

Equipment Breakdown

Policy Wording



vero 

Equipment Breakdown Policy Wording

Welcome to Vero	1
Who is the insurer?	1
How to contact us	1
Important notices affecting this policy	2
1. Your duty of disclosure	2
2. Interested parties	2
3. Parties to this policy	2
4. Paying your premiums	2
5. Privacy statement	2
6. General Insurance Code of Practice	4
7. Complaints Resolution	4
8. How to make a claim	5
9. Goods and Services Tax	5
10. Coinsurance	5
11. In use or connected ready for use	6
12. Where 'prior consent' is required from Us	6
13. Payment of reasonable and/or necessary costs or expenses	6
Section A. Property damage	7
Coverage A1. Equipment breakdown	7
Coverage A2. Electronic equipment – Fire and other perils	8
Coverage A3. Electronic equipment – Portable items during transit and temporary removal	9
Section B. Optional coverages	10
Coverage B1. Deterioration of specified property	10
Coverage B2. Interruption insurance – Loss of gross profit, payroll and additional increase in cost of working	12
Coverage B3. Interruption insurance – Loss of gross rentals and additional increase in cost of working	14
Coverage B4. Interruption insurance – Loss of gross rentals and additional increase in cost of working (strata building)	16
Coverage B5. Interruption insurance – Loss of gross revenue and additional increase in cost of working	18
Coverage B6. Interruption insurance – Additional expenses only cover	20
Section C. Other coverages and limits	21
Section D. Exclusions	26
Section E. Definitions and special provisions applicable to all sections of this policy	28
Section F. Conditions	33

Welcome to Vero

Vero is a specialist provider of quality business insurance products and packages in Australia. Our mission is to help ensure your success – whether you are an individual, run a small business or a large corporation.

With over 180 years of experience providing quality insurance cover in Australia, we offer products exclusively through insurance brokers and authorised agents, because we believe that impartial, specialist advice is paramount when it comes to selecting business insurance. We work closely with insurance brokers and business owners to ensure we meet the unique needs of our many and varied clients.

Help protect your business, and your future, with an insurer that understands your needs.

Who is the insurer?

This insurance is issued by AAI Limited ABN 48 005 297 807 AFSL 230859 trading as Vero Insurance.

How to contact us

You may contact Us by:

- ▼ Telephone: 02 8121 3100
- ▼ Email: via the “contact us” page on Our website www.vero.com.au
- ▼ Mail: Vero Insurance
GPO Box 3999
Sydney NSW 2001

Important notices affecting this policy

1. Your duty of disclosure

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

You have this duty until We agree to insure You.

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

You do not need to tell Us anything that:

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

If You do not tell us something

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

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

2. Interested parties

Subject to the Insurance Contracts Act 1984 (Cth), We will not insure the interests of any person except for those interests that are stated in this Policy, unless You have notified Us in writing of such interest, and the interest has been noted in the Schedule.

3. Parties to this policy

Where shown in this Policy:

We/Us/Our means AAI Limited ABN 48 005 297 807 trading as Vero Insurance.

You/Your means any person, company or legal entity shown in the Schedule as the Insured.

4. Paying your premiums

The premium is the amount you pay us for this insurance and it includes stamp duty, GST, other government charges and any levies that apply. Your Schedule shows the amount of premium. You must pay the premium including any amounts for or on account of charges or taxes shown on Your Schedule. Your premium includes any discounts we have given you, and these are applied before we add applicable government charges. If You do not pay the premium by the due date We may cancel Your Policy by providing notice to You.

5. Privacy statement

AAI Limited trading as Vero Insurance is the insurer and issuer of Your commercial insurance product, and is a member of the Suncorp Group, which We'll refer to simply as "the Group".

Why do we collect personal information?

Personal information is information or an opinion about an identified individual or an individual who is reasonably identifiable. We collect personal information so that We can:

- ▼ identify You and conduct appropriate checks;
- ▼ understand Your requirements and provide You with a product or service;
- ▼ set up, administer and manage Our products and services and systems, including the management and administration of underwriting and claims;
- ▼ assess and investigate any claims You make under one or more of Our products;
- ▼ manage, train and develop Our employees and representatives;
- ▼ manage complaints and disputes, and report to dispute resolution bodies; and
- ▼ get a better understanding of You, Your needs, Your behaviours and how You interact with Us, so We can engage in product and service research, development and business strategy including managing the delivery of Our services and products via the ways We communicate with You.

What happens if you don't give us your personal information?

If We ask for Your personal information and You don't give it to Us, We may not be able to provide You with any, some, or all of the features of Our products or services.

How we handle your personal information

We collect Your personal information directly from You and, in some cases, from other people or organisations. We also provide Your personal information to other related companies in the Group, and they may disclose or

use Your personal information for the purposes described in 'Why do We collect personal information?' in relation to products and services they may provide to You. They may also use Your personal information to help them provide products and services to other customers, but they'll never disclose Your personal information to another customer without Your consent.

Under various laws We will be (or may be) authorised or required to collect Your personal information. These laws include the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, Personal Property Securities Act 2009, Corporations Act 2001, Autonomous Sanctions Act 2011, Income Tax Assessment Act 1997, Income Tax Assessment Act 1936, Taxation Administration Act 1953, A New Tax System (Goods and Services Tax) Act 1999 and the Australian Securities and Investments Commission Act 2001, as those laws are amended and includes any associated regulations.

We will use and disclose Your personal information for the purposes We collected it as well as purposes that are related, where You would reasonably expect Us to. We may disclose Your personal information to and/or collect Your personal information from:

- ▼ other companies within the Group and other trading divisions or departments within the same company (please see Our Group Privacy Policy for a list of brands/companies);
- ▼ any of Our Group joint ventures where authorised or required;
- ▼ customer, product, business or strategic research and development organisations;
- ▼ data warehouse, strategic learning organisations, data partners, analytic consultants;
- ▼ social media and other virtual communities and networks where people create, share or exchange information;
- ▼ publicly available sources of information;
- ▼ clubs, associations, member loyalty or rewards programs and other industry relevant organisations;
- ▼ a third party that We've contracted to provide financial services, financial products or administrative services – for example:
 - ▼ information technology providers,
 - ▼ administration or business management services, consultancy firms, auditors and business management consultants,
 - ▼ marketing agencies and other marketing service providers,
 - ▼ claims management service providers,
 - ▼ print/mail/digital service providers, and
 - ▼ imaging and document management services;
- ▼ any intermediaries, including Your agent, adviser, a broker, representative or person acting on Your behalf, other Australian Financial Services Licensee or Our authorised representatives, advisers and Our agents;
- ▼ a third party claimant or witnesses in a claim;
- ▼ accounting or finance professionals and advisers;
- ▼ government, statutory or regulatory bodies and enforcement bodies;
- ▼ policy or product holders or others who are authorised or noted on the policy as having a legal interest, including where You are an insured person but not the policy or product holder;
- ▼ in the case of a relationship with a corporate partner such as a bank or a credit union, the corporate partner and any new incoming insurer;
- ▼ the Australian Financial Complaints Authority or any other external dispute resolution body;
- ▼ credit reporting agencies;
- ▼ other insurers, reinsurers, insurance investigators and claims or insurance reference services, loss assessors, financiers;
- ▼ legal and any other professional advisers or consultants;
- ▼ hospitals and medical, health or wellbeing professionals;
- ▼ debt collection agencies;
- ▼ any other organisation or person, where You've asked them to provide Your personal information to Us or asked Us to obtain personal information from them, e.g. Your mother.

We'll use a variety of methods to collect Your personal information from, and disclose Your personal information to, these persons or organisations, including written forms, telephone calls and via electronic delivery. We may collect and disclose Your personal information to these persons and organisations during the information life cycle, regularly, or on an ad hoc basis, depending on the purpose of collection.

Overseas Disclosure

Sometimes, We need to provide Your personal information to – or get personal information about You from –

persons or organisations located overseas, for the same purposes as in 'Why do We collect personal information?'

The complete list of countries is contained in Our Group Privacy Policy, which can be accessed at www.vero.com.au/privacy, or You can call Us for a copy.

From time to time, We may need to disclose Your personal information to, and collect Your personal information from, other countries not on this list. Nevertheless, We will always disclose and collect Your personal information in accordance with privacy laws.

How to access and correct your personal information or make a complaint

You have the right to access and correct Your personal information held by Us and You can find information about how to do this in the Suncorp Group Privacy Policy.

The Policy also includes information about how You can complain about a breach of the Australian Privacy Principles and how We'll deal with such a complaint. You can get a copy of the Suncorp Group Privacy Policy. Please use the contact details in Contact Us.

Contact us

For more information about Our privacy practices including accessing or correcting Your personal information, making a complaint, or obtaining a list of overseas countries You can:

- ▼ Visit www.vero.com.au/privacy
- ▼ Speak to Us directly by phoning one of Our Sales & Service Consultants on: 1300 888 073 or by
- ▼ Email Us at privacyaccessrequests@vero.com.au

6. General Insurance Code of Practice

We support and adhere to the General Insurance Code of Practice. A copy of the Code can be obtained from the Insurance Council of Australia by:

- ▼ Telephone: (02) 9253 5100 or 1300 728 228
- ▼ Website: www.insurancecouncil.com.au

7. Complaints resolution

We are committed to:

- ▼ listening to what you tell us;
- ▼ being accurate and honest in telling you about our products and services;
- ▼ communicating with you clearly; and
- ▼ resolving any complaints or concerns you have in a fair, transparent and timely manner.

How to contact us with a Complaint

Let us know

If You experience a problem, are not satisfied with Our products and services or a decision We have made, let Us know so that We can help.

- ▼ By phone: 1300 888 073
- ▼ By email: claims@vero.com.au

Complaints can usually be resolved on the spot or within 5 business days.

Review by our Customer Relations Team

If We are not able to resolve Your complaint or You would prefer not to contact the people who provided your initial service, Our Customer Relations team can assist:

- ▼ By phone: 1300 264 470
- ▼ By email: idr@vero.com.au
- ▼ In writing: Vero Customer Relations Team, PO Box 14180, Melbourne City Mail Centre VIC 8001

Customer Relations will contact You if they require additional information or they have reached a decision.

When responding to Your complaint You will be informed of the progress of and the timeframe for responding to Your complaint.

Seek review by an external service

We expect Our procedures will deal fairly and promptly with Your complaint. However, if You remain dissatisfied, You may be able to access the services of the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. Any determination AFCA makes is binding on Us, provided You also accept the determination. You do not have to accept their determination and You have the option of seeking remedies elsewhere.

AFCA has authority to hear certain complaints. Contact AFCA to confirm if they can assist You.

You can contact AFCA:

- ▼ By phone: 1800 931 678
- ▼ By email: info@afca.org.au
- ▼ In writing: Australian Financial Complaints Authority GPO Box 3, Melbourne VIC 3001
- ▼ By visiting: www.afca.org.au

8. How to make a claim

If You need to make a claim against this Policy, please refer to Section F, Condition 5.

9. Goods and Services Tax

The Premium includes GST. You must tell us about the input tax credit (ITC) you are entitled to for your premium and your claim, each time you make a claim. If you do not give us this information or if you tell us an incorrect ITC, we will not pay any GST liability you incur.

Our liability to you will be calculated taking into account any ITC to which you are entitled for any acquisition which is relevant to your claim, or to which you would have been entitled had you made a relevant acquisition.

In respect of your policy, where you are registered for GST purposes you should calculate the insured amount having regard to your entitlement to input tax credits. You should, therefore, consider the net amount (after all input tax credits) which is to be insured and determine 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 circumstances.

