.

Memoranda to Section 1

Except to the extent that this Policy is hereby modified under the following Memoranda the terms, Conditions and Limitations of this Policy shall apply.

Interests of Other Parties

We will indemnify any other persons or entities having any pecuniary or economic interest in the Property Insured by virtue of any financial or other agreement entered into between such persons or entities and You. We shall waive all rights of subrogation which may otherwise have existed against such other persons or entities.

The written receipts of any such other persons or entities in respect of any claims settlements under this section made in relation to their respective interests shall be a full and sufficient discharge to us with respect thereto and shall not increase Our overall liability beyond the limit(s) or applicable sub limit(s) of liability as stated in the Schedule.

Where the insurance covers the interest of more than one person or entity, any act or neglect of an individual person or entity will not prejudice the rights of the remaining persons or entities; provided that the remaining persons or entities shall, immediately on becoming aware of any act or neglect whereby the risk of damage has increased, give notice in writing to us and, if so requested, pay such reasonable additional premium as we may require.

Branded Goods

In the event of a claim, any salvage of branded goods or merchandise owned by You or held by You in trust or on commission and any goods sold but not delivered shall not be disposed of by sale without Your consent. If such salvage is not disposed of by sale, then the basis of settlement of the claim shall be the Market value of the goods after brands, labels or names have been removed by You or on Your behalf.

Declared Values

The Schedule of declared values at each situation (in accordance with the applicable basis of settlement) attaches to and forms part of this Policy for the purpose of the application of the Under Insurance Clause applicable to this section.

Reinstatement or Replacement

(Applicable to buildings, machinery, plant and all other property and contents; other than those specified in items (c) to (i) and (l) to (o) under basis of settlement)

The basis upon which the amount payable is to be calculated shall be the cost of Reinstatement of the damaged property Insured at the time of its Reinstatement; subject to the following Provisions and subject also to the terms, conditions and Limit(s) or Sub Limit(s) of Liability of this section.

For the purpose of the insurance under this memorandum **Reinstatement** shall 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 Reinstatement may be carried out at another location, and in any manner suitable to You, provided You pay any additional costs to carry out such work at another location.
- (2) You must commence and carry out the work of Reinstatement with reasonable dispatch after Our consent has been obtained. If You do not, we will not pay more than the cost that would have been incurred if the work of Reinstatement had been commenced and carried out with reasonable dispatch.
- (3) Where Property Insured is damaged but not destroyed, Our liability will not exceed the amount we could have been called upon to pay for Reinstatement of such property if it had been destroyed.
- (4) If You elect not to rebuild, replace, restore or repair the damaged Property Insured, we will pay You the indemnity value or the cost that would have been incurred if such property could have been repaired, whichever is the lesser amount.
- (5) You shall not be bound to reinstate any destroyed building(s) (together with machinery, plant and all other contents, other than stock, therein) but may, at Your option purchase an alternative building(s) (including or excluding machinery, plant and all other contents, other than stock, therein) to replace the destroyed property Insured; provided that Our liability is not thereby increased beyond the amount which would have been payable under this Policy if the destroyed property had been reinstated in accordance with the provisions of **clause (a)** of the definition of 'Reinstatement'.

Extra cost of Reinstatement

(Applicable to buildings, machinery, plant and all other property and contents; other than those specified in items (c) to (i) and (l) to (o) under basis of settlement)

This Policy extends to include the Extra Cost of Reinstatement (including demolition or dismantling) of damaged and/or undamaged property necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made there under or any by-law or Regulation of any Municipal or other statutory Authority; subject to the following Provisions and subject also to the terms, conditions and Limit(s) or Sub Limit(s) of Liability of this Policy.

Provisions

- (1) We will not pay the additional cost incurred in complying with any such Act, by-law or regulation with which You had been duly required to comply prior to the happening of the damage.

- (2) The work of Reinstatement may be carried out at another location, and in any manner suitable to You, provided You pay any additional costs to carry out such work at another location.
- (3) You must commence and carry out the work of Reinstatement with reasonable dispatch after Our consent has been obtained. If You do not, we will not pay more than the cost that would have been incurred if the work of Reinstatement had been commenced and carried out with reasonable dispatch.
- (4) Our total liability under this Extra Cost of Reinstatement Memorandum will be limited to:
 - (a) The sub limit of liability shown in the current Schedule for "Extra Cost of Reinstatement" which shall be payable in addition to the applicable Limit or Sub Limit of Liability, or
 - (b) If no such sub limit of liability is stated, and the damage is less than fifty percent (50%) of the Reinstatement cost of the damaged Property Insured, Our liability shall be limited to the extra cost necessarily incurred in reinstating the damaged Property Insured only.
- (5) The cover provided in respect of Extra Cost of Reinstatement shall not be subject to the under insurance clause, which applies to the cover provided by the Reinstatement clause.

Output Replacement

Where any damaged Property Insured consists of equipment, machinery or plant having a measurable function, capability or output and it is necessary to replace such property with a new item or items which perform a similar function or functions, then the basis of settlement for such property shall be as follows:

- (a) where any property is to be replaced by an item or items which have the same or a lesser total function, capability or output, then the basis of settlement is the new installed cost of such replacement item or items that would give the same total function, capability or output as the property being replaced.
- (b) where any property is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement item or items is no greater than the replacement value of the property being replaced, then the basis of settlement is the new installed cost of the replacement item or items.
- (c) where any property is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the replacement value of the property being replaced, then the basis of settlement shall be that proportion of the new installed cost of the replacement item or items which the output of the property being replaced bears to the output of the replacement item or items. Provided always that the amount payable shall not be of lesser value than the new installed cost of such replacement item or items that would give the same total function, capability or output as the property being replaced.

Provided always that where any damaged property may be properly repaired, we shall pay the cost of restoration of such damaged property to a condition substantially the same as (but not better or more extensive than) its condition when new and Our liability shall not exceed the sum representing the cost which we could have been called upon to pay if such property had been totally destroyed.

Floor Space Ratio Index (Plot Ratio)

In the event of any building(s) being damaged 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(s) as before is prohibited and Reinstatement is only permissible subject to a reduced floor space ratio index:

We agree to pay in addition to any amount payable on Reinstatement of such building(s) the difference between:

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

In arriving at the amount payable under (a) and (b) above any payments made by us shall include the Extra Cost of Reinstatement, including demolition or dismantling of the Property Insured, 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 shall be made as soon as the said difference is ascertained upon completion of the rebuilding works and certified by the architect acting on Your behalf in the Reinstatement of the building(s).

Undamaged Foundations

Where a building or an installation constructed on its own foundations is damaged in circumstances for which a claim is payable under this section but its foundations are either undamaged or not destroyed and, due to legal requirements, Reinstatement of the building has been carried out upon another site, the abandoned foundations shall be considered by us as having been destroyed.

However, if the resale value of the original building site is increased by virtue of the presence of the abandoned foundations, then such increase in resale value shall be regarded as salvage and that amount shall be paid to us by You upon completion of the sale of the site, or shall be deducted from the final amount of any monies payable by us under this section, whichever shall occur later.

All differences relating to the amount of such increase in site value shall forthwith 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 fail to agree, their differences shall be referred to the decision of a third valuer, appointed by the President of the Australian Institute of Valuers as an expert, whose decision shall be binding.

Playing Surfaces

We will pay for the cost of repairing damage to outdoor playing surfaces at the situation, caused by:

- (a) An insured event; or
- (b) The action of the fire fighting services, police or other emergency services in attending to their duties at the situation.

Our liability under this Additional Benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to playing surfaces.

TAB and Keno Tickets

It is agreed and declared that Property Insured shall include TAB & KENO tickets for which the Insured is responsible, issued on the Insured's terminals.

The Basis of Settlement of any claim under this endorsement will be the value attributed to the ticket under the applicable agency agreement. Our liability under this benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to TAB and KENO tickets.

Subject nevertheless to the terms limitations, exclusions and conditions of the policy.

Loss of Land Value

Notwithstanding [Property exclusion 7](#) and [Perils exclusion 7](#), and subject to the following Provisions, if the requirements of any statute, regulation or any municipal or statutory authority do not allow rebuilding (or only allow partial rebuilding) at the situation, we will also pay the difference between the land value before the damage and the:

- (a) Land value after such rebuilding, or
- (b) Land value after it has been determined that rebuilding is not possible.

Provisions

- (1) Settlement shall be made following the ruling of the local or government authority resulting in the loss of land value. Should settlement have been made and subsequently the ruling of the local or government authority is changed prior to completion of the reconstruction, resulting in an increase in the land value, the part of the claim paid in excess of the revised land value shall be refunded to us.
- (2) All differences relating to the land value arising out of the policy shall 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 Property institute who shall act as an expert, and not an arbitrator, whose decision shall be binding.

Our liability under this benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to loss of land value.

Equipment Breakdown

We will indemnify You against loss caused by or resulting from sudden and unforeseen physical Damage or physical destruction from any cause not excluded to any Insured equipment which is in use or connected and ready for use at the Premises.

Our liability under this benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to equipment breakdown.

Definitions applicable to Equipment Breakdown

Boilers or Pressure vessels means: any boiler, economiser and/or other pressure vessel, including mountings and fittings, feed, circulating, supply or delivery pipes, valves and other apparatus thereof or thereon but shall not include:

- (a) Any boiler setting, any refractory or insulating material;
- (b) Any part of a boiler or fired vessel that does not contain steam or water;
- (c) Any hose, buried piping, sewer piping, drainage piping, sprinkler system or its accessory equipment; or
- (d) Any oven, stove, furnace or kiln but not excluding heat recovery piping or vessels used therewith.

Electronic Data means: the information stored on Media.

Electronic Equipment means: electronic equipment used:

- (a) For the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio or telephone signals,
- (b) For computing, data processing, duplicating, inventory control, monitoring, scanning or office services; or
- (c) To start, stop or monitor one or more items of Insured equipment; but shall not include any anode, x-ray or video amplifier tube.

