



NAUTILUS MARINE

INSURANCE
AGENCY

**MARINE AND
ASSOCIATED INDUSTRIES
BUSINESS INSURANCE
POLICY WORDING**

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INTRODUCTION

Who is the insurer

The insurers of this insurance are certain underwriters at Lloyd's whose definitive numbers and the proportions underwritten by them, which will be supplied on application, and in consideration of the premium specified herein, the said Underwriters are hereby bound, severally and not jointly, each for their own part and not one for another, their Executors and Administrators, to insure in accordance with the terms and conditions contained herein or endorsed hereon.

The insurers act through their agent Nautilus Marine Insurance Agency (ABN 34 100 633 038) (AFSL 227186).

In this document, the insurers acting through their agent Nautilus Marine Insurance Agency are referred to as "We", "Us" and "Our".

Our contact details are:

Nautilus Marine Insurance Agency Pty Ltd

28-32 George Street

Sandringham VICTORIA 3191

Telephone: 1300 780 533

Facsimile: 03 8599 5099

Email: customerservice@nautilusinsurance.com.au

Important Information

Any general advice that may be contained within this document or accompanying material does not take into account Your individual objectives, financial situation or needs. To determine if this insurance is appropriate for You, it is important that You read:

- this Introduction Section – this Section contains information on important matters You need to be aware of before applying for this insurance, such as Your Duty of Disclosure.
- the Words with Special Meaning Section – this Section sets out what We mean by certain defined terms in this insurance. Capital letters have been used at the beginning of words to identify defined terms throughout the policy;
- the General Policy Exclusions Section – this Section sets out what We do not cover;
- the General Policy Conditions Section – this Section contains details of Your and Our rights and obligations under this insurance, including information on making a claim and what excesses may be payable. If You breach a condition or warranty under the Policy, We may be able to cancel the insurance or reduce Our liability in respect of a claim to the extent permitted by law;
- the wording of the specific Policy Sections You have selected – these set out the specific cover, exclusions and conditions that apply to each Section; and
- any other documents We provide to You about the insurance which may change the standard cover and which We indicate forms part of Your insurance.

The Policy makes provision for payment of Goods and Services Tax by You in relation to premiums and by Us in relation to claims.

Plans, documents, reports, contracts, receipts, manuals and serial numbers relating to Your property should be kept. We may require these documents in the event of a claim and they will assist You in completing Your claim form.

If You have any questions regarding the Policy, please contact Your insurance broker or adviser in the first instance.

Applying for Cover

When You apply for this insurance, You will need to complete the relevant proposal form. We will use the information supplied by You on that form to decide the terms and conditions upon which cover will be provided by Us.

Where We have agreed to enter into the Policy with You We do so on the terms and conditions and exclusions contained in this document, and any other document, including the Schedule that We issue to You that We advise will form part of the Policy.

The Schedule will contain important information relevant to Your insurance including the:

- Period of Insurance;
- Your Premium;
- details of Your Cover (including limits of liability and Sums Insured);
- the Excess(es) that will apply to You and others; and
- whether any standard terms have been varied by way of endorsement.

We may also issue other documents (e.g. endorsements) from time to time which may vary this document, the Schedule and other Policy terms, conditions and exclusions.

All of these make up Your Policy with Us. You need to keep these documents in a safe place together with receipts and other evidence of ownership and value of items You insure.

Your cover commences when We reach agreement with You on the Policy terms (which we confirm by issue of the Schedule) and expires at the end of the Period of Insurance.

Unless otherwise provided for, before We pay or agree to pay any claims, You must have paid or agreed to pay Us the Premium.

Before expiry, We will send You a renewal notice which tells You whether We will renew this insurance and on what terms.

Our maximum liability

Except as otherwise stated elsewhere in the Policy, the maximum amount We will pay will not exceed the relevant amount stated as the sum insured or the limit of liability for the applicable Sections. In some cases sub limits apply.

Who is insured under the Policy

The persons or organisations covered by the Policy are shown in the Schedule.

The Policy also extends to cover those persons or organizations included in the definition of “You” but not shown in the Schedule.

Other persons or organisations requiring cover

You must inform Us of all persons or organisations to be covered by the Policy. We will only cover them if You have advised Us of them and We have shown them on the Schedule.

All persons or organisations are bound by the Policy

All persons or organisations covered by the Policy have to comply with the terms and conditions of the Policy. We may refuse to pay a claim if You or any person covered by the Policy do not comply with the terms and conditions of the Policy.

Cooling Off Rights

You have twenty one (21) days after entry into the Policy (including renewals) to decide whether to return it. If the request is made to Us in writing within those twenty one (21) days, We will cancel the Policy, provided You have not exercised a right or power under the terms of the Policy in that period (e.g. a claim has been made or benefit paid). We will provide a full refund of Premium, less charges (including reasonable administrative charges) or taxes which We are unable to recover.

Even after this cooling off period ends You still have cancellation rights (See General Conditions).

Confirming Transactions

You may contact Us in writing or by phone to confirm any transaction under Your insurance if You or Your advisor do not already have the required Policy confirmation details.

What do You pay?

When calculating the premium for this insurance We take a range of factors into account, including the:

- business and location of the relevant risks the cover will apply to;
- type and amount of cover requested;
- sums insured and limits; and
- previous insurance and claims history.

Lower limits of liability or sums insured mean a lower premium. Also, any factor that increases the risk (e.g. higher limits of liability or sums insured) will increase the premium.

The premium also includes amounts that take into account Our actual or estimated obligation to pay any relevant compulsory government charges, taxes or levies such as stamp duty and GST.

We may deduct any unpaid premium from any claim amount benefit payment.

Your Duty of Disclosure

Before You enter into a contract of general insurance with Us, You have a duty under the Insurance Contracts Act to tell Us, before the Policy is entered into, every matter known to You which:

- You know; or
- a reasonable person in the circumstances should be expected to know,

is relevant to Our decision whether to insure You and on what terms and condition.

This duty also applies when You renew, extend, vary or reinstate the Policy.

What You do not need to tell Us

Your duty however does not require disclosure of a matter:

- that diminishes the risk to be undertaken by Us;
- that is of common knowledge;
- that We know or, in the ordinary course of business, ought to know; or
- as to which compliance with Your duty is waived by Us.

Who does the Duty of Disclosure apply to?

This duty of disclosure applies to everyone who is insured under the Policy. If any person to be insured has not disclosed their relevant information to Us directly, the person applying to Us directly is treated as having made disclosure on the behalf of all such persons.

What happens if You or they do not comply with the Duty of Disclosure?

If the duty of disclosure is not complied with, We may cancel and/or reduce or refuse to pay a claim. If the non-disclosure is fraudulent, We may treat Your Policy as if it was never effected and pay nothing.

General Insurance Code of Practice

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice, which is a self-regulatory code for use by all insurers. The Code aims to raise the standards of practice and service in the insurance industry. We have adopted and endorse the Code. If You want details on the Code and how it can assist You, please contact Us.

How to Make a Claim

The General Conditions Section tells You what You need to do to make a claim under the Policy. Before We pay any claim, We will require reasonable evidence as to the extent of loss or damage.

Please ensure that, where possible, You keep any plans, documents, reports, contracts, receipts, manuals and serial numbers relating to Your property as well as photographs or other documentation in respect of the loss or damage to make the process as easy as possible.

Any claim settlements, up to the total of all amounts insured, will exclude GST. However, if there is a shortfall between the GST component of Your claim and the amount of tax credit You are entitled to, We will pay this shortfall in addition to the claim settlement.

Complaints – Internal and External Complaints Procedure

Any enquiry or complaint relating to this Insurance should be referred to Us in the first instance. If this does not resolve the matter or you are not satisfied with the way a complaint has been dealt with, you should contact:

Lloyd's Underwriters' General Representative in Australia
Suite 2, Level 21
Angel Place
123 Pitt Street
Sydney NSW 2000

Telephone Number: (02) 9223 1433

Facsimile Number: (02) 9223 1466

A dispute can be referred to the Financial Ombudsman Service (the FOS) subject to its terms of reference. It provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms of reference and its contact details are:

The Financial Ombudsman Service
Free call: 1300 78 08 08
Post: GPO Box 3, Melbourne, Victoria 3001
Website: www.fos.org.au
Email address: info@fos.org.au

If You require any further information about Our dispute resolution process, please contact Us.

Privacy

We value your privacy. Our Privacy Policy, available at www.nautilusinsurance.com.au or by calling us, sets out how We protect Your personal information. We collect, store and use Your personal information to:

- determine whether to offer cover;
- administer Your and Our rights under the Policy (e.g. to handle claims); and
- provide You with and inform You about insurance and insurance related services We can provide.

If We do not collect this information We may not be able to do any of these things.

We collect information directly from You, the person applying for the Policy on Your behalf or via Your or Our agents and/or representatives.

Where a person applies for the Policy on Your behalf that person confirms that You have provided Your consent to the use and disclosure of Your personal information for the purposes specified in this privacy statement and that person agrees to provide Us with evidence of its procedures in this regard and to advise Us if any consent has not been obtained.

We may communicate Your personal information to Our service providers for these purposes (e.g. other insurers, loss assessors, claims handlers, lawyers and accountants). This will always be done as permitted by the relevant privacy legislation.

If You wish to stop receiving information about the insurance and insurance related services We can provide, You can call Us or email – customerservice@nautilusinsurance.com.au

If You wish to access a copy of Your personal information held by Us, or to correct or update such personal information, or if You have a complaint or want more information about how We manage Your personal information, please call Us.

Information on this Product Disclosure Statement

Your policy has a number of different covers which may be provided to you as a retail client under the Corporations Act 2001 depending on your precise circumstances. Only the parts of this document relevant to cover provided to you as a retail client, and any other documents we tell you are included, make up the PDS for the purposes of the Act. It is important for you to read this document and all other Policy documents we provide to ensure you are happy with the cover. We may need to update the PDS from time to time where required and permitted by law if certain changes occur. We will issue you with a new PDS or a Supplementary PDS to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this product, we may issue you with notice of this information in other forms or keep an internal record of such changes (You can get a paper copy free of charge by calling us).

Compensation Arrangements

We are a general insurer authorised under the Insurance Act 1973 (Cth) (Insurance Act) to carry on general insurance business in Australia. We are supervised by the Australian Prudential Regulation Authority (APRA) and subject to the prudential requirements of the Insurance Act. The Insurance Act contains prudential standards and practices designed to ensure that under all reasonable circumstances, financial promises made by us are met within a stable, efficient and competitive financial system.

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

Underinsurance

The:

1. Business Property Cover; and
2. Business Interruption Cover;

Sections of the Policy contain underinsurance provisions which require You to insure for full value on a replacement or indemnity basis, depending on which basis You have chosen or which is applicable. If You do not insure for full value on a replacement or indemnity basis, We may pay You a lower amount after taking into account the proportion of underinsurance or You may be required to pay a portion of the loss Yourself.

WORDS WITH SPECIAL MEANINGS

The following words have these special meanings wherever they appear in the Policy:

“Aircraft” means any machine designed to fly, glide, move on a cushion of air or move through the air.

“Buildings” means the buildings and structural appurtenances at the Situation including:

- (a) verandahs, carports, shelters, awnings, gangways, staircases and all outbuildings;
- (b) fixtures, fittings, glass and leasehold improvements owned by the owner of the Building which You are legally responsible for;
- (c) underground and above ground services including aprons, supply mains and meters;
- (d) walls, gates, fences flagpoles, floodlights and signs, hail nets; and
- (e) permanently fixed water and fuel tanks.

Buildings does not include:

- (a) Stock;
- (b) Contents;
- (c) 4. property undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one Business Premises exceeds \$500,000 or 20% of the total sum insured on Buildings and Contents, whichever is the lesser provided that this limit shall apply only to the portion of the Business Premises or Business Property which is the subject of any such work and not to any other portion of the Business Property; and
- (d) land, dams, bridges, canals, roadways, tunnels, railway tracks (not at the Situation) wharves, docks and piers.

