



Heritage Buildings Insurance

**Heritage Special Risks Insurance Policy
Policy Disclosure Statement and Policy Wording**

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Introduction

Australia's leading insurer of historic churches now has a comprehensive insurance product for your heritage building.

Although many businesses rely on the heritage aspect of their properties to attract customers, many do not protect this aspect of their property or may not have considered the impact on their business should they be unable to restore it in the event of a loss.

By insuring your heritage building with Ansvar Insurance you are working with an insurer who understands the unique complexities of heritage issues and provides you with a dedicated product and value added services.

From our small beginnings in 1961 Ansvar Insurance now insure 9,000 places of worship, 850 charities, 1,900 care facilities and 500 schools in Australia.

We appreciate the uniqueness of Heritage insurance and understand insurance risks associated such as reinstatement issues should a loss occur, security risks, fire protection, and providing a safe environment.

Our specialist Heritage insurance policy has been specifically designed to protect your property. Cover includes property damage, loss of revenue following an insured event, loss of money, burglary, extra cost of reinstatement, and replacement of glass including replacing stained glass and leadlight.

Welcome to Ansvar Insurance

Ansvar Insurance began serving Australians back in 1961 and has always been a prominent insurer of faith organisations, educational institutions, charitable organisations, community groups, care facilities and heritage buildings.

In 1998, Ansvar Insurance was purchased by the Ecclesiastical Insurance Office plc, a leading insurer of heritage, religious and charitable organisations in the UK. Since then we have gone from strength to strength providing insurance in our specialist areas.

Our experience

As an insurer of Australian churches for almost 50 years, many heritage listed, we have drawn on this experience to become specialists in heritage insurance. Unlike many insurers, we have the expertise to understand the complex and specific risks that heritage establishments face.

In fact we have global expertise. We are a member of the Ecclesiastical Insurance Group which has been providing insurance solutions for heritage buildings since 1887 and protects some of the most famous historic buildings in the world including Westminster Abbey, Blenheim Palace, Leeds Castle and historic public schools Eton, Harrow and Rugby.

Our claims management team share knowledge and outcomes to monitor heritage claims. This ensures our claims management advice is at the forefront of global developments.

Our approach

As a specialist insurance company we have developed a deep understanding of the issues confronting our customers and tailored our products and services accordingly. We believe in offering more than just insurance.

Our dedicated staff are committed to helping clients protect their assets and people by providing:

- specialist heritage insurance knowledge which can provide guidance on ensuring the correct valuation so that you are not over or under insured;
- flexibility in underwriting with a customised wording;
- an understanding of the various state and territory Heritage Acts and the guiding principles of ICOMOS, the International Council on Monuments and Sites;
- independent, onsite, risk management inspections and expert advice to find solutions;

- risk management seminars and advice on helping clients develop their risk management programs.

Ansvar Insurance believes that claims should be managed quickly and compassionately, the needs of our customers are paramount. We are always mindful of the reputation of our insured when we are managing claims made by injured parties and work in partnership on all potentially sensitive matters.

For that reason our claims service offers:

- specialist staff
- state based
- a partnership approach
- assistance in managing conflict situations minimising the potential for a claim

Supporting our community

Central to the Ansvar Insurance brand is our desire to make a difference in the world. At a practical level, we are able to provide grants to grass roots programs designed to assist young Australians develop a positive attitude to life. Up to 10% of our after tax profit (annualised over 3 years) is allocated to our Community Education Program. Every year we provide support to programs touching and enriching the lives of thousands of young Australians.

Our community support was acknowledged by the Australian and New Zealand Institute of Insurance and Finance in 2008 and 2009 when we were nominated for Service to the Community Award. We are delighted that these programs can provide such a positive impact on the lives of Australian youth.

An extensive range of insurance products

Ansvar Insurance has products to suit individuals, families and business alike. From your home, precious contents, and boats to tailored insurance to meet the needs of businesses, faith organisations, educational facilities, community service organisations, heritage and the care sector, we have insurance to meet your needs.

Product Disclosure Statement (PDS)

About this PDS

This product disclosure statement (PDS) contains two sections:

1. Important Information

Provides general information about your Heritage Insurance Policy.

2. The Contract between you and Ansvar Insurance

Details the terms and conditions of your Heritage Insurance Policy.

The financial product offered in the PDS is provided by Ansvar Insurance Limited.

The Contents provides a summary of the content of the PDS.

The purpose of this PDS is to assist you to understand your insurance policy and enable you to make an informed choice about your insurance requirements.

The Heritage Insurance policy in conjunction with the certificate of insurance we issue upon acceptance of your proposal together with any endorsements attached to the certificate, provide a full description of the terms, conditions and limitations of the insurance cover.

You will need to read the entire PDS for a full understanding of these terms, conditions and limitations including the benefits, risks and

information about how the insurance premium is calculated.

