

Commercial Property Owners

Supplementary Product Disclosure Statement



This Supplementary Product Disclosure Statement (Supplementary PDS) updates, and should be read with, the Commercial Property Owners Product Disclosure Statement and Policy Booklet (PDS), Edition 1 dated 22nd June 1998. These documents together with your current Certificate of Insurance make up the terms and conditions of your insurance contract with us. Your current Certificate of Insurance outlines the cover you have chosen.

Supplementary PDS 1.3 This Supplementary Product Disclosure Statement (Supplementary PDS) Edition 1.3 will apply to policies with a commencement date on or after 28/12/2015 or with a renewal effective date on or after 28/12/2015. This Supplementary PDS replaces the previous version 1.1 & 1.2.

Flood

We have made changes to flood cover under certain sections of our PDS. The changes are as follows:

General Definitions (Page 3 of the PDS)

The following is added as a general definition to this PDS:

“Flood”

Flood means the covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:

- (a) a lake (whether or not it has been altered or modified);
- (b) a river (whether or not it has been altered or modified);
- (c) a creek (whether or not it has been altered or modified);
- (d) another natural watercourse (whether or not it has been altered or modified);
- (e) a reservoir;
- (f) a canal;
- (g) a dam.

Additional Policy Endorsement Section 1 – Commercial Building (Page 20 of the PDS)

The words that appear in “Additional Policy Endorsement 31. Including Flood Cover” has been deleted and no longer operative.

Financial Claims Scheme

If we become insolvent, this policy may be protected under the Federal Government’s Financial Claims Scheme administered by APRA. This means that if you meet certain eligibility criteria you may receive payment under the scheme. For more information please see www.apra.gov.au or contact the APRA hotline on 1300 55 88 49.

General Exclusions

We have made some changes to the General Exclusions on the PDS:

The following have been added as General Exclusions:

5. Terrorism

We will not pay for loss, destruction, or damage, cost, expense, injury, illness or the incurring of a liability directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any act of terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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 purpose 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:

- (a) involves violence against one or more persons; or
- (b) involves damage to property; or
- (c) endangers life other than that of the person committing the action; or
- (d) creates a risk to health and safety of the public or a section of the public; or
- (e) is designed to interfere with or disrupt an electronic system.

We will also not pay for loss, destruction, damage, cost, expense, or the incurring of a liability directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any act of terrorism.

6. Bushfire / Cyclone

- (a) We will not provide any cover, for a period of 48 hours from the time of the commencement of your insurance, for damages or loss caused by:
 - (i) bushfire or grassfire; or
 - (ii) a named cyclone.
- (b) This exclusion does not apply, however, if this insurance commences directly after:
 - (i) another insurance policy covering the same property expired, without a break in cover;
 - (ii) you have entered into a contract of sale to purchase the property; or
 - (iii) you have entered into a contract to lease the property.

7. Year 2000 Exclusion

“Equipment” means any device, equipment, machine, medium, system (whether computer or otherwise and including any embedded system), hardware, firmware, software, or any part or component of any of the foregoing (including any circuit, processor, or chip).

“Year 2000 Conformity” means that the performance, operation, or functionality (including but not limited to the ability to create, recognise, process, calculate, manipulate, retain, deal with, or store data) is not in any way adversely affected or prejudiced by the manner in which any date or any year before, during, or after the year 2000 is described, interpreted, or recognised (including but not limited to the recognition of any date as its true calendar date or any period of time as its true period of time).

“Loss of Rent” means loss of Gross Rent Receivable, Additional Increase Cost of Working, or Accountant’s Fees, as insured under Section 2, resulting from loss, destruction, or damage to your Property.

(a) We will not pay for any claim under Sections 4, 5, or 6 directly or indirectly arising from or in any way connected with the failure or inability of any Equipment to meet Year 2000 Conformity.

(b) (i) We will not pay for any claims under Section 1 or 2 directly or indirectly arising from or in anyway connected with the failure or inability of any Equipment to meet Year 2000 Conformity.

(ii) Notwithstanding the provisions of paragraph b) i), we will pay for a claim for:

(a) subsequent loss, destruction, or damage under Section 1; and

(b) Loss of Rent under Section 2;

not otherwise excluded, caused by:

(i) fire;

(ii) explosion;

(iii) escape of liquid as a result of bursting, leaking, or overflowing of pipes, tanks, fixed room heating, or water apparatus other than public drainage;

(iv) impact by vehicle, aircraft, or watercraft; or

(v) burglary or theft;

Provided that we will not pay for such Loss of Rent where it results from any continuing failure or inability of any Equipment to meet Year 2000 Conformity after the loss, destroyed or damaged Property is repaired or replaced.

8. Electronic Data Exclusion

“Electronic Data” means facts, concepts, and information converted to form usable for communications, display, distribution, interpretation, or processing by electronic and electromechanical data processing or electronically controlled equipment and included programmes, software, and other coded instructions for such equipment.

We will not pay for claims under this policy directly or indirectly arising from or in any way connected with:

(a) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation, or misappropriation of Electronic Data;

(b) any error in creating, amending, entering, deleting, or using Electronic Data; or

(c) total or partial inability or failure to receive, send, access, or use Electronic Data for any time or at all, arising from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur, other than arising solely from:

(i) fire;

(ii) lightning;

(iii) explosion;

(iv) earthquake, subterranean fire, or volcanic eruption;

(v) escape of liquid as a result of bursting, leaking, discharging, or overflowing of pipes, tanks, fixed room heating, or water apparatus;

(vi) impact by trees, watercraft, or aircraft and other aerial devices;

(vii) impact by vehicles or animals;

(viii) storm or rainwater; or

(ix) burglary or theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing the Electronic Data.

9. Computer Viruses, Attacks by Hackers, Data Manipulation or Operational Errors

We will not pay for loss, destruction, damage, cost, expense, injury, illness or the incurring of a liability directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with:

(a) Computer Viruses;

(b) attacks by hackers;

(c) data manipulation by third parties; or

(d) any operational errors.

General Conditions

We have made some changes to the General Conditions in the PDS.

The following have been added as General Conditions in this Section:

9. Goods and Services Tax

Where payment is made under this policy for the acquisition of goods, services or other things, we will reduce the amount of the payment by the amount of any input tax credits that you are, or will be, entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition.

Where payment is made under this policy as compensation instead of payment for the acquisition of goods, services or other things, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other things.

The Sum Insured or any amounts indicated in this policy are inclusive of Goods and Services Tax (GST)

10. Excess

- (a) We will deduct from the amount to be paid to you the amount of Excess shown on the Certificate of Insurance or in this policy.
- (b) Any Voluntary Excess and/or Additional Excess are in addition to the Basic Excess.
- (c) You must pay all the Excesses that apply to the claim.
- (d) We will apply the highest applicable Excess, or any aggregate Excess, if more than one Section of the policy applies to any claim arising from the one event, unless:
 - (i) the claim applies across Section 4 Public Liability

then we will apply an Excess to Section 4 Public Liability, in addition to the highest applicable Excess.

