



Industrial Special Risks Mark IV

COAST SPECIALTY RISKS
POLICY WORDING

ISR Mark IV
AMENDED 0124 SR
22 January 2024

coastins.com.au

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ABN 44 108 154 829 AFSL 268726

INDUSTRIAL SPECIAL RISKS MARK IV

This **Policy** of **Insurance** confirms that in return for payment of the **Premium**, certain **Underwriters** at Lloyd's have agreed to Indemnify the **Insured**, in accordance with this **Policy** wording "**Policy**".

In accepting this **Insurance**, the **Underwriters** have relied on the information and statements that **You** have provided in the Proposal Form. **You** should read this **Policy**, and the **Schedule** carefully and if it is not correct contact **Your** Broker. It is an important document and **You** should keep it in a safe place with all other papers relating to this **Insurance**.

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Introduction

About The Insurer

This **Policy** is underwritten by certain **Underwriters** at Lloyd's ('**Underwriters**'). The **Underwriters** are collectively referred to as 'We, Us, Our, the **Insurer(s)**' in this **Policy**.

Certain **Underwriters** at Lloyd's are authorised and regulated by the Australian Prudential Regulation Authority ('APRA') under the provisions of the **Insurance Act 1973 (Cth)** to conduct **Insurance Business** in Australia.

Welcome to the Lloyd's Market

Lloyd's is the world's specialist **Insurance** and reInsurance market, bringing together an outstanding concentration of underwriting expertise and talent. It is often the first to insure emerging, unusual and complex risks.

Around 80 syndicates are underwriting **Insurance** at Lloyd's, covering all classes of **Business**. Together they interact with thousands of brokers daily to create **Insurance** solutions for Businesses in over 200 countries and territories around the world. Lloyd's enjoys strong financial security supported by excellent ratings. Visit www.lloyds.com for more information.

You should contact of Coast Insurance in the first instance in relation to this **Insurance**.

About Coast Insurance

Coast Insurance Pty Ltd (ABN 44 108 154 829, AFSL 268726) ('Coast') acts under a binding authority given to it by Us, to administer and issue policies, alterations and renewals. In all aspects of arranging the **Policy**, Coast acts as an agent for the **Insurer(s)** and not for **You**.

If **You** have any queries in relation to this **Policy**, contact Coast in any of the following ways:

Street Address: 1st Floor, 186 Scarborough Beach Road, Mt Hawthorn Western Australia 6016

Postal Address: PO Box 120, Mount Hawthorn WA 6915

Phone: +61 8 6374 7000

General Insurance Code of Practice

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice ("the Code"), which is a voluntary self-regulatory code. The Code aims to raise the standards of practice and service in the insurance industry.

Lloyd's has adopted the Code on terms agreed with the Insurance Council of Australia. For further information on the Code please visit www.codeofpractice.com.au.

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code. For more information on the Code Governance Committee (CGC) go to www.insurancecode.org.au

Complaints and Disputes

If **You** have any concerns or wish to make a complaint in relation to this **Policy**, our services or **Your Insurance** claim, please let us know and we will attempt to resolve **Your** concerns in accordance with our Internal Dispute Resolution procedure. Please contact in the first instance:

Complaints Officer

Coast Insurance Pty Ltd

Email: info@coastins.com.au

Phone: +61 8 6374 7000

Address: PO Box 120, Mount Hawthorn WA 6915

We will acknowledge receipt of **Your** complaint and do our utmost to resolve the complaint to **Your** satisfaction within 10 **Business** days.

If we cannot resolve **Your** complaint to **Your** satisfaction, we will escalate **Your** matter to Lloyd's Australia who will determine whether it will be reviewed by their office or the Lloyd's UK Complaints team. Lloyd's contact details are:

Lloyd's Australia Limited

Email: ldraustralia@lloyds.com

Telephone: (02) 8298 0783

Post: Suite 1603 Level 16, 1 Macquarie Place, Sydney NSW 2000

A final decision will be provided to **You** within 30 calendar days of the date on which **You** first made the complaint unless certain exceptions apply.

You may refer **Your** complaint to the Australian Financial Complaints Authority (AFCA), if **Your** complaint is not resolved

to **You** satisfaction within 30 calendar days of the date on which **You** first made the complaint or at any time. AFCA can be contacted as follows:

Telephone: 1800 931 678
Email: info@afca.org.au
Post: GPO Box 3 Melbourne VIC 3001
Website: www.afca.org.au

Your complaint must be referred to AFCA within 2 years of the final decision, unless AFCA considers special circumstances apply. If **Your** complaint is not eligible for consideration by AFCA, **You** may be referred to the Financial Ombudsman Service (UK) or **You** can seek independent legal advice. **You** can also access any other external dispute resolution or other options that may be available to **You**.

The **Underwriters** accepting this **Insurance** agree that:

(i) if a dispute arises under this **Insurance**, this **Insurance** will be subject to Australian law and practice and the **Underwriters** will submit to the jurisdiction of any competent Court in the Commonwealth of Australia;

(ii) any summons notice or process to be served upon the **Underwriters** may be served upon:

Lloyd's **Underwriters'** General Representative in Australia
Suite 1603
Level 16
1 Macquarie Place
Sydney NSW 2000

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

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

In the event of a claim arising under this **Insurance** immediate notice should be given to:

Sedgwick Australia
Level 15,
35 Clarence Street,
Sydney,
NSW,
2000

Tel: +1300 654 599
E-mail: coastinsuranceclaimsau@sedgwick.com

LMA5544
17 May 2021

Lloyd's Australian Alternative Disputes Resolution Clause

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

(a) Any party to the dispute shall, without prejudice to any other right or entitlement they may have, give written notice to the other party (the "Dispute Notice") requiring them within 7 days of this notice to negotiate (whether in a face to face meeting or by teleconference) in good faith as to how the dispute can be resolved;

(b) If a dispute is not resolved within 10 days of the Dispute Notice, either party can request the other party within a further 10 days to agree on either:

1. a process for resolving the dispute through means other than litigation or arbitration, such as further negotiation, mediation, or any other alternative dispute resolution technique. The rules governing any such technique shall be agreed as between the parties and where no such agreement as to the process and or guidelines is reached within 10 days, then it shall be by mediation by a mediator selected by the Chairperson for the time being of Lawyers Engaged in Alternative Dispute Resolution (LEADR) (or other appropriate professional body as agreed by the parties); or

2. referral of the matters in dispute to an independent expert for an expert determination. The parties agree that they will not be bound by the determination of the expert. The expert:

(a) will be a person agreed between the parties within 10 days of the dispute being referred to expert determination or failing this, the expert will be a person appointed by the Australian **Insurance** Law Institute (or other appropriate professional body as agreed by the parties);
(b) will act as an expert and not as an arbitrator;

- (c) will proceed in such a manner as he or she thinks fit without being bound to observe the rules of natural justice or the rules of evidence;
- (d) will take into consideration all documents, information and other written and oral material that the parties place before him or her including documents, information and material relating to the facts in dispute and to arguments and submissions upon the matters in dispute; and
- (e) will act with expedition to provide the parties with a determination in writing within 35 days of the referral to him or her of the matters in dispute.

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

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

(c) Following either a mediation or an expert determination pursuant to clause (b) of this provision, either party may then initiate proceedings in any competent Court in the Commonwealth of Australia in relation to the matters in dispute. Such proceedings may only be commenced on 14 days written notice to the other party and shall be determined in accordance with the law and practice applicable in such Court.

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

Lloyd's Underwriters' General Representative in Australia
Suite 1603
Level 16
1 Macquarie Place
Sydney NSW 2000

who has authority to accept service on **Underwriters'** behalf.

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

(d) Except where the dispute renders it impossible to do so, the parties will continue performing their respective obligations under the **Policy** while the dispute is being resolved, unless and until such obligations are terminated or expire in accordance with this agreement.

(e) Each party must use its reasonable endeavours to ensure that where a dispute is reasonably foreseeable, it is dealt with at a sufficiently early stage to ensure that there is a minimal effect on the ability of either party to perform its obligations under the **Policy**.

(f) Notwithstanding anything in this **schedule**, either party may at any time commence Court proceedings in relation to any dispute or claim arising under, or in connection with the **Policy** where the party seeks urgent interlocutory relief.