This definition of “Buildings” is subject to the Designation of Property condition which applies to the Business Property Cover (see Section #).

“Business” means the business activities as set out in the Schedule. For the sake of clarity, if the business activities described in the Schedule are different to those described in the application, only the Schedule description shall apply.

“Business Premises” means the Buildings, outbuildings, yards and land used by You for Your Business at the Situation.

“Business Property” means Buildings, Contents, Stock and items listed on the Schedule and used in Your Business at the Situation.

“Contents” means all property at the Business Premises, belonging to You or which You are responsible for, including:

- (a) Machinery;
- (b) Moulds
- (c) plant permanently fixed to Your Buildings;
- (d) documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations;
- (e) computer systems records, manuscripts, other documents, deeds, specifications, plans, drawings, designs, business books and other records of every description;
- (f) paintings, works of art and curios;
- (g) goods sold but not delivered and goods held by You on consignment or commission;
- (h) property not owned by You but on Your Business Premises for service, repair, alteration or safe keeping; and
- (i) property of Your welfare, sports and social clubs.

Contents does not include:

- (a) Buildings;
- (b) growing crops, trees or plants other than pot-plants;
- (c) animals, livestock, fish, birds and any other living organism except laboratory cultures, Stock of foodstuffs or nursery plants or Stock of a pet shop;
- (d) Vehicles which are not Stock;
- (e) Money;
- (f) Contents undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one Business Premises exceeds \$500,000 or 20% of the total sum insured on Buildings and Contents, whichever is the lesser, provided that this limit shall apply only to the portion of the Business Premises or Business Property which is the subject of any such work and not to any other portion of the Business Property;
- (g) land, dams, bridges, canals, roadways, tunnels, railway tracks (not at the Situation), wharves, docks and piers;
- (h) Aircraft or any accessories, equipment or spare parts whilst contained in or on these items unless they are Stock and are on Your Business Premises at the time of any loss or damage;

“Effective Date” means the date shown in the Schedule as the “Effective Date”

“Excess” means the amount, or the loss applicable to a specified period of time, expressed as an excess on the Schedule or elsewhere in the policy. This is the first amount of any loss that You must pay before We will pay Your claim. Where the excess is a monetary amount it is applied to the loss calculated after any necessary adjustment for wear and tear, depreciation, sub-limits or underinsurance.

“Expiry Date” means the date shown in the Schedule as the Expiry Date.

“Family” means a person who normally resides with You permanently and who is:

- (a) Your parent, sibling or child;
- (b) Your Spouse or defacto or a person whether of the same sex or not, who ordinarily resides with you in a genuine personal and domestic relationship equivalent to the relationship of husband and wife ; or
- (c) A parent, sibling or child of anyone in (a) and (b) above.

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

“Insurance Contracts Act” means the Insurance Contracts Act 1984 (Cth) as amended from time to time.

“Machinery” means all plant and machinery which is:

- (a) permanently fixed at the Business Premises; and
- (b) mechanical, electrical and electronic tools and equipment.

Machinery also includes accessories, equipment and spare parts used with the Machinery.

Machinery does not include Vehicles or plant and machinery or accessories, equipment and spare parts used with it, towed by or attached to a Vehicle other than Vehicles used for lifting or carrying materials at the Situation;

“Market Value” means the amount We determine represents the cost of replacing the Business Property insured with a similar item of the same make, model, age and condition as the Business Property insured immediately prior to the loss or damage.

“Money” means current coin , bank notes, currency notes, cheques, negotiable and non-negotiable securities, travellers’ cheques, debit and credit card vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding

tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines.

“Normal Business Hours” means the hours during which You or any of Your employees are at the Business Premises for the purpose of conducting Your Business.

“Occurrence” means an event, including continuous or repeated exposure to substantially the same general conditions, which You neither expected nor intended to happen. All events of a series consequent upon or attributable to one source or original cause will be treated by Us as one Occurrence.

“Period of Insurance” means the period during which cover will be provided under the Policy commencing on the Effective Date and ending on the earlier of the Expiry Date or such earlier time specified in the Policy. Unless stated otherwise, where the Period of Insurance ends on the Expiry Date then cover shall expire at 4.00pm local time at the place where You arranged the cover.

“Policy” means this document, the Schedule and any other documents We may issue to You that We advise will form part of the Policy (e.g. endorsements).

“Schedule” means the relevant schedule we issue which confirms the issue of Your Policy and which forms part of Your Policy with Us.

“Situation” means the situation specified on the Schedule.

“Stock” means:

- (a) products and material You intend to sell;
- (b) raw or consumable materials used by You to make or alter Your products;
- (c) Your products while being made, repaired or altered;
- (d) any consumable products or materials used in Your Business.

Under the Theft Cover Section, Stock does not include tobacco, products containing tobacco, cigars or cigarettes unless they are specified on the Schedule.

“Storm” means storm, wind, rain, hail or snow.

“Subsidiary Company” means any company in which You have a controlling interest. For the purpose of this definition the term “controlling interest” shall mean the beneficial ownership of shares carrying more than 50% of votes capable of being cast at a general meeting of all shareholders of the company.

“Vehicle” means any type of machine on wheels or on caterpillar tracks made or intended to be propelled other than by manual or animal power including any trailer or other attachment that is normally towed or operated from any such machine.

“Watercraft” means any type of vessel, craft or object designed to float on or in or travel through water.

“You”, “Your”, “Yours” means:

- (a) the persons or organisations shown in the Schedule;
- (b) any Subsidiary Company of (a) above which is incorporated within Australia or its external territories, existing at the effective date of the Period of Insurance and which is specified in the Schedule, ;
- (c) any:
 - (i) director, executive officer, employee or partner of a person or organisation shown in the Schedule or a company referred to in (b) above or this (c), but only while acting within the scope of their duties in such capacity in relation to the Business; and
 - (ii) any shareholder of a company referred to in (a) or (b) above or this (c), but only while acting within the scope of their capacity as shareholders of such company in relation to the Business;
- (d) any office bearer or member of a canteen, social and/or sporting club, welfare or child care organisation, first aid, fire or ambulance service, all or any of which has been formed with the consent of any of the parties in (a), (b) or (c) above and only in relation to activities in relation to the Business.

GENERAL POLICY EXCLUSIONS APPLICABLE TO ALL SECTIONS

Nuclear Exclusion

We will not pay for any loss, liability, injury, illness or property damage caused directly or indirectly by or arising from nuclear weapons material, ionising radiations or contamination by radioactivity from any nuclear fuel or from nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion only, "combustion" shall include any self-sustaining process of nuclear fission.

Business in liquidation or ceasing to trade

If :

- (a) Your business is deregistered, placed into liquidation or administration;
- (b) a receiver is appointed; or
- (c) Your the business is wound up or is permanently discontinued,

then unless otherwise agreed by Us in writing, we will not cover you and all cover under the Policy ceases, from the time Your interest is transferred or Your business ceases to trade.

Geographical limitations

Unless We agree in writing to the contrary or if otherwise stated in the Policy, We will not pay for any loss of or damage to Your Business Property or other covered property that is outside the Commonwealth of Australia at the time of its loss or damage.

Unoccupancy

Unless We otherwise agree in writing, We will not pay for any loss or damage to Your Business Property if the Occurrence happens after Your Business Premises has been unoccupied for more than thirty (30) consecutive days.

Wilful Acts

To the extent permitted by law (including but not limited to the Insurance Contracts Act 1984), We will not pay for any loss or damage directly or indirectly caused by, resulting from, or in connection with either Your willful act or by the willful act of another party committed with Your knowledge and consent and which You were capable of preventing.

Except as specifically provided otherwise, the Policy does not cover:

Consequential loss

consequential loss of any kind, including but not limited to loss of profit or opportunity; or

Known faults or defects

damage caused by faults or defects known to You or any employee or representative of Yours whose knowledge in law would be deemed to be Yours and not disclosed to Us at the time this insurance was arranged.

War and Terrorism

Except as otherwise provided for in the Terrorism Insurance Act, the Policy does not insure death, injury, illness, loss, damage, cost or expense of any nature directly or indirectly caused by, resulting from, or in connection with, any of the following regardless of any other contributing cause or event:

- (a) war, invasion, acts of foreign enemies hostilities or warlike operations (whether war be declared or not),

civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or

(b) any act of Terrorism.

For the purpose of this Exclusion, "Terrorism" means any act, including but limited to, the use or threat of force or violence by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is committed for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public or any section of the public in fear.

Electronic Data Exclusion

The Policy does not insure loss or damage directly or indirectly caused by, resulting from, or in connection with:

- (a) the corruption or destruction of data, coding program or software, or
- (b) the unavailability of data and/or malfunction of hardware, software and/or embedded chips, or
- (c) any business interruption losses resulting therefrom.

Provided that this Exclusion shall not apply where such loss or damage occurs as a direct result of physical damage which is otherwise insured by the Policy.

GENERAL POLICY CONDITIONS APPLICABLE TO ALL SECTIONS

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

Alarm Systems

If You have advised Us that surveillance or protective equipment, burglar or fire alarm systems are used or installed at Your Business Premises You must:

- (a) ensure it is regularly tested and maintained in accordance with the manufacturer's recommendations; and
- (b) take all reasonable precautions to ensure that it is operational outside Normal Business Hours.

We may refuse to pay or may reduce the amount of a claim if You do not comply with this condition.

Accountancy Records

You must provide to Us all books of account, business books and other documents (including plans, reports, contracts, receipts, manuals and serial numbers relating to Your property) as may be required to investigate or verify claims. If You do not, We may refuse to pay or may reduce the amount of a claim.

Cancellation

You may cancel the Policy at any time by writing to Us. The cancellation will take effect at 4.01pm Australian Eastern Standard Time on the date We receive the Your written notice of cancellation or such time as otherwise agreed.

We may cancel the Policy for any of the reasons set out in Section 60 of the Insurance Contracts Act, including if: You do not pay the premium:

- 1. You do not comply with Your duty of disclosure before entering into the Policy;
- 2. You make a misrepresentation to Us before the issue of the policy;
- 3. You do not comply with a provision of the Policy;
- 4. You make a fraudulent claim under the Policy or some other policy (whether with Us or some other insurer) during the period of cover by the Policy;
- 5. You do not comply with Your duty of utmost good faith;
- 6. You fail to notify Us of any specific act or omission where such notification is required under the Policy.

The cancellation will take effect at 4.01pm Australian Eastern Standard Time on the date indicated in Our notice of cancellation or such time as otherwise agreed.

If the Policy is cancelled by either You or Us, We will refund the premium for the Policy less a pro rata proportion of the premium to cover the period for which insurance applied. However, We do not refund any premium if We have paid or are obliged to pay a benefit under the Policy. If you obtain a refund and later make a claim We may deduct the refunded premium from Your claim payment.

Changes

Before You renew Your Policy, You must advise Us as soon as practicable of any fact or event known to You which happened during the current Period of Insurance and which may materially affect the risks insured by Us, including:

- (a) a change of Your address (including Your Business address);
- (b) criminal convictions of a member of Your Family, You or other persons who normally reside with You;

- (c) deterioration in the condition of any property insured by the Policy;
- (d) an alteration to insured property which affects its safety or structural integrity;
- (e) accidents which occurred during the previous Period of Insurance;
- (f) illness or impairment of any of Your directors, responsible officers or other key business staff;
- (g) a modification to insured property affecting performance or the value of such property;
- (h) a change to the types of business activities You conduct;
- (i) a change of insurable interest, whether by will or at law;
- (j) Your Business Premises becoming unoccupied and remaining so for more than thirty (30) continuous days.

Excess

If more than one Excess can be applied to one Occurrence, then You will only need to pay the highest Excess.