Please read this PDS before you apply for this insurance.

This PDS was prepared in November 2010.

Who is the insurer and how can we be contacted?

Ansvar Insurance Limited (Ansvar Insurance), ABN 21 007 216 506, is the issuer of this insurance policy. The registered office of Ansvar Insurance is Level 5, 1 Southbank Boulevard, Southbank, Victoria. The Ansvar Insurance Australian Financial Services Licence number is 237826.

You can contact us by:

- calling in person at any Ansvar Insurance office
- telephoning 1300 650 540
- writing to any office of Ansvar Insurance
- email to insure@ansvar.com.au

Important Information

Changes to the PDS

Information in this PDS is subject to change from time to time. Changes in your Heritage Insurance Policy will be communicated to you in several ways and these are;

- if a change will affect you adversely, Ansvar Insurance will issue you with a new product disclosure statement (PDS) or a supplementary PDS prior to the renewal of the insurance each year;
- for minor changes which are not materially adverse to you, we will communicate the changes to you in writing at the earliest opportunity;
- information can be obtained by telephoning our toll free number (1300 650 540), calling at one of our offices or visiting our website at **ansvar.com.au** to find out what changes might have occurred;
- if changes have occurred, we will be pleased to provide you with a paper copy of them on request.

Cooling off Period

We will refund the entire premium you have paid for cover under this insurance policy if you cancel the policy within 21 days of its commencement. To do this, you must advise us in writing and return the certificate of insurance to your nearest Ansvar Insurance office. You will not receive a refund if you have made a claim or intend to claim under the insurance policy.

Significant features and benefits

Cover is available under this insurance policy under the two policy sections for events happening during the period of insurance. Cover is provided to you in respect of the policy sections selected and on payment of the appropriate premiums and up to sums insured or limits of liability which are shown in the certificate of insurance.

The cover provided is summarised below but it is a summary only of the type of cover available

and does not form part of the terms of your insurance.

You need to read the full terms and conditions contained in the policy to make sure this insurance matches your needs and expectations. You should read the full details of each policy section for specific definitions, limits, conditions and exclusions as well as the general definitions, general exclusions, general conditions and claims conditions.

Cover Available	Summary of cover
Section 1 Material loss or damage	This section covers you for accidental damage to your insured property at the location(s) where you carry out your operations. Cover applies to the declared and/or defined property and is for damage occurring during the period of insurance up to the limit of liability and any applicable sub limits of liability. This section also provides a number of extensions.
Section 2 Consequential Loss	This section covers you for loss of revenue during the indemnity period as a result of damage occurring during the period of insurance. A claim must first be admitted (unless excluded solely by operation of a deductible) under section 1 to trigger a claim under section 2.

Terrorism

This policy excludes cover as a result of terrorism.

In the event that property damage and/or property owners liability occur linked to an event declared a terrorism incident by the responsible Minister, then you may be afforded protection within the limits of indemnity of this policy by virtue of the Terrorism Insurance Act 2003. The

operations of this Act may also serve to reduce the settlement of your loss to a percentage of the otherwise recoverable loss. In the event that the settlement is reduced then this will be at the direction of the Minister.

A more detailed explanation of the operation of the Terrorism Insurance Act 2003 can be obtained at www.arpc.gov.au.

Costs

The premium payable by you for this insurance policy is shown in your certificate of insurance.

The premium payable will be determined considering factors such as the type of cover selected, the extent of your activities, the limit of liability or sum insured, the construction of any property and other relevant factors which increase or decrease the risk of loss or damage. Please refer to the table below for some examples and an explanation of how these factors may affect your premium. This list is not exhaustive, and other factors may be taken into account when calculating the premium.

Relevant Rating Factor	Factors which may increase your premium	Factors which may decrease your premium
Sum insured / limit of liability	Higher sum insured / limit of liability	Lower sum insured / limit of liability
Deductible	Low deductible	High deductible
Extent of activities	External activities, for example, fetes, fundraising activities in public places	No, or very few, external activities
Construction of premises	Timber or mixed materials	Brick
Location of Premises	Isolation of premises	Proximity of fire services
Age of premises	Old premises	New premises

Security	No deadlocks on external doors	Monitored alarms
Glass	Stain glass and leadlight glass	Standard glass
Claims history	Adverse previous claims	Low number of previous claims
Loss of revenue	High Revenue	Low Revenue
Indemnity period	Longer period	Shorter period

Premiums and fees are subject to Commonwealth and State taxes and levies which include Goods and Services Tax, Stamp Duty and Fire or Emergency Services Levy (if applicable to you in your State). All are shown in your certificate of insurance.

Code of Practice and Privacy Act

As a signatory to the General Insurance Code of Practice we are committed to raising standards of service to our customers. This voluntary code sets out the minimum standards we will uphold in the services we provide to you.