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

10. Coinsurance

Certain coverages under this Policy, Electronic Equipment (coverage A2 & A3), Deterioration of Specified Property and Interruption Insurance contain coinsurance clauses that may limit the amount that We pay when You have a claim where You have understated a Limit of Liability or declared value. It is up to You to ensure that the Limit of Liability or declared value You wish to insure for is correct at the start of the Period of Insurance.

More information about the specific application of the co-insurance clauses are set out in the specific coverages.

Example for deterioration of Specified Property

You insure Specified Property to a Limit of Liability of \$1,000,000.

Damage to Specified Property amounting to \$400,000 occurs from an event covered by this Policy.

The insurable value of Specified Property at the commencement of the Period of Insurance calculated in accordance with the coverage Deterioration of Specified Property was \$1,500,000.

The coinsurance percentage under the coverage, Deterioration of Specified Property is 80%.

Coinsurance applies because the declared value or Limit of Liability is less than 80% of the insurable value calculated in accordance with the coverage, Deterioration of Specified Property.

$$\text{Claim payment} = \frac{\$1,000,000 \times \$400,000}{\$1,500,000 \times 80\%} = \$333,333$$

In this example, We would pay \$333,333 for the cost to reinstate Your Specified Property, subject to the application of any Deductible.

Please note the above example does not take in to account Your Input Tax Credit Entitlement.

Example for Interruption Insurance

Your declared value for Gross Profit is \$1,000,000.

A Breakdown causes a loss of \$200,000 by an event covered by this Policy.

The correct declared value for Gross Profit at the commencement of the Period of Insurance calculated in accordance with the definition was \$1,200,000.

The Interruption Insurance states that cover will be proportionately reduced.

Coinsurance applies because the declared value or Limit of Liability is less than the insurable value calculated in accordance with the respective Interruption insurance coverage.

$$\text{Claim payment} = \frac{\$1,000,000 \times \$200,000}{\$1,200,000} = \$166,667$$

In this example, We would pay \$166,667 for the loss of Gross Profit, subject to the application of any Deductible.

Please note the above example does not take in to account Your Input Tax Credit Entitlement.

11. In use or connected ready for use

Certain coverages in this Policy use the phrase “in use or connected ready for use” which is an important term within the Policy, please refer to Section E: Special provisions applicable to all sections of this Policy which clearly sets out its meaning including any testing and statutory certification requirements and clarifications as to what this phrase means in particular circumstances.

12. Where 'prior consent' is required from Us

There are some covers under this Policy, where You will need to obtain Our prior consent, for example, before incurring costs. Where prior consent is required, consent must be obtained from Us. Our consent will not be unreasonably withheld or delayed.

Where prior consent has not been obtained as required, it does not mean You cannot make a claim. However, We may be able to reduce the claim payable by an amount that fairly represents the extent to which the Our interests were prejudiced by the failure to obtain prior consent.

13. Payment of reasonable and/or necessary costs or expenses

A range of different costs and expenses are covered under this Policy. Unless otherwise specified in the Policy, the Policy provides cover for the reasonable and/or necessary amount of such cost or expense. Reasonable and/or necessary amount means an amount that is not excessive and where You have given reasonable consideration in the circumstances to the different courses of action available prior to incurring the amounts and the course of action taken was prudent in that context.

Where consent is also required before incurring such costs or expenses, when You contact Us to seek Our consent, You can let Us know the steps You have taken to consider the courses of action available and discuss the circumstances with Us. If the amounts which are to be incurred are reasonable and/or necessary in the circumstances, We will provide consent for the costs or expenses to be incurred.

Section A. Property damage

Coverage A1. Equipment breakdown

1. Coverage agreement

Subject to the terms, Section D Exclusions and Section F Conditions of this Policy, We agree that if during the Period of Insurance a Breakdown shall occur to Equipment which is in use or connected ready for use at a Situation, specified in the Schedule, We will pay for loss:

- (a) to Equipment resulting from such Breakdown; and
- (b) to other Insured Property directly damaged by the Breakdown.

2. Basis of settlement

Our liability under Section A for loss to Insured Property is as follows:

- (a) for Equipment and other Insured Property, except as for in (b) and (c) below, the lesser of the cost at the time of the Breakdown, to either:
 - (i) repair the damaged property; or
 - (ii) replace the damaged property with similar (not necessarily new) property of like kind, capacity, size, quality and function.

Included in these costs will be the reasonable and necessary cost of cleaning, storing, recycling or replacing any gas or fluid used as transfer or insulating media in the operation of the Insured Property.

(b) for Media, the cost of blank material.

(c) for exposed film, records, manuscripts, drawings and other valuable papers and records, the cost of blank material and cost of transcription from duplicates or from originals.

We shall not be liable for:

1. more than the amount actually expended by You;
2. the cost incurred in repairing or replacing any part or parts of a piece of damaged Insured Property which is greater than the cost of repairing or replacing the property in its entirety;
3. more than the cost that would have been incurred to replace the damaged Insured Property with the closest similar property available that is of like kind, capacity, size, quality, condition and function to the damaged Insured Property in the event that the replacement is of a better kind or quality or of a larger capacity or size; or
4. more than the cost that would be incurred to replace the damaged Insured Property at the same or an adjacent site.

3. Deductible

The Limit of Liability is inclusive of the Deductible. The amount of any compensation otherwise payable by Us for this coverage shall, therefore, be reduced by the Deductible.

4. Limit of liability

Our maximum liability under this coverage shall not exceed the amount stated as the Limit of Liability in the Schedule against this coverage for any One Breakdown.

Optional coverage A2 to Section A

The insurance provided under this coverage is optional to Section A and only applies if it is specified in the Schedule and is subject to the terms, Section D Exclusions and Section F Conditions of this Policy, unless otherwise stated.

Coverage A2. Electronic equipment – Fire and other perils

1. Coverage agreement

We agree that if during the Period of Insurance a Breakdown shall occur to an item of electronic Equipment or associated Media and Electronic Data, specified in the Schedule, and which is in use or connected ready for use at a Situation specified in the Schedule, We will pay for loss to the electronic Equipment and/or associated Media and Electronic Data resulting from such Breakdown.

2. Definitions

Breakdown

For the purpose of this optional coverage A2 and in contradiction to what is contained in Exclusions 4 and 8 in Section D Exclusions, the definition of Breakdown is extended to include sudden and accidental damage caused by or resulting from:

- (a) fire, subterranean fire, smoke or soot;
- (b) earth movement, earthquake, landslide, mud flow, subsidence, landslip or volcanic eruption;
- (c) cyclone, tornado, hurricane, typhoon, storm, tempest, wind, hail, snow, ice, sleet, rainwater;
- (d) tsunami, tidal wave, flood, high water, or other actions of the sea;
- (e) collapse of any building or structure;
- (f) escape of water or liquids;
- (g) water or other means used to extinguish a fire;
- (h) lightning;
- (i) theft, burglary or attempted theft or burglary;
- (j) impact by Vehicle or animal;
- (k) impact by watercraft, aircraft or other aerial devices or articles dropped therefrom;
- (l) explosion; or
- (m) riot, civil commotion, sabotage, vandalism or malicious acts of persons other than You but not Cyber Act.

3. Specific exclusion

We will not be liable for any loss, damage, cost or expense, caused directly or indirectly to any other Insured Property by the Breakdown, except to the items of electronic Equipment and/or associated Media and Electronic Data listed in the Schedule under this coverage.

4. Deductible

The Limit of liability is inclusive of the Deductible. The amount of any compensation otherwise payable by Us for this coverage shall, therefore, be reduced by the Deductible.

5. Limit of liability

Our liability for each item insured under this coverage shall not exceed the amount stated as the Limit of Liability in the Schedule against that item. If the Limit of Liability for the item is less than the New Replacement Value of the item, Our liability shall be proportionately reduced.

New Replacement Value means the cost to replace the item of electronic Equipment with a new equivalent item of electronic Equipment, including reasonable and necessary costs for installation, testing, transportation and import duties, if applicable.

Optional coverage A3 to Section A

The insurance provided under this coverage is optional to Section A and only applies if it is specified in the Schedule and is subject to the terms, Section D Exclusions and Section F Conditions of this Policy, unless otherwise stated.

Coverage A3. Electronic equipment – Portable items during transit and temporary removal

1. Coverage agreement

We agree that if during the Period of Insurance a Breakdown shall occur to any portable item of electronic Equipment or associated Media and Electronic Data, specified in the Schedule, and which occurs whilst the item is at any premise, or in transit between any premise, within the Commonwealth of Australia (hereby defined as the Situation for the purpose of this coverage A3), We will pay for loss to the electronic Equipment and/or associated Media and Electronic Data resulting from such Breakdown.

2. Additional extensions

For the purpose of this coverage, Optional coverage A2 – Fire and other perils, shall automatically apply in full to all the items specified under this coverage.

3. Additional exclusions

We shall not be liable for any loss or damage:

- (a) due to theft or attempted theft while the item is unattended, where You have not taken reasonable precautions to ensure the safety and security of the item. For example, not ensuring the item is locked inside a building, out of sight inside a locked Vehicle or locked inside a safety unit when unattended, where it would have been reasonable to do so;
- (b) whilst the item is installed in or carried in or on an aircraft, aerial device, waterborne vessel or craft, unless You carry the item as personal cabin baggage;
- (c) whilst the item is transported by any courier, freight, postal, transport or relocation company;
- (d) whilst the item is located or in use under water, underground, or down hole, unless this Policy has been specifically endorsed to provide such cover; nor
- (e) whilst the item is at a premise, outside of a Situation, for the purpose of being serviced, repaired or altered.

4. Deductible

The Limit of liability is inclusive of the Deductible. The amount of any compensation otherwise payable by Us for this coverage shall, therefore, be reduced by the Deductible.

5. Limit of liability

Our liability for each item insured under this coverage shall not exceed the amount stated as the Limit of Liability in the Schedule against that item. If the Limit of Liability for the item is less than the New Replacement Value of the item, Our liability shall be proportionately reduced.

New Replacement Value means the cost to replace the item of electronic Equipment with a new equivalent item of electronic Equipment, including reasonable and necessary costs for installation, testing, transportation and import duties, if applicable.

Section B. Optional coverages

Each coverage provided in Section B is optional and only applies if it is specified in the Schedule and is subject to the terms, Section D Exclusions and Section F Conditions of this Policy, unless otherwise stated.

Coverage B1. Deterioration of specified property

1. Coverage agreement

We will pay:

- (a) the amount of loss or damage to, and the cost of disposal of, Specified Property owned by You;
- (b) the amount of loss or damage to, and the cost of disposal of, Specified Property of others in Your care, custody or control and for which You are legally liable; and
- (c) the amount of expense incurred by You to reduce or avert such loss or damage and which You have Our prior written consent, or alternatively an expense which is reasonable and does not result in the total amount that otherwise would have been paid under (a) and/or (b) above being exceeded had the expense not been incurred;

provided that the loss or damage and expense to Specified Property is due to:

1. Breakdown of the Equipment;
2. the operation or failure to operate of any switch, thermostat, control, fuse, circuit breaker or overload device which is included in the definition of Equipment and which is used for the operation of the Equipment at a Situation specified in the Schedule, but not including the manual operation or setting of such switch, thermostat, control, fuse, circuit breaker or overload device;
3. the sudden leakage of refrigerant from the Equipment;
4. contamination caused by the escape of refrigerant or liquid from the Equipment;
5. an event as described in 1-4 above to equipment which is owned by the building owner at the Situation, a public utility or an entity contracted by You or the building owner, which is used to supply steam, gas, air, water, refrigeration, electricity, telephone or internet services to a Situation specified in the Schedule, provided the equipment is of a type described in the definition of Equipment; or
6. failure of public electricity supply caused by,
 - (a) an accidental and unforeseen failure of public electricity supply services; such accidental and unforeseen failure shall not include:
 - (i) any deliberate act by a public supply authority;
 - (ii) any intentional interruption of the electricity service by a public supply authority in the case of flood, fire, storm or natural disasters; or
 - (iii) any scheme of rationing which is not necessitated solely by accidental damage to the generating or supply equipment of the public supply authority; or
 - (b) a deliberate act by a public supply authority performed for the sole purpose of safeguarding or protecting any part of the public supply system, where imminent risk of injury or damage was present;

which occurs during the Period of Insurance and whilst this coverage is in effect, where such equipment is in use or connected ready for use at or supplying a Situation specified in the Schedule and subject to the Limit of Liability specified in the Schedule for this coverage.