11. Electronic Communication

- (a) It may be possible to have your policy documents sent to you electronically by e-mail. If you tell us to send your policy documents to you electronically, then we will send them to the e-mail address you give us rather than to your mailing address.
- (b) Any policy documents we send to your e-mail address are considered to have been received by you 24 hours from when we send them. If you don't tell us to send your policy documents to you electronically, then we will send them by post to the mailing address you gave us.
- (c) You are responsible for making sure the e-mail and mailing address we have for you are up to date.

General Conditions 8. When you are Paying for Insurance by Instalments (Page 5 of the PDS)

The words that appear in "General Conditions 8. (b) When you are Paying for Insurance by Instalments" have been deleted and replaced with:

- (b) Where we have not received an instalment payment:
 - (i) we will send you notice in writing regarding your non-payment at least 14 calendar days before any cancellation by us for non-payment;
 - (ii) if after sending the above notice we do not receive the instalment payment we will send you a second notice in writing, either:
 - (a) prior to cancellation, informing you that your policy is being cancelled for non-payment; or
 - (b) within 14 days after cancellation by us, confirming our cancellation of your policy.

Section 4 Public Liability

We have made some changes to Section 4 Public Liability of the PDS:

Section 4 Additional Benefits 1. Additional Payments (Page 13 of the PDS)

The words that appear in “Section 4 Additional Payments 1. Additional Payments” have been deleted and replaced with the following:

1. Supplementary Payments

(a) We will pay:

- (i) legal costs and expenses incurred by you with our written consent for representation in any court, or in the settlement of defence of any claim;
 - (ii) costs and expenses recoverable from you by any claimants; and
 - (iii) first aid costs incurred by you for first aid rendered to others at the time of an occurrence of Personal injury.
- (b) The amount we will pay in (a) is included in the Limit of Liability except for an additional \$500,000 for each Occurrence during the Period of Insurance.
- (c) If a judgement or an amount required to settle a claim exceeds the Limit of Liability, our liability to pay legal costs and expenses is limited to the proportion the Limit of Liability bears to the judgement or settlement sum.

Section 4 Specific Exclusions 3. (Page 13 of the PDS)

The words that appear in Section 4 Specific Exclusions 3. have been deleted and replaced with the following:

3. Pollution

We shall not be liable for claims:

- (a) arising directly or indirectly out of, caused by, or in connection with actual, alleged, or threatened seepage, discharge, dispersal, emission, release, or escape of pollution being any solid, liquid, gaseous, or thermal, irritant or contamination including but not limited to:

- (i) smoke, vapour, soot, or fumes;
 - (ii) acids, alkalis, or chemicals; or
 - (iii) waste, including material to be recycled, reconditioned, or reclaimed; or
- (b) for any costs of removing, nullifying, or cleaning up pollutants, unless caused by a sudden, identifiable, unintended and unexpected happening which takes place in its entirety at a specific time and place, provided that:
- (i) if such seepage, discharge, dispersal, emission, release, or escape extends beyond more than one Period of Insurance, we will not pay more than the Limit of Liability stated in the Certificate of Insurance; and
 - (ii) our total liability for claims during the Period of Insurance is limited to the Limit of Liability, less the stated Excess.

Section 4 Specific Exclusions 10. (Page 13 of the PDS)

The words that appear in Section 4 Specific Exclusions 10. Have been deleted and replaced with the following:

10. Employers' Liability

We shall not be liable for claims in respect of Personal Injury to any person:

- (a) to whom benefits are payable by you under any worker's or workmen's compensation legislation;
- (b) engaged under a contract of service or apprenticeship with you; or
- (c) arising from a liability imposed by any industrial award, agreement, or determination;

but we will pay for:

- (i) claims for Personal Injury to any person who, while engaged under a contract of service or apprenticeship with you, is not a “Worker” as defined under the Workers' Rehabilitation and Compensation Act (NT) or the Workcover Queensland Act 1996 (Qld); and

- (ii) common law claims for Personal Injury to any person, who is deemed to be employed by you under Section 175 of the Workers' Compensation and Rehabilitation Act 1981 (WA) or deemed a "Worker" pursuant to any other section of the Act, other than those persons excluded by (b) above.

Section 4 Specific Exclusions (Page 13 of the PDS)

The following have been added as specific exclusions to this Section:

17. Asbestos

We shall not be liable for claims directly or indirectly caused by, or arising from:

- (a) mining, processing, transport, distribution, and/or storage of asbestos;
- (b) manufacture of asbestos products and/or processing materials containing asbestos;
- (c) installation, removal, treatment, or storage of materials containing asbestos; or
- (d) any process of decontamination, treatment, or control of asbestos.

18. Jurisdiction outside Territorial Limit

We will not be liable for claims directly or indirectly caused by, or arising from:

- (a) brought against you outside the Commonwealth of Australia; or
- (b) arising as a consequence of:
 - (i) you entered into contractual obligations subscribing to the jurisdiction of any court outside the Commonwealth of Australia; or
 - (ii) any agreement by you to indemnify any other party in respect of an award, judgement, or settlement made under the jurisdiction of any court outside the Commonwealth of Australia.

19. Underground Cables, Pipes, and Services Exclusion

- (a) We shall not be liable for claims in respect of damage to underground cable, wires, pipes, or other services caused by or arising out of the use of any mechanical digging, scraping, grading, drilling, or levelling apparatus affixed to or forming part of any Vehicle except where such apparatus is affixed to or forms part of any unregistered vehicle and the appropriate authority has been contacted to verify the existence and location of such underground services and fittings and a plan detailing the location of such services and fittings obtained from the relevant authority prior to the commencement of the work.
- (b) You must pay an excess of \$2,000 for each claim in respect of damage to underground cables, wires, pipes, or other services including their supports and fittings.

20. Cutting, Heating, Welding, Grinding Restriction

We shall not be liable for claims arising directly or indirectly out of, or caused by, or in connection with cutting, heating, welding, or grinding, except where you have complied with the current Australian Standard AS1674.1 Safety in Welding and Allied processes – Fire Precautions as set out in the Standard or Code as amended.

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Changes to your PDS

Your PDS is amended by the deletion of the Duty of Disclosure notice.

COMMERCIAL

POLICY

PROPERTY OWNERS



Business Insurance

Commercial Property Owners Policy

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Introduction to your Policy

This policy has been designed to meet the insurance requirements of Commercial Property Owners while incorporating the flexibility necessary to suit individual requirements.

Please read the document carefully and do not hesitate to contact your Broker, SGIC branch or representative if you are uncertain of any aspect.

You are a valued client, entitled to professional service - and, of course, quick settlement of claims.

We constantly seek to improve our service and products, so your comments from time to time, whether critical or complimentary, are always welcome.

Renewal Procedure

Before your policy expires each year we will normally offer renewal by forwarding a notice advising the premium payable.