LMA5547
17 May 2021

Your Privacy and the Law

Coast Insurance Pty Ltd (ABN 44 108 154 829, AFSL 268726) ('Coast') is dedicated to upholding **Your** privacy and protecting **Your** personal information. We are bound in Australia by the Privacy Act 1988 (Cth) and its associated Australian Privacy Principles. Please visit www.coastins.com.au for full details of Our up to date Privacy **Policy**.

We'll collect personal information when **You** deal with Us, Our agents or suppliers acting on Our behalf. We use **Your** personal information so We can do **Business** with **You**, which includes issuing and administering Our products and services and processing claims. Sometimes We might send **Your** personal information overseas. The locations We send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy **Policy** describes in detail where and from whom We collect personal information, as well as where We store it and the full list of ways We could use it. **You** can view Our **Policy** online at:

Please visit our website www.coastins.com.au for more information on Our Privacy **Policy**.

It's up to **You** to decide whether to give Us **Your** personal information, but without it We might not be able to do **Business** with **You**, including not paying **Your** claim.

How the Goods and Services Tax (GST) Affects this Insurance

The **Premium** includes an amount on account of GST.

You must inform us of the extent to which **You** are entitled to an input tax credit (ITC) for **Your Premium** and claim each time that **You** make a claim. No payment will be made to **You** for any GST liability that **You** may incur on the settlement of a claim if **You** do not inform us of **Your** entitlement or correct entitlement to an input tax credit.

GST has an impact on the way in which claim payments are calculated under **Your Policy**. We will calculate the amount of any payment we make to **You** having regard to **Your** GST status. The amount we pay **You** for any claim will be calculated

taking into account any input tax credit to which **You** are entitled for any acquisition which is relevant to **Your** claim, or to which **You** would have been entitled were **You** to have made a relevant acquisition.

If **You** are not entitled to an input tax credit on **Your Policy Premium**, all **Insured** amounts and limits of liability stated in **Your Policy** are GST inclusive (unless **Your Policy** states otherwise).

If **You** are entitled to an input tax credit on any part of **Your Policy Premium**, the **Insured** amounts and limits of liability stated in **Your Policy** are exclusive of GST to the extent of **Your** input tax credit entitlement.

In respect of **Your Policy**, where **You** are registered for GST purposes **You** should calculate the **Insured** amounts having regard to **Your** entitlement to input tax credits. **You** should, therefore, consider the net amount (after all input tax credits have been taken into account) which is to be **Insured** and calculate and advise to us an **Insured** amount on a GST exclusive basis.

This outline of the effect of the GST on **Your Policy** is for general information only. **You** should not rely on this information without first seeking expert advice on the application of the GST to **Your** particular circumstances.

'GST', 'input tax credit', 'acquisition' and 'supply' have the meaning given in A New Tax System (Goods and Services Tax) Act 1999.

Our Contract with You

This Policy is a contract of insurance between You and Us and contains all the details of the cover that We provide.

The Policy consists of:

- this Policy wording which tells You what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover (this document);
- the Proposal, which is the information You provide to Us when applying for insurance cover;
- Your most current Policy Schedule issued by Us. The Schedule is a separate document unique to You, which shows the insurance details relevant to You. It includes any changes, exclusions, terms and conditions made to suit Your individual circumstances and may amend the Policy;
- any Endorsement;
- any other document We tell You forms part of the Policy which may vary or modify the above documents.

Please note, only those cover sections shown as covered in Your Schedule are insured.

These documents should be read together as they jointly form the contract of insurance between You and Us.

Duty of Disclosure

Before **You** enter into an **Insurance** contract, **You** have a duty to tell Us anything that **You** know, or could reasonably be expected to know, may affect Our decision to insure **You** and on what terms. **You** have this duty until We agree to insure **You**. **You** have the same duty before **You** renew, extend, vary or reinstate an **Insurance** contract.

You do not need to tell Us anything that:

- reduces the risk We insure **You** for; or
- is common knowledge; or
- we know or should know as an **Insurer**; or
- we waive **Your** duty to tell Us about.

Keeping Us up to date

During the **Period of Insurance** and at renewal, **You** must tell Us of any of the following changes (for which We may ask for an additional **Premium** to maintain cover) within 7 days:

- if the building is not in a good state of repair;
- work on the building other than routine maintenance or decoration;
- any material change in the **Business**;
- any change of premises;
-

If You do not tell Us something

If **You** do not tell Us anything **You** are required to, We may cancel **Your** contract or reduce the amount We will pay **You** if **You** make a claim, or both.

If **Your** failure to tell Us is fraudulent, We may refuse to pay a claim and treat the contract as if it never existed.

Insurers Several Liability Clause

The liability of an **Insurer** under this contract is several and not joint with other **Insurers** that are a party to this contract. An **Insurer** is liable only for the proportion of liability it has underwritten. An **Insurer** is not jointly liable for the proportion of liability underwritten by any other **Insurer**. Nor is an **Insurer** otherwise responsible for any liability of any other **Insurer** that provides **Insurance** under this contract.

The proportion of liability under this contract underwritten by an **Insurer** (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an **Insurer**. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other **Insurer** that may underwrite this contract. The **Business** address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

Paying your premiums

We will tell you how much premium you have to pay and how much time you have for payment of your premium.

You must pay your premium and other charges by the due date to obtain this insurance cover.

Any payment reminder we send you does not change the expiry or due date, unless we tell you otherwise. If you do not pay the premium and other charges in full, we may reduce the period of insurance so it is in line with the amount you paid.

Where you do not pay your premium by the due date for the first period of insurance with us, we can cancel your policy. Where you do not pay the premium for renewal by the due date, then the renewal policy will not commence and your cover will end at the expiry of the previous period of insurance.

If we accept your late payment, we may recommence your cover from the date we received your payment. If so, you will not have any cover from the expiry of the previous period of insurance until the date of payment.

If you change your Policy, you may be required to pay an additional premium. Where a change to your Policy results in a premium increase, you will have to pay the amount by which your premium has increased by the due date to obtain the varied insurance cover.

Cancellations

How you may cancel

You can cancel your policy at any time by telling us you want to cancel it. You can do this by giving notice to your broker. The cancellation takes effect on the date we receive your request. If you cancel your policy, we will refund the proportion of your premium for the unexpired period of insurance along with GST less any non-refundable government charges.

When your policy is cancelled during a period of insurance in which We have paid a claim we will not refund any premium for that period of insurance.

How we may cancel

We can cancel your policy at any time according to law. We will cancel your policy by telling you so in writing, either in person or by post to your last known address. If we cancel your Policy we will refund the proportion of your premium for the unexpired period of insurance along with GST less any non-refundable government charges if the refund is more than \$10. If we cancel your Policy due to fraud, we will not refund any money to you.

Such cancellation shall take effect at the earlier of the following times:

- (a) the time when another policy of insurance between you and us or some other insurer, being a policy that is intended by you to replace this policy, is entered into; or
- (b) at 4.00 pm on the thirtieth (30th) business day after the day on which notification was given by us
- (c) If we pay a claim for the full insured amount on your building, that cover ends. Any Cover Section, Extra cover, Additional benefit or Optional insurance for that cover also ends.

When your Policy ends as a result of us paying out a claim for the full insured amount on your building we will not refund any premium for an unexpired period of insurance.

Premium funders

If the premium has been funded by a premium funding company which holds a legal right over the Policy by virtue of a notice of assignment and irrevocable power of attorney, the return of premium calculated on the basis set out above will be made to the premium funding company.

How to make a Claim

If You need to make a claim against this Policy, please refer to the 'Notification of Claims' in the Conditions section of the Policy.

If You have any queries, please contact Your broker or Us as soon as possible.

Definitions and Interpretation

In this Policy:

- (a) a reference to Memorandum and Memoranda shall be a reference to a clause and clauses in the **Policy**, as the case may be.
- (b) Clauses in the **Section** headed "Endorsements" amend, delete or replace other Memorandum and take precedence over other Memorandum to the extent of any inconsistency, and as specified in the clauses.
- (c) A reference to Excluded Cause is a reference to the exclusions under the heading "Excluded Causes" in the **Policy**
- (d) A reference to Excluded Property is a reference to the exclusions under the heading "Excluded Property" in the **Policy**
- (e) In this **Policy** the following words and phrases have the meaning given to them below:

Additional Endorsements

Additional Endorsements means a written amendment to the **Policy** issued by the **Insurer**.

Basis of Settlement

Basis of Settlement means the basis of the indemnity for physical loss, destruction or physical **Damage** of **Property Insured** provided by this **Insurance** set out under the heading "Basis of Settlement" in **Section 1** of the **Policy** and the basis of settlement for **Damage** under the heading "Basis of Settlement" in **Section 2**, as the case may be.