As soon as reasonably possible after an event as described in 1-6 above You must utilise reasonably available means to reduce the loss or damage to the Specified Property, for example using other storage facilities to store the Specified Property or utilise surplus machinery, spare parts, equipment, supplies and surplus or reserve stock to help reduce loss or damage, which are either owned or controlled by You or are obtainable from other reasonably available sources. We will reduce Our liability for loss or damage caused to the Specified Property to the extent that Your failure to comply with this requirement caused or contributed to such loss or damage.

Where you have not taken reasonable available means as described above, We may contact you to discuss actions that We may take that are reasonably necessary to reduce or avert such loss or damage in whole or in part, for example the disposition of the Specified Property that is salvageable.

All expenses incurred by You under clause (c) of this coverage Agreement shall be a part of and not in addition to the Limit of Liability.

In the event that You replace the damaged or destroyed Specified Property, We shall not be liable for more than the cost to replace such Specified Property at the soonest practicable time that the Specified Property could be replaced.

In the event that You do not replace the damaged or destroyed Specified Property, We shall not be liable for more than the actual cash value. Actual cash value means the cost of replacing the damaged Specified Property at the time of the loss or damage with property of similar kind and quality, less allowance for age, condition and normal life expectancy, if applicable, of the Specified Property.

2. Additional benefits

(a) Coverage is extended to include, within the Limit of Liability, loss or damage to, and the cost of disposal of, the Specified Property insured under this coverage whilst it is in storage at an alternative location anywhere in Australia (or in transit thereto or therefrom) as a consequence of an event described in 1-6 of the coverage agreement above, and for the sole purpose of preventing or mitigating a loss under this coverage.

For the purpose of this Additional benefit (a) only;

(i) the Definition of Equipment is amended to include any mechanical, hydraulic, electrical or electronic apparatus, or Pressure Plant, forming part of a refrigeration unit which is permanently installed and located on a Vehicle that is owned, leased, operated or controlled by You.

(ii) the Definition of Situation is amended to 'anywhere in Australia'.

(b) Coverage is extended to include, within the Limit of Liability, loss or damage to, and the cost of disposal of, property of the same type as Specified Property, including its packaging, which at the time of the event as described above in 1-6 under 1. Coverage agreement is in transit to a Situation, specified in the Schedule, and such loss or damage results from the inability of such property to be stored at the Situation due to such event.

(c) Following an indemnifiable loss, We will also pay the costs, within the Limit of Liability, reasonably and necessarily incurred by You in the cleaning and disinfection of the area where the damaged Specified Property was kept at the time of deterioration, where it is necessitated due to the deterioration of the Specified Property.

3. Coinsurance

This coverage is subject to an 80% coinsurance percentage unless otherwise stated in the Schedule. We shall not be liable for the payment of a greater proportion of the amount of loss than the Limit of Liability specified in the Schedule bears to the amount obtained by applying the coinsurance percentage to the total actual replacement cost, at the time of the event as described above in 1-6 under 1. Coverage Agreement, of all Specified Property at or in transit to the Situation, less the Deductible. Refer to the heading "Coinsurance" on Page 5 for an example of how coinsurance operates.

4. Deductible

The Limit of liability is inclusive of the Deductible. The amount of any compensation otherwise payable by Us for this coverage shall, therefore, be reduced by the Deductible.

The Deductible is applied to the amount of compensation which is payable after having first applied the Limit of Liability and coinsurance.

Coverage B2. Interruption insurance – Loss of gross profit, payroll and additional increase in cost of working

1. Coverage agreement

We agree that if the Business carried on at a Situation specified in the Schedule is interrupted or interfered with, We will pay You the amounts for the insured items below as specified in the Schedule, resulting from such interruption or interference, to the extent the interruption or interference was caused by a Breakdown during the Period of Insurance to an item of Equipment which is in use or connected ready for use at an insured Situation. For interruption or interference caused by something other than a Breakdown, the amount we pay You will be reduced proportionally to reflect the other cause(s). This coverage will be subject to the Indemnity Period and the Limit of Liability for the respective item below.

2. Basis of insurance

Item No 1. Gross profit

The insurance under Item No 1 is limited to the 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 falls short of the Standard Turnover due to the interruption or interference caused by the Breakdown; and
- (b) in respect of increase in cost of working: the additional expenditure reasonably and necessarily incurred for the sole purpose of avoiding or diminishing the reduction in Turnover during the Indemnity Period due to the interruption or interference caused by the Breakdown, 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 due to the interruption or interference caused by the Breakdown.

Provided that if the declared value of Gross Profit at the commencement of each Period of Insurance is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or its proportionately increased multiple where the Indemnity Period exceeds twelve (12) months), the amount payable as compensation shall be proportionately reduced.

The maximum amount payable during the Indemnity Period is the Limit of Liability.

Item No 2. Payroll (dual basis)

The insurance under Item No 2 is limited to loss in respect of Payroll and the amount payable as indemnity shall be:

- (a) In respect of reduction in Turnover:
 - (i) during the initial period of the Indemnity Period, beginning with the Commencement of Liability and ending not later than the number of weeks thereafter specified in the Schedule: the sum produced by applying the Rate of Payroll to the Shortage in Turnover during the said portion of the Indemnity Period less any sum saved during the said portion of the Indemnity Period as a result of any reduction in the amount of Payroll paid, due to the interruption or interference caused by the Breakdown.
 - (ii) during the remaining portion of the Indemnity Period: the sum produced by applying the Rate of Payroll to the Shortage in Turnover during that said remaining portion of the Indemnity Period less any sum saved during the said remaining period of the Indemnity Period, as a result of any reduction in the amount of Payroll paid due to the interruption or interference caused by the Breakdown; 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).

At Your option 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 sums saved 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 No 1 Gross Profit as exceeds the amount payable, 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 Item No 2 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 (as stated on the Schedule) to the sum produced by applying the Rate of Payroll to the Annual Turnover (or its proportionately increased multiple where the

Indemnity Period exceeds twelve (12) months), the amount payable as compensation shall be proportionately reduced. The Limit of Liability shall represent the maximum amount payable during the Indemnity Period.

Item No 3. Additional increase in cost of working

The insurance under Item No 3 is limited to such further increase in cost of working, beyond that recoverable under Clause (b) of Item No 1 and/or Item No 2 above, reasonably and necessarily incurred during the Indemnity Period due to the interruption or interference caused by the Breakdown for the purpose of avoiding or diminishing a reduction in Turnover and/or resuming and/or maintaining Normal Business operations and/or services.

3. Additional exclusions

We shall not be liable for any interruption or interference with the Business:

- (a) for any time spent on overhauls, inspections or modifications carried out during the period of interruption or for any time which the Business would not or could not have been carried on if the Breakdown had not occurred;
- (b) resulting from Your failure to use reasonable due diligence and dispatch and all other reasonable means in order to resume the Business; or
- (c) for any cost or expense relating to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature, except as specifically provided under coverage described in Section C of this Policy.

4. Adjustments

Adjustments shall be made to the Rate of Gross Profit, Annual Turnover, Standard Turnover and Rate of Payroll as may be reasonably necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Breakdown or which would have affected the Business had the Breakdown not occurred, so that the figures adjusted represent as nearly as may be reasonably practicable the results, which but for the Breakdown, would have been obtained during the relative period after the Breakdown.

You may provide and We may request reasonable information required to establish what adjustments need to be made and We will consult with You in relation to any adjustments that are to be made.

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 You or by others on Your 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.

5. Resumption of business

As soon as reasonably possible after the Breakdown, You shall continue or resume Business, in whole or in part, through the use of every reasonably available means. This may include continuing and resuming Business through:

- (i) the use of alternative premises, surplus machinery, spare parts, equipment, supplies and surplus or reserve stock, which may be owned or controlled by You or obtainable by You from other reasonably available sources; and
- (ii) working extra time or overtime at a Situation or at such other premises acquired for the purpose of making up lost Business.

We will reduce Our liability under this coverage agreement to the extent that Your failure to comply with this requirement caused or contributed to the interruption or interference to the Business.

Where You have not taken reasonably available means as described above to continue or resume Business, We may contact You to discuss the actions that We may take that are reasonably necessary to reduce or avert interruption of the Business, for example, supplying functions of the Situation in some other way.

6. Deductible/Time deductible

If a Deductible is specified in the Schedule for this coverage, the Limit of Liability is inclusive of the Deductible and the amount of any compensation otherwise payable by Us for this coverage shall be reduced by the Deductible.

If a Time Deductible is specified in the Schedule for this coverage, We shall not be liable for any loss and/or expense under this coverage during such period.

7. Special provision

Should the Business be interrupted or interfered with as a result of the loss to Specified Property or Equipment, for which a claim has been paid or liability admitted, or would have been paid or admitted but for the application of any Deductible, under coverage B1 Deterioration of Specified Property, coverage A2 Electronic equipment – Fire and other Perils, or coverage A3 Electronic equipment – Portable items during transit and temporary removal, We will consider such interruption or interference as if it has resulted from a Breakdown to Equipment at a Situation for the purpose of this coverage B2.

Coverage B3. Interruption insurance – Loss of gross rentals and additional increase in cost of working

1. Coverage agreement

We agree that if the Business carried on at a Situation specified in the Schedule is interrupted or interfered with We will pay You the amounts for the insured items below as specified in the Schedule resulting from such interruption or interference, to the extent the interruption or interference was caused by a Breakdown to an item of Equipment during the Period of Insurance which is in use or connected ready for use at an insured Situation. For interruption or interference caused by something other than a Breakdown, the amount we pay You will be reduced proportionally to reflect the other cause(s). This coverage will be subject to the Indemnity Period and the Limit of Liability for the respective item below.

2. Basis of insurance

Item No 1. Gross rentals

The insurance under Item No 1 is limited to the loss of Gross Rentals due to: (a) reduction in Gross Rentals; and (b) increase in cost of working, and the amount payable as indemnity shall be:

- (a) in respect of reduction in Gross Rentals: the amount by which the Gross Rentals during the Indemnity Period falls short of the Standard Gross Rentals, due to the interruption or interference caused by the Breakdown;
- (b) in respect of increase in cost of working: the additional expenditure reasonably and necessarily incurred for the sole purpose of avoiding or diminishing the reduction in Gross Rentals during the Indemnity Period, due to the interruption or interference caused by the Breakdown, but not exceeding the loss of Gross Rentals thereby avoided;

less any sum saved during the Indemnity Period in respect of such charges and expenses of the Business payable out of Gross Rentals as may cease or be reduced due to the interruption or interference caused by the Breakdown.