Insured Equipment means:

- (a) Machinery, boilers or Pressure vessels,
- (b) Electronic Equipment, including peripheral and ancillary equipment (including air conditioning plant associated therewith) and Media as now existing or hereafter acquired.

but excluding:

Gaming equipment, ATM's, link systems, poker machines, lighting and sound equipment.

Machinery means: any apparatus, including electronic control equipment, whether functioning independently or as part of a collection of apparatus which generates, contains, controls, transmits, receives, transforms or utilises any form or source of energy or power but shall not include:

- (a) Any item exceeding \$25,000 new replacement value unless individually specified in the schedule.
- (b) Any elevator, escalator, crane or hoist; or
- (c) Any oven, stove, furnace or kiln; but not excluding:
 - (i) Any pump, compressor, fan, blower, engine or turbine,
 - (ii) Any separate enclosed gear set connected to such Machinery by a coupling, clutch or belt;

- (iii) Any electronic equipment used solely to start, stop, control or monitor such Machinery;
- (d) Any vehicle, any mechanically or electrically propelled equipment, any towable equipment, power shovel, excavator, dragline or other mobile equipment, including equipment permanently mounted thereon; or
- (e) Any conveyor belt.
- (f) Reticulated wiring of electric lighting or electric power circuits.
- (g) Domestic items in residential quarters.
- (h) Portable hand held tools other than vacuum cleaners
- (i) Submersible pumps and bore pumps of more than 2.2kilowatt/3 horsepower capacity, turbine pumps, or helical rotor pumps unless specifically shown as insured in the schedule.
- (j) Any costs associated with the removal or installation of submersible pumps and/or bore pumps unless the bore or well is fully lined.

Media means: material on which data is recorded, such as magnetic tapes, hard disks, floppy disks, cartridges, CDs or DVDs.

Basis of Settlement Applicable to Equipment Breakdown

(a) Our liability for Insured equipment which is damaged is as follows:

- (i) On Insured equipment, the lesser of the cost:
 - (1) To repair the damaged property; or
 - (2) To replace the damaged property with similar property of like kind, capacity, size, quality and function that is compatible with your existing Insured equipment.

If similar parts are found to be unobtainable We shall not pay more than the manufacturer's or supplier's most recent price list.

The amount payable will include the cost of transport, labour and the onsite cost of parts.

We will not pay for the costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.

- (ii) On Media and electronic data for electronic and electro mechanical data processing and production equipment, the cost of blank material plus the cost of transcription from duplicates or from originals;
- (iii) On exposed film, records, manuscripts, drawings and other valuable papers and records, the cost of blank material plus the cost of transcription from duplicates or from originals;

(b) We will not be liable for:

- (i) more than the amount You actually spend in repairing or replacing damaged Insured equipment;

- (ii) the cost of repairing or replacing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment; or
- (iii) damage to Insured equipment which is either no longer used by You or obsolete. if the damaged Insured equipment is not repaired or replaced within twelve (12) months after the date of the damage then we will only pay for the indemnity value of the damaged property.
- (iv) loss of or Damage to items not normally reused or repaired or that require periodic replacement including belts, ropes, wires, chains, tapes, ribbons, filters, tyres, moulds, dies, exchangeable tools, cutting edges, wear plates, engraved cylinders, fuses, sheer pins, electrical contacts, thermostats, heating elements and batteries, objects made of glass or porcelain, ceramics, refractory linings, felt sieves or fabrics, jointings or packings (including lubrication, oil, fuel catalysts or refrigerants).
- (v) wasting or wearing away or wearing out of any part of an insured item caused by or naturally resulting from ordinary use or working, gradual deterioration including erosion, rust, corrosion, scale or oxidation (due to normal atmospheric conditions or otherwise), Damage due to pitting, scratching of painted surfaces, adjustment or cleaning.
- (vi) the costs of repairing or replacing if the manufacturer, supplier, agent or any other person is responsible under the terms of a guarantee, warranty or maintenance agreement.
- (vii) loss or Damage due to faults or defects known to You.

Maintenance

All Insured Equipment must be maintained and serviced in accordance with the manufacturer's specifications.

If You do not comply with this requirement We will not pay for Damage that can be attributed to the lack of maintenance of the Property Insured.

Additional Coverages Applicable to Equipment Breakdown

The following additional coverages also apply to loss caused by or resulting from damage to Insured equipment. These coverages do not provide additional amounts of insurance, unless specifically stated otherwise:

(a) Business Interruption

If You have selected [Section 2 – Business Interruption](#), we will also indemnify You under that Section following damage which is indemnifiable under this benefit, or would have been but for the application of an excess.

The indemnity period applicable to [additional coverage \(g\)](#) below (media and electronic data restoration) is three (3) months.

Our limit of liability under this additional coverage is limited to the amount of the sub limit of liability stated in the Schedule for equipment breakdown.

the amount stated in the Schedule in respect to

(b) Deterioration of Stock

We hereby agree to pay You:

- (i) the amount of Your loss of food and beverage products;
- (ii) the amount of loss to food and beverage products of others in Your care, custody or control, and for which You are legally liable; and
- (iii) that amount of additional expense which is reasonably incurred by You to reduce or avert such loss, but only to the extent that the total amount that otherwise would have been paid under [clauses \(a\) and \(b\)](#) above is thereby reduced; provided such loss or additional expense is due to spoilage resulting solely from damage to an item of Insured equipment, which occurs while this coverage is in effect.

With respect to this additional coverage only, "damage" shall also be deemed to mean: the operation or failure to operate of any switch, thermostat, control, fuse, circuit breaker or overload device which is included in or forms part of the damaged Insured equipment, but not including the manual operation or setting of such switch, thermostat, control, fuse, circuit breaker or overload device.

As soon as practicable after any damage, You shall utilise every available means to reduce the loss, including surplus machinery, duplicate parts, equipment, supplies and surplus or reserve stock, which may be owned, controlled or obtainable from other sources, all to the extent that the amount for which we would otherwise be liable under this coverage is reduced.

Exclusions applicable to the Deterioration of Stock coverage:

We shall not be liable:

- (i) For any loss resulting from Your failure to use due diligence and dispatch and all reasonable means to protect the refrigerated food and beverage products from damage following an Insured event;
- (ii) With respect to damaged refrigerated food and beverage products, for more than the indemnity value thereof at the time of the damage, with proper deductions for depreciation, however caused.

Our limit of liability under this additional coverage is limited to the amount of the sub limit of liability stated in the Schedule in respect to deterioration of stock.

(c) Service Interruption

If any Insured equipment not owned, leased, operated or controlled by You is damaged by an event Insured against under this Policy, You will also be indemnified under Additional coverage (a) business interruption and [Additional coverage \(b\)](#) deterioration of stock of this memorandum, provided that the damage is to an item of equipment that:

- (i) Is defined in this memorandum;
- (ii) Is used to supply telephone, electricity, air conditioning, heating, gas, water or steam services to You at Your location;

- (iii) Is owned by the owner of the building at the Premises or by a utility company; or by a company contracted to You to provide those services.

(d) Hazardous Substances

If a Hazardous substance is involved in or released by the occurrence of an Insured event, we will be liable for the increase in cost to repair, replace, clean up or dispose of affected Insured equipment.

The "increase in cost" shall mean that cost or loss beyond that which would have been incurred had no Hazardous substance been present. Our limit of liability under this coverage is limited to the amount of the sub limit of liability stated in the Schedule in respect to hazardous substances.

(e) Expediting Expenses

Our liability under expediting expenses, following a loss admissible under this equipment breakdown benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to expediting expenses.

(f) Temporary Hire Costs

We will pay the cost, reasonably incurred, of hiring temporary replacement equipment of similar specification during the time taken to repair the damaged Insured equipment. Our limit of liability under this coverage is limited to the amount of the sub limit of liability stated in the Schedule in respect to temporary hire costs.

(g) Media and Electronic Data Restoration

If, as a result of damage to Insured equipment, electronic data or Media is damaged, we shall also be liable for the additional costs of repairing or replacing such electronic data or Media, including the cost of gathering or assembling information. This additional coverage will only operate when Your data is backed up at least weekly and the copies are kept off site.

We shall not be liable for any loss or Damage to records caused by access to Your computer systems and records by persons not authorised by You.

We shall not be liable for damage caused by or resulting from programming errors.

Our limit of liability under this coverage is limited to the amount of the sub limit of liability stated in the Schedule in respect to media and electronic data restoration.

(h) Demolition and Increased Cost of Construction

We shall be liable under this coverage for the increased cost of repair or replacement of damaged and/or undamaged Insured equipment (including any necessary demolition and site clearing costs) occasioned by the enforcement of any law, by-law, ordinance, Regulation, rule or ruling which is in force prior to the time of the damage and which regulates or restricts the repair, replacement, construction or installation.

We shall also be liable under [Additional coverage \(a\)](#) of this memorandum business interruption during the additional time required, with the exercise of due diligence and dispatch, to effect such repair or replacement as a result of the enforcement of said law, by-law or ordinance.

Exclusions Applicable to Equipment Breakdown

We shall not be liable for costs, repair or replacement of any Insured equipment where this is necessitated by:

- (a) depletion, deterioration, corrosion or erosion of material;
- (b) wear and tear;
- (c) leakage at any valve, fitting, gasket, pipes, lines, shaft seal, gland packing, joint or connection;
- (d) vibration or misalignment;
- (e) the breakdown of any structure or foundation supporting the Insured equipment or any part thereof;
- (f) the functioning of any safety device or protective device; or
- (g) the cracking of any part of a gas turbine exposed to the products of combustion. Provided always that [exclusions \(a\)](#) through [\(g\)](#) above shall be limited to the part(s) of the Insured equipment immediately and directly so affected and shall not apply to any other part(s) of the Insured equipment which suffer sudden and unforeseen damage in consequence thereof.
- (h) loss or Damage arising prior to successful initial commissioning or during test or experimentation.
- (i) loss or Damage due to any act of the power supplier, including withholding, restricting or load shedding the supply of electricity.
- (j) loss or Damage due to failure to comply with statutory requirements relating to safeguarding or operation of the Property Insured.