Goods and Services Tax

Where We make a payment under the Policy for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit that You are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999, in relation to that acquisition, whether or not that acquisition is actually made.

Where We make a payment under the Policy as compensation instead of payment for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

Inspections

We (or agents appointed by Us) have the right to inspect and examine, by mutual appointment at a reasonable time and place, any Business Property or other property insured under the Policy during the Period of Insurance.

Jurisdiction

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

The Underwriters accepting the insurance under the Policy agree that:

- (i) in the event of a dispute arising under the Policy, the Policy will be subject to Australian law and practice and the Underwriters will submit to the jurisdiction of any competent Court in the Commonwealth of Australia;
- (ii) any summons, notice or process to be served upon the Underwriters may be served upon:
Nautilus Marine Insurance Agency Pty Ltd
28-32 George Street
Sandringham VICTORIA 3191
who has authority to accept service and appear on the Underwriters' behalf.
- (iii) if a suit is instituted against any of the Underwriters, all Underwriters participating in the insurance will abide by the final decision of such Court or any competent Appellate Court.

Other Persons or Organisations

If any person or entity shall have any interest in the Business Property, We shall protect that interest in the event of a claim, provided that that interest is specified in the Schedule.

Where the separate interests of more than one party in the Business Property are insured under the Policy, any act or neglect of one party will not prejudice the rights of the remaining party or parties provided that the remaining party/ies shall, within a reasonable time after becoming aware of any act or neglect whereby the

risk of loss, damage or destruction has increased, give notice in writing to Us and shall on demand pay such reasonable additional premium as We may require.

You cannot transfer, assign or novate the Policy into someone else's name without Our written consent.

All persons entitled to claim under the Policy are bound by the terms and conditions of the Policy.

When a claim is paid under the Policy and is also recoverable under another policy or policies, You agree to permit Us to seek contribution from the other insurer or insurers.

Reasonable Care

You must take reasonable precautions to prevent personal injury or property damage as if You were not covered by the Policy such as:

- (a) if You discover that Your products may be defective and the defect may cause a claim under the Public and Products Liability Cover Section, You must, at Your own expense, take reasonable steps to restrict, trace, recall, modify, replace or repair the products;
- (b) maintain and look after other person's or organisation's property and buildings used or occupied by You, in accordance with Your agreement with them;
- (c) if Your occupation includes digging below ground at sites away from Your Business Premises You must obtain the location of underground services from the owners of the services; and
- (d) use and store all hazardous materials as required by law.

If You do not take reasonable precautions We may refuse to pay part or all of Your claim.

Reinstatement of Sum Insured

If We pay a claim under any Section of the Policy other than the Public and Products Liability Cover Section and Your sum insured has been reduced due to payment of a claim by Us, We will automatically reinstate Your full sum insured provided:

- (a) You have not (in writing) requested otherwise;
- (b) You agree to pay any additional premium to reinstate the sum insured; and
- (c) You agree to implement any reasonable risk improvements required.

Single Occurrence

We will not pay for loss or damage to property covered by the Policy under more than one Section of the Policy in respect of the same item and Occurrence unless a relevant sum insured has been paid out in full and You have not been fully covered for the loss or damage.

Our rights of conduct and recovery

Subject to the provisions of the Insurance Contracts Act, We have the right to recover or obtain contribution from any person against whom You may be able to claim and the right to take action in Your name. We shall have full discretion in the conduct, defence or settlement of any claim. You and any other person entitled to benefit under the Policy must not hinder these rights and must give all such information and cooperation as We may require.

Recoveries, whether effected by Us or by You, shall be applied, net of the expense of such recovery, first to the satisfaction of Your loss in excess of the claim paid under the Policy (disregarding the amount of any excess applicable), secondly to Us as reimbursement of the amount(s) paid in settlement of Your claim and thirdly to You in satisfaction of the amount of any excess applicable.

Notification of Claims

As soon as you become aware of a claim or anything occurring that may give rise to a claim You must:

- (a) protect Yourself from any danger following the incident;
- (b) assist other people within capabilities if needed;

- (c) take reasonable steps to prevent further loss, damage or liability;
- (d) notify the police immediately if any of Your property is lost, stolen, or maliciously damaged and provide the police with all assistance to apprehend the offending party;
- (e) advise Us of the claim or circumstances as soon as practicable and then supply Us with full written details by completing Our claim form. You or someone acting on Your behalf must complete a claim form within a reasonable time of the relevant incident. If You do not, We may reduce the amount We pay if the delay causes increased costs or prevents Us investigating the claim; and
- (f) send to Us, as soon as possible, any invoices, bills, demands letters or notices You receive from other people involved .

What you must not do

You must not admit fault or agree to pay for any loss or damage without Our consent. Do not make an offer, settle, or attempt to settle any claim against You. If You do We may not pay all or part of the claim. You must not incur any costs or expenses or authorise repairs (other than necessary temporary repairs) without Our agreement.

SECTION 1: BUSINESS PROPERTY COVER SECTION

Types of cover

The two types of cover provided are explained in “Defined Events Cover” and “Accidental Damage Cover”.

How We will pay Your claim

There are two methods of paying Your claims. They are “reinstatement or replacement value” and “indemnity value”. The method You are covered for is shown on the Schedule.

Method of settlement - reinstatement or replacement value

We will pay the cost of rebuilding, replacing or repairing any damaged part of Your Business Property to the same condition as when they were new or, where appropriate, in accordance with the Output Replacement clause set out below.

Business Property may be rebuilt or erected at another location provided You pay any additional costs to build or erect elsewhere.

If the Business Property is lost or damaged You must commence to rebuild, replace or repair within a reasonable time of the loss or damage. If You do not, We will pay Your claim in accordance with the indemnity value method of settlement.

Extra Costs of Reinstatement

We will also pay the extra costs of reinstatement (including demolition and dismantling) of Business Property necessarily incurred by You following damage to comply with the requirements of any Act of Parliament or regulation made under an Act or any by-law or regulation of any municipal or other statutory authority, provided that:

- (i) We will not pay for any additional cost incurred in complying with any such requirement with which You had been required to comply prior to the happening of the damage;
- (ii) the specific condition headed “Underinsurance” shall not apply to any amount recoverable under this clause and any amount payable shall not be taken into account for the purpose of the application of that condition;
- (iii) the amount payable under this clause shall be limited to the sub-limit of liability stated in the Schedule for “Extra Costs of Reinstatement”, which shall be in addition to the sum insured. If no such sub-limit of liability is stated, Our liability under this clause shall be limited to the extra cost necessarily incurred in reinstating only that portion of Business Property damaged.

Basis of settlement

The basis of settlement shall be as follows in respect of the following types of Business Property:

- (i) In the case of raw materials, supplies and other merchandise not manufactured by You, the basis of settlement shall be:
 - a. the replacement cost calculated at the time and place of replacement, provided that replacement shall have been carried out with reasonable despatch; or
 - b. if such property is not replaced or is obsolete, the original cost to You of such property or the Market Value, whichever is the lesser.
- (ii) In the case of materials in the process of manufacture, the basis of settlement shall be the replacement cost of the raw materials and the cost of labour and other manufacturing costs expended on them calculated at the time and the place of the damage.

- (iii) In the case of finished goods manufactured by You, the basis of settlement shall be either:
 - a. the replacement cost of the raw materials and the cost of labour and other manufacturing costs expended on them without any allowance for profit calculated at the time and place of the damage or the cost of restocking such goods within a reasonable time, whichever is the lesser; or
 - b. if such goods are obsolete, (regardless of whether or not such goods are replaced), the original cost to You of the raw materials and the cost of labour and other manufacturing costs expended on them without any allowance for profit or their Market Value, whichever is the lesser.
- (iv) In the case of goods sold but not delivered and for which You are responsible, to the extent to which under the conditions of sale or any statute or at common law the sale contract is cancelled whether wholly or in part by reason of the damage, the basis of settlement shall be the contract price.
- (v) In the case of documents of aesthetic, historic, scientific or social value to past, present or future generations and which cannot be replaced, the basis of settlement shall be the expert valuation agreed between You and Us.
- (vi) In the case of computer systems records, manuscripts, deeds, other documents, specifications, plans, drawings, designs, business books and other records of every description, the basis of settlement shall be:
 - a. the cost of repairing, replacing, reproducing or restoring them, including the information contained on or in them, but excluding the value to You of that information; or
 - b. if repair, replacement, reproduction or restoration is not carried out with reasonable despatch, the replacement cost of the materials as blank stationery calculated at the time and place of the damage.
- (vii) In the case of securities (which shall mean certificates of stock, bonds, coupons and all other types of securities), the basis of valuation shall be:
 - a. if the securities can with Our approval be replaced, the cost of replacement paid or payable by You; or
 - b. if the securities cannot or are not to be replaced by You, the greater of:
 - (i) the price for which You purchased them; and
 - (ii) the closing Market Value on the last business day prior to the date of discovery by You of the loss or destruction of the securities, or if the time of discovery by You is after the close of the market, their closing Market Value on the day of discovery by You of the loss or destruction of the securities.
- (viii) In the case of a loss of subscription, conversion or redemption privileges through the loss of any security, the basis of settlement shall be the value of such privileges immediately preceding the expiration thereof, such valuation being in the currency in which the loss was sustained. Losses sustained in currencies other than Australian dollars shall be settled by converting the amount of loss to Australian dollars at the market rate at the time of settlement of the loss or such other rates as may have been expressly agreed with Us. If there is no market price or value on the relevant day stated herein, then the value shall be agreed between You and Us, or in default thereof, We and You shall submit to arbitration and be bound by the decision of the umpire.
- (ix) In the case of discount house vouchers, the basis of settlement shall be the original purchase price.
- (x) In the case of patterns, models, moulds, dies, lasts, jigs or templates, the basis of settlement shall be:
 - a. if replaced with reasonable dispatch, the reinstatement value; or
 - b. if not replaced with reasonable despatch, the value of such property to You calculated at the time and place of the damage, but not exceeding reinstatement value.
- (xi) In the case of empty premises awaiting demolition, the basis of settlement shall be the salvage value of the building materials and landlord's fixtures and fittings, net of demolition costs.

Output Replacement

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

- (a) the same or a lesser total function, capability or output - the new installed cost of such replacement item or items as would give the same total function, capability or output as the Business Property.
- (b) a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of that Business Property - the new installed cost of the item or items so replaced.
- (c) a greater total function, capability or output and the new installed cost of such replacement property is greater than the replacement value of the Business Property - the lesser of the reinstatement value or that proportion of the new installed cost of the replacement item or items which the output of the Business Property damaged bears to the output of the replacement item or items. If the reinstatement value of the damaged Business Property is not ascertainable then the basis of settlement is the new installed cost of the replacement item or items.

Floor Space Ratio Index

Where Buildings are damaged and the cost of reinstatement is more than 50% of what the cost of reinstatement would have been if the Buildings had been totally destroyed and reinstatement of such damage is limited or restricted by:

- (a) any Act of Parliament or regulation made under an Act; or
- (b) any by-law or regulation of any municipal or other statutory authority,

resulting in either case in the reduction of the floor space ratio index (plot ratio) of the site, then We shall pay (in addition to the amount payable on reinstatement of such Buildings):

- (a) the difference between:
 - (i) the actual costs incurred in reinstatement subject to the reduced floor space ratio index (plot ratio); and
 - (ii) the estimated cost of reinstatement at the time of damage had the reduced floor space ratio index (plot ratio) not applied,
- (b) any fee, contribution or other impost, not exceeding \$2,000 in respect of any one Occurrence, payable to any governmental, statutory or public authority where payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to reinstate the Building, provided that We will not be liable for payment of any fines or penalties imposed upon You by any such authorities.

Provided that Our total liability for reinstatement or replacement value, additional costs of compliance and under this Floor Space Ratio Index (Plot Ratio) clause shall not exceed the sum insured in respect of the Buildings which are the subject of the claim.