Provided that if the declared value of Gross Rentals at the commencement of each Period of Insurance is less than the sum produced by applying the Rate of Gross Rentals to the Annual Turnover (or its proportionately increased multiple where the Indemnity Period exceeds twelve (12) months), the amount payable as compensation shall be proportionately reduced.

The maximum amount payable during the Indemnity Period is the Limit of Liability.

Item No 2. Additional increase in cost of working

The insurance provided under Item No 2 is limited to such further increase in cost of working, beyond that recoverable under clause (b) of Item No 1 above, reasonably and necessarily incurred during the Indemnity Period due to the interruption or interference caused by the Breakdown for the purpose of avoiding or diminishing a reduction in Gross Rentals and/or resuming and/or maintaining Normal Business operations and/or services.

3. Additional exclusions

We shall not be liable for any interruption or interference with the Business:

- (a) for any time spent on overhauls, inspections or modifications carried out during the period of interruption or for any time which the Business would not or could not have been carried on if the Breakdown had not occurred;
- (b) resulting from Your failure to use reasonable due diligence and dispatch and all other reasonable means in order to resume the Business; or
- (c) for any cost or expense, relating to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature, except as specifically provided for under any coverage in Section C.

4. Adjustments

Adjustments shall be made to the Annual Gross Rentals and Standard Gross Rentals as may be reasonably necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Breakdown or which would have affected the Business had the Breakdown not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results, which but for the Breakdown, would have been obtained during the relative period after the Breakdown.

You may provide and We may request reasonable information required to establish what adjustments need to be made and We will consult with You in relation to any adjustments that are to be made.

If during the Indemnity Period the Business shall be rendered elsewhere than at the Situation, the Gross Rentals derived from such other premises shall be brought into account in arriving at the Gross Rentals during the Indemnity Period.

5. Resumption of business

As soon as reasonably possible after the Breakdown, You shall continue or resume Business, in whole or in part,

through the use of every reasonably available means. This may include continuing and resuming Business through:

- (i) the use of alternative premises, surplus machinery, spare parts, equipment, supplies and surplus or reserve stock, which may be owned or controlled by You or obtainable by You from other reasonably available sources; and
- (ii) working extra time or overtime at the Situation or at such other premises acquired for the purpose of making up lost Business.

We will reduce Our liability under this coverage agreement to the extent that Your failure to comply with this requirement caused or contributed to the interruption or interference to the Business.

Where You have not taken reasonably available means as described above to continue or resume Business, We may contact You to discuss the actions that We may take that are reasonably necessary to reduce or avert interruption of the Business, for example, supplying functions of the Situation in some other way.

6. Deductible/Time deductible

If a Deductible is specified in the Schedule for this coverage, the Limit of Liability is inclusive of the Deductible and the amount of any compensation otherwise payable by Us for this coverage shall be reduced by the Deductible.

If a Time Deductible is specified in the Schedule for this coverage, We shall not be liable for any loss and/or expense under this coverage during such period.

7. Special provision

Should the Business be interrupted or interfered with as a result of the loss to Specified Property or Equipment, for which a claim has been paid or liability admitted, or would have been paid or admitted but for the application of any Deductible, under coverage B1 Deterioration of Specified Property, coverage A2 Electronic equipment – Fire and other Perils, or coverage A3 Electronic equipment – Portable items during transit and temporary removal, We will consider such interruption or interference as if it has resulted from a Breakdown to Equipment at a Situation for the purpose of this coverage B3.

Coverage B4. Interruption insurance – Loss of gross rentals and additional increase in cost of working (strata building)

1. Coverage agreement

This coverage relates to a Breakdown of Equipment owned, leased, operated or controlled by the strata corporation named in the Schedule.

We agree that if the Business carried on at a Situation specified in the Schedule is interrupted or interfered with, We will pay You the amounts for the insured items below as specified in the Schedule resulting from such interruption or interference, to the extent the interruption or interference was caused by a Breakdown during the Period of Insurance to any item of Equipment which is in use or connected ready for use at an insured Situation. For interruption or interference caused by something other than a Breakdown, the amount we pay You will be reduced proportionally to reflect the other cause(s). This coverage will be subject to the Indemnity Period and the Limit of Liability for the respective item below.

2. Basis of insurance

Item No 1. Gross rentals

The insurance under Item No 1 is limited to the loss of Gross Rentals due to: (a) reduction in Gross Rentals, (b) increase in cost of working and (c) temporary accommodation, and the amount payable as indemnity shall be:

- (a) in respect of reduction in Gross Rentals: when You have leased out or can substantiate by means of signed agreement that You would have leased out the unit or common area at the Situation, We will pay the actual loss of rent sustained during the Indemnity Period due to the interruption or interference caused by the Breakdown;
- (b) in respect of increase in cost of working: the additional expenditure reasonably and necessarily incurred for the sole purpose of avoiding or diminishing the reduction in Gross Rentals during the Indemnity Period, due to the interruption or interference caused by the Breakdown but not exceeding the loss of Gross Rentals thereby avoided during the Indemnity Period; less any sum saved during the Indemnity Period in respect of such amounts of the Business payable out of Gross Rentals as may cease or be reduced due to the interruption or interference caused by the Breakdown;
- (c) in respect of temporary accommodation: when You occupy an area at the Situation, We will pay the reasonably and necessary temporary accommodation costs if this area is unfit to be occupied for its intended purpose, or reasonable access to this area is prevented, due to the interruption or interference caused by the Breakdown.

The Limit of Liability for Item No 1 is set to 15% of the declared property damage value under coverage A1, and is based on a maximum Indemnity Period of 12 months.

Item No 2. Additional increase in cost of working

The insurance provided under Item No 2 is limited to such further increase in cost of working, beyond that recoverable under clause (b) of Item No 1 above, reasonably and necessarily incurred during the Indemnity Period due to the interruption or interference caused by the Breakdown for the purpose of avoiding or diminishing a reduction in Gross Rentals and/or resuming and/or maintaining Normal Business operations and/or services.

3. Additional exclusions

- (a) We shall not be liable for any interruption or interference with the Business:
 - (i) for any time spent on overhauls, inspections or modifications carried out during the period of interruption or for any time which the Business would not or could not have been carried on if the Breakdown had not occurred;
 - (ii) resulting from Your failure to use reasonable due diligence and dispatch and all other reasonable means in order to resume the Business; or
 - (iii) for any cost or expense, relating to fines or damages for breach of contract, for late or non completion of orders, or for any penalties of whatever nature, except as specifically provided under any coverage in Section C.
- (b) This Policy does not insure any Equipment which is not owned, leased, operated or controlled by the strata corporation named in the Schedule, or any loss resulting from Breakdown of such Equipment.

4. Definitions for this coverage only

- (a) "Gross Rentals" means, the money payable to You by tenants in respect of rental of the unit or common area at the Situation;
- (b) "You" is, automatically extended to include a Lot Owner;
- (c) "Lot Owner" means any person, persons, or other entity registered, from time to time, as a proprietor or

owner of an estate at the Situation in terms of the Strata Schemes Management Act, Strata Titles Act, Community Titles Act or similar legislation applying where the Equipment is located.

5. Resumption of business

As soon as reasonably possible after the Breakdown, You shall continue or resume Business, in whole or in part, through the use of every reasonably available means. This may include continuing and resuming the Business through:

- (i) the use of alternative premises, surplus machinery, spare parts, equipment, supplies and surplus or reserve stock, which may be owned or controlled by You or obtainable by You from other reasonably available sources; and
- (ii) working extra time or overtime at the Situation or at such other premises acquired for the purpose of making up lost Business.

We will reduce Our liability under this coverage agreement to the extent that Your failure to comply with this requirement caused or contributed to the interruption or interference to the Business.

Where You have not taken reasonably available means as described above to continue or resume Business, We may contact You to discuss the actions that We may take that are reasonably necessary to reduce or avert interruption of the Business, for example, supplying functions of the Situation in some other way.

6. Notices

Notice shall be given to the strata corporation, being the person, company or legal entity shown on the Schedule as the Insured, at the postal address stated in the Schedule. Notwithstanding the inclusion of the Lot Owner, from time to time, as insured under this Policy, such notice to the strata corporation shall be notice to such Lot Owner.

We shall not be obliged to give notice of cancellation or notice of any change in this Policy to anyone but the strata corporation named in the Schedule, irrespectively if any other party is insured by this Policy or not.

7. Conditions

All Conditions in Section F of this Policy relate to the person, company or legal entity shown on the Schedule or Equipment owned by such entity. If any claim is declined or reduced due to such entity not adhering to any of these Conditions, this shall result in the claim being declined or limited to any other insured to the same extent.

8. Subrogation

Condition 16, Preservation of rights of recovery and subrogation in Section F is expanded by inclusion of the following paragraph:

We agree to waive Our right of recovery/subrogation against:

- (a) the strata corporation and the strata manager and their respective directors, officers, employees and agents;
- (b) any Lot Owner of a unit including employees, residents of a Lot Owner's household, their spouse and any person under the age of 18 in the care of the Lot Owner; and
- (c) any additional insured named in this Policy, including their employees whilst acting in their capacity.

9. Deductible/Time deductible

If a Deductible is specified in the Schedule for this coverage, the amount of any compensation otherwise payable by Us for this coverage shall be reduced by the Deductible.

If a Time Deductible is specified in the Schedule for this coverage, We shall not be liable for any loss and/or expense under this coverage during such period.

10. Special provision

Should the Business be interrupted or interfered with as a result of the loss to Specified Property or Equipment, for which a claim has been paid or liability admitted, or would have been paid or admitted but for the application of any Deductible, under coverage B1 Deterioration of Specified Property, coverage A2 Electronic equipment – Fire and other Perils, or coverage A3 Electronic equipment – Portable items during transit and temporary removal, We will consider such interruption or interference as if it has resulted from a Breakdown to Equipment at a Situation for the purpose of this coverage B4.

Coverage B5. Interruption insurance – Loss of gross revenue and additional increase in cost of working

1. Coverage agreement

We agree that if the Business carried on at a Situation specified in the Schedule is interrupted or interfered with We will pay You the amounts for the insured items below as specified in the Schedule resulting from such interruption or interference, to the extent the interruption or interference was caused by a Breakdown during the Period of Insurance to any item of Equipment which is in use or connected ready for use at an insured Situation. For interruption or interference caused by something other than a Breakdown, the amount we pay You will be reduced proportionally to reflect the other cause(s). This coverage will be subject to the Indemnity Period and the Limit of Liability for the respective item below.

2. Basis of insurance

Item No 1. Gross revenue

The insurance under Item No 1 is limited to the loss of Gross Revenue due to: (a) reduction in Gross Revenue; and (b) increase in cost of working, and the amount payable as indemnity shall be:

(a) in respect of reduction in Gross Revenue: the amount by which the Gross Revenue during the Indemnity Period falls short of the Standard Gross Revenue due to the interruption or interference caused by the Breakdown; and

(b) in respect of increase in cost of working: the additional expenditure reasonably and necessarily incurred for the sole purpose of avoiding or diminishing the loss of Gross Revenue which, but for that expenditure, would have taken place during the Indemnity Period due to the interruption or interference caused by the Breakdown, but not exceeding the amount of the reduction in Gross Revenue thereby avoided;

less any sum saved during the Indemnity Period in respect of such charges and expenses of the Business payable out of the Gross Revenue as may cease or be reduced due to the interruption or interference caused by the Breakdown.

Provided that if the declared value of Gross Revenue at the commencement of each Period of Insurance is less than the Annual Gross Revenue (or its proportionately increased multiple where the Indemnity Period exceeds twelve (12) months) the amount payable as compensation shall be proportionately reduced.