Temporary Removal

This Policy is extended to cover any of Your property (except stock) whilst temporarily removed to any place in the commonwealth of Australia, whilst in transit to or from that place, or on the person of You or Your directors or employees, in the course of their employment. However, Our liability will not exceed the amount for which we will be liable if the damage had occurred at the particular place from which the property is temporarily removed.

In this extension, "temporarily removed" means removed for a particular purpose, with the intention that the property be returned to the place from which it has been removed once that purpose has been served.

Our limit of liability under this benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to temporary removal.

Transit

This Policy is extended to cover Property Insured (except portable electronic equipment) whilst in transit within the commonwealth of Australia. In respect of transit, cover is provided for theft from a securely locked motor vehicle.

Our limit of liability under this benefit is limited to the amount of the sub limit of liability stated in the Schedule in respect to transit.

Undamaged Property

If, for the sole purpose of reinstating damaged Property Insured, it is necessary to dismantle, demolish, damage or remove any undamaged property, we will indemnify You for the cost of doing so.

We will also indemnify You for the cost of reinstating, replacing or repairing such property to a condition the same as, but not better or more extensive than, its condition immediately prior to its dismantlement, demolition damage or removal. The indemnity provided by this extension will not increase Our liability beyond the applicable Limit or Sub Limit of Liability as stated in the Schedule in respect to undamaged property.

Undamaged Ancillary and/or Peripheral Equipment

Where any machinery, plant or equipment is destroyed but ancillary and/or peripheral equipment, utilised in conjunction therewith, is either undamaged or not destroyed but is nevertheless rendered superfluous upon replacement of the destroyed property, then such ancillary and/or peripheral equipment will be considered as being destroyed and its salvage value (if any) shall be payable to us upon completion of any sale or shall be deducted from the total amount otherwise payable by us, whichever shall occur later.

Purchaser Clause

If at the time of damage to any Property Insured You have contracted to sell Your interest in such property and the sale has not been completed, the purchaser on completion of the purchase, if and to the extent that the Property Insured is not otherwise Insured by or on behalf of the purchaser against such damage, shall be entitled to the benefit of this section so far as it relates to such damage without prejudice to Your or Our rights and liabilities under this section up to the date of completion of the purchase.

Acquired Companies

This Policy extends to include property located in the commonwealth of Australia:

- (a) Belonging to companies and/or other entities purchased or otherwise acquired and/ or over which the Insured acquires direct or indirect managerial control and/or responsibility to arrange insurance during the currency of this Policy. Provided The Business of the new acquisition shall be similar to The Business as stated in the Policy Schedule
- (b) For which such companies and/or other entities are legally responsible or for which they have assumed responsibility to insure prior to the occurrence of any damage. You shall declare details of such acquisitions or responsibility within a reasonable period following the date of acquisition of control and/or responsibility.
- (c) For the purposes of this extension of cover, a controlling interest shall, in the case of a company, mean the acquisition of shares carrying more than fifty per cent (50%) of votes capable of being cast at a general meeting of ordinary shareholders in such company.

Under Insurance

- (a) If You have declared less than 85% of the value of all Property Insured at the situation (calculated in accordance with the Basis of Settlement Clauses) as at the commencement of the Period of Insurance, then, in the event of a claim, the moneys otherwise payable under [section 1](#) of this Policy shall be reduced to the proportion that Your declaration bears to 85% of the value of all such property at the situation as at the time of the commencement of the Period of Insurance calculated in accordance with the Basis of Settlement Clauses.

If You have provided a professional valuation of assets at inception of this insurance the applicable percentage as mentioned above will be 80%.

- (b) With respect to any Property Insured which is acquired after the commencement of the Period of Insurance, if You have declared less than 85% of the value of such acquired property (calculated in accordance with the Basis of Settlement Clauses) as at the date of acquisition, then, in the event of a claim, the moneys otherwise payable under [section 1](#) of this Policy shall be reduced to the proportion that Your declaration bears to 85% of the value of such acquired property at the situation as at the date of its acquisition calculated in accordance with the Basis of Settlement Clauses.

If You have provided a professional valuation of assets at inception of this insurance the applicable percentage as mentioned above will be 80%.

- (c) [Clauses \(a\) and \(b\)](#) of this memorandum, will not apply if the amount of any damage does not exceed 5% of the amount of Your declaration of the value of all Property Insured at the situation.

If You have provided a professional valuation of assets at inception of this insurance the applicable percentage as mentioned above will be 10%.

It is expressly understood and agreed that the provisions of this under insurance memorandum shall not apply in respect of that part of any claim which is made under the provisions of the reinstatement and replacement memorandum.

Property Valued By An Authorised Valuer

The under insurance Memorandum shall not apply to property, forming part of the Property Insured, which You have Insured under this Policy for its full value as stated in a valuation; provided that a copy of such valuation is given to us as soon as reasonably practicable after the notification of a claim under this Policy.

Employee Fraud or Dishonesty

Subject to the sub limit of liability stated in the Schedule, we will (subject to the following terms, definitions, Provisions, specific exclusions, and the conditions of this Policy) indemnify the Insured for loss discovered during the Period of Insurance or within twelve (12) months thereafter or within twelve (12) months after the termination of employment of any employee(s), where evidence submitted reasonably establishes that the loss was due to the fraudulent or dishonest conduct of such employee(s), whichever shall first occur.

For the purpose of this memorandum:

1. The following definitions shall apply:

Insured shall be deemed to include: the trustees, managers, officers or members of any superannuation, pension, savings or like scheme, welfare, social or sporting club, formed with the Insured's knowledge and consent.

Employee means:

- (a) Any person whilst in the service of the Insured in the ordinary course of Your business during the currency of this Policy and whom the Insured compensates by salary, wages or commission and has the right to govern and direct in the performance of such service.
- (b) Any ex-employee during a period not exceeding thirty (30) days following the termination of such service.
- (c) Any of the Insured's directors or trustees whilst performing acts coming within the scope of the usual duties of an employee or member of any committee duly elected or appointed to examine or audit or have custody of or access to the Insured's Money or property.
- (d) Any person assigned to perform employee duties for the Insured by an agency furnishing personnel.
- (e) Any person acting as a fiduciary, trustee, administrator, office bearer or member of any superannuation, pension, savings or like scheme, welfare, social or sporting club formed with the Insured's knowledge and consent.
- (f) Any person undertaking studies, gaining work experience or similar duties with the Insured and whom the Insured has the right to govern and direct in the performance of their work.

Loss means: loss of Money, securities or property of whatsoever kind, being the Insured's own or for which the Insured is legally liable or has assumed responsibility, incurred by the Insured during the Period of Insurance arising out of the fraudulent or dishonest conduct of any employee(s) acting alone or in collusion with any other person(s).

Fraudulent or Dishonest Conduct includes:

- (a) Fraudulent misappropriation, embezzlement, forgery, counterfeiting, data corruption, unauthorised amendment of data and erasure by electronic or non-electronic means.
- (b) The establishment or operation of or collusion with any company or other organisation, which carries on business in direct competition with the Insured, including the sale of goods or merchandise stolen from the Insured, by any employee(s) acting alone or in collusion with any other person(s).
- (c) Any other dishonest act or omission committed or made, by any employee(s) with the knowledge that such act or omission is likely to result in financial loss being sustained by the Insured.

2. The following Provisions shall apply:

(1) Claims Procedure

Notice in writing must be given to us as soon as reasonably practicable after:

- (i) Any loss, or
- (ii) Reasonable cause for suspicion of loss; comes to the knowledge of the Insured's officer responsible for insurance. Within a reasonable time after such notice, the Insured will deliver to us full details in writing of the loss and the amount claimed in respect thereof together with all such proof of the correctness of the claim as we may reasonably require.

(2) Application of Sub Limit of Liability

The indemnity afforded by this memorandum shall be limited to the amount of the sub limit of liability stated in the Schedule in respect of any one employee and in respect of all employees during any one Period of Insurance.

All losses arising directly or indirectly from any one employee or any number of employees in collusion in respect of the one event or series of events arising from the one source or original cause, irrespective of whether the act or acts of fraudulent or dishonest conduct were committed during more than one Period of Insurance, shall be deemed one act of fraudulent or dishonest conduct.

(3) Reimbursement of Investigation Costs

In the event that We agree to indemnify You against a Loss, and where the Limit of Any One Employee and the Limit of Indemnity are not otherwise exhausted, We agree to reimburse You up to an amount not exceeding five thousand dollars (\$5,000) or five per cent (5%) of the claim actually paid (whichever is the lesser) for fees payable by You to external auditors, consultants, investigators, private enquiry agents and the like, which are necessarily and reasonably incurred to substantiate a valid claim by You under this Policy.

(4) Allocation of Recoveries

Recoveries made after loss, less the actual cost of recovery to the extent that this is incurred by us, shall be distributed as follows:

- (a) Firstly, You shall be reimbursed for loss exceeding the limit of liability or settlement (whichever is lesser),
- (b) Secondly, we shall be reimbursed for the settlement made;
- (c) Thirdly, You shall be reimbursed for loss equal to the amount of the excess stated in the Schedule.

(5) Continuity of Cover

If the insurance provided by this Policy is in substitution for that provided under any prior policy of insurance carried by the Insured or by a predecessor in interest of the Insured (which prior policy is terminated, cancelled or allowed to expire as at the time of such substitution) We agree that this Policy applies to loss, which is discovered during the Period of Insurance and which would otherwise have been recoverable by the Insured or such predecessor under such prior policy except for the fact that the time within which to discover and claim for loss thereunder had expired.