Claims Procedure

If an event occurs which you believe may result in a claim under the policy, please advise us immediately.

Anybody wishing to make a claim against you should be told to put their claim in writing. You must make no admission of liability or fault.

In the event of Burglary, Theft or Malicious Damage occurring please advise the police as soon as possible, then advise us.

Should something occur to make your property more vulnerable to any insured loss or damage, you must take immediate steps to protect against that risk.

More detailed requirements are contained in this policy, see General Conditions 8, which you should read carefully because failure to comply with the procedure may result in you being unable to recover your loss from us.

Policy Introduction

As you have paid or agreed to pay us the Premium, we will provide cover as described under Sections of this policy which are shown in the Certificate of Insurance as being required, subject to the terms, Exclusions and Conditions both general and specific contained in or endorsed on this policy.

Our liability under any Section of this policy shall be limited to the amount of cover or limit of indemnity or units of cover stated in the Certificate of Insurance, or in this policy itself.

Where insurance under any Section of this policy is changed by any clause granting additional benefits or by any endorsement, the insurance thereby provided shall be subject to the terms, Exclusions and Conditions, both general and specific, contained in or endorsed on this policy so far as they may apply.

The due observance and fulfilment by you or any other person insured by this policy, of Conditions both general and specific, shall unless otherwise expressed, be Conditions precedent to our liability under this policy.

General Definitions

(Applicable to the policy and any endorsement on the policy)

“**we**”, “**us**” or “**our**” mean Insurance Australia Limited trading as SGIC.

“**you**” or “**your**” mean each person, company or other body shown in the Certificate of Insurance as **Insured (full names and Business Name)**.

“**Insured Premises**” and “**Premises**” mean the premises shown in the Certificate of Insurance under **Situation of Premises**.

“**Property Insured**” and “**Property**” means unless the context otherwise requires, the property indicated in the Certificate of Insurance or Declaration and Questionnaire as being insured by the Sections of this policy as applicable.

“**Certificate of Insurance**” means the form which shows the insurance cover selected by you under this policy (and any special Conditions or Endorsements) as it applies from time to time by reason of any amendment or renewal.

“**Period of Insurance**” means the period shown in the Certificate of Insurance under **Period of Insurance . . . From . . . To . . .** and any subsequent period in respect of which the policy is renewed.

“**Premium**” means the amount agreed to be payable by you for the insurance provided by us.

“**Territorial Limits**” means at the “**Insured Premises**” unless otherwise stated in a Section.

General Exclusions

(Events or Conditions not covered by this policy).

1. **Warlike Activities**

Invasion, acts of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or requisition or destruction of or damage to Property by or under the order of any government or public or local authority, looting, sacking or pillage following any of these.

2. **Heat**

Loss or damage to Property caused by or contributed to by its undergoing any process necessarily involving the application of heat.

3. **Nuclear Material**

- (a) Loss, destruction, damage or liability directly caused by or contributed to nuclear weapons material.
- (b) Loss, destruction, damage or liability directly or indirectly caused or contributed to ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel or from any self sustaining process of nuclear fusion.

Note: This policy does not cover loss, destruction, damage or liability happening during or arising from the occurrence of any of the Events or Conditions referred to in paragraphs 1, 2 and 3 above unless you prove that the loss, destruction, damage or liability was not caused by, or contributed to by, or did not arise from, those Events or Conditions.

4. **Consequential Loss**

Any consequential loss of any description except as specifically stated in the policy.

General Conditions

1. **Alteration of Risk**

You must immediately notify us in writing of any changes you know of which materially alter any of the facts or circumstances which existed at the commencement of this policy.

2. **Unoccupancy**

Cover shall be entirely suspended where the Premises are left without an inhabitant or regular attendant for any period in excess of 60 consecutive days and nights, unless our written consent has been obtained before it is left so uninhabited or unattended. This suspension will start from the first day the Premises are uninhabited or unattended.

3. **Reasonable Care**

You must take all reasonable care:

- (a) for the safety of the Property Insured,
- (b) to ensure that only competent employees are employed,
- (c) to maintain the Premises, structures, fittings, fixtures, furnishings, appliances, machinery, implements and plant in sound condition,
- (d) to prevent bodily injury or damage to or loss of property,
- (e) to comply with all statutory obligations, by-laws and regulations imposed by any public authority,
- (f) to prevent bodily injury or damage to property due to manufacture, sale or supply of defective goods.

4. **Fraudulent Claims**

If you or anyone acting on your behalf or with your connivance should make a claim knowing or reasonably suspecting the same to be false or fraudulent, payment of the claim may be refused.

5. **Cancellation**

This policy may be terminated at any time:

- (a) by you notifying us in writing in which case we shall retain or be entitled to recover the customary short period Premium subject to the customary minimum Premium, or
- (b) by us (subject to the provisions of the Insurance Contracts Act 1984 as amended) notifying you in writing. This notice may be delivered personally or posted to you at the address last advised to us. Cancellation of the policy shall be effective at 4pm of the third day after delivery of the notice or if posted, from the time at which the notice should be delivered in the ordinary course of post. After cancellation we will refund the Premium paid for the unexpired Period of Insurance.

You must furnish all information we may require for the adjustment of Premiums in accordance with the provisions of each Section of the policy.

6. **Subrogation**

We shall be entitled to use your name in any proceedings to enforce, for our benefit any rights, any remedies or orders in respect of any claim for injury or damage to property, covered by this policy or for costs or otherwise, and shall, subject to the provisions of any statute which may apply, have the right of subrogation in respect of all rights, which you may have against any person, company or other body who may be legally liable to you or otherwise in respect of any such claim.

Any claimant under this policy shall at our request and expense give information and assistance as may reasonably be required for the purpose of enforcing any rights or remedies or obtaining relief or indemnity from other parties to which we may be entitled or subrogated upon payment of any claims under this policy.

7. **Claims Procedure**

If any event occurs which gives rise or may give rise to a claim under this policy you must:

- (a) notify us as soon as possible giving full particulars of the loss, damage, injuries, illness or notice of the claim against you and details of any proceedings instituted against you,
- (b) take all reasonable precautions to prevent or minimise further loss, damage or liability,
- (c) take all reasonable steps to recover lost or stolen Property,
- (d) immediately notify the police in the event of a burglary or if any Property is stolen, lost or maliciously damaged,
- (e) supply to us within 30 days of the event full and detailed particulars and such proof as may reasonably be required by us,
- (f) supply us with details of any other insurances which cover or may cover the event.

You are not entitled to abandon any Property to us and must provide all reasonable information and assistance as we may require.

You must not admit liability for any loss, damage or injury, or settle or attempt to settle or defend any claim without our written consent.

We shall have full discretion in the conduct of any negotiations and the settlement of any claims.

You

- (i) shall use your best endeavours to preserve any damaged, defective or other appliances, plant or things which might prove necessary or useful by way of evidence in connection with any claim, and
- (ii) shall not alter or repair any building, appliance, plant or thing until we shall have had the opportunity of an inspection, unless necessary for practical or safety reasons.