Branded Goods

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

Method of settlement - indemnity value

We will at Our option either pay You:

- 1. the indemnity value of; or
- 2. the cost to repair; or
- 3. the cost You incur to replace,

the damaged part of the Business Property to a condition substantially the same as at the time the loss or damage occurred taking into consideration the age, condition and state of repair of the Business Property at that time.

We will also pay, in accordance with the “Extra Costs of Reinstatement” clause, the additional costs required to comply with the requirements of any Act of Parliament or regulation made under an Act or any by-law or regulation of any municipal or other statutory authority, provided You were not required to comply with any such requirement prior to the loss or damage occurring.

What you are covered for

We will cover You for physical loss of or physical damage to Your Business Property caused by the events listed under Defined Events Cover and Accidental Damage Cover.

The Schedule shows what You have covered and the method of settlement.

Defined Events Cover

We cover You for physical loss of or physical damage to Your Business Property at the Business Premises caused by the following defined events:

1. Bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks or fixed pipes used to hold or carry liquid (including if necessary the cost of identifying and locating the cause of damage) but We will not cover damage which occurs as a result of Your failure to repair or prevent the burst, leak, discharge or overflow within a reasonable amount of time of discovering an Occurrence;
2. Earthquake, volcanic eruption, subterranean fire or tsunami but We will not pay for the first \$20,000 or 1% of the sum insured at the damaged Business Premises (whichever is the lower amount) of each claim caused by earthquake, subterranean fire or volcanic eruption. You only have to pay one Excess if further damage occurs within seventy-two (72) hours of an Occurrence.
3. Fire, lightning or explosion, but We will not pay for damage to a boiler or other pressure vessel exceeding one (1) cubic metre capacity if caused by self-explosion.
4. Impact by:
 - (a) a Vehicle or its load, Aircraft, Watercraft or sonic boom;
 - (b) space debris or debris from an Aircraft, rocket or satellite;
 - (c) an animal;
 - (d) a falling tree or part of a tree,but excluding damage caused by:
 - (i) You; or
 - (ii) someone else when You have agreed not to hold them responsible if they cause damage to Your property, whilst cutting down trees or removing tree branches;
 - (e) a mast, aerial, antenna or satellite dish that has broken or collapsed, but excluding loss or damage to the mast, aerial, antenna or satellite dish itself unless caused by a peril insured elsewhere in the Policy;
 - (f) a falling Building or other structure or part thereof.
5. Malicious damage, including damage by burglars or thieves, other than damage caused by You or anyone who permanently or temporarily lives with You.
6. Riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances including resultant acts of any lawfully constituted authority.
7. Storm but We will not pay for loss or damage:
 - (a) to textile blinds and awnings, shade cloth, shade houses, fibreglass houses and glass houses;
 - (b) to gates, fences, signs and retaining walls;

- (c) to Contents and Stock in the open air unless such property comprises or forms part of a permanent structure designed to function without the protection of the walls or roof;
 - (d) to Buildings whilst they are being built that do not have all walls, doors and roofs completely fixed;
 - (e) to growing crops, trees or any other plants;
 - (f) caused by water that does not enter the Building through an opening made by the Storm.
8. Escape of molten material from its intended confines on or about the Business Premises but excluding:
- (a) the cost of repairing any fault which permitted such escape;
 - (b) the cost of retrieving or removing escaped material from any escape channel or catchment area designed for the purpose;
 - (c) loss of or damage to such escaped material; and
 - (d) loss or destruction of or damage to furnace linings, crucibles, moulds, other containers or ladles from which molten material escapes.

Temporary removal

We also cover the Defined Events, for an amount equal to twenty percent (20%) of the total of the sums insured for Contents including Stock, on Your Business Property (except any registered motor Vehicle which is not Stock) while it is temporarily removed from Your Business Premises to premises elsewhere in Australia for up to a maximum of ninety (90) days (unless otherwise agreed) and excluding property of Your directors or employees.

Limited transit

Business Property is covered for an amount up to the lesser of \$25,000 or ten percent (10%) of the sum insured for Contents including Stock if it is in transit in or on any Vehicle owned or operated by You anywhere in Australia away from Your Business Premises, including storage during the transit, but only for damage caused by fire, explosion, wind, earthquake, acts of malicious persons or by collision or overturning of the conveying Vehicle.

Accidental Damage Cover

We will cover You for accidental physical loss of or physical damage to Your Business Property at the Situation except in respect of the events or items listed in "What We do not cover You for under Accidental Damage Cover".

The maximum amount We will pay for Accidental Damage Cover for any Occurrence is the lesser of \$100,000 or ten percent (10%) of the total sum insured for Buildings and Contents unless a higher amount is specified in the Schedule as the accidental damage sum insured, in which case the maximum amount We will pay is the amount specified in the Schedule.

What We do not cover You for under Accidental Damage Cover

We will not pay for claims under Accidental Damage Cover for:

1. loss or damage caused by any defined events covered under the heading "Defined Events Cover" in this Section;
2. loss or damage caused by events or other items listed under the heading "General Policy Exclusions Applicable to all Sections";
3. loss or damage (other than to electronic equipment that is not insured under Part 2 of the Machinery and Electronic Cover Section) insurable under any other Section or Sections of this policy except the General Property Cover Section;
4. Business Property to the extent that such property is insured under the General Property Cover Section;

5. damage which occurs as a result of Your failure to repair or prevent bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks or fixed pipes used to hold or carry liquid within a reasonable amount of time of discovering an Occurrence;
6. storm and rainwater damage to growing crops, trees or any other plants; caused by water:
 - (a) seeping or percolating through walls, floors or roofs; or
 - (b) that does not enter the Building through an opening made by a storm;
7. unexplained disappearance or unexplained inventory shortage, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You;
8. loss or damage caused by demolition, other than demolition by or ordered by a public authority, if the value of the demolition work exceeds \$500,000 or 20% of the total sum insured on Buildings and Contents, whichever is the lesser;
9. loss or damage which occurs during loading, unloading, delivery or despatch;
10. pollution or contamination of Business Property unless caused by a defined event covered under the heading "Defined Events Cover" in this Section;
11. theft.

Additional benefits - Business Property Cover

The following additional benefits are provided if You have selected the Business Property Cover Section and it is shown as covered in the Schedule:

Capital Additions

We cover additions to Your Buildings and Contents obtained or built during the Period of Insurance up to 10% of the sum insured or \$500,000, whichever is the lower amount. This additional benefit is in addition to Your sum insured.

Directors, partners and employees

We will pay the reinstatement or replacement value up to \$5,000 for any one person, of personal property of Your directors, partners and employees if such property is physically lost, destroyed or damaged by a defined event whilst at the Situation. This additional benefit is in addition to Your sum insured but is limited to \$20,000 in respect of any one Occurrence.

We also include cover for loss of or damage to Business Property consisting of Contents at premises owned or occupied by Your directors, partners and employees which is caused by a defined event.

Prevention of imminent damage

We will pay up to \$25,000 for necessary costs You incur to extinguish a fire on or in the vicinity of Your Business Premises which causes or threatens property damage or for necessary costs to prevent or diminish imminent damage to Your property by any other peril insured elsewhere in the Policy.

We will not pay under this additional benefit for any:

1. fines, penalties or liability incurred by You;
2. loss or damage to Your property.

This additional benefit is in addition to Your sum insured.

Fire Brigade Attendance Fees

We will pay up to \$50,000 for any statutory charges payable by You to a fire brigade or fire fighting authority for attendance at a fire or chemical emergency involving insured property. This additional benefit is in addition to Your sum insured.

Government fees

We will pay Your fees (other than fines or penalties) paid or payable to government or statutory authorities where payment is necessary to obtain consent to repair or replace Business Property. Any amount paid under this benefit is included in the sum insured for Business Property.

Professional fees and legal costs

If Business Property has been damaged and the damage is covered by the Business Property Cover Section, We will pay:

1. the reasonable professional fees incurred to rebuild or repair Your Buildings and Contents;
2. Your legal costs incurred for the discharge of Your mortgages at the Business Premises following settlement of a claim for total loss of a Building.

Any amount paid under this benefit is included in the sum insured of the property lost or damaged.

Removal of debris

If Business Property has been damaged or destroyed and is covered by the Business Property Cover Section, We will pay:

1. the reasonable costs incurred for the demolition, dismantling, necessary temporary repairs, cleaning up and/or removal, storage and disposal of debris from the Business Premises; and
2. the cost of removal of debris from adjoining premises, property, services, roadways and waterways as well as on the site which you are legally required to remove.

Under this benefit, We will pay You up to \$50,000 (in addition to the sum insured) or the higher amount shown in the Schedule for "removal of debris" or if this is insufficient and You have not exhausted Your sum insured on the damaged items requiring demolition and/or removal of debris, We will pay up to the remaining balance of the sum insured.

Re-writing of records

We will pay You, in addition to Your sum insured, up to \$25,000 or any higher amount shown in the Schedule for rewriting of records, for clerical and professional costs incurred by You to re-write Your necessary business records if they are damaged by an Occurrence which You are covered for in the Business Property Cover Section. We will not pay You for any financial loss caused by the loss of Your records under this additional benefit.

Seasonal increase in Stock

If You have insured Stock as a separate item to Your Contents, the sum insured on Stock is increased by 30%, for the:

1. eight (8) weeks immediately prior to and on Christmas Day;
2. two (2) weeks immediately after and on 26th December;
3. seven (7) weeks immediately prior to and on Easter Tuesday;
4. thirty (30) days immediately prior to, ten (10) days immediately after and on the day of the major boat show in Your State and any other boat show specified on the Schedule;
5. any other period shown on the Schedule.

If Your sum insured for Stock is included in another item on the Schedule We will only apply the increase to the portion of the sum insured which relates to Stock.

Temporary protection

If Business Property has been lost or damaged and is covered by the Business Property Cover Section, We will pay up to \$25,000 in respect of any one Occurrence and in the aggregate during the Period of Insurance for the reasonable costs incurred by You in protecting Business Property immediately following the Occurrence. This additional benefit is in addition to the sum insured.

Undamaged foundations

If foundations are not destroyed following an Occurrence and any government or statutory authority requires reinstatement of the Business Property to be carried out on another site, the abandoned foundations will be considered as destroyed. If the resale value of the original building site is increased due to the presence of the abandoned foundations, the increase in resale value will be regarded as salvage and payable by You to Us at the time of sale.

Playing surfaces

We will pay, up to the greater of \$50,000 or the amount shown in the Schedule for “playing surfaces”, for the cost of repairing damage to outdoor playing surfaces at the Situation, caused by:

- (a) vandals or malicious persons, other than You or Your guests, directors partners, officers, employees or members, or their guests;
- (b) fire occurring to insured property at the Situation for which We have admitted liability under this Section, or
- (c) the action of the fire fighting services, police or other emergency services in attending to their duties at the Situation.

This additional benefit is in addition to the sum insured.

Landscaping

For loss, damage or destruction by the defined events covered under the heading “Defined Events Cover” (other than storm, tempest or rainwater) to growing plants, shrubs, garden plots and lawns (including rock work, ornamentation and edging pertaining thereto) and resultant expenses necessarily incurred in cleaning, clearing and/or repairing drains, gutters, sewers and the like, all contained in or on or forming part of or implicitly pertaining to the Buildings insured, We will pay You up to \$10,000 in respect of any one Occurrence.

This additional benefit is in addition to the sum insured.

Loss of land value

We will pay You for a reduction in land value, which shall be the value certified by the Valuer General or other competent person or authority selected by Us, that results from the requirements of any statutory authority that does not allow rebuilding (or only partial rebuilding) at the Business Premises following loss or damage covered by this Section provided that the amount We will pay You will be the lesser of:

- (a) the amount calculated by subtracting the land value after rebuilding or after We have agreed that rebuilding is not possible, from the land value before the damage;
- (b) ten percent (10%) of the sum insured for Buildings at the Situation where the damage happened; and
- (c) \$100,000.