Provided that:

- (a) the insurance hereunder shall form part of, and shall not be in addition to, the sub limit of liability stated in the Schedule;
- (b) such loss would have been covered under this memorandum had this Policy been in force when the fraudulent or dishonest conduct took place; and
- (c) recovery under this Policy shall in no event exceed the smaller of the following amounts:
 - (i) the sub limit of liability stated in the Schedule.
 - (ii) the amount(s) which would have been recoverable under the prior policy if such policy had been maintained in force until the discovery of such loss.

(6) Retrospective Excess Cover

We shall indemnify the Insured for loss discovered during the Period of Insurance arising out of employee fraud or dishonesty which took place during the period of twelve (12) months preceding the commencement date of this Policy but only for the excess of the amount recoverable under any other policy of insurance.

(7) Loss caused by unidentifiable Employee(s)

If a loss is alleged to have been caused by the fraudulent or dishonest conduct of any employee(s) but the Insured is unable to designate the specific employee(s) involved, the Insured shall have the benefit of this Policy.

Provided that:

- (a) the evidence submitted reasonably suggests that the loss was due to the fraudulent or dishonest conduct of any employee(s); and
- (b) Our aggregate liability for any such loss shall not exceed the sub limit of liability stated in the Schedule.

(8) Prior Fraudulent or Dishonest Conduct

Knowledge which any officer signing an application for this insurance for the Insured may have at the time of signature, in respect of that officer's own personal fraudulent or dishonest conduct which is unknown to the Insured, shall not be imputed to the Insured.

(9) Other Parties

This insurance applies with respect to loss of Money or goods belonging to or in the care of one Insured party arising from the fraudulent or dishonest conduct of any employee(s) of any other party Insured by this Policy.

(10) Other Interested Parties

We will indemnify, as though they were the Insured, all parties having any financial interests in the property hereby Insured by virtue of any mortgage, loan, lease, hiring, or other agreement.

(11) Automatic Reinstatement

Notwithstanding Provision (14) hereunder, indemnification by us for any loss under the terms of this memorandum shall not reduce Our liability for any other losses sustained hereunder during any one Period of Insurance.

Provided that the Insured shall pay such reasonable pro rata additional premium that we may require for such Reinstatement of cover.

(12) Change of Risk

Every material change in the risks covered by this memorandum, existing at the commencement of this insurance or at any subsequent renewal date, shall be notified in writing to us as soon as practicable after the Insured's officer responsible for insurance matters shall become aware of such change.

If so requested by us, the Insured shall pay a reasonable pro rata additional premium for such material change of risk.

(13) Non Invalidation

Breach or non-compliance by any employee(s) of checks, precautions or the method of conducting the Insured's business, without the knowledge or consent of the Insured's management, shall not prejudice this insurance.

(14) Non-Accumulation of Liability

Regardless of:

- (a) The number of years this Policy shall remain in force; or
- (b) The number of annual premiums which may be paid or payable to us for the cover provided hereunder; or

- (c) The duration of the total period during which any fraudulent or dishonest conduct of any employee(s) may take place;

Our liability under this memorandum with respect to any loss or series of losses shall not be cumulative from one Period of Insurance to another or others.

(15) Set-off of Money owing to defalcating Employee(s)

In the event of any claim being made under this memorandum the Insured shall (to the extent allowed by law) retain any salary, wages or commission payment(s) due to such employee(s) in respect of whose fraudulent or dishonest conduct the claim is made and shall apply such payment(s) towards making good the amount of any default due to the fraudulent or dishonest conduct Insured against hereunder.

3. The following Specific Exclusions shall apply:

We shall not be liable for:

- (a) Loss arising from any subsequent fraudulent or dishonest conduct of any employee which takes place after the Insured shall have knowledge of any fraudulent or dishonest conduct on the part of such employee.

Provided that this specific exclusion 4(a) shall not apply to loss of Money or property then being conveyed by such employee outside Your Premises.

- (b) Any loss arising from the complete or partial default upon or non-payment of any loan, extension of credit or transaction in the nature of a loan, obtained from or made by the Insured or by any employee, whether authorised or unauthorised by the Insured, unless such loss arises from the fraudulent or dishonest conduct of any employee.
- (c) Any loss or that part of any loss, the proof of which (either as to its existence or its amount) is deduced solely from an inventory or profit computation. Provided that this specific exclusion 4(c) shall not apply to loss of Money or other property which the Insured can establish, through evidence wholly apart from such inventory or profit computation, was sustained due to the fraudulent or dishonest conduct of any employee.
- (d) Any consequential loss of whatsoever kind arising out of the fraudulent or dishonest conduct of any employee(s).

Taxation audit costs

We will cover the reasonable and necessary costs You incur following notification received during the Period of Cover of an audit or investigation by a federal or state Commissioner of Taxation relating to Your liability to pay income tax, fringe benefits tax, capital gains tax, wholesale and sales tax, payroll tax, goods and services tax or superannuation contributions tax in respect of Your Business up to the amount specified on the Policy Schedule for this additional benefit.

Costs means professional fees paid to accountants or registered tax agents who are not Your employees, for work undertaken in connection with the audit or investigation.

What You are not covered for under Taxation Audit Costs

We shall not be liable under this optional benefit:

- (a) For the imposition of any tax, fines, penalties, court costs, penalty tax or interest
- (b) For costs incurred after completion of the audit or investigation
- (c) Where any proceedings were initiated, threatened or started prior to the commencement of the Period of Cover
- (d) Arising from Your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a state or federal Commissioner of Taxation for the production of documents or the supply of information. Refusal or failure to comply will not be deemed improper, unwarranted or unjustified if You refuse or fail to comply upon the advice of Your accountant or tax agent
- (e) For costs from audits or investigations under customs legislation
- (f) For costs from audits or investigations of income received or earned, or where the source of income is, outside the Commonwealth of Australia or where the services giving rise to the claim are performed by persons or entities ordinarily resident outside Australia
- (g) Arising out of any fraud or fraudulent act or omission committed by You or on Your behalf
- (h) Arising from audits or investigations which result in You, or any person acting on Your behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a state or federal Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay.

Special conditions applicable to Taxation audit costs

You must lodge taxation and other returns within the time limits applicable to those returns as prescribed by statute or through extension of time granted by a Commissioner of Taxation.

You must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation.

In the event of a claim arising:

1. You must at all times keep us fully and continually informed of all material developments in relation to the claim and in relation to any audit
2. You must take all necessary and reasonable steps to minimise any delays and the amount of any costs incurred or likely to be incurred in connection with any audit
3. we or our duly appointed agent may make our own investigation into any matter which is or may be the subject of a claim, and

You must ensure that Your accountants, registered tax agent and/or solicitor must cooperate with us and where necessary, assist us in relation to any claim and assist us with any matter we wish to pursue with the Commissioner of Taxation which is or may be the subject of a claim.

Section 2 – Business Interruption

The Indemnity

In the event of any building or any other property or any part thereof used by You at the Premises for the purpose of Your business being damaged (by any cause or event not hereinafter excluded) during the Period of Insurance and Your business being in consequence thereof interrupted or interfered with, we will, subject to the provisions of this Policy including the limitation on Our liability, pay to You the amount of loss resulting from such interruption or interference in accordance with the applicable basis of settlement.

Provided that we will not be liable for any loss under this section unless Your damaged property is Insured against such damage (loss arising out of damage by explosion, rupture, collapse, bursting, cracking or overheating of any boiler, economiser or other pressure vessel (including pipes, valves and other apparatus thereof) excepted) and we or the Insurer or Insurers by which such property is Insured shall have paid for, or admitted liability in respect of, such damage unless no such payment shall have been made or liability shall not have been admitted therefore solely owing to the operation of a provision in such insurance excluding liability for loss below a specified amount.

Definitions Applicable to Section 2

Annual Gross Rentals – the gross Rentals during the 12 months immediately before the date of the damage

Annual Gross Revenue – the gross Revenue during the 12 months immediately before the date of the damage

Annual Turnover – the turnover during the 12 months immediately before the date of the damage.

Gross Profit – the amount by which:

- (a) the sum of the turnover and the amount of the closing stock shall exceed;
- (b) the sum of the amount of the opening stock and the amount of the uninsured working expenses.

Notes:

- (i) the amount of the opening and closing stocks shall be arrived at in accordance with Your normal accounting methods, due provision being made for depreciation.
- (ii) the words and expressions used in the definition shall have the meaning usually attached to them in Your books and accounts.

Gross Rentals – the money received or receivable by You in respect of the letting of the Premises and for any services provided by You in connection therewith.

Gross Revenue – the Money paid or payable to the You as fees for services rendered and/or goods sold in course of Your business at the Premises.

Indemnity Period – the period beginning with the occurrence of the damage and ending not later than the number of months specified in the Schedule thereafter during which the results of Your business shall be affected in consequence of the damage.

Insured Payroll – the proportion of Your Payroll represented by Your selected dual basis Payroll formula.

Payroll – the remuneration (including but not limited to payroll tax, fringe benefits tax, holiday pay, sick pay, long service leave, workers' compensation insurance premiums and/or accident compensation levies, superannuation and pension fund contributions and the like) paid to all employees.

Rate of Gross Profit – the proportion which the gross Profit bears to the turnover during the financial year immediately before the date of the damage.

Rate of Payroll – the proportion which the Payroll bears to the turnover during the financial year immediately before the date of the damage.

Shortage in Turnover – the amount by which the turnover during a period shall, in consequence of the damage, fall short of the part of the standard turnover which relates to that period.

Standard Gross Rentals – the gross Rentals during that period in the 12 months immediately before the date of the damage which corresponds with the indemnity Period (proportionately adjusted where the indemnity Period exceeds 12 months).