Business

Business means the **Business** of the **Insured** specified in the Schedule

Co-Insurance Clause

Co-Insurance Clause means the clause in the **Policy** headed "Co-Insurance" in **Section 1**.

Constructive Total Loss

Constructive Total Loss means property **Damage** loss that is treated as a total loss because the cost of repairing the **Damaged** property exceeds the value of the property.

Damage

Damage means direct physical loss, destruction or physical **Damage** with "**Damaged**" having a corresponding meaning.

Deductible

Deductible means the amount specified in the **Schedule** which must be borne by the **Insured** for a claim under the **Policy** as set out in the Schedule.

Indemnity Value

Indemnity Value means the amount it would cost to replace the property at the time of loss, taking into account wear, tear and depreciation.

Insurance

Insurance means the **Insurance** provided to the **Insured** pursuant to the terms of the **Policy**.

Insured

Insured means the persons and entities specified as the "**Insured**" in the Schedule.

Insured Event

Insured Event means a type of loss **Insured** under **Section 1** of the **Policy** not otherwise excluded by any term of the **Policy**.

Insurer

Insurer means each person or entity that is a party to this contract of **Insurance** that has agreed to provide the **Insurance** to the **Insured**, whose details are specified in the Schedule.

Limit(s) of Liability

Limit(s) of Liability and **Sub Limits of Liability** means the maximum liability of the **Insurer** for:

- (a) an item of Property **Insured**, or
- (c) for a category of Property **Insured**, or
- (b) for any one claim under the **Policy**, or
- (c) for all claims in respect of **Property Insured** at a **Situation**; or
- (d) for all claims under the **Policy**,

as specified in the Schedule, which shall be the maximum liability of the **Insurer** for the claim, loss or **Damage** specified in the Schedule.

Money

Money means Cash, bank notes, currency notes, cheques, bankers drafts, postal orders, **Money** orders, current postage stamps and revenue stamps, credit company sales vouchers, VAT purchase invoices, **Premium** Bonds, bills of exchange, gift tokens, trading stamps, unused units in franking machines, consumer redemption vouchers and credit cards.

Personal Property

Personal Property includes **Money** whilst contained in the **Situation** and whilst in transit to and from the **Situation** anywhere in Australia, including whilst contained in the night safe of any bank or financial institution where the **Insured** transacts **Business**, and in the personal custody of the **Insured** and/or persons authorised by the **Insured** whilst contained in their private residences.

Period of Insurance

Period of Insurance means the period specified as "Period of **Insurance**" in the Schedule.

Policy

Policy means this contract of **Insurance** and includes the Schedule, the **Schedule** of Declared Values, and any Additional Endorsements.

Premium

Premium means the **Premium** payable to the **Insurer** for this **Insurance** and includes all taxes and government charges.

Property Insured

Property Insured means all real and **Personal Property** of every kind and description (except as excluded in the Property Exclusions) belonging to the **Insured** or for which the **Insured** is responsible, or has assumed responsibility to insure prior to the occurrence of any **Damage**, including all such property in which the **Insured** may acquire an insurable interest during the **Period of Insurance** at the **Situation**.

Section

Section means that part of the **Policy** under the headings "**Section 1**", "**Section 2**", "Excluded Property", "Excluded Causes", "Memoranda Applicable to all **Sections**", "Conditions Applicable to all **Sections**" and "Endorsements", as the case may be.

Schedule

Schedule means the **Schedule to Policy** that **Insurers** issue to the **Insured** that forms part of the **Policy**.

Schedule of Declared Values

Schedule of Declared Values means the **Schedule** provided by **You** to **Insurers** declaring the value of **Property Insured** at the commencement of the **Policy**, and where no **Schedule** is provided, a **Schedule** comprising a list of **Property Insured** and the values of **Property Insured** declared by **You** to the **Insurer**.

Situation

Situation means the locations specified as the "**Situation**" in the Schedule.

Theft

Theft shall mean physical loss of or **Damage** to the **Property Insured** by this **Section** as the result of **Theft** not consequent upon forcible and violent entry to the premises in which the **Property Insured** is located.

Underwriter

Underwriter means each **Insurer**.

UnInsured Working Expenses

UnInsured Working Expenses means the amount for **UnInsured Working Expenses** specified in the Schedule.

You/Your

You/Your means the **Insured**.

Section 1- Material Loss or Damage

The Indemnity

In the event of any **Damage** not otherwise excluded by the **Policy** happening to the **Property Insured** at the **Situation** during the **Period of Insurance** the Insurer(s) will, subject to the provisions of this **Policy** including the limitation on the Insurer(s) liability, pay the **Insured** an amount in accordance with the applicable Basis of Settlement.

Subject to the **Limit(s) of Liability** in the Schedule, the Insurer(s) will also indemnify the **Insured** for:

- (a) architects', surveyors', consulting engineers' legal and other fees and clerks of works' salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in reinstatement consequent upon **Damage to Property Insured** but not costs, fees and salary for preparing any claim under the **Policy**.
- (b) any fee, contribution or other impost payable to any Government, Local Government or other Statutory Authority; where payment of such fees, contribution or impost is a condition precedent to the obtaining of consent to reinstate any building(s) that are **Property Insured**; provided that the Insurer(s) shall not be liable for payment of any fines and/or penalties imposed upon the **Insured** by any such Authorities.
- (c) costs and expenses necessarily and reasonably incurred for the purpose of extinguishing fire at or in the vicinity of **Property Insured** or threatening to involve such property or for the purpose of preventing or diminishing imminent **Damage to Property Insured** by any **Insured** Event, including **Damage** to gain access, the cost of replenishment of fire-fighting appliances, and charges incurred for the purpose of shutting off the supply of water or other substance following accidental discharge from any fire protection equipment or otherwise escaping from intended confines.
- (d) costs and expenses necessarily and reasonably incurred for the temporary protection and safety of **Property Insured** pending repair or replacement provided there is **Damage** to the **Property Insured**.
- (e) costs of replacing locks and/or keys and/or combinations where if as a result of burglary, theft, or any attempted theft, if the keys and/or combinations are stolen or if there are reasonable grounds to believe the keys may have been duplicated, and the cost of opening safes and/or strongrooms necessitated by the **Theft** of keys and/or combinations.
- (f) costs and expenses necessarily and reasonably incurred in respect of:
 - (i) the removal, storage and/or disposal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs following **Damage to Property Insured** caused by an **Insured** Event;
 - (ii) the Insured's legal liability in respect of removal, storage and/or disposal of debris from **Damage to Property Insured**, notwithstanding Excluded Cause 8, in relation to premises, roadways, services, railway or waterways of others, for such costs, together with the cost of cleaning provided that such liability was not assumed by the **Insured** under an agreement entered into after the commencement of the **Period of Insurance** unless liability would have arisen in the absence of such agreement. Provided that the **Insurance** under this **Section** does not extend to any liability that the **Insured** may incur as a consequence of pollution of any kind.
 - (iii) the demolition and removal of any property belonging to the **Insured** which is no longer useful for the purpose it was intended, provided such demolition and removal is necessary for the purpose of the reinstatement or replacement of **Property Insured** and follows as a result of **Damage** to the **Property Insured** caused by an **Insured** Event.
- (g) **Damage** to clothing and tools of trade belonging to directors and employees of the **Insured** whilst at the **Situation**.

Provided that the **Insured** under Clauses (b) to (g) inclusive shall not be subject to application of any **Co-Insurance Clause**.

Basis of Settlement

For the purpose of ascertaining the classification under which any property is **Insured**, the **Insurer(s)** agree to accept the designation applied to such property by the **Insured** in its records, provided that such property is not specifically excluded by this **Policy**.

- (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 and Extra Cost of Reinstatement Memoranda as set out in the **Policy**.
- (b) On raw materials, supplies and other merchandise not manufactured by the **Insured**; the replacement cost at the time and the place of replacement or, if such property is not replaced, the value thereof at the time and place of the **Damage**.
- (c) 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**.
- (d) On finished goods; the replacement value of the raw materials and the value of labour and other overhead expenses incurred by the **Insured** before any allowance for profit or the cost of re-stocking such goods, whichever is the lesser.