The underinsurance condition does not apply to this additional benefit, which is in addition to the sum insured.

Optional extensions to the Business Property Cover

- 1. Flood, tidal wave, high water, storm surge.

When “flood, tidal wave, high water, storm surge” is noted on the Schedule, We will cover loss of or damage to Business Property caused by Flood, tidal wave, high water or storm surge, for an amount up to \$500,000 in respect of any one Occurrence.

- 2. Malicious damage by tenants

When “malicious damage by tenants” is shown on the Schedule, We will cover You if a tenant of Yours or a tenant of Your landlord (but not You) without Your consent, causes malicious damage covered by this Section to Your Business Property, which is in breach of any terms or conditions of Your lease agreement.

We will cover You for Your loss or damage in accordance with this Section, provided You:

1. have taken all reasonable actions, as soon as You become aware of conditions causing the breach, to have the tenant comply with the terms;
 2. notify Us within a reasonable amount of time of becoming aware of the breach; and
 3. have a current lease agreement in force at the date of the loss or damage.
3. Storm damage to Stock (including damage caused by hail) in open air

When this optional extra is noted on the Schedule, We will cover loss or damage to Stock in open air boundaries of Your premises due to storm, including hail, damage.

What you are not covered for under this Section

1. We will not pay for loss or damage under the Business Property Cover Section caused by:

- (a) Your tenants intentionally other than damage caused by fire or explosion (unless cover is selected under Optional Extension 2).
 - (b) wear and tear including:
 - (i) the actions of birds, insects, mice, rats or other vermin;
 - (ii) rust, corrosion, or oxidation;
 - (iii) mildew, mould, rotting, disease, contamination, pollutants, or industrial fallout;
 - (iv) inherent vice, change of colour, loss of weight, loss of volume, change in flavour, change in texture;
 - (v) variation in temperature, variation in humidity, variation in controlled atmosphere;
 - (vi) wear, tear, fading or gradual deterioration.
 - (c) movement of foundations including:
 - (i) vibration, heaving, creeping, shrinking, settling, or expansion of foundations or supports of Business Property;
 - (ii) erosion, subsidence or earth movement unless caused suddenly by a defined event;
 - (iii) collapse of Business Property unless caused suddenly by a defined event.
 - (d) faulty work including:
 - (i) errors in, omissions from or wrong design;
 - (ii) faulty materials or faulty workmanship.
 - (e) cessation of work including partial or complete cessation of work, process, operation or activity caused by strikes, labour disputes or locked out workers except as a result of physical loss or damage to the Business Property committed by persons taking part in strikes or labour disputes, or by locked out workers;
 - (f) incorrect siting of property (including Business Property).
 - (g) heat, spontaneous combustion, fermentation, heating or any process involving the direct application of heat.
 - (h) flood.
 - (i) the sea, the action of water from the sea, tidal wave or high water.
2. We will not pay for loss or damage under the Business Property Cover Section for:
- (a) Business Property located in an underground mine;
 - (b) any legal liability You incur to pay compensation, damages, fines, or penalties;

- (c) any cost to repair or replace Business Property due to:
 - (i) mechanical, hydraulic, electrical or electronic breakdown, malfunction, breakage or failure unless caused by an insured Occurrence;
 - (ii) computer virus;
 - (iii) access to Your computer systems and records by any person not on Your Business Premises;
- 3. We will not pay for loss or damage under the Business Property Cover Section arising from demolition ordered by government or public or local authorities due to failure by You or Your agents to obtain the necessary permits.
- 4. Under the Business Property Cover Section, We will not pay for loss or damage to jewellery, furs, bullion, articles containing gold and silver, paintings, works of art and curios in excess of \$10,000 in respect of any one Occurrence or \$2,000 in respect of any one item where such items are not Stock.

Specific conditions applicable to this Section

Designation of property

For the purpose of determining under which item any property is insured, We agree to accept the designation under which such property appears in Your books of account provided such property is not specifically excluded by this Section and falls within any relevant definition.

Progress payments

We will make reasonable progress payments for any claim if requested by You after We have a reasonable opportunity to investigate the cause and extent of the loss or damage.

Underinsurance

For each Occurrence under the Business Property Cover Section, We will pay the proportion of the loss or damage that the sum insured bears to 80% of the:

1. reinstatement or replacement cost, at the time this contract was entered into, of the Business Property where the method of settlement is reinstatement or replacement value; or
2. indemnity value, at the time this contract was entered into, of the Business Property where the method of settlement is indemnity value.

This condition will not apply if the amount of loss or damage is less than 5% of the sum insured nor shall it apply to any claim to which a sub-limit of liability applies.

Any additional costs incurred to comply with the requirements of any Act of Parliament or regulation made under an Act or any by-law or regulation of any municipal or other statutory authority shall be omitted from the calculation of the proportion of the loss or damage which We will pay.

Release

Whenever You have been required in accordance with established commercial practice to sign any contractual agreement, entered into prior to the happening of any claim under this Section, to release railroads, other transportation companies and municipal, government and semi-government and other statutory authorities, lessors and property owners from liability under this Section, such release is allowed without prejudice.

Hazardous goods

The storage and use of hazardous goods usual to Your Business is allowed in quantities and manner as permitted by law, by-law or local government regulations.

SECTION 2 - BUSINESS INTERRUPTION SECTION

COVER

We will indemnify You for Loss by paying You:

1. Trading Profit

- (a) in respect of a reduction in Takings - the sum produced by applying the Rate of Trading Profit to the amount by which the Takings during the Indemnity Period will as a result of Loss fall short of the Standard Takings; or
- (b) in respect of an increase in the cost of working - the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or lessening the reduction in Takings which but for that expenditure would have taken place during the Indemnity Period as a result of Loss, but not exceeding the sum produced by applying the Rate of Trading Profit to the amount of the reduction thereby avoided,

less any sums saved during the Indemnity Period in respect of charges and expenses of Your Business payable out of Trading Profit which may cease or be reduced as a result of Loss.

We will also pay the reasonable fees incurred by You to a public accountant or other professional consultant for the preparation of claims under this item, provided that Our liability will not exceed \$5,000 or 5% of the sum insured under Trading Profit, whichever is the greater.

2. Additional Increased Cost of Working

the further additional expenditure, beyond that recoverable under 1 (b) above, reasonably incurred by You during the Indemnity Period in order to avoid or diminish a reduction in Takings.

DEFINITIONS - Applying to Business Interruption Section

“Loss” means interruption of or interference with Your Business resulting from loss or damage for which You are entitled to indemnity under the following sections of Your policy (if section elected for cover and premium has been paid):

- 1. Section 1 – Business Property Cover
- 2. Section 3 – Theft Cover
- 3. Section 4 – Money Cover
- 4. Section 5 – Glass Cover
- 5. Section 7 – General Property

“Trading Profit” means the Annual Takings less the cost of goods, materials and services relating to those Takings.

“Takings” means the Money paid or payable to You for:

- (a) goods sold and delivered and for work done;
- (b) services rendered;
- (c) rents receivable,

in the course of carrying on Your Business. If, during the Indemnity Period, goods are sold or work done or services rendered or rents received elsewhere than at the Situation for the benefit of Your Business either by You or by others on Your behalf, the monies so paid or payable for those activities will be brought into account in arriving at the Takings during the Indemnity Period.

“Indemnity Period” means the period beginning with the occurrence of the Loss and ending not later than the number of months thereafter shown in the Schedule during which the results of Your Business will be affected as a result of the Loss.

“Rate of Trading Profit” means the proportion that the Trading Profit bears to the Takings during the financial year immediately before the date of the occurrence of the Loss.

“Annual Takings” means the Takings during 12 months immediately before the date of the occurrence of the Loss.

“Standard Takings” means the Takings during that period corresponding with the Indemnity Period in the 12 months immediately before the date of the occurrence of Loss appropriately adjusted where the Indemnity Period exceeds 12 months.

ADDITIONAL BENEFITS - Applying to the Business Interruption Section

We will also pay for loss of Trading Profit resulting from interruption of or interference with Your Business, following an event which would be insured under the Business Property Cover Section (or as provided in Additional Benefit 4) causing:

1. Public Utilities

damage to property at any electricity station or sub-station, gas or water works of a public supply undertaking from which You obtain Your immediate and direct supply of either electricity, gas or water, provided that Our liability under this Additional Benefit 1 will not exceed 10% of the sum insured under this Section.

2. Computer

damage to a computer installation, including ancillary equipment and data processing media, utilised by You within Australia, provided that Our liability under this Additional Benefit 2 will not exceed 10% of the sum insured under this Section.

3. Prevention of Access

damage to property within a 5 kilometre radius of the Situation which prevents or hinders the use of or access to the Situation.

4. Infectious Disease, Violence

closure or evacuation of the Situation by order of a public authority as a result of:

- (a) infectious or contagious disease in humans;
- (b) murder or suicide;
- (c) the threat of violence likely to cause damage or injury.

SPECIAL CONDITIONS - Applying to Business Interruption Section

1. Adjustment

The Rate of Trading Profit, Annual Takings and Standard Takings will be adjusted if necessary to provide for variations in or other circumstances affecting Your Business so that the adjusted figures will represent as far as possible the results which but for the Loss would have been obtained during the relevant period after the Loss occurred. If Loss occurs before the expiry of the first financial year of Your Business, the results of Your Business to the date of the Loss will be used as a basis upon which to assess the amount payable.

2. Co-Insurance

In the event of the sum insured under Trading Profit being less than the sum produced by applying the Rate of Trading Profit to the Annual Takings (or the proportionately increased multiple thereof where the Indemnity Period exceeds 12 months) the amount payable will be proportionately reduced.

3. Departmental Provision

If Your Business is conducted in departments, the independent trading results of which are ascertainable, cover under this Section will apply separately to each department affected by the Loss, except that if the sum insured under this Section is less than the total of the sums produced by applying the Rate of Trading Profit for each department (whether affected by the Loss or not) to the relevant Annual Takings of each department, the amount payable will be proportionately reduced.

4. Accumulated Stocks Provision

In adjusting any claim, an allowance will be made if any shortage in Takings due to Loss is postponed by reason of the Takings being temporarily maintained from accumulated stocks of finished goods.

5. Books of Account

Any particulars or details contained in Your books of account or other business books or documents which may be required by Us for the purposes of investigating or verifying any claim made under this Section may be produced by professional qualified accountants if at the time they are regularly acting as such for You.

6. Salvage Provision

If, following Loss giving rise to a claim under this Section, You hold a salvage sale during the Indemnity Period, the amount payable by Us in respect of the reduction in Takings is amended to the sum produced by applying the Rate of Trading Profit to the amount by which the Takings during the Indemnity Period (less Takings for the period of the salvage sale), as a result of Loss, fall short of the Standard Takings from which sum We will deduct the Trading Profit actually earned during the period of the salvage sale.

OPTIONAL EXTENSIONS - Applicable only if indicated in the Schedule

1. Outstanding Debts

If Your records of accounts outstanding are lost or damaged by any event listed in the Business Property Cover Section, We will pay for all sums which cannot be collected as a result of such loss or damage:

- (a) including the additional expenditure reasonably incurred in tracing and establishing the amount of outstanding debts;
- (b) including collection costs in excess of Your normal collection costs;
- (c) reasonably adjusted by Us to allow for:
 - (i) doubtful debts;
 - (ii) amounts debited or credited to Your customer's account in the last statement prior to damage occurring;
 - (iii) any abnormal condition of trade which may have had a material effect on Your Business.

It is a condition of this cover that You must lodge details of all outstanding amounts receivable with Your accountant or auditor as soon as possible after the end of each month.