Standard Gross Revenue – the gross Revenue during that period in the 12 months immediately before the date of the damage which corresponds with the indemnity Period (proportionately adjusted where the indemnity Period exceeds 12 months).

Standard Turnover – the turnover during that period in the 12 months immediately before the date of the damage which corresponds with the indemnity Period (proportionately adjusted where the indemnity Period exceeds 12 months).

Turnover –

- (i) the money paid or payable to You for goods sold and delivered and for services rendered in course of Your business at the Premises.
- (iii) financial incentives or concessions granted to You by any government in recognition of specific performance in the development of market opportunities or the employment of disadvantaged persons.

Uninsured Working Expenses – the working expenses of Your business which You have elected not to insure under this section, and which are listed in the Schedule.

Adjustments Clause

Adjustments shall be made to the Rate of gross Profit, Rate of Payroll, Annual gross Rentals, Annual gross Revenue, Annual turnover, standard gross Rentals, standard gross Revenue and standard turnover as may be necessary to provide for the trend of Your business and for variations in or other circumstances affecting Your business either before or after the date of the damage or which would have affected Your business had the damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage occurred.

Basis of Settlement

Item 1. Gross Profit

The insurance under this item is limited to loss of gross Profit due to:

- (a) reduction in turnover or
- (b) increase in cost of working.

The amount payable as indemnity under this item shall be:

- (a) in respect of reduction in turnover, the sum produced by applying the Rate of gross Profit to the amount by which the turnover during the indemnity Period, in consequence of the damage, falls short of the standard turnover;
- (b) in respect of increase in cost of working, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place during the indemnity Period in consequence of the damage, but not exceeding the sum produced by applying the Rate of gross Profit to the amount of the reduction thereby avoided;

less any sum saved during the indemnity Period in respect of such of the charges and expenses of Your business payable out of gross Profit as may cease or be reduced in consequence of the damage.

Provided that if the declared value of gross Profit at the commencement of each Period of Insurance is less than the sum produced by applying the Rate of gross Profit to the Annual turnover (or its proportionately increased multiple where the indemnity Period exceeds twelve months), the amount payable will be proportionately reduced.

This provision will not apply if Your claim is for less than five percent (5%) of the declared value of gross Profit.

If at the inception of this insurance You have provided audited documents confirming the declared value of gross Profit, then if the declared value of gross Profit at the commencement of each Period of insurance is less than the sum produced by applying the Rate of gross Profit to eighty percent (80%) of the Annual turnover (or its proportionately increased multiple where the indemnity Period exceeds twelve months), the amount payable will be proportionately reduced.

This provision will not apply if Your claim is for less than ten percent (10%) of the declared value of gross Profit.

Item 2. Gross Revenue

The insurance under this item is limited to loss of gross Revenue due to:

- (a) loss of gross Revenue or
- (b) increase in cost of working.

The amount payable as indemnity under this item shall be:

- (a) in respect of loss of gross Revenue, the amount by which the gross Revenue during the indemnity Period, in consequence of the damage, falls short of the standard gross Revenue;

in respect of increase in cost of working, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in gross Revenue which but for that expenditure would have taken place during the indemnity Period in consequence of the damage, but not exceeding the amount of the reduction in gross Revenue thereby avoided; less any sum saved during the indemnity Period in respect of such of the charges and expenses of Your business payable out of gross Revenue as may cease or be reduced in consequence of the damage.

Item 3. Gross Rentals

The insurance under this item is limited to loss of gross Rentals due to:

- (a) loss of gross Rentals or
- (b) increase in cost of working.

The amount payable as indemnity under this item shall be:

- (a) in respect of loss of gross Rentals, the amount by which the gross Rentals during the indemnity Period, in consequence of the damage, falls short of the standard gross Rentals;
- (b) in respect of increase in cost of working, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in gross Rentals which but for that expenditure would have taken place during the indemnity Period in consequence of the damage, but not exceeding the amount of the reduction in gross Rentals thereby avoided; less any sum saved during the indemnity Period in respect of such of the charges and expenses of Your business payable out of gross Rentals as may cease or be reduced in consequence of the damage.

Item 4. Rent Payable and/or Insurable

The insurance under this Item is in respect of rent and other expenses payable, or insurable, by You in accordance with the terms of any lease agreement and the amount payable as indemnity thereunder, in the event of damage, shall be such amount(s) as You shall be legally liable to pay and/or insure or the lessor shall be legally entitled to receive, under the terms of the lease; together with the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the amount otherwise payable under this Item.

Our liability under this item shall be limited to the sub limit of liability shown in the Schedule as "Rent Payable and/or insurable".

Item 5. Claims Preparation Costs

The insurance under this item is to cover all reasonable professional fees as may be payable by You to financial advisers, accountants, loss assessors and/or business interruption claims consultants and/or valuers and such other reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation and negotiation of progress claims and/or final claims under [section 1](#) and/or [section 2](#) of this Policy and we shall indemnify You for such reasonable fees and expenses.

Our liability under this item shall be limited to the sub limit of liability shown in the Schedule as "claims Preparation costs".

Item 6. Additional / Increase in Cost of Working

The insurance under this item is limited to increase in cost of working (not otherwise recoverable under this Policy) necessarily and reasonably incurred during the indemnity Period in consequence of the damage for the purpose of avoiding or diminishing reduction turnover, gross Revenue or gross Rentals (as the case may be) and/or resuming and/or maintaining normal business operations and/or services.

Our liability under this item shall be limited to the sub limit of liability shown in the Schedule as "Additional / increase in cost of working".

Item 7. Payroll (Dual Basis)

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

- (a) in respect of reduction in turnover:
 - (i) during the initial Period, the sum produced by applying the Rate of Payroll to the shortage in turnover during such period less any saving during such period, through reduction in consequence of the damage, in the amount of Payroll paid;
 - (ii) during the remaining portion of the indemnity Period, the sum produced by applying the Rate of Payroll to the shortage in turnover during such period less any saving during such period, through reduction in consequence of the damage, in the amount of Payroll paid, but not exceeding the sum produced by applying the remainder percentage of the Rate of Payroll to the shortage in turnover during the said remaining portion of the indemnity Period increased by such amount as is deductible for savings under the terms of [clause \(i\)](#);

NOTE:

At Your option the Alternative Period stated in the Schedule may be substituted for the initial Period, provided that the amount arrived at under the provisions of [clause \(a\) \(ii\)](#) shall not exceed such amount as is deducted under [clause \(a\) \(i\)](#) for savings effected during the Alternative Period.

- (b) in respect of increase in cost of working, so much of the additional expenditure described in [clause \(b\)](#) of [item 1 -gross Profit](#)

as exceeds the amount payable thereunder, but not more than the additional amount which would have been payable in respect of reduction in turnover under the provisions of [clauses \(a\) \(i\) and \(ii\)](#) of this item had such expenditure not been incurred.

Item 8. Severance Payments and Payments to Unproductive Employees

The insurance under this item is limited to such further expenditure (not otherwise recoverable under this Policy) as You are obligated or have agreed to pay:

- (a) under any industrial awards or determinations or decisions reached under arbitration for severance payments and/or in lieu of notice to those employees whose services are terminated as a result of the damage.

- (b) to any employees whose services cannot be utilised by You in full or in part in consequence of the damage. Our liability under this item shall be limited to the sub limit of liability shown in the Schedule as "severance Payments and Payments to unproductive employees".

Item 9. Accounts Receivable

Under this item we will pay You up to the amount shown in the Schedule for all sums due to You from debtors that You are unable to collect because of damage to records of accounts receivable. We will also pay:

- (a) all interest charges at ruling bank rates on any loan to offset impaired collections pending repayment of such amounts rendered uncollectible as a result of the damage,
- (b) interest lost by You in consequence of such impaired collections;
- (c) additional expenditure reasonably incurred in tracing and establishing the amounts of accounts receivable as a result of the damage;
- (d) collection expenses, in excess of normal collection costs, incurred as a result of the damage. if You cannot accurately establish the total amount of accounts receivable outstanding as at the date of the damage, the amounts will be computed as follows:
 - (i) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the damage has occurred.
 - (ii) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the damage has occurred, as compared with such average for the same months of the preceding year.
 - (iii) the amount determined under (i), increased or decreased by the percentage calculated under (ii) above, will be deemed to be the total amount of accounts receivable outstanding at the time and date of the damage.
 - (iv) the amount determined under (iii) above will be adjusted as may be necessary to provide for any demonstrable variance from the amount so determined occurring before, but during the month in which, the damage has occurred; due consideration shall also be given to normal monthly trends in receipts.

There shall be deducted from the total amount of accounts receivable, however established, the amounts of such accounts evidenced by records not suffering damage, or otherwise established or collected by You, and an equitable amount to allow for probable bad debts that would normally have been uncollectible by You.

Our liability under this item shall be limited to the sub limit of liability shown in the Schedule as "Accounts Receivable".

Item 10. Contractual Fines and/or Penalties

The insurance under this item is limited to fines and/or damages for breach of contract and the amount payable as indemnity thereunder shall be such sum(s) as You shall be legally liable to pay and shall pay in discharge of fines and/or damages incurred in consequence of the damage for non completion, partial completion or late completion of orders, inability to meet contract specifications or cancellation of orders.

Our liability under this item shall be limited to the sub limit of liability shown in the Schedule as "contractual fines and/or Penalties".

Item 11. Contracted Purchases

The insurance under this item is in respect of contractual commitments and the amount payable as indemnity thereunder shall be such sum(s) as You shall be legally liable to pay and shall pay under contracts for purchases not used during the indemnity Period in consequence of the damage less any sums received or receivable by You in respect of such purchases through any salvage handling operations or resale.

Our liability of under this item shall be limited to the sub limit of liability shown in the Schedule as "contracted Purchases".