The value of obsolete stock will be nil.
- (e) On computer systems records, documents, manuscripts, securities 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 any information; or, if such is not required for use in the **Business**, the replacement cost of materials as blank stationery at the time and place of the **Damage**.
- (f) On directors' and employees' clothing and tools of trade; the cost at the time of replacement subject to due allowance for wear and tear, depreciation and betterment.
- (g) On glass; the cost of repairing or replacing the broken glass including:
 - *temporary shuttering and/or hiring of security service pending replacement of broken glass
 - *signwriting or ornamentation on glass
 - *replacement burglar alarm tapes on glass
 - *removing and re-fixing of window and show case frames and fittings
 - *heat reflecting material or process on glass
- (h) On empty premises awaiting demolition; the salvage value of the building materials and/or landlord's fixtures and fittings in the premises at the time and the place of the **Damage**.

If the **Insured** elects to claim the **Indemnity Value** of any **Damaged Property Insured**, the Insurer(s) will pay the **Indemnity Value** of such property at the time of the happening of the **Damage** or reinstate, replace or repair such property or any part thereof, whichever is the lesser cost. In any event the Insurer(s) will pay costs incurred by the **Insured** in accordance with the provisions of the Extra Cost of Reinstatement Memorandum.

Memoranda to Section 1

The following Memoranda apply to **Section 1**

Interests of Other Parties:

Where insurable interests of lessors, financiers, trustees, mortgagees, owners, and other parties are specifically noted in the records of the **Insured**, **Insurers** will note that insurable interest and, following **Damage** to **Property Insured**, make payment in accordance with the priority agreed between the **Insured** and the party with the insurable interest.

Where the **Insurance** covers the interest of more than one party, any act or neglect of an individual party will

not prejudice the rights of the remaining party/parties; provided the remaining party/parties shall immediately on becoming aware of any act or neglect whereby the risk of **Damage** has increased, give notice in writing to the Insurer(s) and on demand pay such reasonable additional **Premium** as the Insurer(s) may require.

Branded Goods:

Any salvage of branded goods and/or merchandise shall not be disposed of by sale without the consent of the **Insured**. If such salvage is not disposed of by sale then the **Damage** will be assessed at the value agreed between the **Insured** and the Insurer(s) after brands, labels or names have been removed by or on behalf of the **Insured**.

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 Co- **Insurance** Clause.

Reinstatement and Replacement:

(Applicable to buildings, machinery, plant and all other property and contents, other than those specified in items (b) to (i) under Basis of Settlement in **Section 1**).

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 or replacement, subject to the following Provisions and subject also to the terms, terms of the **Policy** and **Limit(s) of Liability** and Sub **Limit(s) of Liability** as the case may be.

For the purpose of the **Insurance** under this Memorandum "reinstatement" shall mean:

- (a) for property that 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

- (i) The work of rebuilding, or replacing, or repairing, or restoring, as the case may be (which may be carried out upon any other site(s) and in any manner suitable to the requirements of the **Insured**, but subject to the liability of the Insurer(s) not being thereby increased), must be commenced and carried out with reasonable despatch, failing which the Insurer(s) shall not be liable to make any payment greater than the **Indemnity Value** of the **Damaged Property Insured** at the time of the happening of the **Damage**.
- (ii) When any **Property Insured** to which this memorandum applies is **Damaged** in part only, the liability of the Insurer(s) shall not exceed the sum representing the cost which the Insurer(s) could have been called upon to pay for reinstatement if such property had been wholly destroyed.
- (iii) **Property Insured** under this Memorandum is separately subject to the following **Co-Insurance clause**:-

The Insurer(s) shall be liable for no greater proportion of such **Damage** than the amount that the Insured's declaration of value of **Property Insured** at a **Situation** on the day of the commencement of the **Period of Insurance** bears to the sum representing eighty- five per cent (85%) of the costs which would have been incurred to replace the property had it been destroyed on that day(but not exceeding the **Limit of Liability** for all **Property Insured** expressed in the Schedule); provided that if the sum actually incurred or expended in rebuilding or replacing the **Damaged** property, within the meaning of sub-paragraph (a) of the abovementioned definition of reinstatement, exceeds the amount which would have been payable under this **Policy** if this memorandum had not been a term of the **Policy**, but is less than the cost of reinstatement as above defined, then the sum so actually incurred or expended shall, for all purposes of this memorandum, be deemed to be the cost of reinstatement of the property.

Provided further that the above clause (iii) shall not apply if the amount of the **Damage** does not

exceed five (5) per cent of the amount of the Insured's Declared Values.

- (iv) No payment beyond the amount which would have been payable under this **Policy** if this memorandum had not been incorporated therein shall be made until a sum equal to the cost of reinstatement shall have been actually incurred by the **Insured**; provided that where the **Insured** reinstates or replaces any lost or destroyed property at a cost which is less than the cost of reinstatement (as defined) but greater than the value of such property at the time of the happening of its loss or destruction, then the cost so incurred shall be deemed to be the cost of reinstatement.
- (v) All other Industrial Special Risks and/or Fire and Named Perils **Insurances** covering the **Property Insured** effected by or on behalf of the **Insured** must be on a similar reinstatement basis.

Extra Cost of Reinstatement:

(Applicable to buildings, machinery, plant and all other property and contents, other than those specified in items (b) to (i) under Basis of Settlement in **Section 1**).

This **Policy** extends to include the extra cost of reinstatement (including demolition or dismantling) of **Damaged Property Insured** necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made thereunder or any By- Law or Regulation or Planning Instrument of any Municipal or other Statutory Authority; subject to the following Provisions and subject also to the terms of the **Policy Limit(s) of Liability** and Sub Limit(s) of Liability.

Provisions

- (i) The work of reinstatement (which may be carried out wholly or partially upon any other site(s), if the requirements of an Act, Regulation, By-Law or Planning Instrument so necessitates, subject to the liability of the Insurer(s) not being increased), must be commenced and carried out within a reasonable timeframe, failing which the Insurer(s) shall not be liable to make any payment beyond the amount which would have been payable under this **Policy** if this memorandum had not been incorporated in the **Policy**.
- (ii) The amount recoverable shall not include the additional cost incurred in complying with any such Act, Regulation, By-Law or Planning Instrument which the **Insured** had been required to comply with prior to the happening of the **Damage**.
- (iii) The **Co-Insurance Clause** shall not apply to the amount recoverable under this Memorandum and any amount specified shall not be taken into account for co-**Insurance** purposes in terms set out in the **Co-Insurance Clause**.
- (iv) All other Industrial Special Risks and/or Fire and Named Perils **Insurances** covering the **Property Insured** effected by or on behalf of the **Insured** shall include **Insurance** on a similar basis to that set out in this memorandum.
- (v) If the cost of reinstatement of **Damaged Property Insured** is less than fifty per cent (50%) of the sum which represents the cost of reinstatement if such property had been destroyed, the amount recoverable under this memorandum shall be limited to:-
 - (a) the extra cost necessarily incurred in reinstating only that portion of the **Property Insured** that is **Damaged**; or
 - (b) the **Sub Limits of Liability** for such **Property Insured**

whichever is the greater. In the event of a **Sub Limits of Liability** not being stated in the **Policy** for such **Property Insured** the Insurer(s) liability shall be limited to the amount stated in sub- paragraph (a) of this provision.

Floor Space Ratio Index (Plot Ratio):

Subject to the **Limit(s) of Liability** and Sub **Limit(s) of Liability** , in the event of the building(s) being **Damaged** so as to constitute total loss or **Constructive Total Loss** and, as a result of the exercise of Statutory powers and/or authority by any Government Departments, Local Government or any Statutory Authorities, reinstatement of such building(s) to a condition equal to their condition at the time of **Damage** is prohibited, and reinstatement is only permissible subject to a reduced floor space ratio index:

The Insurer(s) agree(s) 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 the Insurer(s) 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 or Planning Instrument 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 behalf of the **Insured** in the reinstatement of the building(s).

Acquired Companies:

This **Policy** extends to include property located in Australia belonging to companies and other organisations a controlling interest in which is acquired by the **Insured** during the Period of **Insurance**; subject to the **Insured** declaring details of such acquisition within a reasonable period following the date of acquisition. Provided the **Business** of the new acquisition shall be similar to the **Business**.

For the purposes of this memorandum a controlling interest shall in the case of a corporation, 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 corporation, and in any other case acquiring interests that comprise 50% or more of the equity interests in the **Business** or legal entity that operates the **Business**.