The maximum amount payable during the Indemnity Period is the Limit of Liability.

Item No 2. Additional increase in cost of working

The insurance provided under Item No 2 is limited to such further increase in cost of working, beyond that recoverable under clause (b) of Item No 1 above, reasonably and necessarily incurred during the Indemnity Period due to interruption or interference caused by the Breakdown for the purpose of avoiding or diminishing a reduction in Gross Revenue and/or resuming and/or maintaining Normal Business operations and/or services.

3. Additional exclusions

We shall not be liable for any interruption or interference with the Business:

(a) for any time spent on overhauls, inspections or modifications carried out during the period of interruption or for any time which the Business would not or could not have been carried on if the Breakdown had not occurred;

(b) resulting from Your failure to use reasonable due diligence and dispatch and all other reasonable means in order to resume the Business; or

(c) for any cost or expense relating to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature, except as specifically provided under coverage described in Section C.

4. Adjustments

Adjustments shall be made to the Annual Gross Revenue and Standard Gross Revenue as may be reasonably necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Breakdown or which would have affected the Business had the Breakdown not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results, which but for the Breakdown, would have been obtained during the relative period after the Breakdown.

You may provide and We may request reasonable information required to establish what adjustments need to be made and will consult with You in relation to any adjustments that are to be made.

If during the Indemnity Period services shall be rendered or goods shall be sold elsewhere than at the Situation, for the benefit of the Business either by You or on Your behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Gross Revenue during the Indemnity Period.

5. Resumption of business

As soon as reasonably possible after the Breakdown, You shall continue or resume Business, in whole or in part, through the use of every reasonably available means. This may include continuing and resuming Business

through:

- (i) the use of alternative premises, surplus machinery, spare parts, equipment, supplies and surplus or reserve stock, which may be owned or controlled by You or obtainable by You from other reasonably available sources; and
- (ii) working extra time or overtime at the Situation or at such other premises acquired for the purpose of making up lost Business.

We will reduce Our liability under this coverage agreement to the extent that Your failure to comply with this requirement caused or contributed to the interruption or interference to the Business.

Where You have not taken reasonably available means as described above to continue or resume Business, We may contact You to discuss the actions that We may take that are reasonably necessary to reduce or avert interruption of the Business, for example, supplying functions of the Situation in some other way.

6. Deductible/Time deductible

If a Deductible is specified in the Schedule for this coverage, the amount of any compensation otherwise payable by Us for this coverage shall be reduced by the Deductible.

If a Time Deductible is specified in the Schedule for this coverage, We shall not be liable for any loss and/or expense under this coverage during such period.

7. Special provision

Should the Business be interrupted or interfered with as a result of the loss to Specified Property or Equipment, for which a claim has been paid or liability admitted, or would have been paid or admitted but for the application of any Deductible, under coverage B1 Deterioration of Specified Property, coverage A2 Electronic equipment – Fire and other Perils, or coverage A3 Electronic equipment – Portable items during transit and temporary removal, We will consider such interruption or interference as if it has resulted from a Breakdown to Equipment at a Situation for the purpose of this coverage B5.

Coverage B6. Interruption insurance – Additional expenses only cover

1. Coverage agreement

We agree that if the Business carried on at a Situation specified in the Schedule is interrupted or interfered with We will pay You the Additional Expenses as described below, resulting from such interruption or interference, to the extent the interruption or interference was caused by a Breakdown during the Period of Insurance to any item of Equipment which is in use or connected ready for use at an insured Situation. For interruption or interference caused by something other than a Breakdown, the amount we pay You will be reduced proportionally to reflect the other cause(s). This coverage will be subject to the Limit of Liability specified in the Schedule.

We shall be liable for such Additional Expenses during the period as shall be required using all reasonable means to restore the Business to normal operation at the Situation (where such period may extend beyond the expiry of the Period of Insurance).

Additional Expenses means the additional costs to conduct the Business during the period of reinstating the damage over and above the costs that normally would have been incurred to operate the Business during the same period had no Breakdown occurred. Such Additional Expenses will include the expense of obtaining and using other property or facilities of others or other necessary emergency expenses.

We shall not be liable under this coverage agreement for:

- (i) loss of income,
- (ii) any additional cost in excess of that necessary to continue as nearly as practicable the normal operation of the Business; or
- (iii) the cost of repairing or replacing any property that has been damaged or destroyed as a result of the Breakdown, except such cost incurred for the purpose of reducing the total amount of Additional Expenses. Our liability for such cost incurred shall not exceed the amount by which the total Additional Expenses otherwise payable under this coverage is reduced. Any salvage value of substitute or temporary equipment or property remaining after resumption of normal operation shall be taken into consideration in the adjustment of any loss.

2. Additional exclusions

(a) We shall not be liable for any Additional Expenses:

- (i) for any time spent on overhauls, inspections or modifications carried out during the period of interruption or for any time during which the Business would not or could not have been carried on if the Breakdown had not occurred; or
- (ii) resulting from Your failure to use reasonable due diligence and dispatch and all other reasonable means in order to resume normal operation;

(b) If, following a Breakdown, any lease, license or order is suspended, lapsed or cancelled, We shall not be liable for payment for any Additional Expenses occurring after the time when the normal operation of the Business could have been resumed if such lease, license or order had not lapsed or had not been suspended or cancelled.

3. Deductible/Time deductible

If a Deductible is specified in the Schedule for this coverage, the amount of any compensation otherwise payable by Us for this coverage shall be reduced by the Deductible.

If a Time Deductible is specified in the Schedule for this coverage, We shall not be liable for any loss and/or expense under this coverage during such period.

4. Special provision

Should the Business be interrupted or interfered with as a result of the loss to Specified Property or Equipment, for which a claim has been paid or liability admitted, or would have been paid or admitted but for the application of any Deductible, under coverage B1 Deterioration of Specified Property, coverage A2 Electronic equipment – Fire and other Perils, or coverage A3 Electronic equipment – Portable items during transit and temporary removal, We will consider such interruption or interference as if it has resulted from a Breakdown to Equipment at a Situation for the purpose of this coverage B6.

Section C. Other coverages and limits

In respect of cover under Section A that is shown in the Schedule to apply, and/or cover(s) under the Optional coverages under Section B that are shown in the Schedule to apply, subject to the terms, Section D Exclusions and Section F. Conditions of this Policy the following cover and limits shall apply:

Section A only:

1. Expediting expenses

We shall be liable under Section A for the reasonable extra cost, including overtime and the extra cost of express or rapid means of transportation, necessary to:

- (a) make temporary repairs;
- (b) expedite permanent repairs; or
- (c) expedite permanent replacement;

of the Equipment or other Insured Property which was damaged.

We shall not be liable for the following costs:

- 1. those related to equipment or other property installed to replace the function of the damaged property on a temporary basis; or
- 2. those in excess of an amount equal to that indemnifiable under Section A.

2. Temporary hire costs

We shall be liable under Section A for the hiring of temporary property, necessary to keep the Business operating as nearly as practical as before the Breakdown, up to:

- (a) 50% of the normal cost to repair or replace the damaged Equipment and other Insured Property which was damaged; or
- (b) \$25,000;

whichever is the lesser for any One Breakdown.

3. Hazardous substances

If a Hazardous Substance escapes or is released solely as a result of a Breakdown, We shall be liable under Section A for the increase in the cost to repair, replace, clean up or dispose of affected Insured Property, however the limit of Our liability for such increase shall not exceed the amount specified in the Schedule for Hazardous Substances.

We shall not be liable for any increase in loss under Section B that is caused by or arises from a Hazardous Substance. We shall not be liable under this Hazardous Substances cover for any loss or damage which is covered under the coverage – 15. Ammonia contamination in this Section C.

With respect to the Hazardous Substance coverage, the expression “increase in cost” or “increase in loss” shall mean that cost or loss beyond that which would have been incurred had no Hazardous Substance been present.

4. Additional equipment upgrades and green costs

We shall be liable under Section A for additional reasonable costs incurred with Our prior consent to upgrade the damaged Equipment to equipment We agree is more energy efficient, environmentally friendly or safer for people, provided that We will not pay to increase the size, capacity or function of the Equipment.

We shall also be liable under Section A for additional costs incurred with Our prior consent which are payable for:

- (a) hiring of professionals who are certified by a Green Standard to assist with the design, repair or replacement of the damaged Equipment;
- (b) disposal of damaged Insured Property through a recycling process instead of landfill;
- (c) ventilating Insured Property in accordance with a Green Standard; or
- (d) fees payable to a nationally recognised environmental standards body for the purpose of registering, certifying or recertifying the damaged Insured Property pursuant to a Green Standard.

With respect to this coverage, the term Green Standard shall mean the Green Star rating system of the Green Building Council Australia, or any other nationally recognised environmental standards program that is designed to achieve energy savings and related objectives of a similar type.

With respect to this coverage, the term “additional costs” shall mean those costs beyond which would have been covered by this Policy in the absence of this coverage.

Provided that:

- 1. We shall only be liable for loss under this coverage that is a direct result of a Breakdown to Equipment;

2. repair or replacement of damaged Insured Property must be carried out within a reasonable amount of time, failing which to the extent We have been prejudiced by the delay, We shall not be liable to make any payment beyond which would have been payable under this Policy in the absence of this coverage;
3. We shall not be liable under this coverage for loss or expense described by Exclusion 7 (a), (c) or (d) in Section D of the Policy;
4. We shall not be liable for any increase in loss under Section B that is caused by or arises from any additional benefit payable under this coverage; and
5. Our Limit of Liability shall be:
 - (i) 50% of the normal cost to repair or replace the damaged Equipment; or
 - (ii) the amount stated in the Schedule for Additional equipment upgrades and green costs;
 whichever is the lesser for any One Breakdown.

Section B only:

5. Service interruption

With respect to Interruption Insurance coverage only, described in Sections B coverages B2-B6, We shall be liable for loss that arises from Breakdown to land based equipment not owned or operated by You, which is used to supply steam, gas, air, water, refrigeration, electricity, telephone or internet services to a Situation specified in the Schedule, provided that the equipment:

- (a) is of a type described in the definition of Equipment;
- (b) is owned either by the building owner at the Situation, a public utility or an entity contracted by You or the building owner for such services; and
- (c) is located on or within one thousand (1,000) metres of the Situation. If the equipment is a reticulating system, the thousand (1,000) metres shall be calculated from the point of where the physical damage to the reticulating system occurred; or
- (d) if the equipment is located outside of one thousand (1,000) metres of the Situation, or if the equipment is a reticulating system and the point of where the physical damage to the reticulating system occurred is outside of one thousand (1,000) metres of the Situation, Our Limit of Liability shall be:
 - (i) the amount stated in the Schedule for Service Interruption; or
 - (ii) the amount otherwise payable under (c) above;
 whichever is the lesser.

A separate Deductible or Time Deductible may be stated in the Schedule and if so will apply to loss arising under Service Interruption.

6. Denial of access

With respect to Interruption Insurance coverage only, described in Section B coverages B2-B6, We shall be liable for loss in the event that ingress to or egress from a Situation specified in the Schedule, is denied solely as a direct result of a Breakdown to equipment not owned or operated by You, provided the equipment:

- (a) is of a type described in the definition of Equipment; and
- (b) is located at or adjacent to the Situation.

We shall be liable for loss for the period commencing at the time of the Breakdown, but not exceeding:

1. two (2) consecutive weeks; or
 2. the period specified in the Schedule as Coverage Period for this coverage;
- whichever is the greater.