Item 12. Contractual Fines and/or Penalties (Sporting Venues)

The insurance under this item is limited to fines and/or damages for breach of contract and the amount payable as indemnity thereunder shall be such sum(s) as You shall be legally liable to pay and shall pay in discharge of fines and/or damages incurred in consequence of the damage for non-availability of the sporting venue and/or facilities and/or for non completion, partial completion or late completion of orders.

Our liability under this item shall be limited to the sub limit of liability shown in the Schedule as "contractual fines and/or Penalties (sporting venues)".

Item 13. Contractual Penalties (Hotel Management Agreement)

The insurance under this item is in respect of contractual penalties and/or liquidated damages arising out of the Hotel Management Agreement between You and the hotel operator(s) and the amount payable as indemnity thereunder shall be such sum(s) as You shall be legally liable to pay and shall pay in discharge of such contractual penalties and/ or liquidated damages incurred in consequence of the damage for non performance or partial or late performance of Your obligations under such Agreement.

Our liability under this item shall be limited to the sub limit of liability shown in the Schedule as "contractual Penalties (Hotel Management Agreement)".

Item 14. Goodwill

The insurance under this item is limited to loss of goodwill resulting from cancellation of Your lease of the Premises as a result of Insured damage. The amount payable as indemnity shall be limited to the proportion of the sub limit of liability under this item that the unexpired term of the lease at the date of the damage bears to the term of the lease as stated in the Schedule. If You are able to obtain the same or equivalent alternative Premises under a new lease, the amount payable hereunder shall be either the sum calculated above or the actual loss sustained, whichever is the lesser.

Our liability under this item shall be limited to the sub limit of liability shown in the Schedule as "goodwill".

Item 15. Research Expenditure

The insurance under this item is limited to loss sustained by You in consequence of the damage in respect of (a) Research expenditure and (b) increase in cost of working, and the amount payable as indemnity thereunder shall be:

(a) In respect of Research Expenditure:

For each working week of the indemnity Period during which the activities of the business are, in consequence of the damage:

- (1) totally interrupted or totally given over to the re-working of projects affected by the damage - the Insured Amount Per week;
- (2) Partially interrupted or partially given over to the re-working of projects affected by the damage -an equitable portion of the Insured Amount Per week based upon the time rendered ineffective by reason of the damage;

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

the additional expenditure necessarily and reasonably incurred solely in consequence of the damage in order to minimise the interruption but the amount payable hereunder shall not exceed the additional amount payable under (a) for loss of Research expenditure if no such increase in cost of working had been incurred; less any sum saved during the indemnity Period in respect of any Research expenditure as may cease or be reduced in consequence of the damage.

The following definitions apply with respect to this item:

Research Expenditure means: the total expenditure on research by You at the Premises less the relative cost of raw materials consumed.

Insured Amount Per Week means: one fiftieth part of the Research expenditure incurred during the financial year immediately before the date of the damage. Such adjustments shall be made to the Insured Amount Per week as may be necessary to provide for the trend of Your business and for variations in or other circumstances affecting Your business either before or after the damage or which would have affected Your business had the damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.

Item 16. Royalties

The insurance under this item is limited to loss of royalties receivable and the amount payable as indemnity thereunder shall be the actual shortfall of royalties receivable, during the indemnity Period in consequence of damage (caused by any peril or event, damage as result of which is Insured hereunder) to property at the premises, or in the vicinity of the premises, anywhere in the world of any company or organisation which pays such royalties to You.

Provided always that we shall not be liable hereunder for loss arising out of damage by earthquake, volcanic eruption and/or subterranean fire to any property in Japan, the United States of America, Mexico and new Zealand.

Memoranda to Section 2

Accumulated Stocks

In adjusting any loss under [item nos. 1 and 7](#), account will be taken and equitable allowance made, if any shortage in turnover in consequence of the damage is postponed by reason of the turnover being temporarily maintained from accumulated stocks, resulting in a shortage of stock after the indemnity Period has expired.

Alternative Trading

If during the indemnity Period, goods are sold, work is performed or services are rendered elsewhere than at Your business Premises for the benefit of Your business either by You or by others acting on Your behalf, the money paid or payable in respect of such sales, work or services will be brought into account in arriving at the turnover, gross Revenue or gross Rentals (as the case may be) during the indemnity Period.

Departments

If Your business is conducted in departments or divisions, the independent trading results of which are ascertainable, the provisions of [clauses \(a\) and \(b\) of item nos. 1 and 6](#) shall apply separately to each department or division affected by the damage.

Books of Account

Any particulars or details contained in Your books of account or other business books or documents which may be required by us for the purpose of investigating or verifying any claim under [sections 1 and/or 2](#) of this Policy may be produced and certified by Your auditors and their certificate shall be prima facie evidence of the particulars and details to which such certificate relates.

New business

In the event of damage occurring at the Premises before the completion of the first year's trading of Your business, the defined terms "Rate of gross Profit", "Rate of Payroll", "Annual gross Rentals", "Annual gross Revenue", "Annual turnover", "standard gross Rentals", "standard gross Revenue" and "standard turnover" (as the case may be) shall instead have the following meanings wherever they appear in this section:

Rate of Gross Profit

The proportion which the gross Profit bears to the turnover during the period between the date of the commencement of Your business and the date of the damage.

Rate of Payroll

The proportion which the Payroll bears to the turnover during the period between the date of the commencement of Your business and the date of the damage.

Annual Gross Rentals

The proportional equivalent, for a period equal to the indemnity Period, of the gross Rentals realised during the period between the date of the commencement of Your business and the date of the damage.

Annual Gross Revenue

The proportional equivalent, for a period equal to the indemnity Period, of the gross Revenue realised during the period between the date of the commencement of Your business and the date of the damage.

Annual Turnover

The proportional equivalent, for a period equal to the indemnity Period, of the turnover realised during the period between the date of the commencement of Your business and the date of the damage.

Standard Gross Rentals

The proportional equivalent, for a period equal to the indemnity Period, of the gross Rentals realised during the period between the date of the commencement of Your business and the date of the damage (proportionately adjusted where the indemnity Period exceeds 12 months).

Standard Gross Revenue

The proportional equivalent, for a period equal to the indemnity Period, of the gross Revenue realised during the period between the date of the commencement of Your business and the date of the damage (proportionately adjusted where the indemnity Period exceeds 12 months).

Standard Turnover

The proportional equivalent, for a period equal to the indemnity Period, of the turnover realised during the period between the date of the commencement of Your business and the date of the damage (proportionately adjusted where the indemnity Period exceeds 12 months).

Public and Private Utilities

This Policy is extended to include loss resulting from interruption of or interference with Your business in consequence of damage to any land-based telecommunications system or any electricity, gas or water supply systems within the commonwealth of Australia, provided that where public supply is not at or immediately adjacent to Your premises the interruption of supply extends for greater than 48 hours.

Customers' / Suppliers' Premises

This Policy is extended to include loss resulting from interruption of or interference with Your

business in consequence of damage within the commonwealth of Australia at any premises of suppliers of goods or services to You, or at the premises of any of Your customers. Provided that:

- (a) Our liability under this memorandum shall be limited to twenty per cent (20%) of the declared values for each and every item Insured by [section 2](#) - business interruption, plus such costs and expenses necessarily and reasonably incurred and for which indemnity is provided by [item 5](#) – claims Preparation costs and/or [item 6](#) – Additional / increase in cost of working, unless otherwise stated in the Schedule.

- (b) coverage under this extension does not apply to the [section 1 memorandum](#) titled "equipment breakdown".

Storage Sites / Temporary Removal

This Policy is extended to include loss resulting from interruption of or interference with Your business in consequence of damage within the commonwealth of Australia at any premises (not occupied by You) where Your property is being stored or processed.

Our liability under this memorandum shall be limited to twenty per cent (20%) of the declared values for each and every item Insured by [section 2](#) - business interruption, plus such costs and expenses necessarily and reasonably incurred and for which indemnity is provided by [item 5](#) – claims Preparation costs and/or [item 6](#) – Additional / increase in cost of working, unless otherwise stated in the Schedule.

Prevention of Access

This Policy is extended to include loss resulting from interruption of or interference with Your business in consequence of:

- (a) damage to property, or the intervention of any lawful authority resulting from threat of damage to property in the vicinity of the Premises, which prevents access to or hinders the use of the Premises.
- (b) damage to property forming part of or contained in a complex of which the situation forms a part, which results in a cessation or diminution of trade, including any cessation or diminution of trade due to temporary falling away of potential custom, whether the Premises or any of Your property therein shall be damaged or not.

Special Attraction In The Vicinity Of The Premises

Cover is extended to include loss as Insured by this Policy resulting from interruption of or interference with Your business in consequence of damage to a special attraction (being another business or facility in the immediate vicinity of the Premises that Your business depends upon to attract people to the area) caused by any peril or event, damage as a result of which is Insured under this Policy, which results in cessation or diminution of trade, including any cessation or diminution of trade due to temporary falling away of potential custom, shall be deemed to be loss resulting from damage to property used by You at the Premises.

Provided that:

- (i) Our liability under this extension shall be limited to 15% of the declared values for gross Rentals, gross Revenue, gross Profit and/or Payroll (dual basis), whichever is applicable, plus such costs and expenses necessarily and reasonably incurred and for which indemnity is provided by [item 5](#) – claims Preparation costs and/or [item 6](#) – Additional / increase in cost of working, unless otherwise stated in the Schedule; and
- (ii) We shall not be liable for the amount of loss arising during the first seven (7) days immediately following the action taken by a public authority.

Closure of Transport Routes, Ports or Airports

This Policy is extended to include loss resulting from interruption of or interference with Your business in consequence of damage to any:

- (a) roads, bridges, tunnels or railway lines,
- (b) airports, local ports or harbours, docks, wharves, jetties and/or piers; and/or
- (c) machinery, plant and equipment associated and/or used in connection therewith for the purpose of loading and unloading of vehicles, railway wagons, Aircraft or watercraft.

resulting in closure; or closure by order of any authority as a result of fear of any Insured damage at any transport route, port or airport anywhere in the commonwealth of Australia.