Co-Insurance:

Unless otherwise stated to the contrary in the **Policy**, this **Policy** is subject to the following Co-**Insurance** Clause:

In the event of **Damage to Property Insured** at any **Situation** caused by any peril hereby **Insured** against, the Insurer(s) shall be liable for no greater proportion of such **Damage**, than the amount of the Insured's declaration of value of such property on the day of the commencement of the **Period of Insurance** bears to the sum representing eighty-five per cent (85%) of the actual value of **Property Insured** at such **Situation** on the day of commencement of the **Period of Insurance** but not exceeding the **Limit of Liability** expressed in the Schedule.

Provided that this clause shall not apply if the amount of the **Damage to Property Insured** does not exceed 5% of the amount of the Insured's declared value of Property **Insured**.

It is expressly understood and agreed that the provisions of this **Co-Insurance Clause** shall not apply in respect of that part of any claim which is made under the provisions of the Reinstatement and Replacement Memorandum.

Claims Preparation Costs:

This **Policy** extends to include such reasonable professional fees as may be payable by the **Insured**, and such other reasonable expenses necessarily incurred by the **Insured** and not otherwise recoverable under this **Policy**, for preparation of claims, subject to the **Limit(s) of Liability** and Sub **Limit(s) of Liability** of the **Policy**.

Section 2 – Consequential Loss

The Indemnity

In the event the **Business** is interrupted or interfered with as a result of **Damage** to any Property **Insured**, or part thereof, used by the **Insured** at the **Situation** for the purpose of the **Business** by any cause or event not excluded by the **Policy** terms, the Insurer(s) will, subject to the provisions of this **Policy** including the **Limit(s) of Liability** and **Sub Limits of Liability**, pay to the **Insured** the amount of loss resulting from such interruption or interference in accordance with the applicable Basis of Settlement in **Section 2**.

Basis of Settlement

Item No. 1 – Gross Profits

The **Insurance** under this item is limited to loss of Gross Profit due to:

- (a) Reduction in Turnover and
- (b) Increase in Cost of Working

and the amount payable as indemnity shall be:

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

Less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the **Business** payable out of Gross Profit as may cease or be reduced in consequence of the **Damage**.

Provided that if the declared value of Gross Profit specified in the **Schedule** 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 thereof, where the Indemnity Period exceeds 12 months) the amount payable under this item 1 shall be proportionately reduced.

Item No. 2 – Claims Preparation Costs

The **Insurance** under this item is to cover such reasonable professional fees as may be payable by the **Insured**, and such other reasonable expenses necessarily incurred by the **Insured** and not otherwise recoverable under this **Policy**, for preparation of claims.

Item No. 3 – Pay-Roll

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

- (a) In respect of Reduction of Turnover
 - (i) during the portion of the Indemnity Period beginning with the occurrence of the **Damage** and ending not later than the number of weeks for Item 3 specified in the Schedule: the sum produced by applying the Rate of Payroll to the Shortage in Turnover less any saving, during the said portion of the Indemnity Period.
 - (ii) during the remaining portion of the Indemnity Period: the sum produced by applying the Rate of Payroll to the Shortage in Turnover, less any saving, during the said remaining portion of the Indemnity Period ; but not exceeding the sum produced by applying the percentage of the Rate of Payroll specified in the **Schedule** to the Shortage in Turnover during the said remaining portion of the Indemnity Period, increased by such amount as is deducted for savings under the terms of Clause (a) (i):

Note:

At the option of the **Insured** the number of weeks referred to In Clause (a) (i) above may be increased to

the number of weeks specified in the **Schedule** under the heading 'Consolidated 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 said increased number of weeks.

(b) In respect of Increase in Cost of Working

So much of the additional expenditure described in Clause (b) of Item 1 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.

Provided that if the Declared Value of **Insured** Payroll at the commencement of each **Period of Insurance** be less than the sum produced by applying the Payroll Limits to the sum produced by applying the Rate of Payroll to the Annual Turnover (or its proportionately increased multiple thereof, where the Indemnity Period exceeds 12 months) the amount payable shall be proportionately reduced.

Item No. 4 – Additional Increase in Cost of Workings

The **Insurance** under this item is limited to additional 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 in Turnover and/or resuming and/or maintaining normal **Business** operations and/or services.

General

The **Insurance** under Item 1, Item 2, Item 3 and Item 4 is subject to any **Limit(s) of Liability** and **Sub Limits of Liability**, as the case may be.

The **Insurance** under each Item in this clause shall apply where the **Schedule** specifies **Limit(s) of Liability** and or **Sub Limits of Liability** for that item, or where that item is noted as covered in the Schedule.

Definitions

Gross Profit

The amount by which

(a) the sum of the Turnover and the amount of the Closing Stock and Work in Progress shall exceed

(b) the sum of the amount of the Opening Stock and Work in Progress and the amount of the **UnInsured Working Expenses** as set out in the Schedule.

Note:

The amounts of the Opening and Closing Stocks and Work in Progress shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

Turnover

The **Money** (less discounts, if any allowed) paid or payable to the **Insured** for goods sold and delivered and for services rendered in course of the **Business** at the **Situation**.

Indemnity Period

The period beginning with the occurrence of the **Damage** and ending not later than the number of months specified in the **Schedule** for the Indemnity Period, during which the results of the **Business** shall be affected in consequence of the **Damage**.

Payroll

The remuneration (including but not limited to payroll tax, bonuses, holiday pay, workers' compensation **Insurance Premiums** and/or accident compensation levies, superannuation and pension fund contributions and the like) of all employees.

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.

Rate of Gross Profit: The rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage	To which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the adjusted figures 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 .
Annual Turnover: The Turnover during the 12 months immediately before the date of the Damage .	
Standard Turnover: The Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period.	
Rate of Payroll: The rate of Payroll to Turnover during the financial year immediately before the date of the Damage	

Memoranda to Section 2

The following Memoranda apply to **Section 2**.

Turnover Elsewhere After Damage:

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

Departmental Clause:

If the **Business** is conducted in departments and the independent trading results of each department are ascertainable the provisions of clauses (a) and (b) of Items Nos. 1 and 3. shall apply separately to each department affected by the **Damage**.

New Business:

In the event of **Damage** occurring at premises before the completion of the first year's trading of **Business** the terms "Rate of Gross Profit" "Annual Turnover", "Standard Turnover" and "Rate of Payroll" shall bear the following meanings and not as previously defined:

Rate of Gross Profit: The rate of Gross Profit earned on the Turnover during the period between the date of the commencement of the Business and the date of the Damage .	To which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable, the results which but for the Damage would have been obtained during the relative period after the Damage .
Rate of Gross Profit: The rate of Gross Profit earned on the Turnover during the period between the date of the commencement of the Business and the date of the Damage .	
Standard Turnover. The proportional equivalent, for a period equal to the Indemnity Period, of the Turnover realised during the period between the commencement of the Business and the date of the Damage	
Rate of Payroll: The rate of Payroll to Turnover during the period between the date of the commencement of the Business and the date of the Damage .	

Accumulated Stocks:

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

Books of Account:

Any particulars or details contained in the Insured's Books of Account or other Business books or documents which may be required by the Insurer(s) for the purpose of investigating or verifying any claim may be produced and certified by the Insured's Auditors and their certificate shall be taken as evidence of the particulars and details to which such certificate relates.

The words and expressions used in this **Policy** shall have the meaning usually attached to them in the books and accounts of the **Insured** unless otherwise defined in the **Policy**.

Public Utilities Extension:

Any loss resulting from interruption of or interference with the **Business** in consequence of **Damage** to property at any electricity station or sub-station, gas works or water works of a public supply undertaking which is situated on or immediately adjacent to the **Situation**, which would be covered under **Section 1** of this **Policy** of the **Damage** had happened to Property **Insured**, shall be deemed to be loss resulting from **Damage** to property used by the **Insured** at the **Situation** for the purpose of this **Section**.

Turnover/Output Alternative:

At the option of the **Insured** the term "Output" may be substituted for the term "Turnover" and for the purpose of **Section 2** of this **Policy** "Output" shall mean the sale and/or invoice value of goods manufactured and/or processed by the **Insured** in the course of the **Business** at the **Situation**. Provided that only one such meaning shall be operative in connection with any one event involving **Damage**.

If the meaning set out above is used, the memorandum "Turnover Elsewhere After **Damage**" shall be altered to read as follows:

"if during the Indemnity Period goods shall be manufactured and/or processed other than at the **Situation** for the benefit of the **Business** either by the **Insured** or by others on the Insured's behalf, the sale and/or invoice value of the goods shall be brought into account in arriving at the Output during the Indemnity Period."