7. Service interruption – Cloud services

With respect to Interruption Insurance coverage only, described in Section B coverages B2-B6, We shall be liable for loss that arises from Breakdown to land based equipment not owned or operated by You, which is used to supply professional data storage or data processing services to a Situation specified in the Schedule, provided that the equipment:

- (a) is of a type described in the definition of Equipment;
- (b) is located in Australia.

A separate Deductible or Time Deductible may be stated in the Schedule and if so will apply to loss arising under Service interruption – Cloud services.

Our Limit of Liability shall not exceed the amount specified in the Schedule for Service interruption – Cloud services.

8. Unspecified suppliers' and/or customers' premises

With respect to Interruption Insurance coverage only, described in Section B coverages B2-B6, We shall be liable for loss that arises from Breakdown to equipment not owned or operated by You, which is located at the premises of any direct producer or direct merchant, provided the equipment:

- (a) is of a type described in the definition of Equipment; and
- (b) is located in Australia or within any other country in which a Situation specified in the Schedule is located.

For the purpose of this coverage, the term 'premises of any direct producer' refers to premises at which any of the goods or services, other than those described in the Service interruption or Service interruption – Cloud services coverages, used directly by You are produced, assembled or stored. The term 'premises of any direct merchant' refers to premises to which You directly provide goods or services.

Our Limit of Liability shall not exceed the amount specified in the Schedule for Unspecified suppliers' and/or customers' premises.

9. Contractual fines and penalties

We shall be liable under Section B with respect to contractual fines or penalties for breach of contract which the Insured shall be legally liable to pay and shall pay in discharge of fines and/or penalties incurred in consequence of a Breakdown to Equipment, for non completion or late completion of orders, inability to meet contracted specifications or for cancellation of orders. We shall not be liable in respect of fines or penalties which we are not permitted to pay You by law, including any criminal sanctions.

Our Limit of Liability shall not exceed the amount specified in the Schedule for Contractual fines and penalties.

10. Public relations fees

We shall be liable under Section B for the reasonable and necessary fees incurred with Our prior consent which are payable to a public relations consultant to prevent or mitigate damage to the reputation of the Insured in direct consequence of a Breakdown to Equipment at an Insured Situation.

Our Limit of Liability shall not exceed the amount specified in the Schedule for Public relations fees.

Section A and B:

11. Electronic data restoration

We shall be liable under Section A for the additional costs of repairing or replacing (including the cost of gathering or assembling information, or necessary software licenses), Electronic Data that is lost, damaged or becomes incompatible, to the extent the loss, damage or incompatibility was caused by;

- (a) Breakdown to an item of Equipment at an Insured Situation; or
- (b) Breakdown to an item of land based equipment not owned or operated by You, which is used to supply professional data storage or data processing services to a Situation specified in the Schedule, provided that such equipment:
 - (i) is of a type described in the definition of Equipment;
 - (ii) is located in Australia.

We shall also be liable under Section B arising during the additional time required, with the exercise of reasonable due diligence and dispatch, to effect such repair or replacement of the Electronic Data that is lost, damaged or becomes incompatible in the circumstances mentioned above. Such additional time is that in excess of the length of time that would be required to rebuild, repair or replace the Insured Property.

The limit of Our liability for this coverage shall be:

- (i) the Limit of Liability that applies to respective coverage described in Section A and Section B; or
- (ii) the Limit of Liability specified in the Schedule for Electronic data restoration;

whichever is the lesser.

12. Newly acquired situation

We shall be liable for loss as described under Section A and Section B arising from a Breakdown at a Situation newly acquired by You, and not yet notified to Us or specified in the Schedule, provided that:

- (a) You notify Us in writing within ninety (90) days after the date the Situation is acquired;
- (b) the Situation is in Australia or within any other country in which a Situation specified in the Schedule is located;
- (c) You pay by the required date the additional premium for insurance, which shall be calculated from the date the Situation is acquired through to the expiry of the Period of Insurance;
- (d) the Deductible for such coverage will be the highest amount shown in this Policy for loss applicable to each coverage; and
- (e) the limit of Our liability shall be:

- (i) the Limit of Liability that applies to the applicable Coverage for the acquired Situation; or
- (ii) the Limit of Liability specified in the Schedule for Newly Acquired Situation;

whichever is the lesser.

13. Demolition and increased cost of construction

We shall be liable under Section A for the increased cost of repair or replacement of damaged and/or undamaged Insured Property (including any necessary demolition and site clearing costs) occasioned by the enforcement of any Act of Parliament or Regulation or any law, by-law, ordinance, regulation of any Municipal or Statutory Authority, rule or ruling which is in force prior to the time of the Breakdown and which regulates or restricts the repair, replacement, construction or installation of such Insured Property.

We shall also be liable for loss under Section B arising during the additional time required, with the exercise of reasonable due diligence and dispatch, to effect such repair or replacement as a result of the enforcement of said Act of Parliament or Regulation or any law, by-law, ordinance, regulation of any Municipal or Statutory Authority, rule or ruling.

We shall not be liable under Section A and/or Section B for:

- (a) any expense in excess of the cost at the time of the Breakdown or as soon as practical thereafter to replace the said property at the same Situation or a site adjacent with similar property that is of a like kind, capacity, size, quality and function to the Insured Property as will satisfy the minimum requirements prescribed by any Act of Parliament or Regulation or any law, by-law, ordinance, regulation of any Municipal or Statutory Authority, rule or ruling. In the event the replacement is by property of a better kind or quality or of a larger capacity or size, Our liability shall not exceed the amount that would be paid if replacement had been made using property of a like kind, capacity, size, quality or function as to the Insured Property as would satisfy such minimum requirements;
- (b) any increase in loss occasioned by the enforcement of any Act of Parliament or Regulation or any law, by-law, ordinance, regulation of any Municipal or Statutory Authority, rule or ruling affecting the use or operation of the Situation or the function that the Equipment provided;
- (c) loss or expense excluded by Exclusions 7 (c) and/or 7 (d) in Section D of the Policy; or
- (d) loss in excess of the Limit of Liability specified in the Schedule for Demolition and Increased Cost of Construction.

14. Professional fees

We shall be liable under Section A and/or Section B for the reasonable and necessary fees which are payable to auditors, accountants, lawyers, architects, engineers or other professionals for producing and certifying information reasonably required by Us and incurred with Our prior consent, to establish the amount payable under this Policy. This coverage does not apply to either Your employees or to third party loss adjusters appointed by You.

Our Limit of Liability shall not exceed the amount specified in the Schedule for Professional Fees.

15. Ammonia contamination

Where ammonia is used as a refrigerant, We shall be liable under Section A and/or Section B for loss or damage caused by ammonia making contact with Insured Property as a direct result of a Breakdown to any refrigerating or air conditioning system, vessels or piping, described within the definition of Pressure Plant or Equipment.

Our Limit of Liability under Section A, shall not exceed the amount specified in the Schedule for Ammonia Contamination. If a separate Deductible is shown in the Schedule for Ammonia Contamination, such Deductible shall also apply to loss or damage under Section A.

Any coverage as already provided under Section B, resulting from ammonia contamination, is not limited or altered in any way by this coverage.

16. Errors and omissions

We shall be liable under Section A and/or Section B for loss which is otherwise not payable under Section A or Section B, due to the following reasons:

- (a) any error or unintentional omission by You in the description of the Situation or Insured Property;
- (b) Your failure through error to include in this Policy, any Situation at the commencement of the Period of Insurance; or
- (c) any error or unintentional omission by You that results in the cancellation of cover for or at a specific Situation.

Provided always that:

1. You must notify Us of such error or omission immediately upon discovery and report corrections;
2. the Situation is in Australia or within any other country in which a Situation specified in the Schedule is located;
3. You pay by the required date, the additional premium from the date the Situation should have been insured had no error or omission occurred;

4. the Deductible and/or Time Deductible will be the highest amount shown in this Policy for such loss applicable to each coverage;
5. We shall be liable for loss under this coverage only to the extent that We would have been liable had the error or omission not occurred; and
6. Our Limit of Liability shall be:
 - (i) the Limit of Liability that applies to respective coverage described in Section A and Section B; or
 - (ii) the Limit of Liability specified in the Schedule for Errors and Omissions;whichever is the lesser.

Section D. Exclusions

We will not be liable under any Section of this Policy for any:

1. Nuclear risks

loss, damage, cost or expense caused directly or indirectly by or resulting from:

- (a) ionising radiation or radioactive contamination from any nuclear fuel or waste which results from the burning or fission of nuclear fuel; or
 - (b) the radioactive, toxic, explosive or other dangerous properties of nuclear machinery or any part of it;
- however, this exclusion shall not apply to a Breakdown in conjunction with the use of commercial radioactive isotopes.

2. War

loss, damage, cost or expense caused directly or indirectly by or resulting from:

- (a) war, invasion, act of foreign enemy, hostilities or warlike operation (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, bombardment, invasion, enemy attack including any action or measure taken in resisting, combating or delaying the enemy; or
- (b) operations of armed forces while engaged in hostilities, whether war be declared or not.

3. Terrorism

loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

We will also not be liable for any loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of Terrorism.

4. Riot, civil commotion and sabotage

loss, damage, cost or expense caused directly or indirectly by or resulting from:

- (a) riot or civil commotion; or
- (b) sabotage, vandalism or malicious acts.

5. Cyber act

loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act.

6. Electronic data

loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

- (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data;
- (ii) error in creating, amending, entering, deleting or using Electronic Data;
- (iii) total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all;
- (iv) any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Electronic Data; including the value of any Electronic Data.

This Exclusion 6 does not apply in the event that a Breakdown (as insured against under this Policy) causes or is caused by any of the matters described in Exclusion 6(i)-(iv) above.

Provided that this exclusion shall not apply to coverage specifically provided in 11. Electronic Data Restoration of Section C.

The Terrorism exclusion in this Policy or any endorsement thereto prevails over this exclusion.

For the purposes of this exclusion, any loss, damage, deletion, unavailability, inaccessibility, corruption or deformation of Electronic Data shall not be considered physical loss or physical damage.

7. Increase in cost

any increase in loss, damage, cost or expense:

- (a) necessitated by any Act of Parliament or Regulation or any law, by-law, ordinance, regulation of any Municipal or Statutory Authority, rule or ruling regulating or restricting repair, replacement, alteration, use, operation, construction or installation;
- (b) arising from Electronic Data being lost, damaged or becoming incompatible;
- (c) arising from any damage, contamination or pollution by a Hazardous Substance;

(d) or additional expenses incurred for cleanup, repair, replacement or disposal of damaged, contaminated or polluted property. As used herein "additional expenses" shall mean expenses incurred beyond those for which We would have been liable had no contaminant, pollutant or Hazardous Substance been involved in the Breakdown;

provided that this exclusion shall not apply where any increase in loss, damage, cost or expense is:

- (a) specifically provided under coverage described in B1 and Section C; or
- (b) necessarily incurred in order to repair or replace damaged Equipment due to such Equipment containing a Hazardous Substance as part of its functionality.