2. Suppliers And/Or Customers Premises

We will pay for loss of Trading Profit following interruption of or interference with Your Business, caused by any event listed in the Business Property Cover Section, which occur within Australia at the premises of Your suppliers or customers, provided that such events prevent the movement of goods to or from such premises.

3. Floating Asset

We will also pay for loss of Trading Profit resulting from interruption of, or interference with Your Business, following an Occurrence which would be indemnified under the following wording:

Institute Time Clauses Hulls Port Risks (20/7/87).

RACCBE (10/11/03), USCAN B & Terrorism Exclusion Clause – Marine.

Institute War and Strikes Clauses – Hulls Time

Provided that the floating asset is insured under a current Nautilus Marine Commercial Vessel Marine Policy for which the full premium has been paid, issued by Nautilus Marine Underwriting Agency Pty Ltd as Agent for the insurer of that policy, and the period of insurance of that policy is identical to the Period of Insurance of this Policy.

SECTION 3 - THEFT COVER SECTION

What you are covered for

We cover You for physical loss of or physical damage to the property shown under the Theft item on the Schedule caused by:

1. any person who forcibly and violently enters or attempts to enter the Business Premises;
2. any person unlawfully concealed on the Business Premises;
3. any person who threatens or commits physical violence against You, Your employees or other persons;
4. an armed hold-up at the Situation.

The above events and the loss or damage must occur during the Period of Insurance.

How We will pay Your claim

We will not pay more than the sum insured shown on the Schedule for the Theft Cover Section, except to the extent stated under the heading "Additional benefits not in Your sum insured".

Property not recovered or not repairable

If the covered property is not found within a reasonable time after the loss or cannot in our view be economically repaired, We will pay the costs incurred by You to replace such lost or damaged property. If the covered property is not replaced by You We will pay You the Market Value.

Property that can be repaired

If the covered property can in our view be repaired for less than the cost to replace, at Your option We will pay:

1. for the cost to repair the covered property up to the cost to repurchase; or
2. the indemnity value of covered property after deducting its residual value.

Additional Benefits: Theft Cover Section

The following are additional benefits which are included in Your sum insured.

1. Theft (limited) without forcible and violent entry

Following an Occurrence or attempted Occurrence covered under this Section, We will pay:

- (a) up to \$1,000 in respect of any one Occurrence for loss or damage caused by theft or attempted theft of Business Property other than electronic equipment, Stock or customers' goods;
- (b) up to \$2,000 (unless a higher amount applicable to this paragraph (b) is shown in the Schedule in relation to the above heading) in respect of any one Occurrence for loss or damage caused by theft or attempted theft of Your electronic equipment which is not Stock from an office,

occurring during the Period of Insurance from the Business Premises without forcible and violent entry but excluding loss or damage caused by theft or attempted theft from any open sided structure such as, but not limited to verandas, yards or other open spaces, even if they are partially or fully enclosed.

This additional benefit does not cover loss or damage as a result of unexplained disappearance, unexplained or inventory shortage, clerical or accounting errors or shortage in supply or delivery to or from the Business Premises.

An Excess of \$100 applies to this Additional Benefit 1 in respect of each Occurrence.

2. Damage to Business Premises

Following an Occurrence or attempted Occurrence covered under this Section, We will pay for the repair of Your Business Premises and property shown under the Theft item in the Schedule contained inside but We will not pay for loss or damage that is or can be covered in the Business Property Cover Section, the Money Cover Section and/or the Glass Cover Section. The maximum amount We will pay for this additional benefit 2 is the lesser of:

- (a) the remaining sum insured for each item covered after payment of a claim; and
- (b) the sub-limit (if any) shown in the Schedule for this additional benefit.

The following additional benefits are not included in Your sum insured:

3. Seasonal increase of cover

All Theft Cover sums insured are increased by 30% for the:

- 1. eight (8) weeks immediately prior to and on Christmas Day;
- 2. two (2) weeks immediately after and on 26th December;
- 3. seven (7) weeks immediately prior to and on Easter Tuesday;
- 4. thirty (30) days prior to, ten (10) days immediately after and on the day of the major boat show in Your State and any other boat show specified on the Schedule;
- 5. any other period shown on the Schedule.

4. Temporary protection

Following an Occurrence or attempted Occurrence covered under this Section, We will pay for the cost of necessary temporary protection and repairs and the employment of guards/watchmen to protect the covered property up to an amount of \$10,000 in respect of each Occurrence, however if You are also insured under the Money Cover Section, the benefits payable under this Additional Benefit 4 shall not be cumulative and shall be limited to \$10,000 in the aggregate for each Occurrence.

5. Locks, keys and combinations

Following an Occurrence or attempted Occurrence covered under this Section, We will pay for:

- (a) the cost of replacing locks, keys or combinations used in Your Business and the cost of opening safes and strong rooms. This additional benefit shall also apply if there are reasonable grounds to suspect that keys or combinations have been copied without Your authority.
- (b) the cost of replacing and developing security film exposed because of theft or attempted theft.

A sub-limit of \$5,000 in respect of any one Occurrence applies to this Additional Benefit 5.

6. Rewriting of records

Following an Occurrence or attempted Occurrence covered under this Section, We will pay up to \$20,000 in respect of any one Occurrence for additional clerical and professional costs incurred by You to reinstate, reproduce or restore:

- (a) computer systems;
- (b) records, documents, manuscripts, securities, deeds;
- (c) specifications, plans, drawings.

7. Property of directors, partners, employees and clubs

Following an Occurrence or attempted Occurrence covered under this Section, We will pay the cost of replacing property (excluding Money) belonging to directors, partners and employees of any person or organisation shown in the Schedule if lost or damaged at the Situation up to \$10,000 for any one person and \$10,000 for any one Occurrence.

8. Temporary removal

We will cover You under this Section for an amount of up to 30% of the sum insured under this Section for Business Property temporarily removed from the Business Premises to a locked building at any other premises in Australia except where:

- (a) the Business Property is not owned by You or is not property for which You are responsible;
- (b) the Business Property is tobacco, tobacco products, cigars, cigarettes or alcoholic beverages;
- (c) the Business has been temporarily removed for more than sixty (60) consecutive days or such longer period as has been agreed between Us and You in writing.

9. Death following assault

If any person is injured while protecting or attempting to protect the covered property from theft that is covered under this section and death results from that injury within twelve (12) months, We will pay \$10,000 to the estate of that person. This amount is in addition to any amount We pay for the theft of property, however if You are also insured under the Money Cover Section, the benefits payable for death following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate.

10. Employee Dishonesty

We will pay You for loss of Business Property by theft or dishonesty by any employees of any person or organisation shown in the Schedule occurring during the Period of Insurance and which is discovered within thirty-one (31) days of its occurrence.

Exclusion 3 under the heading "What We will not pay for" does not apply to this Additional Benefit 10 to the extent that it relates to loss or damage due to theft or attempted theft by an employee..

Our liability under this Additional Benefit 10 is limited to \$2,500 for any one Occurrence, however if You are also insured under the Money Section, the benefits payable for employee dishonesty under the Money Section and this Section shall not be cumulative and shall be limited to \$2,500 in the aggregate for each Occurrence.

11. Tenanted premises

We will pay up to \$1,000 in respect of any one Occurrence for the cost of repairing damage to Business Premises in which You are a tenant and for which You are legally liable to pay in accordance with the terms of Your lease, provided such damage occurs as a result of theft or attempted theft of Business Property occurring during the Period of Insurance.

What We will not pay for

1. We will not pay under the Theft Cover Section for loss of or damage to:
 - (a) Money in excess of \$100;
 - (b) jewellery, furs, bullion, property made of gold or silver or precious stones, paintings, works of art and curios exceeding \$10,000 in respect of any one Occurrence and \$2,000 in respect of any one item unless the item is Stock;
 - (c) motor Vehicles unless they are Stock;
 - (d) glass unless it is Stock;
 - (e) Stock or Contents whilst kept in the open air areas of the Business Premises except to the extent that such property is covered under Optional Benefit 2 ("Stock in the open air") if Optional Benefit 2 is noted on the Schedule in relation to this Section.
2. We will not pay under the Theft Cover Section for loss of or damage to property caused by:
 - (a) any person lawfully on Your Business Premises;
 - (b) any person who does not steal or intend to steal property;
 - (c) fire, earthquake, riot or civil commotion.

3. We will not pay under the Theft Cover Section for loss of or damage to property caused by or in any way contributed to by dishonest acts by You, Your Family or any directors, partners or employees of any person or organisation shown in the Schedule other than loss of or damage to property by an employee following visible forcible and violent entry.
4. We will not pay more than the sum insured on Business Property under this Section for loss from a safe, strong room or security enclosure opened by a key or by the use of details of a combination, either of which has been left on Your Business Premises outside Normal Business Hours.
5. We will not pay under the Theft Cover Section for unexplained disappearances or unexplained shortages, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You.

OPTIONAL BENEFITS - Applying to the Theft Cover Section

The Schedule will show if the following optional benefits are applicable:

1 Theft without forcible and violent entry

If this Optional Benefit 1 is noted on the Schedule, We will pay You up to the amount shown in the Schedule for “theft without forcible and violent entry” for loss caused by the theft of property shown under the Theft item in the Schedule in the open air but within the boundaries of the Situation or contained in an unlocked building that occurs during the Period of Insurance..

2. Stock in the open air:

If this Optional Benefit 2 is noted on the Schedule, We will also cover You under this Section for loss or damage caused by theft of Stock and Contents kept in the open air areas of your Business Premises following forcible and violent entry onto the Business Premises that occurs during the Period of Insurance.

3. Extended display temporary removal

If this Optional Benefit 3 is noted on the Schedule, We will also cover You for loss or damage caused by theft of Stock whilst on display at boat shows and exhibitions that occurs during the Period of Insurance, for an amount up to the sum insured noted for burglary/theft in the Schedule, provided that:

- (a) the boat show or exhibition is held at an indoor premises with 24 hour security; and (b) the loss or damage is caused by violent and forcible entry and removal of Your Stock.

SECTION 4 - MONEY SECTION

COVER

We will indemnify You in respect of physical loss of Money whilst the Money is:

1. Transit

in transit within Australia to or from the Situation, in Your custody or the custody of Your authorised employee, and whilst contained in a night-safe/automatic teller machine at Your usual bank. Our liability for Money in a night-safe/ automatic teller machine ceases when such Money is removed by bank personnel.

2. Residence

in Your custody or that of Your authorised employee, but only while contained in Your or that employee's private residence. Our liability for such Money will cease at Your usual bank's closing time on the next bank business day following that on which the transit of the Money to the private residence was completed.

3. Premises (Out of Safe)

at the Situation and not kept in a Safe, however Our liability in respect of a loss of Money in such circumstances outside Normal Business Hours is limited to \$500.

4. Premises (In a Safe)

at the Situation whilst contained in a Safe.

DEFINITIONS - Applying to Money Section

"Safe" means a container or structure specifically designed to store Money and resist fire and attack by hand-held or power operated tools.

ADDITIONAL BENEFITS - Applying to Money Section

1. Employee Dishonesty

We will also pay up to \$2,500 any one event where Your employee(s) is/are successfully prosecuted in respect of fraudulent misappropriation of Money covered under this section, provided that:

- (a) such misappropriation occurred during the Period of Insurance and is discovered:
 - (i) during the Period of Insurance; or
 - (ii) within 6 months of the expiry of the Period of Insurance;
- (b) all losses arising from the one source or original cause will be deemed to be one event irrespective of whether such misappropriation was committed during more than one Period of Insurance; and
- (c) once you have discovered, or have reason to suspect, such misappropriation, Our liability for any further loss ceases.

2. Keys

Following loss of Money that is covered under this Section, We will also pay up to \$2,500 in respect of any one event for the cost of replacing keys used to lock Your Safe if We consider the replacement of such keys is necessary.