Computer:

This **Policy** extends to include loss (not otherwise recoverable) resulting from interruption of or interference with the **Business** occasioned by **Damage** to computer installations, including ancillary equipment and data processing media utilised by the **Insured** anywhere in Australia.

Salvage Sale:

If, following **Damage** giving rise to a claim under this **Policy**, the **Insured** shall hold a salvage sale during the Indemnity Period:

- (i) Clause (a) of Item 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: 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 the Payroll paid during the period of the salvage sale.

Premises in the Vicinity (Prevention of Access):

Loss as **Insured** by the **Policy** resulting from interruption of or interference with the **Business** resulting from **Damage** to property in the Vicinity caused by an **Insured** Event, which prevents the use of the **Situation** or access to it, whether the **Situation** or **Property Insured** at the **Situation** shall be **Damaged** or not, shall be deemed to be loss resulting from **Damage** to property used by the **Insured** at the **Situation**.

In this clause "Vicinity" means the area within a 1km radius of the **Situation**.

This extension is subject to a maximum indemnity period of 3 months or the Sub Limit for this cover, whichever is the lesser

Registered Vehicles and/or Trailers:

Notwithstanding the provisions of Excluded Property 5, this **Policy** extends to include loss resulting from interruption of or interference with the **Business** occasioned by **Damage** to registered vehicles and/or trailers whilst such vehicles or trailers are at the **Situation** or premises owned or occupied by the **Insured**; provided always that this **Policy** does not cover loss whilst they are being used on any public road or thoroughfare.

Exclusions Applicable to all Sections

Excluded Property

This **Policy** does not cover:

1. Property (except **Money**) whilst in transit other than during the incidental movement of such property within **Situations** occupied by the **Insured**. This exclusion shall not apply during temporary removal of property (other than stock and/or merchandise) and unregistered motor vehicles to any **Situation** in the Commonwealth of Australia, but whilst such property is in transit, cover is limited to physical loss, destruction or physical **Damage** caused by Fire, Lightning, Explosion, Earthquake, Aircraft, Riot, Strikes, Malicious **Damage** and Storm and/or Tempest.
2. **Money**:
 - (a) whilst being carried by professional **Money** carriers, professional carriers or common carriers, which is more specifically **Insured** by other **Insurance** except for the excess amount over and above such more specific **Insurance** which is held to be covered by this **Policy**.

Provided that where in the ordinary course of **Business** the **Insured** enters into an agreement which such carriers and such agreement provides that the **Insured** shall indemnify and/or hold harmless the carrier for losses from an event **Insured** by this **Policy**, this **Insurance** shall operate as if this Property Exclusion 2(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 and any combination details have been properly secured.
 - (d) where the loss is not discovered within five (5) working days of the event that caused the loss
 - (e) where the loss arises out of:
 - (i) kidnapping;
 - (ii) bomb threat;
 - (iii) hoax;
 - (iv) extortion,or any attempt thereat.
3. jewellery, furs, bullion, precious metals or precious stones other than as stock and/or merchandise of the **Business**.
4. (a) any locomotive or rolling stock or watercraft other than as stock or merchandise of the **Business**; provided always that **Insurers** shall have no liability for, and no cover shall apply to, **Damage** to watercraft whilst any watercraft is on water.
(b) any aircraft (including its accessories and/or spare parts) other than as stock or merchandise of the **Business**; provided always that **Insurers** shall have no liability for, and no cover shall apply to, **Damage** to aircraft during taxiing, take-off, flight or landing.
5. vehicles or trailers registered or licensed to travel on a public road, provided that this exclusion shall not apply to mobile plant and equipment (excluding cars, sedans, panel vans and trucks) not otherwise **Insured** by another **Policy** of **Insurance** other than the **Policy** whilst at the **Situation** or any premises occupied or used by the **Insured**.
6. livestock, animals, birds, fish
7. standing timber, growing crops, pastures
8. land, provided that this exclusion shall not apply to structural improvement on or in the land if such structural improvements are not otherwise excluded in the **Policy**.
9. bridges, canals, roadways and tunnels, railway tracks (other than at the premises occupied or used by the **Insured**), dams and reservoirs (other than tanks) and their contents
10. docks, wharves and piers not forming part of any building
11. mining property located beneath the surface of the ground unless otherwise expressly stated in the **Schedule** or the **Schedule** of Declared Values.

12. property during the course of, and as a result of, its processing
13. (a) gates, fences, retaining walls, textile awnings and blinds
(b) property in the open air unless such property comprises or forms part of a permanent structure designed to function without the protection of the walls or roof, where **Damage** is caused by wind, rainwater or hail
14. (a) property undergoing construction, erection, alteration or addition when the value of work exceeds 10% of the **Limit of Liability** for the **Situation** or \$500,000 whichever is the lesser
(b) empty premises undergoing demolition.
15. oil and gas drilling and/or production rigs whilst offshore.
16. all Machinery (as defined in this exclusion) electronic data processing equipment or electronic control equipment occasioned by or happening through any mechanical, electrical, electro- mechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non- operation of whatsoever kind.

Provided that this exclusion shall not apply to any subsequent loss, destruction of or **Damage** to such Machinery occasioned by or happening through any cause or event not otherwise excluded by the **Policy** and results from any of the events referred to in this exclusion.

For the purpose of this exclusion, Machinery means:

any apparatus whether or not functioning independently or as any component part of a collection of apparatus which generates, contains, controls, transmits, receives transforms or utilises any form or source of energy or power.
17. any boiler (other than a boiler used for domestic purposes) economiser or other pressure vessel, including pipes, valves and other apparatus thereof in respect of which a certificate is required to be issued under the terms of any statute or regulation, occasioned by or arising from explosion, rupture, collapse, bursting, cracking or overheating thereof provided that this exclusion shall be limited to the aforementioned items immediately affected and shall not extend to other **Property Insured** which is lost or physically **Damaged** as a result of the events specified in this clause.
18. Any electrical power transmission or feeder lines other than those located on the **Situation** or within 300 metres of the **Situation**.

Excluded Causes

This **Policy** does not cover:

1. physical loss, destruction of or physical **Damage** resulting from confiscation, nationalisation, requisition or **Damage** to property by or under the order of any Government or Public or Local Authority.

However, this exclusion shall not apply to loss, destruction of or physical **Damage** to, and the cost of removal of, sound property at the Premises for the purpose of preventing or diminishing imminent **Damage** by, or inhibiting the spread of, fire or any peril **Insured** against.

2. physical loss, destruction or **Damage** occasioned by or happening through:

(a) flood, which shall mean the inundation of normally dry land by water overflowing from the normal confines of any natural watercourse or lake (whether or not altered or modified), reservoir canal or dam.

(b) water from, or action by, the sea, tidal wave and high tidal water.

Provided that excluded cause 2(a) and 2(b) shall not apply if loss, destruction or **Damage** is caused by or arises out of an earthquake or seismological disturbance

3. physical loss, destruction or **Damage** occasioned by or happening through:

(a) moths, termites or other insects, vermin, rust or oxidation, mildew, mould, contamination or pollution, 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).

(b) wear and tear, fading, scratching or marring, gradual deterioration or developing laws,

normal up-keep or making good.

(c) error or omission in design, plan or specification or failure of design.

(d) normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration.

(e) faulty materials or faulty workmanship.

Provided that this Exclusion shall not apply to subsequent **Damage to Property Insured** occasioned by a peril covered by this **Policy** and not otherwise excluded.

4. physical loss, destruction or **Damage** occasioned by or happening through:

(a) incorrect siting of buildings consequent upon

(i) error in architectural design or specification.

(ii) non-compliance by the **Insured** (or anyone acting on behalf of the **Insured**) with the necessary permits or approvals issued by Government, Public or Local Authorities.

(b) demolitions ordered by Government or Public or Local Authorities due to failure on the part of the **Insured** or their agents to obtain the necessary permits or approvals required.

5. physical loss, destruction or **Damage** occasioned by or happening through:

(a) **Theft** of property (other than **Money** in Transit) in the open air

(b) unexplained inventory shortage, disappearance resulting from clerical or accounting errors, shortage in the supply or delivery of materials to or from the **Insured**

(c) (i) spontaneous combustion

(ii) spontaneous fermentation or heating or any process involving the direct application of heat.