After payment for or replacement of any Property (not being a building) lost or damaged, the Property becomes ours subject to your right to reclaim it on repayment to us of the amount paid by us in respect of such Property.

With regards to Public Liability and Boiler Explosion, refer to Specific Conditions in Section 4 and 6.

8. **When you are Paying for Insurance by Instalments**

- (a) If you are paying us by instalments for your insurance and one instalment of Premium remains unpaid for 14 days, we may refuse to pay a claim altogether.
- (b) In one instalment of the Premium is unpaid for one month, we may give you written notice of cancellation and then cancel the insurance policy.

Section 1 - Commercial Buildings

Definitions

1. “**Property Insured**” and “**Property**” in respect of this Section means all or any of the items listed in Definition 2.
2. “**Buildings**” means the buildings at the Insured Premises (including alterations and additions to buildings by you or on your behalf, subject to the ‘Capital Additions’ clause in this Section) together with landlord’s fixtures and fittings, walls, gates, fences, foundations, awnings, exterior lights and signs, storage tanks above and below ground, fixed fire fighting installations, landscaping, paths, roadways, and all other improvements of a structural nature, unless specifically excluded.

Basis of Claims Settlement

We will indemnify you against Accidental Loss or Damage (not otherwise excluded) to the Property Insured, happening during the Period of Insurance, at the Insured Premises and up to the limits specified in the Certificate of Insurance less any stated excess.

NOTE with regard to -

- (i) earthquake, subterranean fire or volcanic eruption, or
 - (ii) fire occasioned by or happening through or in consequence of (i), you will also have to pay 1% of the sum insured or a maximum of \$20,000 whichever is the lesser, for loss, destruction of or damage to Property occurring during any one period of 72 consecutive hours following the event,
 - (iii) malicious damage, an excess of \$100 applies to each and every claim.
- (a) Indemnity Value - on Buildings, the cost of reinstatement, replacement or repair subject to due allowance for wear, tear or betterment where applicable.
 - (b) Replacement Value - on Buildings, the cost of Reinstatement and Replacement and Extra Cost Reinstatement Conditions if so requested in the Certificate of Insurance.

Additional Benefits

The following clauses are incorporated to the extent that the limits specified in the Certificate of Insurance are not hereby increased.

1. **ARCHITECTS’ AND LEGAL FEES**
Fees necessarily incurred in the repair or reinstatement of damage to Property Insured by any insured peril.
2. **REMOVAL OF DEBRIS**
The cost of Removal of Debris and office equipment installations necessarily incurred in the repair or reinstatement of damage to Property Insured by any insured peril.
3. **CAPITAL ADDITIONS**
Alterations and additions are allowed up to 5% of the sum insured stated in the Certificate of Insurance or \$50,000 whichever is lesser.
4. **AUTOMATIC REINSTATEMENT**
The sum insured shall be automatically reinstated by the amount of loss from the time of the occurrence and you shall pay the appropriate additional Premium as required.
5. **FIRE EXTINGUISHING EXPENSES**
Fire Extinguishing Expenses resulting from fires at your Premises or premises in the immediate vicinity shall be limited to -
 - (a) wages of your employees other than full time members of a works fire brigade,
 - (b) the cost of replenishment of fire fighting appliances and destruction of or damage to materials (including employees’ clothing and personal effects) unless otherwise specifically insured,the maximum amount payable is \$1,000 for any one event.

6. KEYS AND LOCKS

We will indemnify you for the cost of replacing stolen locks and/or master keys up to a limit of \$500.

7. CIVIL AUTHORITY

We will indemnify you against the risk of damage or destruction by civil authority during a conflagration and for the purpose of retarding it, providing it was not caused by invasion, revolution, rebellion, insurrection or other hostilities or warlike operations.

8. WAIVER OF SUBROGATION

Where you are required by contractual agreement to release railway, statutory authorities, government, semi government and/or municipal authorities from liability arising from whatever cause, such release is permitted by us without prejudice to this insurance.

9. AUTOMATIC INFLATION PROTECTION

This Section applies only if specifically indicated in the Certificate of Insurance.

Where any claim exceeds the sum insured specified in the Certificate of Insurance, we will increase the sum insured by the percentage increase in the Consumer Price Index (All Groups) which occurred between the commencement of the current Period of Insurance and the date of the loss or damage, without additional Premium being payable.

Your renewal advice will automatically show the increased sum insured and the Premium will also be adjusted accordingly.

10. This additional benefit is only applicable to Basis of Claim Settlement (b)

A. REINSTATEMENT & REPLACEMENT

Amount payable is the cost of Reinstatement of the Property at the time of loss limited to the sum insured stated in the Certificate of Insurance less the stated excess subject to the Special Provisions hereunder

Reinstatement means -

- (a) where Property is lost or destroyed, in the case of a Building the rebuilding or in the case of other Property its replacement 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 and/or restoration of the Property to a condition substantially the same as but not better or more extensive than its condition when new.

Special Provisions

- 1 We will only be liable under this benefit if -
 - (a) work of Reinstatement is commenced and carried out with reasonable despatch and may be at another site providing our liability is not thereby increased,
 - (b) the repair cost does not exceed Reinstatement cost had the Property been wholly lost, destroyed or damaged,
 - (c) a sum equal to the cost of Reinstatement has actually been incurred,
 - (d) all other insurances have the same Condition.
- 2 Each item is separately subject to the Under Insurance Clause as stated in the Specific Conditions.
- 3 We are not bound to reinstate exactly or completely but only as circumstances permit and in a reasonably sufficient manner.

B. EXTRA COST OF REINSTATEMENT

Amount payable is the Extra Cost of Reinstatement, subject to the Special Provisions hereunder, including demolition of the Property lost, destroyed, or damaged, necessarily incurred with the requirements operative at the time of reinstatement of -

- (a) any act of parliament or regulation made thereunder, or
- (b) any by-law or regulation of any municipal or other statutory authority provided the sum insured stated in the Certificate of Insurance has not been otherwise exhausted.

If the cost of Reinstatement of the damage directly caused by any of the perils insured against is less than 50% of the value of Reinstatement if totally reinstated then we will only be liable for the Extra Cost of that portion which is actually damaged or destroyed.

Reinstatement has the same meaning as A above.

Special Provisions

- (a) We will only be liable under this benefit if the work of Reinstatement is commenced and carried out with reasonable despatch and may be at another site providing our liability is not thereby increased.
- (b) We will not be liable for Extra Cost incurred prior to the happening of loss, destruction or damage.
- (c) This Extra Cost Benefit is not subject to the Under Insurance Clause.