8. Perils

loss, damage, cost or expense caused directly or indirectly by or resulting from (even if as a consequence of Breakdown):

- (a) fire, subterranean fire, smoke or soot;
- (b) earth movement, earthquake, landslide, mud flow, subsidence landslip, or volcanic eruption;
- (c) cyclone, tornado, hurricane, typhoon, storm, tempest, wind, hail, snow, ice, sleet, rainwater;
- (d) tsunami, tidal wave, flood, high water, or other actions of the sea;
- (e) collapse of any building or structure;
- (f) escape of water or liquids;
- (g) water or other means used to extinguish a fire;
- (h) lightning;
- (i) theft, burglary or attempted theft or burglary;
- (j) impact by Vehicle or animal;
- (k) impact by watercraft, aircraft or other aerial devices or articles dropped therefrom;
- (l) explosion, provided that with respect to:
 - (i) an item of Pressure Plant, the Breakdown to the item itself resulting from the explosion, not being a chemical explosion, is not excluded; and
 - (ii) an explosion of gas or unconsumed fuel within the furnace of a fired pressure vessel or a boiler (being an item of Pressure Plant, but not including a boiler of the chemical recovery type), or within the passages from the furnace of such a fired pressure vessel or boiler to the atmosphere, the Breakdown to the item itself, in which such explosion occurred, is not excluded.

9. Extra costs or losses

loss, damage, cost or expense caused directly or indirectly by or resulting from:

- (a) delay or interruption of the Business;
- (b) lack of power, light, heat, steam or refrigeration; or
- (c) any other indirect result or consequence of a Breakdown;

provided that this exclusion shall not apply to coverage specifically provided in Section B.

10. Certain circumstances

loss, damage, cost or expense:

- (a) in respect to any item of Equipment which is caused directly by Breakdown while such item is undergoing any pressure test, an insulation breakdown test or is being dried out, unless such actions are being undertaken in accordance with the manufacturer's specifications and/or relevant Australian Standards, regulations or codes; or
- (b) for repair or replacement of any item shown in this Policy as "Uninsured Equipment" or for any loss or damage or expense caused directly or indirectly by or resulting from such "Uninsured Equipment"

11. Sanctions Clause

claim, make any payment (including any refund), or provide any benefit under this Policy, if doing so will contravene or violate any sanction, prohibition, restriction, proscription or prevention under any sanctions, laws or regulations, including but not limited to sanctions, laws or regulations of Australia, New Zealand, the European Union, the United Kingdom or the United States of America or those set out in any United Nations resolutions.

Section E. Definitions and special provisions applicable to all sections of this policy

Definitions applicable to all sections of this policy

Where the following words appear in this policy, this is what they mean:

1. Annual gross rentals

Annual Gross Rentals means the Gross Rentals earned during the twelve (12) months immediately before the date of the Breakdown.

2. Annual gross revenue

Annual Gross Revenue means the Gross Revenue earned during the period in the twelve (12) months immediately before the date of the Breakdown.

3. Annual turnover

Annual Turnover means the Turnover during the twelve (12) months immediately before the date of the Breakdown.

4. Breakdown

Breakdown means sudden and accidental damage to an item of Equipment or a part thereof, which manifests itself at the time of its occurrence by physical damage to the item of Equipment or part thereof that necessitates its repair or replacement, but Breakdown shall not mean:

- (a) depletion, deterioration, corrosion or erosion of material or the need to clean any component;
- (b) wear and tear;
- (c) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (d) vibration or misalignment;
- (e) the failure of any structure, foundation or setting (other than bedplate) supporting the Equipment or any part thereof; or
- (f) the functioning of any safety device or protective device.

5. Business

Business means the description of Your business which is specified in the Schedule.

6. Chiller

Chiller means, when stated in the Schedule, a system in which a secondary heat transfer circuit (utilising water, brine, glycol or similar) is cooled by a primary refrigeration system consisting of either a reciprocating, scroll, screw or centrifugal compressor unit.

7. Commencement of liability

Commencement of Liability means the local time at the Situation at the time of the Breakdown.

8. Computer system

Computer System means any computer, hardware, software, communications system, electronic device, (including, but not limited to, any 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 or data storage device, networking equipment or back up facility.

9. Cyber act

Cyber Act means:

- (a) 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; and/or
- (b) any program code, programming instruction or other set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programmes, data files or operations (whether involving self-replication or not), including but not limited to 'virus', 'trojan horses', 'worms', 'logic bombs' or 'denial of service attacks'.

10. Deductible

Deductible means the amount specified for that coverage in the Schedule, arising from any One Breakdown, which shall be first deducted from the amount otherwise payable.

If more than one Deductible is applicable to any One Breakdown, then only the highest applicable Deductible for that coverage shall apply.

A Deductible specified in the Schedule for Chiller shall apply to the amount payable in respect of a Breakdown to the Chiller's motor, gearbox and compressor unit including its associated control system and associated evaporator and condenser units.

11. Electronic data

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

12. Equipment

Equipment means all equipment of the type described below (including internal machine control language software) that is owned, leased, operated or controlled by You:

- (a) any Pressure Plant;
- (b) any mechanical, hydraulic or electrical machine or electrical apparatus used for the generation, transmission, transformation or utilisation of mechanical, hydraulic or electrical power; or
- (c) any electronic equipment used:
 - (i) for the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio, telephone or internet signals;
 - (ii) for research, diagnostic, treatment, experimental or other medical or scientific purposes;
 - (iii) for computing, data processing, duplicating, inventory control, monitoring, scanning, point of sale or office services; or
 - (iv) for starting, stopping, controlling or monitoring one or more insured items of Equipment.

However the meaning of Equipment shall not include:

1. any Vehicle, locomotive or rolling stock, watercraft or aircraft;
2. any power shovel, excavator, dragline or other mobile equipment. However, the meaning of Equipment shall include any electrical equipment used with such machine or equipment;
3. any belt, rope or chain;
4. any refractory or insulating material;
5. any anode tube, laser tube, ultrasound probe or head, klystron tube, x-ray or video amplifier tube;
6. any die, mould or template;
7. any hose, any piping in or under water (whether or not in conduit), buried piping (except such piping included in Pressure Plant), sewer piping, drainage piping, or sprinkler system. However, the meaning of Equipment shall include any Pressure Plant, mechanical, hydraulic, electrical or electronic equipment connected to and used with such hose or piping.
8. any penstock, draft tube or well casing;
9. any elevator, escalator, crane, hoist or conveyor. However, the meaning of Equipment shall include any Pressure Plant, mechanical, hydraulic, electrical or electronic equipment connected to and used with such machine or apparatus; or
10. any item shown in this Policy as "Uninsured Equipment"

13. Gross profit

Gross Profit means 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 Uninsured Working Expenses.

The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with Your normal accountancy methods after making due allowance for depreciation.

14. Gross rentals

Gross Rentals means money received by You from the renting or leasing out any unit or common area at the Situation including monies paid by the lessee as outgoings under the terms of the rental or leasing agreement.

15. Gross revenue

Gross Revenue means the money paid to You for services rendered (and goods, if any, sold) in the course of the Business at the Situation.

16. Hazardous substance

Hazardous Substance means:

- (a) any pollutant, contaminant or other substance declared by a governmental authority to be hazardous to health or the environment; or

(b) any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergenic, pathogenic or toxigenic.

17. Indemnity period

Indemnity Period means the period beginning with the Commencement of Liability and ending no later than the number of months specified in the Schedule during which the results of the Business shall be affected solely as a result of the Breakdown.

18. Insured property

Insured Property means:

- (a) property owned by You; or
- (b) property of others in the care, custody or control of You for which You are legally liable.

19. Media

Media means material on which data is recorded, such as magnetic tapes, hard disks, floppy disks, cartridges, CDs, DVDs, or other storage types, but Media does not include paper records.

20. Normal

Normal means the condition that would have existed had no Breakdown occurred.

21. One breakdown

One Breakdown means if a Breakdown to any item of Equipment causes a Breakdown simultaneously to any other item of Equipment, or a series of Breakdowns occur simultaneously as a result of the same cause, they will be considered as One Breakdown.

22. Payroll

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

23. Period of insurance

Period of Insurance means the period of time commencing and expiring on the dates shown in the Schedule under Period of Insurance, or any subsequent period for which We have agreed to renew or extend the cover, at 4.00 p.m. local time with respect to the location where the Policy was issued.

24. Policy

Policy means this Policy Wording, Schedule and any Endorsement specified in the Schedule together with any other Endorsement to this Policy subsequently issued.

Wherever in this Policy reference is made to an Endorsement which has been cancelled and replaced by another Endorsement, such reference shall be understood to refer to the replacing Endorsement.

25. Pressure plant

Pressure Plant means:

- (a) those parts of the permanent structure of a boiler or a pressure equipment vessel, which contains steam gas or fluid and which are normally subject to vacuum or internal pressure (other than atmospheric pressure or static pressure of contents) including fittings and direct attachments, which are connected to the permanent structure without intervening valve or cock. It also includes the supporting structure of the boiler and pressure equipment vessel (other than foundations, refractory and insulating material), such as furnace doors, access doors, external combustion chambers, smoke boxes and casings. Furthermore, it includes the metal parts of pressure and water gauges and their connections to the permanent structure, even if separated from the structure by valves or cocks. Also included is any pressure pipe system, associated with boilers and pressure equipment vessels, with valves, fittings, traps and separators which contain steam condensate, gas or fluids under pressure (other than atmospheric pressure), including any feed water piping between boiler and its feed pump or injector; or
- (b) in respect of refrigeration and air-conditioning systems: the interconnecting heat exchangers, coils and pipe work containing transfer media.

However the meaning of Pressure Plant shall not include any pipe system which forms part of any other vessel or apparatus nor shall it include any mechanical, hydraulic or electrical machine, electrical apparatus or electronic equipment.

26. Production equipment

Production equipment means:

- (a) any complete machine or apparatus used in the operation of the business which processes, forms, cuts, shapes, grinds, conveys, converts, prints, binds or packages any raw materials, materials in process or finished product including all ancillary and peripheral equipment supplying or controlling any such machine or apparatus; and
- (b) any other Equipment specifically described as Production equipment on the Schedule.

27. Rate of gross profit

Rate of Gross Profit means the percentage of Gross Profit to Turnover during the financial year immediately before the date of the Breakdown.

28. Rate of payroll

Rate of Payroll means the percentage of Payroll to Turnover during the financial year immediately before the date of the Breakdown.

29. Schedule

Schedule means the Schedule document that We give You that attaches to and forms part of Your Policy.

30. Shortage in turnover

Shortage in Turnover means the amount by which the Turnover during a period shall, in consequence of the Breakdown, fall short of the part of the Standard Turnover which relates to that period.

31. Situation

Situation means the premises owned by, leased by or occupied by You.

32. Specified property

Specified Property means that Insured Property, as described in the Schedule under coverage B1 (Deterioration of specified property), including its packaging, while at a Situation specified in the Schedule.

33. Standard gross rentals

Standard Gross Rentals means the Gross Rentals during that period in the twelve (12) months immediately before the date of the Breakdown which corresponds with the Indemnity Period.

34. Standard gross revenue

Standard Gross Revenue means the Gross Revenue during that period in the twelve (12) months immediately before the date of the Breakdown which corresponds with the Indemnity Period.

35. Standard turnover

Standard Turnover means the Turnover during that period in the twelve (12) months immediately before the date of the Breakdown which corresponds with the Indemnity Period.

36. Terrorism

Terrorism means an act, including but not limited to the use of force or violence and/or the threat, 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) which from its nature or context is done for, or in connection with, 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.

37. Time deductible

Time Deductible means the number of hours specified for respective coverage in the Schedule arising from any One Breakdown, for which We shall not be liable for any loss or expense arising during the period after the Commencement of Liability and prior to the expiry of the specified number of hours.

If more than one Time Deductible is applicable to any One Breakdown, then only the highest applicable Time Deductible for that coverage shall apply.

38. Turnover

Turnover means the money (less any discounts allowed) which is paid or payable to You for goods sold and delivered and for services rendered in the course of carrying out the Business at the Situation.