Provided that Excluded Cause 5(c)(i) and 5(c)(ii) shall be limited to the item or items immediately affected and shall not extend to other **Property Insured Damaged** as a result.

6. physical loss, destruction or **Damage** occasioned by or happening through:

(a) fraudulent or dishonest acts, fraudulent misappropriation, embezzlement, forgery or counterfeiting by the **Insured** or any employee(s) of the **Insured**, acting alone or in collusion with any other person(s).

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 delay of any process or operation as a result of strikes, labour disturbances or locked out workers.

Provided that this exclusion shall not apply in respect of physical loss, destruction or physical **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 shall not apply to subsequent **Damage** which itself results from a cause not otherwise excluded.

7. any legal liability of whatsoever nature other than as specified in the **Policy**.

8. consequential loss of any kind, including consequential loss due to delay, lack of performance, loss of use,

loss of contract or depreciation in the value of land or stock, except as herein provided in **Section 2**.

9. (i) physical loss or **Damage** to Property **Insured**; or
(ii) any peril **Insured** against causing, whether or not contributing concurrently or in any sequence;
(iii) any loss of use, occupancy, or functionality; or
(iv) any action required, including but not limited to repair, replacement, removal, clean-up, abatement, disposal, relocation, or steps taken to address medical or legal concerns;
directly or indirectly arising from or in connection with, contact with or exposure to mould, mildew, fungus, spores or other micro-organism of any type, nature, or description, and any substance whose presence poses an actual or potential threat to human health.

General Exclusions

Property Cyber and Data Exclusion

Notwithstanding any provision to the contrary within this **Policy** or any endorsement thereto this **Policy** exclude any:

- 1.1 Cyber Loss;
- 1.2 loss, **Damage**, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

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

Definitions

Cyber Loss means any loss, **Damage**, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

Cyber Incident means:

- 1.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- 1.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

Computer System means:

- 1.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the **Insured** or any other party.

Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

LMA5401 (amended)

11 November 2019

Communicable Disease Exclusion

1. This **Policy** does not insure any loss, **Damage**, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, **Damage**, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any **Property Insured** hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten **Damage** to human health or human welfare or can cause or threaten **Damage** to, deterioration of, loss of value of, marketability of or loss of use of **Property Insured** hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

LMA5393 (amended)

25 March 2020

War and Terrorism Exclusion Endorsement

Notwithstanding any provision to the contrary within this **Insurance** or any endorsement thereto it is agreed that this **Insurance** excludes loss, **Damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (1) war, invasion, acts of foreign enemies, hostilities or warlike 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
- (2) any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any **Section** of the public, in fear.

This **Insurance** also excludes loss, **Damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the **Underwriters** allege that by reason of this exclusion, any loss, **Damage**, cost or expense is not covered by this **Insurance** the burden of proving the contrary shall be upon the Assured.

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

NMA2918 (amended)
08/10/2001

Radioactive Contamination and Explosive Nuclear Assemblies Exclusion Clause

This **Policy** does not cover

- (a) loss or destruction of or **Damage** to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- (b) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from

- (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- (ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

NMA1622
04/04/1968

Biological or Chemical Materials Exclusion

It is agreed that this **Insurance** excludes loss, **Damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

NMA2962
06/02/2003

Sanction Limitation and Exclusion Clause

No (re)**Insurer** shall be deemed to provide cover and no (re)**Insurer** shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)**Insurer** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

Memoranda Applicable to all Sections

The following Memoranda apply to all Sections of the Policy except as modified by the Memoranda in the Endorsements Section

Amount of Policy Not Reduced By Loss:

The **Insurance** under each **Section** and/or item in any **Section** of the **Policy** and the Indemnity Period shall be automatically reinstated at the request of the **Insured** in the event of any loss, in consideration of the payment by the **Insured** of a pro-rata additional **Premium** calculated on the amount of the loss settlement, at the rate(s) applied by **Insurers** for the **Insured's** declared values of property for the **Period of Insurance** ("Agreed Rate").

Event:

Only for the purpose of the application of any **Deductible**, 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.

Subrogation Waiver:

The Insurer(s) agree(s) to waive any rights and remedies or relief to which it/they may become entitled by subrogation against -

- (a) any corporation or organisation (including their directors, officers, employees or servants) owned or controlled by any **Insured** or a subsidiary to any **Insured** named in the **Schedule** or any Co-owner of

Property Insured ;

- (b) any **Insured** (including their directors, officers, employees or servants).

Adjustment of Premium:

- (a) The **Premium** shown is provisional and is calculated on the Declared Values of:
 - (i) Property **Insured**,
 - (ii) Gross Profit and
 - (iii) **Insured** Payroll,on the day of commencement of each Period of **Insurance**.
- (b) The **Insured** must declare to the Insurer(s) 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 merchandise shall be taken at its average value during the Period of **Insurance**.
 - (ii) The amount of the Gross Profit earned and Payroll paid in the course of the **Business** during the accounting period of twelve months most nearly concurrent with the period of **Insurance**.
- (c) The provisional **Premium** shall be adjusted by payment to the Insurer(s) of an additional **Premium** or by a return **Premium** paid to the **Insured**, calculated at the Agreed Rate on:
 - (i) Fifty (50) per cent of the difference between the value of property declared as required by Clauses (a) (i) and (b) (i).
 - (ii) The difference between the amounts declared under (a) (ii) and (b) (ii).
- (d) allowance will be made for any abnormal fluctuation in values and an additional **Premium** charged commensurate with the risk
- (e) The declaration of values at the expiry of the **Period of Insurance** shall not be reduced as the result of loss, destruction or **Damage** in respect of which a claim has been paid or is payable under the **Policy**.

Conditions Applicable to all Sections

1. Misrepresentation and Non-Disclosure

If the **Insured** -

- (i) failed to disclose any matter which the **Insured** was under a duty to disclose to the Insurer(s); or
- (ii) made a misrepresentation to the Insurer(s) before this **Policy** was entered into,

and if the Insurer(s) would not have entered into this **Policy** for the same **Premium** and on the same terms and Conditions expressed in this **Policy**, but for the failure to disclose or the misrepresentation. Then:

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

2. Alteration

The Insurer(s) shall not be liable for any loss caused or contributed to by any alteration to **Property Insured** after the commencement of this **Policy**:

- (a) by removal of such property from the **Situation** other than as provided under the terms of Excluded Property 1.

- (b) in the trade or processes of manufacture carried out at the **Situation** or if the nature of the occupation or other circumstances affecting the **Situation** and/or the **Property Insured** is changed in such a way as to increase the risk of loss, destruction or **Damage**;
- (c) if any premises containing any **Property Insured** shall become unoccupied for a period of more than thirty days; or
- (d) if the Insured's interest in **Property Insured** ceases to exist, except by will or the operation of law, Provided that this exclusion shall not apply if the Insured's officer responsible for **Insurance** notifies the Insurer(s) of the alteration as soon as possible after becoming aware and, if the Insurer(s) agree to accept the alteration of risk in writing, any appropriate additional **Premium** required is paid by the **Insured**.

3. Sprinkler Installations – Applicable to Owned Premises or Installations for which the Insured is Responsible

The **Insured** must ensure that the approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a fire brigade station, (collectively the "Fire Services") at premises which it occupies which are protected or are required by law to be protected by Fire Services :

- (a) are at all times be maintained in good working order; and.
- (b) are regularly maintained in accordance with Australian Standard AS1851 (Part 3 – Automatic Sprinkler Installation) by the installing engineers or qualified professionals that are licensed to undertake that maintenance.

4. Other Insurance

The **Insured** shall give written notice as soon as practicable to the Insurer(s) of any other **Insurance** or **Insurances** effected covering the **Property Insured**.