3. Damage to Safe

Following the theft or attempted theft of Money from a Safe, We will pay You up to \$2,500 for damage arising to such Safe in addition to the sum insured.

SPECIFIC EXCLUSIONS - Applying to Money Section

We will not pay for loss:

1. from a Safe whilst unlocked.
2. from a Safe opened by a key or by the use of details of the combination either of which have been left unattended at any time at the Situation unless the key or combination is stolen from the area within the Situation occupied by You as a private residence and such area was forcibly and violently entered.
3. from an unattended Vehicle.
4. due to a shortage arising from clerical or accounting errors.
5. from theft or dishonesty committed by You or by any member of Your Family other than as provided for in Additional Benefit 1 of this Section.
6. whilst Your Money is in the care, custody and control of a professional or common carrier other than You or Your employees.
7. not discovered within five (5) working days of the loss occurring other than as provided for in Additional Benefit 1 of this Section.
8. which is consequential including but not limited to loss of profit or loss of opportunity..

OPTIONAL EXTENSION - Applicable only if stated in the Schedule

Seasonal Increase

The sum insured under this Section is automatically increased by the amount shown in the Schedule (except in respect of Money under item 3 "Premises (Out of Safe)") during the periods from:

- (a) 25th October to 5th January in the following year; and
- (b) thirty (30) days prior to Easter Sunday to five (5) days thereafter.

SECTION 5 - GLASS SECTION

COVER

We will indemnify You in respect of the cost of repairs to or replacement of Glass which belongs to You, or for which You are responsible, at the Situation as a result of accidental Breakage which occurs during the Period of Insurance.

DEFINITIONS - Applying to Glass Section

“Glass” means fixed glass, showcase glass, glass table tops, mirrors, washbasins, lavatory pans, cisterns and plastic materials used in fixed illuminated signs.

“Breakage” means a fracture extending through the entire thickness of the Glass.

ADDITIONAL BENEFITS - Applying to Glass Section

Following Breakage We will also pay the reasonable and necessary cost:

- (a) of temporary shuttering;
- (b) to remove and refit fixtures to allow access for the repair or replacement of Glass;
- (c) to repair or replace:
 - (i) ornamentation and/or signwriting;
 - (ii) alarm tape or wiring;
 - (iii) heat reflecting material;
 - (iv) window frames or Stock destroyed, damaged or spoiled by Glass Breakage.

Our liability in respect of these Additional Benefits is limited to \$7,500 in any one Period of Insurance.

SPECIFIC EXCLUSIONS - Applying to Glass Section

1. We will not pay for Breakage of Glass:
 - (a) forming part of Stock;
 - (b) whilst being fitted into position or removed from its fittings;
 - (c) which is cracked or imperfect prior to Breakage;
 - (d) caused by Your own wilful act or the wilful act of persons acting on Your behalf;
 - (e) caused by fire, artificial heat, earthquake, subterranean fire or explosion;
 - (f) causing consequential loss of any kind (including but not limited to loss of profit or loss of opportunity) .
2. We will not pay for consequential loss of any kind which results from Breakage of Glass (including but not limited to loss or profit or loss of opportunity).

SECTION 6 – LEGAL LIABILITY SECTION

COVER

We will indemnify You against claims for Compensation for Injury or Damage neither expected nor intended by You that is caused by an Occurrence in connection with Your Business that happens during the Period of Insurance.

Our liability in respect of any one Occurrence causing Injury or Damage will not exceed the limit of liability. However, Our total liability in respect of any one Occurrence and in the aggregate during any one Period of Insurance for all claims arising out of the Products Hazard will not exceed the limit of liability.

DEFINITIONS - Applying to Legal Liability Section

“You”, “Your” is as shown in the General Definitions, but also including in this Section only, as if they were You:

- (a) Your subsidiary companies (present and future) incorporated in Australia who carry on Your Business and who are not shown in the Schedule; and
- (b) any principal in respect of the liability of such principal arising out of the performance by You of any contract or agreement for the performance of work for such principal to the extent required by such contract or agreement, but limited to the cover provided by the Policy.

“Injury” means the following which occur during the Period of Insurance:

- (a) bodily injury, death, sickness, disease, disability, shock, fright, mental anguish and mental injury;
- (b) false arrest, false imprisonment, wrongful eviction, wrongful detention, malicious prosecution and humiliation;
- (c) libel, slander or invasion of right of privacy;
- (d) assault and battery not committed by You or at Your direction unless committed for the purpose of preventing or eliminating danger to persons or property.

In the event of Injury arising from latent injury, latent sickness, latent disease or latent disability, such Injury will be deemed to have happened, for the purpose of determining cover under this Section of the Policy, when such condition was first medically diagnosed.

“Damage” means:

- (a) physical loss of or physical damage to tangible property including the loss of use thereof at any time resulting therefrom; or
- (b) loss of use of tangible property which has not been physically damaged provided such loss of use is caused by an Occurrence,

which occurs during the Period of Insurance.

In the event of Damage claims arising from latent damage or from the exposure of tangible property to gradual deterioration and eventual Damage, such Damage will be deemed to have happened, for the purpose of determining cover under this Section of the Policy, on the day such Damage is first discovered.

“Compensation” means a compensatory monetary payment:

- (a) ordered by a court of competent jurisdiction, or
- (b) by reason of any settlement of a claim negotiated with Our consent,

other than fines, penalties, criminal sanctions of any description, punitive, aggravated, exemplary or liquidated damages and any additional damages resulting from the multiplication of compensatory damages.

“Products” means anything manufactured, grown, extracted, produced, processed, sold, supplied, distributed, imported, exported, repaired, serviced, installed, assembled, erected or constructed by You in the course of Your Business, including any container thereof other than a Vehicle.

“Products Hazard” means Injury or Damage which occurs after You have relinquished physical possession of Your Products and:

- (a) is caused by a defect in or the harmful nature of Your Products, or
- (b) results from a defect or deficiency in any direction or advice intended to be given by You concerning the use or storage of Your Products.

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot fumes, acids, alkalies, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

ADDITIONAL BENEFITS - Applying to Legal Liability Section

Supplementary Payments

In relation to a claim for Compensation for which You are entitled to cover under the Cover specified above, in addition to the limit of liability We will pay all:

- (a) expenses incurred by Us;
- (b) costs awarded against You and all interest accruing after any judgment until We have paid, tendered or deposited in court such part of any judgment which does not exceed the limit of liability;
- (c) reasonable expenses, other than loss of earnings, incurred by You with Our written consent;
- (d) expenses incurred by You for first aid to others at the time of any Injury for which You are entitled to Compensation.

Provided that:

- if to dispose of a claim, Compensation is payable in excess of the limit of liability, Our liability in respect of payments under this Additional Benefit will be limited to such proportion of the payments as the limit of liability bears to the total Compensation.
- Our liability in respect of such payments will not exceed \$500,000 in respect of any one Occurrence.

SPECIFIC EXCLUSIONS - Applying to Legal Liability Section

We will not be liable for:

1. claims in respect of Injury or Damage arising directly or indirectly out of, caused by or in connection with:

- (a) the use of any Vehicle owned by You or in Your physical or legal control or any attachments to any such Vehicle:
 - (i) which is registered;
 - (ii) in respect of which insurance is required by virtue of any legislation relating to Vehicles
 - (iii) in respect of which there is any compulsory statutory scheme of indemnity;

- (b) the ownership, maintenance, repair, servicing, operation, use, installation work in or on or loading of, by You or on Your behalf of any Aircraft or any Watercraft where the Watercraft exceeds 10 metres in length.

This specific exclusion 1(b) shall not apply to any Watercraft operated by independent contractors used by You for the purpose of business entertainment.

- (c) any Watercraft exceeding 25 metres in length, except whilst such Watercraft is stored on land at the Situation and/or exhibitions and/or displays.

- (d) the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants or the cost of removing, nullifying or cleaning up Pollutants unless it can be demonstrably proved that such discharge, dispersal, release or escape of Pollutants was caused by a sudden, identifiable, unexpected and unintended happening which takes place in its entirety at a specific time and place and provided the limit of Our liability in such circumstances, whether or not there is more than one Occurrence in the Period of Insurance, is limited in the aggregate to the sum insured.
- (e) the use of explosives in connection with the demolition of any structure.
- (f) the use by You of any property or structure owned occupied or controlled by You as a landing area for Aircraft. The term "landing area" includes any area on which Aircraft land, take-off, are housed, maintained or operate.
- (g) the explosion or collapse of boilers or other pressure vessels in respect of which a certificate is required in accordance with any Act of Parliament or regulation made under an Act.
- (h) the erection, demolition, alteration of or addition to buildings owned or occupied by You except in connection with any such erection, demolition, alteration or addition the cost of which does not exceed the sum of \$50,000.
 - (i) floating stock.

2. claims in respect of Injury or Damage:

- (a) occurring outside Australia except in relation to claims arising from:
 - (i) Your Products being exported to other countries (other than the United States of America or the Dominion of Canada); or
 - (ii) the presence outside Australia on Your Business of Your partners, directors, executive officers and employees engaged in non-manual work who are normally resident in Australia;
- (b) brought against You in any country outside Australia in which You are represented by a branch or by an employee domiciled in the country or by a company, firm or individual holding Your power of attorney or in any Court in Australia exercising the laws of any jurisdiction other than the laws of a State or Territory of Australia;
- (c) where liability for Injury or Damage has been assumed by contract, warranty or agreement and would not otherwise have attached in the absence of such contract, warranty or agreement.
- (d) for which insurance against such liability (whether the insurance is limited in amount or not) is required pursuant to any workers' compensation, accident compensation or similar legislation in respect of Injury to an employee or a person deemed to be Your employee by such legislation.
- (e) arising from a liability imposed by any workers' compensation legislation, industrial award, agreement or determination
- (f) which is directly or indirectly connected in any way with asbestos.
- (g) caused by or arising out of:
 - (i) any defect or deficiency in any of Your Products which defect or deficiency You or Your employees or agents had knowledge of or had reason to suspect at the time when Your Products passed from Your actual physical control or of any person under Your control;
 - (ii) use of Your Products to perform a functional or structural role in the safe operation or stability of any Aircraft; or
 - (iii) the manufacture or sale of any pharmaceutical products, agricultural chemicals or veterinary products.
- (h) which directly or indirectly is caused by or arises from Your Internet Operations.

For the purposes of this Exclusion:

“Internet Operations” shall mean any of the following:

- (i) use of electronic mail systems by You or by any other person with Your permission; or
- (ii) access through Your network to the world wide web or a public internet site by You or by any other person with Your permission; or
- (iii) access to Your intranet (meaning internal company information and computing resources) which is made available through the world wide web; or
- (iv) the operation and maintenance of Your web site; and

“other person” includes, but is not limited to, any person engaged under a contract of service or apprenticeship with You.

This Exclusion will not apply to liability arising out of any material which is already in print by the manufacturer in support of its products which is also reproduced on Your website, but the Exclusion will still apply to any other advice or information located on Your website that is used for the purposes of attracting customers:

- (i) which directly or indirectly is caused by or arises out of:
 - (i) the communication, display, distribution or publication of electronic data; or
 - (ii) the total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of electronic data; or
 - (iii) any error in creating, amending, entering, deleting or using electronic data; or
 - (iv) the total or partial inability or failure to receive, send, access or use electronic data for any time or at all from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.
- (j) which directly or indirectly is caused by, arises out of or is a consequence of war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power.
- (k) which directly or indirectly is caused by, arises out of or is a consequence of any:
 - (i) act of Terrorism; Or
 - (ii) action taken in controlling, preventing, suppressing or in any way relating to any act of Terrorism.

For the purpose of this Exclusion, “Terrorism” means an act including but not limited to the use or threat of force or violence by any person or groups(s) of persons, whether acting alone, on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is committed for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any Government and/or to put the public or any section of the public in fear.