Specific Exclusions

We shall not be liable for -

1.
 - (a) Property Insured under marine policies, and/or Property while in transit other than the incidental movement of such Property within the Premises occupied by you, and except as otherwise provided by this Section,
 - (b) aircraft and/or watercraft of every kind and description, or Property contained therein,
 - (c) registered motor vehicles or trailers, or Property contained therein,
 - (d) railways locomotive and/or rolling stock, or Property contained therein,
 - (e) growing crops or standing timber,
 - (f) livestock, animals, birds or fish,
 - (g) money, negotiable instruments, jewellery, precious stones, furs, precious metals or bullion, stamps,
 - (h) mining property beneath the surface of the ground,
 - (i) accounts receivable (Book Debts), deeds, non-negotiable bonds,
 - (j) Property the subject of an erection and/or construction and/or testing contract,
 - (k) land, dams, reservoirs, canals, tunnels, bridges, docks, piers or wharves not forming part of a Building,
 - (l) Property sold by you under conditional sale, trust agreement, instalment plan, or other deferred payment, after delivery to customers,
 - (m) any boiler (other than a boiler used for domestic purposes) or other pressure vessel, including pipes, valves and other apparatus thereof, which requires certification, steam turbine and/or engine, occasioned by or arising from explosion, rupture, collapse, or bursting thereof, provided that this Exception shall be limited to the aforementioned items immediately affected and shall not extend to another Property as a result of such explosion,
 - (n) fixed glass, sanitary ware or sinks unless caused by fire, lightning, explosion, impact by motor vehicles, storm tempest and malicious damage.
2. loss, destruction, or damage by or resulting from -
 - (a) moths, termites or other insects, vermin, rust, mildew, mould, wet or dry rot, corrosion, change of colour, discolouration, or other gradual deterioration, dampness of atmosphere, or other variation in temperature, evaporation, contamination, inherent vice or latent defect, adjusting or servicing operations, loss of weight, change in flavour, texture or finish, smut or smoke from industrial operations (other than sudden or unforeseen damage resulting therefrom) normal settling, seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, roads, and other structural improvements, creeping and/or heaving, vibration,
 - (b) mechanical, electrical, or electronic breakdown or failure or derangement, but this Exclusion shall be limited to the machine or unit immediately or directly affected,
 - (c) data processing or media failure or breakdown, or malfunction of the processing system, unless fire or explosion ensues, but in any case only for the loss caused by such fire or explosion,
 - (d) electrical or magnetic injury, disturbance, or erasure of electronic recordings, except by lightning,
 - (e) wear and tear, breakage of fragile articles, scratching or marring, cost of normal upkeep,
 - (f) error or omission in design, plan, or specification or failure of design,
 - (g) the Property's own spontaneous combustion, fermentation, or heating or any process involving the direct application of heat, provided that this Exclusion 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, heating or process involving the direct application of heat,
 - (h) any fraudulent or dishonest misappropriation or embezzlement (including forgery, erasure and counterfeiting including fraudulent misappropriation by electronic means) of the Property Insured or any part thereof committed by your employee, alone or in collusion with any other person or persons. Provided that this Exclusion shall not apply to theft consequent upon forcible and violent entry upon Premises or felonious concealment upon Premises committed by your employee,

- (i) unexplained inventory shortage, or disappearance resulting from clerical or accounting errors,
 - (j) shortages in the supply or delivery of materials to you or by you,
 - (k) failure of the supply of water, gas or electricity (other than by fire or explosion),
 - (l) breakage of fixed glass, sanitary ware or sinks unless caused by fire, lightning, explosion, impact by motor vehicles, storm tempest and malicious damage.
3. loss, destruction, or damage directly or indirectly caused by or attributable to any legal liability of whatsoever nature.
 4. loss, destruction, or damage directly or indirectly caused by or arising out of -
 - (a) cessation of work whether total or partial,
 - (b) cessation, interruption, or retarding of any process of operation, as the direct result of strikes, labour disturbances or locked-out workers.
 5. loss, destruction, or damage caused directly or indirectly by water from the sea, tidal wave, high-water, flood, erosion, subsidence, collapse and/or earth movement other than by earthquake, notwithstanding that such loss, destruction or damage may be proximately caused by perils otherwise insured by this Section.
 6. loss, destruction or damage caused by storm, windstorm and/or rain -
 - (a) to gates, fences, textile awnings, blinds, and signs,
 - (b) to Property in the open air unless such Property comprises or forms part of a permanent structure designed to function without the protection of walls or roofs.
 7. loss, destruction, or damage arising from your neglect to use all reasonable means to save and preserve the Property Insured during and following the occurrence of an event insured against. We will pay up to \$500 for the cost of temporary protection following the occurrence of an event insured against.
 8. consequential loss of any kind due to delay, lack of performance, loss of contracts, or depreciation in the value of land or stock except as provided under Section 2.
 9. loss, destruction, or damage arising out of renovation, repair, installation, testing, alteration, or Property undergoing construction or erection except as specifically provided for in the Definitions of this Policy.
 10. loss, destruction, or damage arising out of -
 - (a) larceny or theft unless accompanied by violence to persons or threat of violence, or forcible or violent entry to or from your Premises,
 - (b) theft of Property in the open air,
 - (c) kidnapping, bomb threat, sabotage, extortion or any threat thereof.
 11. (a) the cost of rectifying defective materials or workmanship, but this Exclusion shall not apply to other Property Insured, lost or damaged in consequence of such defective materials or workmanship,
 (b) the cost of normal upkeep or normal making good.

Specific Conditions

1. OUR RIGHTS

If any event occurs which gives rise or may give rise to a claim under this Section, we or our authorised representative may without incurring any liability or diminishing our right to rely upon any Condition of this policy, enter, take or keep possession of the Building or Premises where the loss, destruction or damage has happened and may keep possession of or deal with such Property for all reasonable purposes and in any reasonable manner.

If you or any one acting on your behalf do not comply with our requirements or hinder or obstruct us in doing any of the abovementioned acts, then all benefits under this Section shall be forfeited.

2. UNDERINSURANCE

In the event of loss, destruction, or damage by a peril insured against, we shall only pay the proportion of loss, destruction or damage that the sum insured bears to 80% of the Property Value at the time the contract was entered into. The payment by us will be ascertained in accordance with the formula -

A is the number of dollars equal to the amount of the loss or damage.

$\frac{AS}{P}$ where S is the amount of the sum insured in respect of the Property.

P is 80% of the number of dollars equal to the value of the Property.

Section 2 - Loss of Rent Receivable

Definitions

“**Gross Rent Receivable**” or “**Rent Receivable**” mean money paid or payable to you for the renting or loaning of your Property.

“**Physical Damage**” or “**Damage**” means loss, destruction, or damage to your Property (or Property used by you), used for your business, provided the Property is insured under Section 1 - Commercial Buildings (loss arising out of destruction or damage by explosion of boilers and/or economisers excepted) and we or other companies by which the Property is insured shall have paid for or admitted liability in respect of such damage or would have paid for or admitted liability but for the operation of an excess.

“**Indemnity Period**” means the period commencing with the Physical Damage and for the ensuing period not exceeding 12 months during which the Gross Rent Receivable of the business is affected as a consequence of such Physical Damage.