39. Uninsured working expenses

Uninsured Working Expenses means all purchases (less any discounts received), discounts allowed, bad debts, carriage, packing and freight, and any other uninsured working expense specified in the Schedule.

40. Vehicle

Vehicle means any property on wheels or self laid tracks designed to be propelled by other than manual or animal power and any trailer or other attachment designed to be drawn by any such property including any permanent attachment thereto.

41. We/Us/Our

We/Us/Our means AAI Limited ABN 48 005 297 807 trading as Vero Insurance.

42. You/Your

You/Your means any person, company or legal entity shown in the Schedule as the Insured.

Special provisions applicable to all sections of this policy

1. In respect of any newly acquired item of Equipment, We shall not be liable for any loss, damage, cost or expense arising from a Breakdown until such item is "in use or connected ready for use". This provision shall not apply to any item (or part) of Equipment which is acquired in order to spare existing operating Equipment.
2. The expression "in use or connected ready for use" referred to in this Policy shall only be considered to have been fulfilled once the Equipment has been installed at the Situation and tested, including performance and operational testing for a minimum of eight (8) continuous hours and received statutory certification, if required, and finally been contractually accepted by You, without reservation or waiver of warranty conditions.
3. In respect of any item of Equipment, except for a newly acquired item of Equipment, the expression "in use or connected ready for use" within the terms of this Policy is extended to include whilst the item is still at the Situation and is being dismantled, moved, reassembled or reinstalled for the purpose of cleaning, adjustment, inspection, repair, overhaul or relocation within the Situation.
4. In respect of any unfired vessel within the definition of Pressure Plant, which is used for the storage of gas or liquid and which is periodically filled, moved, emptied and refilled in the course of its normal service, such circumstances shall not prevent the vessel from being considered as "in use or connected for use", for the purpose of the terms of this Policy.
5. In respect of any boiler within the definition of Pressure Plant, which uses a heat transfer medium other than water, such heat transfer medium and its vapour shall be considered as substituted for the words "water" and "steam" wherever such words appear in the definition of Pressure Plant.
6. There are certain coverages that do not require a Breakdown of Equipment in order to provide indemnity under this Policy, for example certain benefits available within coverages A2, A3, B1 and Section C. In respect of any such indemnifiable loss under this Policy resulting from an event other than a Breakdown to Equipment at a Situation, such event will be considered as if it was a Breakdown to Equipment at a Situation for those coverages and for the purpose of applying any of the Conditions, Definitions or other provisions of this Policy to those coverages.

Section F. Conditions

Important conditions affecting all sections of this policy

1. Additional insured

Any person or organisation named in this Policy as an "Additional Insured" shall be considered as You under this Policy but only in respect of their interest in the insured Property.

The naming of any Additional Insured shall not serve to increase the Limit of Liability under this Policy for loss arising from any One Breakdown.

When this Policy covers the interest of more than one named insured, any act or omission of an individual named insured will not prejudice the rights of the remaining named Insureds, provided that the remaining named insureds as soon as reasonably possible on becoming aware of any act or omission that is contrary to the terms and Conditions of this Policy or which increases the risk of loss, damage or Breakdown, gives notice in writing of the circumstances to Us. Where a remaining named insured fails to do so, We may reduce a claim to the extent We have suffered prejudice due to the remaining named insureds failure to notify Us.

2. Applicable law

This Policy is subject to New South Wales law.

3. Cancellation

You can cancel Your Policy at any time by giving notice in writing to Us. The cancellation takes effect on the date We receive Your request.

We can cancel Your Policy at any time where the law allows Us to do so including where:

- (a) You have failed to comply with a provision of the Policy; or
- (b) You have failed to comply with a provision with respect to the payment of premium.

Where Your Policy is cancelled, we will refund the proportion of Your premium to You for the unexpired Period of Insurance (including GST) less any non-refundable government charges if the refund is more than \$10 (including GST), unless the cancellation is due to fraud in which case no refund shall be provided.

4. Changes

This Policy contains all the agreements between You and Us concerning this insurance. Where You request changes under this Policy, the changes will only be effective once You receive Our written acceptance of the terms, You pay the additional premium (where applicable) and the change is made by an Endorsement to this Policy issued by Us.

5. Claim notification and your duties in the event of loss or damage

In the event of loss or damage which may result in a claim under this Policy, You must:

- (a) notify Us as soon as reasonably possible and provide written confirmation by email, or by letter or by facsimile as soon as reasonably possible (for contact details, please see back cover) that you wish to make a claim. Any delay in notifying Us may affect the amount of loss recoverable under this Policy;
- (b) take the measures reasonably necessary to salvage or help protect Insured Property from further loss or damage;
- (c) allow Us reasonable time and opportunity to examine the damaged property before repairs are undertaken or physical evidence of the Breakdown is removed, unless the removal is required for health & safety reasons; and
- (d) provide Us with all assistance We reasonably require in investigating and adjusting the claim, including:
 - (i) making property and records available including those that are required to assess the amount of damage and loss;
 - (ii) permitting the questioning of employees about any matter relating to this Policy or the claim; or
 - (iii) sending Us a signed statement of loss containing the information required to assess and settle the claim.

You must not voluntarily incur any expense, other than at Your own cost, except as expressly permitted in this Policy.

6. Examination of books and records

We may undertake reasonable examination and audit of Your books and records in connection with a claim or for ongoing risk management purposes under this Policy at any reasonable time during the Period of Insurance and any reasonable period thereafter.

7. Fraudulent claims

If You or anyone acting on Your behalf or with Your knowledge, make a claim that is false or where the loss or damage was deliberately caused, We may do one or more of the following:

- (a) refuse to pay the claim;
- (b) cancel Your Policy; or
- (c) take legal action against You.

8. Headings

Headings have been included for ease of reference but do not form part of this Policy.

9. Inspection

We have the right to inspect any item of Equipment where reasonably necessary in order to investigate or assess your claim or for ongoing risk management purposes. Before inspecting any item of Equipment, We will mutually agree a suitable time with You. Neither the right to make inspections nor the making of them is an undertaking to You or others that such Equipment is safe and not hazardous or injurious to health.

10. Limit of liability

With respect to any coverage provided by this Policy, Our liability for any One Breakdown shall not exceed the Limit of Liability applicable to that coverage, as is specified in the Schedule, less applicable Deductible and/or Time Deductible.

The Limit of Liability specified for each coverage under Section A and Section B shall apply separately, unless otherwise stated in the Schedule. The Limits of Liability specified in Section C shall be a part of and not in addition to the limits specified in Section A and Section B to which they apply.

Any payment for which We are liable with respect to any coverage shall be considered a loss under that coverage.

11. Mortgagee interest

If a mortgagee is named in this Policy with respect to any insured Situation, any amount We pay for loss to Your property at the Situation shall be paid jointly to You and the mortgagee as their interest may appear.

Where We have the right to cancel this Policy, and a mortgagee is named, We will mail to the mortgagee at the address of the mortgagee shown in this Policy, a copy of the cancellation notice that has been mailed or delivered to You. If You cancel this Policy, We agree to mail the mortgagee details of such request.

12. Other insurance and agreements

If there is any other insurance that insures any risk insured by this Policy or any agreement which would otherwise repair, replace or reinstate the damaged property or otherwise provide compensation to You, You are required to notify Us and give details of such insurance and agreement in the event of a claim. This is to enable us to exercise Our right to seek contribution from the other insurer of that other insurer or other party providing the indemnity.

13. Your responsibilities relating to Equipment

In the event of Your failure to comply with the conditions below, We may:

- (a) reduce Our liability to pay a claim by an amount that fairly represents the extent to which Our interests are prejudiced by the failure to comply (including by reducing Our liability to nil); or
- (b) cancel the Policy.

You must maintain the Equipment in a manner which a reasonable person in Your position would, including:

- (i) putting in place processes and procedures to ensure Equipment is kept in sound working condition and to prevent a Breakdown from occurring;
- (ii) take steps to comply with any Act of Parliament or Regulation or any law, by-law, ordinance, regulation of any Municipal or Statutory Authority, rule or ruling in relation to the operation, maintenance, repair or inspection of the Equipment.

You must also:

- (a) where certificate of inspection is required by any statute or regulation, ensure such Equipment is certified in compliance with that statute or regulation;
- (b) where Pressure Plant is not inspected by a Statutory Authority, the plant must be inspected and conform with Australian Standards AS3788 and all other relevant Australian Standards, regulations and codes;
- (c) the load on the safety valve or safety valves upon any item of Equipment shall not be in excess of that permitted by the certificate issued for the item; and
- (d) no safety valve or other limiting device shall be removed or rendered inoperative.

14. Reinstatement of limit of liability

In the event of a loss which is payable under this Policy, the amount of insurance used in making good the loss will be automatically reinstated from the date of the loss. Provided that Our liability for any One Breakdown shall not exceed the Limit of Liability.

15. Salvage

After We have settled the claim, any salvaged Insured Property or parts becomes Ours, unless prior agreement has been made between the parties.

16. Preservation of rights of recovery and subrogation

You must not make any admission, offer, promise or payment that has the effect of limiting or excluding Your rights and Our rights to recover payments and expenses, without Our prior written consent.

Rights of recovery/subrogation

In the event of a payment under this Policy, We shall have the right and You shall permit Us to take action or start legal proceedings against any person or entity liable, or who would be liable to You for the recovery of Your loss.

“Your loss” under this section means any insured, underinsured or uninsured loss, costs, payments made and expenses in relation to which You have claimed under this Policy.

Any action or legal proceedings We take will be commenced in Your name, or in the name of any other person or entity that has suffered Your loss. We shall have full discretion over the conduct and any settlement of the recovery action.

If You make a claim with Us for Your loss and You have already started any action or legal proceedings against any person or entity liable, or would be liable to You for Your loss, then We will have the right and You shall permit Us to take over and continue that action or legal proceeding.

Where Your loss forms a part of any class or representative action which has not been started under Our instructions, We will have the right and You shall permit Us to exclude Your loss from that class or representative action for the purpose of Us including it in any separate legal proceedings which are or will be started under Our instructions.

You must provide Us with all reasonable assistance, cooperation and information in the recovery of Your loss. This assistance may include:

- (i) lodging a police report;
- (ii) providing a more detailed version of facts, including signing statements and affidavits;
- (iii) providing evidence and documentation relating to Your loss reasonably required by Us;
- (iv) attending court of meetings with appointed legal experts (only if required);
- (v) making available employees and other personnel for interviews, meetings and court attendance; or
- (vi) providing contact details of individuals who may have information that is relevant to the claim (to the extent that the provision of such details would not breach any legally enforceable privacy or confidentiality requirements).

Recoveries do not include any amount recovered from insurance, surety, reinsurance, security or indemnity taken for the benefit of the Insurer.

17. Transfer of interest

Your interest in this Policy can only be transferred or assigned with Our written consent, which will not be unreasonably withheld by Us, except for when bankruptcy, insolvency or death occurs. In such cases, We will cover Your legal representative as if it was You, if written notice is given to Us within sixty (60) days after the date of the bankruptcy, insolvency or death. Where death occurs, if sixty (60) days is not possible, a reasonable period thereafter.

Contacts

New South Wales

10 Shelley Street
Sydney NSW 2000

GPO Box 3999
Sydney NSW 2001

T. 02 8121 3100
F. 02 8121 0299

Lodge a new claim or notification

Phone: 1300 888 073
24hrs / 7 days a week
Email: lodgeclaim@vero.com.au

Enquiry on existing claims

Phone: 1300 562 398
8.30am – 5.00pm, EST (Mon – Fri)
Email: claims@vero.com.au