Our liability under this extension shall be limited to fifteen per cent (15%) of the declared values for gross Rentals, gross Revenue, gross Profit and/or Payroll (dual basis), whichever is applicable, plus such costs and expenses necessarily and reasonably incurred and for which indemnity is provided by [item 5](#) – claims Preparation costs and/or [item 6](#) – Additional / increase in cost of working, unless otherwise stated in the Schedule.

Computers

This Policy is extended to include loss resulting from interruption of or interference with Your business in consequence of damage to any computer installations, including ancillary equipment and data processing media, utilised by You anywhere in the commonwealth of Australia.

Transit

This Policy is extended to include loss resulting from interruption of or interference with Your business in consequence of damage to any of Your property while in transit by road, rail, sea or air within the commonwealth of Australia and outside of the business Premises occupied by You.

Our liability under this extension shall be limited to ten per cent (10%) of the declared values for gross Rentals, gross Revenue, gross Profit and/or Payroll (dual basis), whichever is applicable, plus such costs and expenses necessarily and reasonably incurred and for which indemnity is provided by [item 5](#) – claims Preparation costs and/or [item 6](#) – Additional / increase in cost of working, unless otherwise stated in the Schedule.

Turnover / Output Alternative

At Your option, the word "Output" may be substituted for "turnover" and, for the purpose of section 2 of this Policy, Output shall mean the sale value of goods manufactured or processed by You in the course of carrying on Your business at the Premises. Provided that only one such meaning shall be operative in connection with any one occurrence involving damage.

If You select the Output Option:

- (i) the memorandum titled "Alternative trading" shall read as follows: if during the Indemnity Period goods shall be manufactured or processed other than at the Premises for the benefit of Your business either by You or by others on Your behalf, the sale value of the goods so manufactured or processed shall be brought into account in arriving at the Output during the Indemnity Period.

And

- (ii) the definition of "gross Profit" shall read as follows:

the difference between sale value of production and the amount of the uninsured working expenses.

and

- (iii) the memorandum titled "Accumulated stocks" shall read as follows: in adjusting any loss, account shall be taken and equitable allowance made if any shortage in Output resulting from the damage is postponed by reason of the Output being temporarily maintained from accumulated stocks.

Salvage Sale

If, following damage giving rise to a claim under this Policy, You hold a salvage sale during the indemnity Period:

- (i) clause (a) of item no. 1 of this section shall, for the purpose of such claim, read as follows:

- (a) in respect of Reduction in turnover: the sum produced by applying the Rate of gross Profit to the amount by which the turnover during the indemnity Period (less the turnover for the period of the salvage sale) shall, in consequence of the damage, fall short of the standard turnover, from which shall be deducted the gross Profit actually earned during the period of the salvage sale.

- (ii) The definition of shortage in turnover shall, for the purpose of such claim, read as follows:

Shortage in Turnover shall mean: the amount by which the turnover during a period (less the turnover for the period of the salvage sale) shall, in consequence of the damage, fall short of the part of the standard turnover which relates to that period, from which shall be deducted any portion of the Pay-Roll paid out of the proceeds of the salvage sale.

Documents

This Policy is extended to include loss resulting from interruption of or interference with Your business in consequence of damage to documents and electronic data files belonging to or held in trust by You, while in transit or while at the premises not occupied by You.

Our liability under this extension shall be limited to 20% of the declared values for gross Rentals, gross Revenue, gross Profit and/or Payroll (dual basis), whichever is applicable, plus such costs and expenses necessarily and reasonably incurred and for which indemnity is provided by item 5 – claims Preparation costs and/or item 6 – Additional / increase in cost of working, unless otherwise stated in the Schedule.

Motor Vehicles owned or operated by You

Notwithstanding Property exclusion 4, this Policy is extended to include loss resulting from interruption of or interference with Your business in consequence of damage to any registered vehicles or trailers owned or operated by You, while such vehicles are at Your Premises or at other premises in the commonwealth of Australia but not on a public thoroughfare.

Infectious Disease, Murder and Closure

Notwithstanding Perils [exclusions 2\(a\)](#) and [5\(d\)](#), this Policy is extended to include loss resulting from interruption of or interference with Your business due to closure or evacuation of the whole or part of the Premises during the Period of Insurance by order of a competent government, public or statutory authority as a result of:

- (a) bomb threat, vermin or pests or defects in the drains or other sanitary arrangements, occurring at Your Premises, or
- (b) an outbreak of an infectious or contagious human disease occurring within a 20-kilometre radius of Your Premises, however there is no cover for highly pathogenic swine or Avian influenza or any disease declared to be a quarantinable disease under the Quarantine Act 1908 (as amended) irrespective of whether discovered at the location of Your premises, or out-breaking elsewhere; or
- (c) injury, illness or disease caused by the consumption of food or drink provided and consumed on Your Premises during the Period of Insurance; or
- (d) murder or suicide occurring at Your Premises:

Provided that:

- (i) Our liability under this extension shall be limited to 15% of the declared values for gross Rentals, gross Revenue, gross Profit and/or Payroll (dual basis), whichever is applicable, plus such costs and expenses necessarily and reasonably incurred and for which indemnity is provided by [item 5](#) – claims Preparation costs and/or [item 6](#) – Additional / increase in cost of working, unless otherwise stated in the Schedule; and
- (ii) We shall not be liable for the amount of loss arising during the first seven (7) days immediately following the action taken by a public authority.

Exclusions Applicable to Section 1 – Property Damage and Section 2 – Business Interruption Property Exclusions

We do not cover damage to the following property or loss under [section 2](#) resulting from such damage:

1. Money:

- (a) whilst being carried by professional money carriers, professional carriers or common carriers which is more specifically Insured, and which insurance responds in the event of a claim to the amount of the claim, excepting the excess amount over and above such more specific insurance which excess is held to be covered hereunder.

Provided that where in the ordinary course of business You enter into an agreement with such carriers and such agreement provides that You shall indemnify and/or hold harmless and/or release from liability such carriers in respect of damage which may occur as a result of any peril or event hereby Insured against, this insurance shall operate as if this Property [exclusion 1\(a\)](#) had been deleted.

- (b) stolen from an unlocked and unattended vehicle;
 - (c) stolen from a safe or strongroom opened by a key or by use of details of a combination, either of which has been left at the situation outside business Hours, unless such key or combination details have been properly secured, except where the keys or combinations have been obtained by deception or threat.
 - (d) where the loss is not discovered within five (5) working days of the event.
 - (e) where the loss arises out of a demand for the payment of Money in connection with kidnapping, bomb threat, hoax, extortion or an attempt at any of these.
2. Jewellery, furs, bullion, articles containing gold and silver which are not stock
 3.
 - (a) any locomotive or rolling stock or watercraft other than as stock or merchandise of Your business; provided always that no cover shall apply hereunder whilst any watercraft is on water;
 - (b) any aircraft (including its accessories and/or spare parts) other than as stock or merchandise of Your business; provided always that no cover shall apply hereunder during taxiing, take-off, flight or landing.
 4. Vehicles or trailers registered or licensed to travel on a public road (other than as stock or merchandise of Your business); provided that this exclusion shall not apply to mobile plant and equipment (excluding cars, sedans, panel vans and trucks) not otherwise Insured whilst on any premises occupied or used by You.
 5. Livestock, animals, birds, fish and any other living organism except nursery plants.
 6. Standing timber, growing crops and pastures.
 7. Land; provided that this exclusion shall not apply to structural improvements on or in the land if such structural improvements are not otherwise excluded in this Policy.
 8.
 - (a) Canals, roadways, dams and reservoirs (other than tanks) and their contents.
 - (b) Bridges, tunnels and railway tracks (other than on the premises, occupied or used by You for the purpose of Your business)
 9. Docks, wharves and piers not forming part of any building; provided that this exclusion shall not apply with respect to any such property owned by You or for which You are responsible.
 10. Mining property located beneath the surface of the ground unless otherwise expressly stated in this Policy.
 11. Property during the course of, and as a result of, its processing .

12. Property included in a project of construction, erection, alteration or addition, including the partial dismantlement of existing structures, where total contract value of all work to be carried out at any one situation during such activity exceeds five hundred thousand dollars (\$500,000) or ten percent (10%) of the Policy [Section 1](#) limit of liability whichever is the lesser. Provided that this exclusion shall apply only to the portion of the Premises or the part of any property which is the subject of any such work and this exclusion shall not apply to any other Property Insured under this Policy.
13. Empty premises undergoing demolition.

Perils Exclusions

We shall not be liable under sections 1 and/or 2 in respect of:

1. Damage occasioned by or happening through:
 - (a) flood, which shall mean the inundation of normally dry land by water escaping or released from the normal confines of any natural watercourse or lake whether or not altered or modified or of any reservoir, canal or dam.
 - (b) water from or action by the sea, tidal wave or high water.

Provided that Perils exclusions 1(a) and 1(b) shall not apply if damage is caused by or arises out of an earthquake or seismological disturbance.

2. Damage occasioned by or happening through:
 - (a) the action of moths, termites or other insects, vermin, rust or oxidation, mildew, mould, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour, texture or finish, smut or smoke from industrial operations (other than sudden and unforeseen damage resulting therefrom).

Provided that the words "inherent vice or latent defect" shall be limited to that part of the Property Insured immediately affected and shall not apply to other part(s) damaged in consequence thereof.
 - (b) Pollution or contamination of any Property Insured, except where such Pollution or contamination results from damage caused by fire, lightning, explosion, earthquake, subterranean fire or volcanic eruption, aircraft or other aerial devices or articles dropped or falling therefrom, storm, tempest, rainwater, hail, water and/ or overflowing pipes, tanks, sprinkler and/or any other system(s) at the situation or elsewhere, the acts of persons taking part in riots or civil commotions or the acts of strikers or locked out workers or persons taking part in labour disturbances, the acts of malicious persons, or the acts of any lawfully constituted authority in connection with any of the aforementioned acts or in connection with any conflagration or other catastrophe, impact by vehicles or animals.
 - (c) wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good.