Basis of Claims Settlement

Item 1 - Loss of Gross Rent Receivable

We will indemnify you by payment if the business is affected by Physical Damage -

- (a) the amount by which the Rent Receivable during the Indemnity Period falls, short in consequence of the Damage, to the rent which would have been received.
- (b) the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent Receivable 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 Rent Receivable thereby avoided less any sum saved during the Indemnity Period in respect of the expenses and charges payable out of Rent Receivable as may cease or be reduced in consequence of the Damage.

Our liability is limited to the amount stated in the Certificate of Insurance less the stated excess.

Item 2 - Additional Increased Cost of Working

We will pay the additional expenditure incurred during the Indemnity Period, in consequence of the Damage, in respect of Increased Cost of Working in excess of the amount payable under Item 1(b) for the purpose of resuming or maintaining normal business operations or administrative facilities and to minimise any interruption or interference with the business (whether there is a reduction in turnover or not). Our liability is limited to the amount stated in the Certificate of Insurance less the stated excess.

Item 3 - Accountant's Fees

We will pay the reasonable charges payable by you to your auditors or public accountants for producing and certifying any particulars or details contained in your books of account or other business books or documents or such other proofs, information or evidence as may be required for the preparation of claims under Sections 1 and 2 of this policy. Our liability is limited to the amount stated in the Certificate of Insurance less the stated excess.

Additional Benefit

PREVENTION OF ACCESS.

If your Business is interrupted in consequence of Damage (as defined) to Property in the vicinity of your Premises which prevents or hinders the use of your Premises (whether damaged or not) then that loss is deemed to be resulting from Damage to Property used by you at the Premises.

Specific Conditions

UNDER INSURANCE

In the event of Physical Damage where at that date the sum insured on Gross Rent Receivable is less than the anticipated Gross Rent Receivable you would have earned in the next 12 months had the Physical Damage not occurred, we will reduce your benefit otherwise payable under this policy by the percentage of under insurance in accordance with the formula - $\frac{AS}{P}$ where

A is the number of dollars equal to the amount of the loss or Damage.

S is the amount of sum insured in respect of the Gross Rent Receivable.

P is the number of dollars equal to the amount of the anticipated Gross Rent Receivable you would have earned in 12 months following the Physical Damage.

Section 3 - Glass

Definition

“**Breakage**” means a fracture extending through the entire thickness of the glass, sanitary ware or sink.

Basis of Claims Settlement

We will indemnify you against accidental Breakage of glass in windows, doors, shelving, partitions and other fixed glass at the Insured Premises, including sanitary ware and sinks, all owned by you or for which you are legally responsible.

Additional Benefits

Section 3 extends to include -

1. Breakage of advertising signs, fluorescent display tubes or light fittings in or on the Insured Premises, but limited to the sum insured specifically noted in the Certificate of Insurance and for which an extra Premium has been paid.
2. the cost of -
 - (a) signwriting or lettering,
 - (b) temporary shuttering,
 - (c) repairing damage to window and door frames, burglary alarm tapes and sun filtering films,
 - (d) replacing stock spoiled by broken glass (at cost price only),
 - (e) removing and refitting fixtures to allow access for reglazing,

incurred as a result of Breakage to fixed glass to an amount not exceeding \$1,000 in respect of all such costs incurred during any one Period of Insurance.

Specific Exclusions

This Section does not cover -

- 1) Breakage of glass, sanitary ware or sinks during their installation, removal or during work on or alterations to them or their framework, beadings or other fittings.
- 2) damage to advertising signs, fluorescent display tubes or light fittings unless a sum insured has been specifically stated in the Certificate of Insurance.
- 3) loss or damage caused by fire, lightning, explosion, impact by motor vehicles, storm and tempest, and malicious damage.

Specific Condition

Salvage

All glass salvaged from any Breakage shall become our Property and must be carefully preserved by you.

Section 4 - Public Liability

Definitions

1. “**Personal Injury**” means bodily injury, sickness or disease including resultant death sustained by any person at any time.
2. “**Property Damage**” means damage to, destructions or loss of property -
3. “**Occurrence**” means an event, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury or Property Damage neither expected nor intended from your standpoint. All occurrences arising directly or indirectly from one source or original cause are regarded as one occurrence.
4. “**you**” and “**your**” in respect of this Section mean
 - (a) (i) the Insured named, in the Schedule and including any subsidiary companies existing at the inception date of this Section.
 - (ii) all companies incorporated or acquired by the Insured during the Period of Insurance and corresponding to the Business designated in the Schedule PROVIDED THAT the incorporation or acquisition is notified to us within 60 days thereof and the name of the company is endorsed on the Certificate of Insurance. We reserve the right to charge an additional premium and/or impose special terms in regard to such companies incorporated or acquired.
 - (b) any director, executive officer, employee or shareholder of the Insured designated in (a) above but only while acting within the scope of their duties in that capacity.
 - (c) any principal with whom the Named Insured has entered into a contract or agreement for the performance of work where the terms of such contract or agreement requires that the Named Insured shall indemnify the principal to the extent required by such contract or agreement, but limited in all to the extent of coverage and Limits of Liability as are provided for in this Section.
 - (d) any office bearer or member of canteen, social sports, welfare, or child care organisation and first aid, fire or ambulance services formed with the consent of the Insured (other than (c) above) but only while acting within the scope of their activities in that capacity. This insurance shall not apply to Personal Injury or Property Damage to any participants of any game, match or the like.
5. “**Your Products**” or “**Product**” mean any goods, product or property manufactured, constructed, erected, installed, repaired, serviced, treated, sold, supplied, or distributed by you (including their containers, other than a Vehicle), in the course of the Business designated in the Certificate of Insurance after they have ceased to be in your custody or under your control.
6. “**Business**” means the ownership of the Premises shown in the Certificate of Insurance as PROPERTY OR RISK TO BE INSURED.
7. “**Vehicle**” means any type of machine designed to travel on wheels or on self-laid tracks made or intended to be propelled by other than manual or animal power.
8. “**Watercraft**” means any vessel, craft or thing (other than hand propelled) made or intended to float on or in or travel on or through water.
9. “**Aircraft**” means any vessel, craft or thing made or intended to fly in or through the atmosphere or space and including air cushion vehicles.
10. “**Territorial Limits**” means at the Situation of Risk as shown in the Certificate of Insurance.

Basis of Claims Settlement

We will pay to you or on your behalf all sums for which you become legally liable to pay for compensation (excluding punitive or exemplary damages) by reason of liability imposed on you by law, in respect of -

1. Personal Injury
2. Property Damage

occurring within the Territorial Limits during the Period of Insurance of this Section as a result of an Occurrence happening in connection with your Business. Our liability as a result of any one Occurrence is limited to the amount stated in the Certificate of Insurance less any stated amount of excess.

Additional Benefits

1. **ADDITIONAL PAYMENTS**
We will pay all reasonable expenses incurred by us and/or by you with our written consent in the settlement or defence of any claim for compensation recoverable under this Section.