- (l) which directly or indirectly is caused by or arises out of Transmissible Spongiform Encephalopathy (TSE) including but not limited to Bovine Spongiform Encephalopathy (BSE) or new Variant Creutzfeldt-Jakob Disease (VCJD).
- (m) which directly or indirectly is caused by or arises out of the manufacture, importing, growing, blending, mixing or distributing of Genetically Modified or Engineered Organisms (GMO).

For the purpose of this Exclusion, a “Genetically Modified or Engineered Organism” is a living plant, animal or microbe that has been altered by the addition or modification of a gene through the process of genetic engineering and contains genes or portions of genes from unrelated organisms.

3. claims in respect of Damage to:

- (a) property under Your physical or legal control other than:
 - (i) premises leased or rented by You for the purpose of Your Business;
 - (ii) Vehicles (not belonging to You or used on Your behalf) where such Damage occurs whilst any such Vehicle is in a car park owned or operated by You;
 - (iii) property (other than Vehicles or Watercraft) belonging to third parties where such claims exceed \$100,000.
 - (iv) Watercraft up to 10 metres in length including parts and accessories belonging to third parties where such claims exceed \$500,000.
- (b) any land or fixed property arising directly or indirectly from:
 - (i) vibration;
 - (ii) the removal or weakening of or interference with support to land, buildings or any other property.

4. Claims:

- (a) arising out of a breach of any duty owed in a professional capacity by You or any person for whose breach of such duty You may be legally liable. This Exclusion does not apply to members of Your first-aid, medical or ambulance services arising in connection with such activities on Your premises.
- (b) in respect of the cost of performing, completing, correcting or improving any work undertaken by You
- (c) in respect of liability arising out of the publication or utterance of libel or slander:
 - (i) made prior to the commencement date of the Policy; or
 - (ii) made by You or at Your direction with the knowledge of the falsity thereof; or
 - (iii) related to advertising, broadcasting or telecasting activities conducted by You or on Your behalf.
- (d) arising directly or indirectly from the design, plan, formula or specification of Your Products or any instructions, advice or information on the characteristics, use, storage or application of any of Your Products.
- (e) arising out of the recall, withdrawal, inspection, repair, replacement or loss of use of Your Products, or of any property of which Your Products form part, if Your Products are withdrawn from the market or from use because of any known or suspected defect or deficiency therein or if you make any refund on the price paid for any of Your Products.
- (f) arising directly or indirectly due to the inhalation or ingestion of or exposure to:
 - (i) tobacco or tobacco smoke;
 - (ii) any ingredient or additive present in any articles, items or goods which contain or include tobacco.
- (g) in respect of loss of use of tangible property which has not been physically damaged or destroyed as a result of:
 - (i) a delay by You or any person acting on Your behalf in the performance of any contract or agreement;
 - (ii) the failure of the Products to meet the level of performance, quality, fitness or durability warranted or represented by You.

This Specific Exclusion does not apply to loss of use of other tangible property resulting from sudden and accidental physical damage to or destruction of the Products after such Products have been put to use by any person or organisation other than You.

CONDITIONS

1. Reasonable Precautions

You will take all reasonable precautions to:

- (i) prevent the manufacture, sale or supply of defective Products;
- (ii) at Your own expense, trace or recall or modify any of Your Products containing any known defect or deficiency.

2. Cross Liability

Where “You” and “Your” is comprised of more than one party, each of the parties will be considered as a separate legal entity and the words “You” and “Your” will apply to each party as if a separate policy had been issued to each party but this Special Condition will not increase Our liability in respect of any Occurrence.

3. Burning and Welding

If You use blowlamps, blow torches, welding and flame cutting equipment and the like, We will not indemnify You in respect of Injury or Damage arising directly or indirectly out of the use of such equipment unless You have complied with the relevant Australian Standard covering fire precautions and appliance safety.

OPTIONAL EXTENSION - Applicable only if stated in the Schedule

The Schedule will show if the following optional benefits are applicable:

1. Rectification of Faulty Workmanship

We will pay up to \$25,000 for costs or expenses incurred in undertaking completion, re-performing, re-completing or improving any work previously undertaken by You or on Your behalf which is considered faulty workmanship.

An excess of \$2000 is applicable to this Optional Extension and We may insist rectification work is undertaken by third parties.

SECTION 7 - GENERAL PROPERTY

COVER

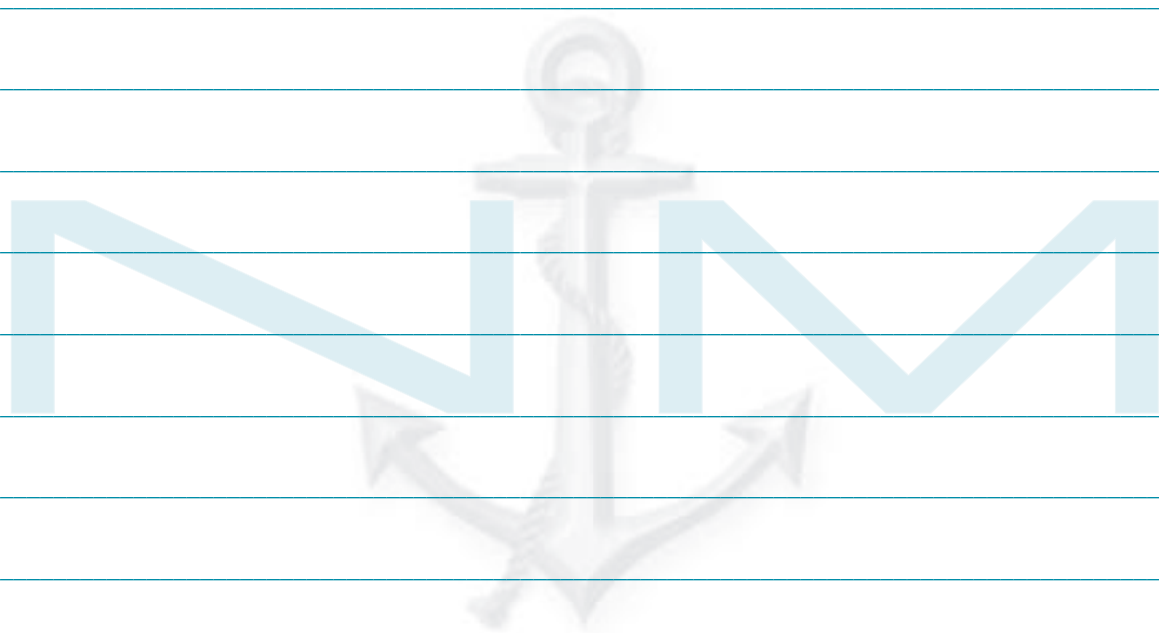
We will indemnify You in respect of physical loss of or physical damage to property described in the Schedule whilst anywhere within Australia and which occurs during the Period of Insurance.

SPECIFIC EXCLUSIONS - Applying to General Property Section

We will not pay for:

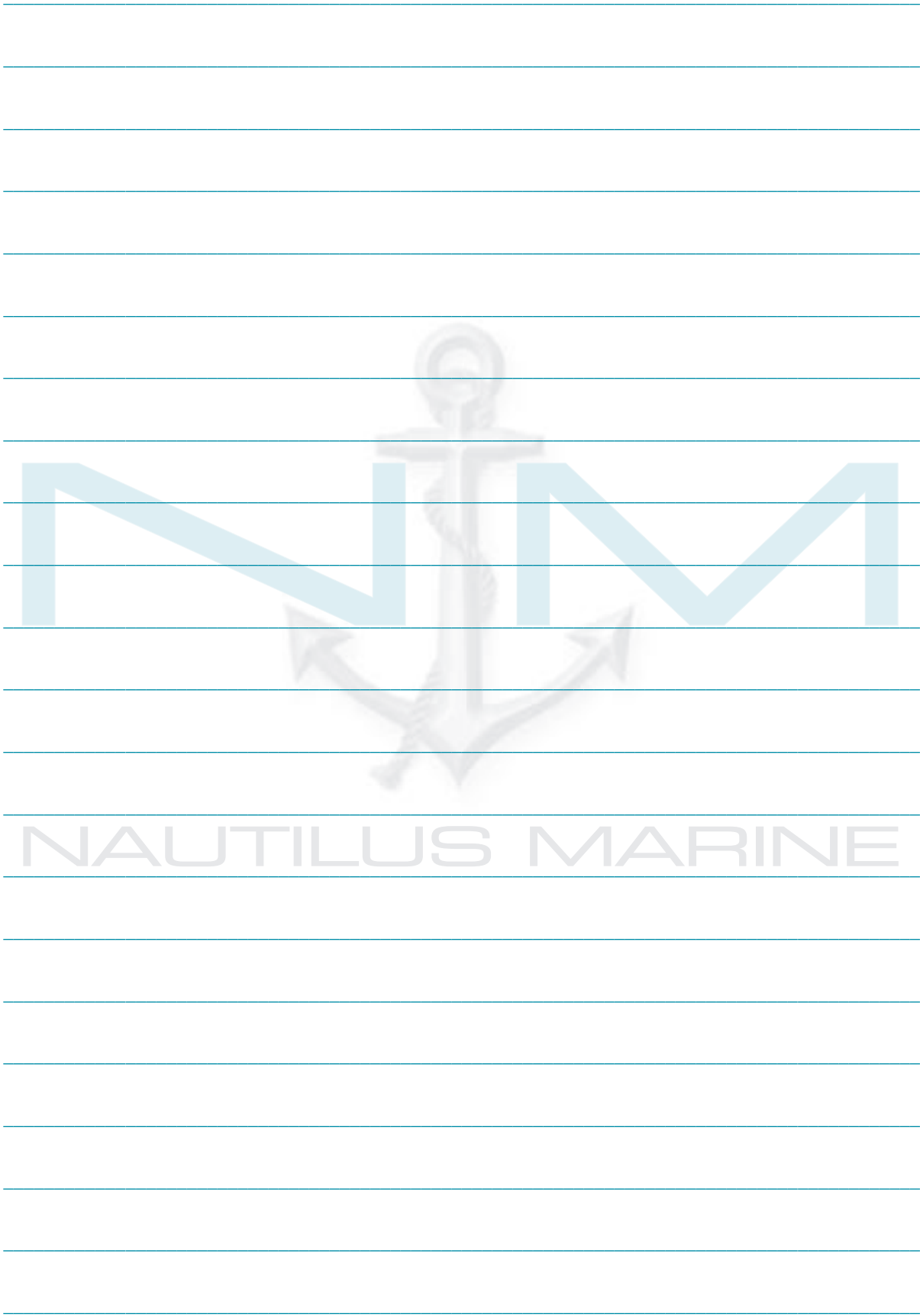
1. loss or damage arising:
 - (a) in connection with any property undergoing a trade process, dyeing, cleaning, repairs or renovation;
 - (b) through theft from any unattended Vehicle unless all opening windows, doors and boot are closed and locked;
 - (c) through theft from the carrying compartment of any utility, truck or trailer where such compartment is either open or covered only with a tarpaulin or something of similar material;
 - (d) as a result of theft or any attempted theft by, or in collusion with, any members of Your staff or household or persons working or residing on the premises.
2. loss or damage caused directly or indirectly by:
 - (a) moth, vermin, termites or other insects;
 - (b) mechanical derangement or mechanical or electrical breakdown;
 - (c) faulty materials or faulty workmanship;
 - (d) Flood, the sea, tidal wave or high water;
 - (e) erosion, subsidence or landslide.
3. loss either by disappearance or by shortage if such disappearance or shortage is not traceable to any event or is only revealed when an inventory is made.
4. loss of Money, stamps, deeds or other documents.
5. breakage of fixed glass, washbasins and toilet fittings.

NOTES



NAUTILUS MARINE

NOTES



NAUTILUS MARINE



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