- (d) error or omission in design, plan or specification or failure of design.
 - (e) normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration.
 - (f) faulty materials or faulty workmanship. Provided that this [exclusion 2\(a\) to \(e\)](#) shall not apply to subsequent damage to the Property Insured occasioned by a peril (not otherwise excluded) resulting from any event or peril referred to in this exclusion.
3. Damage occasioned by or happening through:
- (a) incorrect siting of buildings consequent upon:
 - (i) error in architectural design or specification;
 - (ii) faulty workmanship;
 - (iii) non compliance by You (or by anyone acting on Your behalf) with the necessary permits issued by government, Public or local Authorities.
 - (b) demolitions ordered by government or Public or local Authorities due to Your failure or the failure of Your agents to obtain the necessary permits required.
4. Damage occasioned by or happening through
- (a) unexplained or inventory shortage, disappearance resulting from clerical or accounting errors, shortages in the supply or delivery of materials to or from the Insured.
 - (b) spontaneous combustion or spontaneous fermentation or heating or any process involving the direct application of heat provided that [perils exclusion 4\(b\)](#) shall be limited to the item or items immediately affected and shall not extend to other property damaged as a result of such spontaneous combustion, fermentation or heating or process involving the direct application of heat.
5. Damage occasioned by or happening through:
- (a) access by any person(s) other than the Insured or the Insured's employee(s) to the Insured's computer system via data communication media that terminate in the Insured's computer system.

Provided that this exclusion shall not apply to theft consequent upon forcible and violent entry upon premises or felonious concealment upon premises committed by an employee of the Insured or theft of Money whilst in transit.
 - (b)
 - (i) the cessation of work whether total or partial,
 - (ii) the cessation, interruption or retarding of any process or operation; as a result of strikes, labour disturbances or locked out workers.

Provided that [Perils exclusions 5\(b\)\(i\) and 5\(b\)\(ii\)](#) shall not apply in respect of damage directly caused by strikers, locked out workers or similar persons.
 - (c) erosion, subsidence, earth movement or collapse resulting therefrom.

- (d) kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt thereat.

Provided that this [exclusion 5\(a\) to 5\(d\)](#) shall not apply to subsequent damage to the Property Insured occasioned by a peril (not otherwise excluded) resulting from any event or peril referred to in this exclusion.

- 6. Any legal liability of whatsoever nature other than as herein provided.
- 7. Consequential loss of any kind including consequential loss due to delay, lack of performance, loss of contract or depreciation in the value of land or stock, except as herein provided in [section 2](#).

Conditions Applicable to Section 1 — Property Damage and Section 2 — Business Interruption

1. Reinstatement of Insurance After Loss

In the event of damage Insured under [Section 1](#) – Property Damage and/or loss Insured under [Section 2](#) -Business Interruption, the amount by which the applicable Limit(s) or Sub Limit(s) of Liability is/are reduced as a consequence of the loss or damage will be automatically reinstated as from the date of loss or damage provided that:

- (a) There is no written request from You or written notice by us to the contrary, and
- (b) You pay the pro rata additional premium which we require for the Reinstatement.

2. Premium Adjustment

- (a) The Premium shown is provisional and is calculated on the declared values of:
 - (i) Property Insured,
 - (ii) gross Profit / Insured Payroll / gross Rentals / gross Revenue (whichever is applicable), on the day of commencement of each Period of Insurance.
- (b) You undertake to declare to us within a reasonable time after the day of expiry of the Period of Insurance:
 - (i) the value of Property Insured on the day of expiry of the Period of Insurance. for the purpose of this declaration, stock-in-trade and/or merchandise shall be taken at its average value during the Period of Insurance;
 - (ii) the amount of the gross Profit earned / Payroll paid / gross Rentals gross Revenue received, in accordance with the cover afforded in the respective items of [section 2](#), in the course of the business during the accounting period of twelve (12) months most nearly concurrent with the Period of Insurance.
- (c) the provisional premium shall be adjusted by payment to us of an additional premium or by allowance to You of a return premium, as the case may be, calculated at the agreed rate on:

- (i) fifty per cent (50%) of the difference between property declared in accordance with clauses (a)(i) and (b)(i);
 - (ii) the full agreed rate hereunder on the difference between the amounts declared under clauses (a)(ii) and (b)(ii).
- (d) it is agreed to make allowance for any abnormal fluctuation in values and to charge a premium commensurate with the risk, such premium to be agreed between the parties to this agreement.
- (e) the declaration of values at the expiry of the Period of Insurance, declared in accordance with this memorandum, shall not be reduced as the result of loss or damage in respect of which a claim has been paid or is payable under sections 1 and/or 2 of this Policy.

3. Notification of Claims

On the discovery of any damage giving rise to a claim under sections 1 and/or 2 of this Policy, You shall forthwith give notice thereof in writing to us and shall (within thirty (30) days after loss, destruction or Damage or such further time as We may in writing allow) at Your expense deliver to us a claim in writing containing as particular an account as may be reasonably practicable of the items of property damaged, and of the amount of damage having regard to their value at the time of the damage, together with details of any other insurances on any property hereby Insured.

You shall, upon becoming aware of any loss by theft or of any wilful or malicious damage which may give rise to a claim under sections 1 and/or 2 of this Policy, take all practicable steps to trace and recover any missing property and to discover by whom the property was stolen or damaged, including reporting the matter to the police and any other responsible authority.

You shall use due diligence and do and concur in doing all things reasonably practicable to minimise any interruption of or interference with the business or to avoid or diminish the loss and shall also deliver to us a statement in writing of any claim certified by Your auditor, with all particulars and details reasonably practicable of the loss and shall produce and furnish all books of accounts and other business books, invoices, vouchers and all other documents, proofs, information, explanations and other evidence and facilities as may reasonably be required for investigation and verification of the claim together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith.

No claim under this Policy shall be payable unless You have complied with the terms of this condition.

4. Fraud

If any claim be in any respect fraudulent or if any fraudulent means or devices be used by You or anyone acting on Your 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 You, We, without prejudice to any other right(s) We might have under this Policy, shall be entitled to refuse to pay such claim.

5. Termination of Cover

Notwithstanding anything contained herein to the contrary, if during any period in respect of which this Policy is in force:

- (a) You cease to carry on Your business or any part of Your business is disposed of, permanently discontinued or Your interest in the business or such part thereof ceases otherwise than by death; or

- (b) You (being a corporation) are placed in liquidation (or provisional liquidation), are placed under Official Management, enter into a scheme of Arrangement, have Receivers and/or Managers appointed over Your assets or undertaking(s); or
- (c) You (being a natural person) become a bankrupt or enter into a Scheme of Arrangement or compromise or composition with creditors;

then the insurance cover provided under this Policy in respect of such business or Insured shall automatically and forthwith cease.

In the event of the indemnity Period having begun to run in respect of any claim relating to such business or part thereof, the indemnity Period shall thereupon be at an end, unless its continuance be admitted by memorandum signed for or on Our behalf.

6. Unoccupancy

Unless we otherwise agree in writing, we will not pay for any damage to Your business Property if the occurrence happens after Your Premises have been unoccupied for more than 90 consecutive days.

7. Misrepresentation and non disclosure

If you failed to disclose any matter which You had a duty to disclose to Us; or made a misrepresentation to Us before this Policy was entered into and if We would not have entered into this Policy but for the failure to disclose the misrepresentation; then

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

Sprinkler installations

It is warranted that in such of the premises as are protected or as are required by law to be protected by an approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a fire brigade station, in or on the premises, due diligence shall be used so that the same shall at all times be maintained in good working order.

It is further warranted that provision will be made for the regular maintenance of the installation in accordance with Australian Standard AS 2118 automatic sprinkler installation by the installing engineers or firm (if their services are available) or, failing this, by a person or organisation who must be approved by Us to carry out such maintenance.

Notice of all alterations and additions to the automatic sprinkler installation shall be given by You to Us as soon as reasonably practicable

Your Action after theft or damage

You shall, upon becoming aware of any loss by theft or of any wilful or malicious damage which may give rise to a claim under this Policy, take all practicable steps to trace and recover any missing property and to discover by whom the property was stolen or Damaged, including reporting the matter to the police and any other responsible authority.

Other Insurance

You shall give written notice as soon as practicable to Us of any other insurance or insurances effected covering the Property Insured.

Reinstatement

If We elect or become bound to reinstate or replace any property, You shall at Your own expense produce and deliver to Us all such plans, documents and information as We may reasonably require. We shall not be bound to reinstate exactly or completely, but only as circumstance permit and in reasonably sufficient manner and shall not in any case be bound to expend more than the applicable limit of liability.

Our Rights

On the happening of any loss, destruction or Damage in respect of which a claim is or may be made under this Policy We and every person authorised by Us may, without thereby incurring any liability, and without diminishing Our right to rely upon any conditions of this Policy, enter, take or keep possession of any building or premises where the loss, destruction or Damage has happened and may take possession of or require to be delivered to Us any of the property hereby insured and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner.

This condition shall be evidence of leave of license of You to Us so to do. If You or anyone acting on Your behalf shall not comply with Our requirements or shall hinder or obstruct Us in doing any of the abovementioned acts, then all benefits under this Policy shall be forfeited.

You shall not in any case be entitled to abandon any property to Us whether taken possession of by Us or not.

Observance of terms and conditions

The due observance and fulfilment of these conditions and the other terms of this Policy by You, insofar as the same are capable as being construed as such, are conditions precedent to any liability of Us to make any payment under this Policy.

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