Provided that we will not pay for any claim or judgment or defend any suit after our Limit of Liability has been exhausted.
2. **CROSS LIABILITY**
Each of the parties comprising “**you**” or “**your**” shall be considered as a separate legal unit and the word “**you**” or “**your**” will apply to each party as if a separate policy had been issued but our Limit of Liability is not increased by this additional benefit.
3. **HOISTS, CRANES, ELEVATORS AND ESCALATORS**
We will indemnify you against liability incurred through the use of hoists, cranes, elevators, escalators and unregistered Vehicles whilst on your Premises stated in the Certificate of Insurance
4. **CAR PARKING**
We will indemnify you for Vehicles (not owned by you or on your behalf) in your care, physical custody or legal control where such Property Damage occurs while the Vehicles are in a car park owned or operated by you provided that no part of your Business is the operation of a car park for reward or the provision of Motor Vehicle repair or maintenance services.
5. **POLLUTION**
We will indemnify you in the event of the sudden and accidental escape, discharge, dispersal or release of pollutants.

Specific Exclusions

We shall not be liable for claims -

1. caused by the nature, condition, or quality of Your Products.
2. caused by any mechanically propelled Vehicle or machine including their attachments which are owned by you or in your care, physical custody or under your legal control or used in work undertaken by you or on your behalf in respect of which there is a statutory obligation to effect insurance.
3. arising out of the seepage, discharge, dispersal, emission, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids, gases, waste materials or other irritants, contaminants or pollutants by you into or upon land, the atmosphere or any water course or body of water unless such seepage, discharge, dispersal, emission, release or escape is sudden and accidental. This Specific Exclusion 3 also applies to any cost of removing, nullifying or cleaning up any such seeping, polluting or contaminating substances.
4. arising directly or indirectly from explosion of boilers or other vessels under pressure in respect of which a certificate is required to be issued under the terms of any statute or other regulation.
5. arising directly or indirectly out of or caused by or in connection with the erection, demolition, alteration of and/or addition to buildings by or on your behalf except such erection, demolition, alteration or addition not exceeding in cost the sum of \$5,000.
6. in respect of damage to any land or fixed property arising directly or indirectly from vibration.
7. in respect of damage to any land or fixed property arising directly or indirectly by the removal of, weakening of or interference with support to land, buildings or any other property.
8. arising out of any liability assumed by you under any contract, warranty or agreement, except for liabilities which would have been implied by law in the absence of such contract, warranty or agreement.
9. arising out of a breach of duty owed in a professional capacity by you and/or persons for whose breaches of such duty you may be legally liable.
10. submitted by or for any member of your family or a person in your service or in the service of a contractor or sub-contractor or Personal Injury for which liability is provided for under workers compensation legislation or claims arising from a liability imposed by an industrial award or agreement or determination.

11. in respect of damage to your property or property in your care, physical custody, or legal control.
12. in respect of fines or penalties imposed by statutes or regulations, or in respect of any award of punitive, exemplary or liquidated damages made against you.
13. arising out of the ownership, existence, use, operation, loading or unloading by or on your behalf relating to -
 - (a) any Watercraft,
 - (b) any Aircraft,
 - (c) any premises for the purpose of any airport or Aircraft landing strip and all operations necessary or incidental thereto,
 or the repair, maintenance, servicing, or installation work in or on any Watercraft or Aircraft.
14. in respect of loss of use of tangible property which has not been physically injured or destroyed resulting from -
 - (a) delay in or lack of performance by you or on your behalf or any contract or agreement, or
 - (b) the failure of Your Products to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by you.
15. arising out of publication or utterance of a libel or slander or defamation of any kind.
16. arising from or in connection with the actions of any contractor and/or sub-contractor or the employees of such contractor and/or sub-contractor.

Specific Conditions

Claims Procedure and Requirements

1. You must -
 - (a) notify us immediately of the Occurrence of any Personal Injury or Property Damage,
 - (b) provide us with all particulars and information that we may require,
 - (c) forward to us immediately on receipt every letter, writ, summons, and process,
 - (d) give all information and assistance we may require in the prosecution, defence or settlement of any claim.
2. No admission of liability or offer or promise or payment shall be made without our written consent.
3.
 - (a) We shall be entitled to use your name in any proceedings to enforce, for our benefit any rights, any remedies or orders in respect of any claim for injury or damage to property, covered by this Section or for costs or otherwise, and shall, subject to the provisions of any statute which may apply, have the right of subrogation in respect of all rights, which you may have against any person, company or other body who may be legally liable to you or otherwise in respect of any such claim.
 - (b) We may at any time pay to you in respect of all claims against you the Limit of Liability as stated in the Certificate of Insurance or any lesser sum for which the claim or claims can be settled. Following this payment we will relinquish conduct or control of and be under no further liability under this Section in connection with such claim or claims.
4. Where you are comprised of more than one party the proposal of this Section shall be deemed to have been furnished by and on behalf of all such parties and any information supplied to us or any omission or non-disclosure in relation to any renewal or extension shall likewise be deemed to have been furnished, omitted or withheld (as the case may be) on behalf of all such parties.

PREMIUM ADJUSTMENT

Unless otherwise provided for the Premium of this Section is an adjustable Premium. If the first or renewal Premium for this Section or any part of it shall have been calculated on statements and estimates furnished by you, you shall keep an accurate record containing all relative particulars and at the end of each Period of Insurance furnish them to us. The Premium shall then be adjusted by us and any difference be paid or allowed to you subject to receipt and retention of the minimum Premium charged by us. You shall at all times allow us to inspect such record.

Section 5 - Machinery Breakdown

Definitions

“**Breakdown**” means sudden and unforeseen damage which requires parts to be replaced in order to make the machine operate in the same manner and condition as before the breakdown.

“**Machine**” means refrigeration, air-conditioning, all electric motors, fans, pumps and other machinery where specified in the Certificate of Insurance. It extends to include any other items of plant noted specifically in the Certificate of Insurance.

Basis of Claims Settlement

We will indemnify you in respect of Breakdown to Machines (which includes electrical and mechanical Breakdown), during the Period of Insurance, by payment or at our option by reinstatement or repair, of parts replaced plus labour costs plus travel and call out costs.

We will also pay,

- (a) extra charges for overtime, night work, work on public holidays,
- (b) express freight within the Commonwealth of Australia, including air freight, incurred in connection with the restoration or repair of loss or damage indemnifiable under this Section.

Our liability is limited to the sum insured shown in the Certificate of Insurance less the stated amount of excess.

You must contribute for depreciation of the Machine and/or parts replaced on the basis of 5% per annum for each year the Machine has been in service after the first year. This depreciation factor is limited to a maximum of 66% and does not apply to labour costs associated with repair of a Machine.

All damage which can be repaired must be repaired instead of fitting a new unit, however, should the cost of repairs exceed replacement costs, our liability is the lesser and always limited to the sum insured.

Any costs of a maintenance nature, or for improvements to a Machine carried out during the repair will be deducted from any claim.