5. Cancellation

- (a) This **Policy** may be cancelled at any time at the request of the **Insured**, in which case the Insurer(s) will retain the pro rata **Premium** for the time this **Policy** has been in force, unless otherwise specifically stated in **Your** schedule.
- (b) The Insurer(s) may also cancel this **Policy** by giving the **Insured** written notice where:
 - (i) the **Insured** or any person who was at any time the **Insured** failed to comply with the duty of utmost good faith;
 - (ii) the person who was the **Insured** at the time when this **Policy** was entered into failed to comply with the duty of disclosure, as set out in Condition 1 Misrepresentation and Non-Disclosure;
 - (iii) the person who was the **Insured** at the time when this **Policy** was entered into made a misrepresentation to the Insurer(s) during the negotiations for this **Policy** but before it was entered into, as set out in Condition 1 Misrepresentation and Non-Disclosure;
 - (iv) the **Insured** or any person who was at any time the **Insured** failed to comply with a provision of this **Policy**, including a provision with respect of the payment of the **Premium**;
 - (v) the **Insured** has made a fraudulent claim under this **Policy** or any other **Policy** of **Insurance** (whether with the Insurer(s) or some other **Insurer**) that provided **Insurance** cover during any part of the period during which this **Policy** provides **Insurance** cover;
 - (vi) the **Insured** failed to notify the Insurer(s) of any specific act or omission where such notification is required under the terms of this **Policy**; or
 - (vii) the **Insured** acted in contravention of or omitted to act in compliance with any condition of this **Policy** which empowers the Insurer(s) to refuse to pay, or reduce its/their liability in respect of, a claim in the event of such contravention or omission.
- (c) The Insurer(s) notice of cancellation takes effect at the earlier of the following times:
 - (i) the time when another **Policy** of **Insurance** between the **Insured** and the Insurer(s) or some other **Insurer**, being a **Policy** that is intended by the **Insured** to replace this **Policy**, is entered into; or
 - (ii) 4.00 p.m. on the thirtieth **Business** day after the day on which notice was given to the **Insured**.

In the event that the Insurer(s) cancel(s) this **Policy**, the Insurer(s) will repay to the **Insured** a

rateable proportion of the **Premium** for the unexpired **Period of Insurance** from the date of cancellation.

6. Notification of Claims

In the event of a claim arising under this **Insurance** notice should be given as soon as reasonably possible to:

Sedgwick Australia
Level 15,
35 Clarence Street,
Sydney,
NSW,
2000
Tel: +1300 654 599
E-mail: coastinsuranceclaimsau@sedgwick.com

On the happening of any loss that could be covered by this **Policy**, the **Insured** shall give written notice to the Insurer(s) and provide such details as required as soon as reasonably practicable but not later than thirty (30) days unless additional time is allowed by the **Insurer(s)**.

The **Insured** shall do everything reasonably practicable to minimise any interruption of or interference with the **Business** to avoid or diminish the loss. The **Insured** shall also deliver to the Insurer(s) a statement in writing of any claim certified by the Insured's accountant, 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.

No claim under the **Policy** shall be payable unless the **Insured** has reasonably complied with the terms of this Condition.

7. Fraud

- 1) If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the **Insured** or anyone acting on the **Insured's** behalf to obtain any benefit under this **Policy**, or if any destruction or **Damage** be occasioned by the wilful act or with the connivance of the **Insured**, the **Insurer(s)**, without prejudice to any other right(s) the **Insurer(s)** has under this **Policy**, shall be entitled to refuse to pay such claim.
- 2) If the **Insured** makes a fraudulent claim under this **Policy**, the **Insurer**:
 - a) is not liable to pay the claim; and
 - b) may recover from the **Insured** any sums paid by the **Insurer** to the **Insured** in respect of the claim; and
 - c) may by notice to the **Insured** treat the contract as having been terminated with effect from the time of the fraudulent act.
- 3) If the **Insurer** exercises its right under clause 2) c) above:
 - a) The **Insurer** shall not be liable to the **Insured** in respect of a relevant event occurring after the time of the fraudulent act. A relevant event is whatever gives rise to the **Insurer's** liability under the **Insurance** contract (such as the occurrence of a loss, the making of a claim, or the notification of a potential claim); and
 - b) The **Insurer** need not return any of the **Premiums** paid.

8. Reinstatement

If the Insurer(s) elect(s) or become(s) bound to reinstate or replace any property, the **Insured** shall produce and deliver to the Insurer(s) all such plans, documents and information as the Insurer(s) may reasonably require. The Insurer(s) shall not be bound to reinstate exactly or completely, but only as circumstances permit and in reasonably sufficient manner to comply with the Basis of Settlement in **Section 1** and shall not in any case be bound to expend more than the applicable Limit of Liability.

9. Insurers(s) Rights

On the happening of any loss, destruction or **Damage** in respect of which a claim is or may be made under the **Policy** the Insurer(s) may, without thereby incurring any liability and without diminishing the right of the Insurer(s) to rely upon any terms of this **Policy**, enter, take or keep possession of the Building or premises where the loss destruction or **Damage** has happened, and may take possession of or require to be delivered to the Insurer(s) any of the **Property 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 the permission, leave and license of the **Insured** provided to the Insurer(s) to do so.

10. Subrogation

- (a) Any person claiming under this **Policy** shall at the request and at the expense of the Insurer(s) do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Insurer(s) for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Insurer(s) shall be or would become entitled or subrogated upon the Insurer(s) paying for or making good any destruction or **Damage** under this **Policy**.
- (b) If the Insurer(s) make(s) any recovery as a result of such action, the **Insured** may only recover from the Insurer(s) any amount by which the amount recovered by the Insurer(s) exceeded the amount paid to the **Insured** by the Insurer(s) in relation to the loss.

11. Precautions to Prevent Loss

The **Insured** shall take all reasonable precautions to prevent loss, destruction or **Damage** to the **Property Insured** .

12. Insured's Actions After Theft or Damage

The **Insured** 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**.

13. Termination of Cover Under Section 2

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

- (a) the **Insured** ceases to carry on the **Business** or any part of the **Business** is disposed of, or permanently discontinued, or the **Insured's** interest in the **Business** or such part thereof ceases other than by death; or
 - (b) the **Insured** (being a corporation) is placed in liquidation (or provisional liquidation), is placed under Voluntary Administration, Official Management, enters into a Scheme of Arrangement, has Receivers, and/or Managers appointed over its assets or undertaking(s); or
 - (c) the **Insured** (being a natural person) becomes a bankrupt or enters into a scheme of arrangement or compromise or composition with creditors;
- then the **Insurance** cover provided under **Section 2** of this **Policy** in respect of such **Business** or **Insured** shall automatically cease.

In the event of the Indemnity Period having begun to run in respect of any claim relating to the **Business**, the Indemnity Period shall end unless the Insurer(s) agree to it continuing.

14. Progress Payments

Provided that liability has been admitted progress payments on account of any claim may be made to the **Insured** upon production of a report by the Loss Adjuster (if appointed by the **Insurer**) provided such payment(s) shall be deducted from the final payment due to the **Insured** upon adjustment of the claim.

15. Headings

Headings have been included for ease of reference and the terms and conditions of this **Policy** are not to be construed or interpreted by reference to such headings.

Endorsements

ATTACHING TO AND FORMING PART OF INDUSTRIAL SPECIAL RISKS INSURANCE MARK IV POLICY WORDING

For the purpose of this **Policy**, the terms "Accidental **Damage**", "Burglary" and "Theft" & "Flood" when mentioned under Sub-Limits and/or **Deductibles** the **Schedule** shall have the following meanings:

Accidental Damage definition

Accidental **Damage** shall mean **Damage** to the Property **Insured**, subject to the exclusions Applicable to **Sections** 1 and 2) happening during the **Period of Insurance** and arising out of any one source or original cause other than: fire, lightning, thunderbolt, earthquake, subterranean fire and/or volcanic eruption, aircraft and/or other aerial devices and/or articles dropped or falling therefrom and/or impact by space debris, sonic boom, explosion, implosion or collapse, smoke and/or steam, spontaneous fermentation or heating, spontaneous combustion, subsidence, earth movement or collapse resulting therefrom or landslip, flood, water from or action by the sea, tsunami, tidal wave or high water, storm, tempest, wind, hail and/or rainwater, water and/or other substance discharged, overflowing and/or leaking from apparatus, appliances, pipes, sprinkler and/or any other system(s), 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, the acts of lawfully constituted authority in connection with any of the aforementioned events, impact by any waterborne craft, land vehicles or animals, burglary, theft, loss of **Money**.

Burglary and Theft definition

Burglary shall mean physical loss of or **Damage** to the **Property Insured** as the result of:

- (a) **Theft** consequent upon actual forcible and violent entry to premises where **Property Insured** is located.
- (b) **Theft** or any attempt thereat by a person feloniously concealed on the premises.

Theft shall mean physical loss of or **Damage** to the **Property Insured** by this **Section** as the result of:

- (a) **Theft** not consequent upon forcible and violent entry to the premises in which the **Property Insured** is located.

Flood Definition

The definition of "flood" Excluded Causes 2 (a) is amended to read:

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