An excess of \$100 applies to each and every claim made during the Period of Insurance.

Any salvage value will be deducted from the amount payable for the claim.

Additional Benefit

1. HIRE OF TEMPORARY REPLACEMENT MACHINE Providing the sum insured is not otherwise exhausted, we will pay for the hire of a temporary replacement Machine during the time taken to repair damage to any insured Machine.

Specific Exclusions

We shall not be liable for -

1. any costs associated with
 - (a) maintaining, cleaning, adjusting, overhauling, or making improvements to the Machines,
 - (b) wear and tear, or corrosion.
2. the cost of replacement of -
 - (a) heating or defrosting elements, valves, switches, thermostats or dryers, cutting blades or seals,
 - (b) loss of refrigeration from seals, joints, or valves,
 - (c) refrigerant gas or liquid.
3. scratching or other marking of painted or polished surfaces.

4. loss or damage caused by or arising from -
 - fire
 - smoke or soot
 - extinguishing of a fire or subsequent demolition
 - direct lightning
 - chemical explosion (other than explosion of flue gas in boilers)
 - impact of landlord vehicles or waterborne craft
 - earthquake, subterranean fire or volcanic eruption
 - landslide or subsidence
 - riot, strike, lockout, civil commotion or malicious persons acting on behalf of, or in connection with any political organisation
 - aircraft or other aerial devices or articles dropped therefrom
 - storm, tempest, windstorm, hurricane or cyclone
 - flood or inundation
 - water discharged or leaking from any pipe or water system
 - theft or attempts thereat
 - rainwater.
5. faults or defects in existence at the time this cover begins.
6. normal maintenance costs or the replacement of deteriorated parts.

Specific Conditions

You must notify us before each renewal of this policy of any alterations or additions to the Machines insured.

Section 6 - Boiler Explosion

Definitions Part A and B

“Explosion” means the sudden and violent rending of the permanent structure of the plant by force of internal steam or fluid pressure (other than pressure of ignited flue gases) causing bodily displacement of any part of the structure together with forcible ejection of its contents.

“Collapse” means the sudden and dangerous distortion of -

- (a) the furnace or firebox of an internally fired boiler, or
- (b) any part of a pressure vessel,

being plant insured herein caused by bending or crushing of the permanent structure by force of steam or of fluid pressure (other than pressure of ignited flue gases).

Basis of Claims Settlement (Part A - Damage to Plant)

We will indemnify you against damage, occurring during the Period of Insurance, to the insured item or plant nominated in the Certificate of Insurance the subject of Explosion or Collapse arising directly consequent upon and solely due to such Explosion or Collapse.

We may at our own option repair, reinstate, or replace the damaged plant or any part thereof or pay the amount of damage in money. Our liability is limited to the amount stated in the Certificate of Insurance in respect of any one event, less the stated excess.

Basis of Claims Settlement (Part B - Third Party Liability)

Applicable only if a Limit of Liability is nominated in the Certificate of Insurance.

We will indemnify you against liability at law for -

- (a) bodily injury (including death and illness),
 - (b) damage to property (including loss of property),
- arising directly upon and solely due to the occurrence of unforeseen and sudden physical loss or damage to insured registered boiler(s) and pressure vessel(s).

Our liability is limited to the amount stated in the Certificate of Insurance in respect of any one event less the stated excess.

Specific Exclusions

We shall not be liable for-

1. wearing away or wasting of the material of the plant whether by leakage corrosion or by action of fuel or otherwise,
 2. slowly developing deformation or distortion of any part of the plant,
 3. cracks, fractures, blisters, laminations, flaw or grooving even when accompanied by leakage or damage to tubes, heaters, or other parts of the plant caused by overheating or leakage at seams, tubes, or other parts of the plant,
 4. failure of joints,
- but explosion or collapse arising from any defect 1 to 4 is not excluded.
5. loss of use of your plant or Property or any other consequential loss incurred by you.
 6. loss, damage or liability arising during or in consequence of
 - (a) fire,
 - (b) earthquake, subterranean fire,
 - (c) riot, civil commotion.
 7. loss or damage due to strike or lockout.
 8. any legal liability unless a Limit of Liability has been nominated in the Certificate of Insurance for Third Party Liability.
 9. damage arising during the application of any hydraulic test of the plant and occasioned thereby.

10. With regards to Third Party Liability (Part B)
We shall not be liable for -
- (a) persons in your service,
 - (b) property belonging to you, held in trust or on commission or for which you are responsible,
 - (c) liability assumed by express warranty or agreement unless such liability would have attached to you notwithstanding such express warranty or agreement.

Special Conditions

1. You will not be entitled to indemnity if -
 - (a) the load on the safety valve(s) upon the particular item of plant was in excess of that permitted by the latest certificate issued in accordance with Boiler Inspection Regulations applicable thereto, or
 - (b) if any safety valve limiting the pressure is removed or rendered inoperative, or
 - (c) where certificates of inspection are issued by a Government Department if the particular item of plant was not so certified.
2. Our representatives will be permitted at all reasonable times to inspect the plant insured herein and the structures in which it is contained. On receipt of reasonable notice by us, you will at your own expense have such plant emptied and properly cleared inside and outside and rendered accessible for the purposes of a thorough inspection.
3. You must notify us of changes in work conditions, repair, removal, alterations, or additions to any item of plant or its appurtenances. If we do not approve we may cancel the insurance in respect of such item and return to you a proportion of the Premium for the unexpired Period of Insurance.
4. In the event of Explosion or Collapse, hereby insured you must notify us in writing as soon as possible but not later than 96 hours after the occurrence. Every letter, claim, writ, summons or process shall be notified or forwarded to us immediately on receipt. You must also notify us of any impending prosecution, inquest or enquiry of which you are aware.

Policy Endorsements

The following Endorsements apply only if they are specifically incorporated by reference in the Certificate of Insurance.

Section 4 - Public Liability

1. **INCLUSION OF PROPERTY IN YOUR CUSTODY OR LEGAL CONTROL**

The words "or property in your care, physical custody or legal control" are deleted from Specific Exclusions 11 of Section 4.

Additional Policy Endorsements

The following Endorsements apply only if they are specifically incorporated by reference number in the Certificate of Insurance.

Section 1 - Commercial Buildings

31. INCLUDING FLOOD COVER

The word FLOOD is deleted from Specific Exclusion 5 of Section 1.

Fraud Hotline

A significant number of insurance claims are fraudulent. This not only leads to increased premiums for customers, but thousands of dollars are spent each year investigating fraudulent claims.

Help stop insurance fraud by calling our hotline

1800 A FRAUD - 1800 237 283

If you choose to give your name, it will be held in the strictest confidence.

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Adelaide SA 5000
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West Perth WA 6005
Fax (08) 9264 2346

Sydney
388 George Street
Sydney NSW 2000
Fax 1300 367 310

Melbourne
Level 6, 440 Collins Street
Melbourne VIC 3000
Fax (03) 9670 3673

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