The Privacy Act sets out how we are to collect, use, disclose and protect your personal information. It also describes the circumstances for you to access and, if necessary, correct your personal information.

You may access your personal information by contacting any of our offices. The information we collect is used to assist us to provide you with our general insurance products and to manage our relationship with you.

At times we rely on third party suppliers (agents, legal advisers, other insurance companies, assessors, investigators, loss adjusters, market research and mailing houses) to perform specialised activities for us. Your personal information may be provided to them so that they can carry out their agreed activities.

They are bound by confidentiality and non-disclosure agreements and are prohibited from using the information for any other purpose. These service providers are aware of their

obligations under the Privacy Act and the General Insurance Code of Practice.

If you do not wish to provide us with your personal information, we will not be able to supply our products to you.

Complaints

If you are not satisfied with our service we recommend that you use the complaints procedure set out below. The type of complaint could relate to the behaviour of or advice given by an Ansvar Insurance employee or authorised representative, a decision on a claim, the privacy of your personal information or any other matter relating to your insurance that is of concern to you. These procedures are available free of charge to you.

First, contact the employee or authorised representative with whom you have had contact to see if he or she can resolve the problem. If that is not possible, then contact the Regional Manager in your state. The Regional Manager will review the information and give you a response as quickly as possible; but no later than three working days from the date when the complaint is received.

If you are not satisfied with the response given by the Regional Manager, then please put your unresolved complaint in a letter and address it to:

The Secretary
Internal Dispute Resolution Committee
Ansva Insurance Limited
Level 5, 1 Southbank Boulevard, Southbank VIC 3006.

You can also telephone the Secretary with your complaint on (03) 8630 3100, or choose to email your complaint to the Secretary at insure@ansvar.com.au

If you require assistance in formulating your complaint, the Secretary of the Disputes Resolution Committee will assist you.

The Secretary will refer your complaint to the Committee which comprises the CEO, an Executive Manager and one of the non executive directors of Ansvar Insurance Limited,

for a decision. The Disputes Resolution Committee has appropriate authority to deal with unresolved complaints.

You will receive a response within seven (7) working days from the time the Disputes Resolution Committee receives your unresolved complaint, or alternatively you will be asked for further information. If further information is required, you will receive a decision within seven (7) working days from the time Ansvar Insurance receives the additional information.

What if we don't resolve your problem?

Once the Disputes Resolution Committee gives you an answer, we will provide you with information about external dispute resolution if that is available.

For many complaints* this is the Financial Ombudsman Service (FOS), which costs you nothing. You have three months from the date of the decision by the Disputes Resolution Committee to lodge your complaint with the FOS. The FOS may be contacted by calling 1300 78 08 08 for the cost of a local call, or by writing to them at GPO Box 3, Melbourne 3001.

Alternatively, you may further pursue your unresolved complaint through a formal legal process such as the courts, mediation, or arbitration.

For privacy complaints you may approach the Federal Privacy Commissioner. A copy of the General Insurance Code of Practice and privacy principles can be obtained from our website www.ansvar.com.au or from one of our offices.

Important notices to Policyholders

It is important to read/retain the following documents and keep them in a safe and convenient place:

- this combined product disclosure statement and policy document
- your current certificate of insurance and any applicable endorsements that are in addition to the policy document.

Remember to regularly review your insurance policy, particularly at renewal to ensure your insurance policy provides the cover that you currently need.

Duty of disclosure

Before you enter into an insurance contract with us, you are required to tell us every matter that is known to you, being a matter that:

- you know to be relevant to the decision by us to accept the risk and if so, on what terms; or
- a reasonable person in the circumstances could be expected to know to be a matter so relevant.

If you have not disclosed all relevant information, or if you have misinterpreted the facts, then we may be entitled to cancel the policy, reduce the sum insured, or treat the policy as never having existed.

If you do not tell us all relevant matters we can reduce the amount we pay for any claim or cancel this insurance policy. If your non disclosure is fraudulent we can void the insurance policy from the beginning.

Goods and Services Tax (GST)

This insurance policy has provision for payment of Goods and Services Tax:

- by you in relation to premiums
- by us in relation to claims

Heritage Special Risks Insurance Policy

Interpretation

This policy incorporates the **certificate of insurance**, and the sections, definitions, conditions, exclusions, memoranda and warranties (if any) and any other terms contained in this document, and in any endorsement or memorandum hereon or attached hereto, which are to be read together and any word or expression to which a specific meaning has been given in any part of the policy shall bear this meaning wherever it may appear, unless such meaning is inapplicable to the context in which the word or expression appears.

Definitions

Certain words and phrases that appear in the policy have special meanings and are listed below. For the purpose of this Policy, the following definitions apply:

accidental damage means **damage** to the **property insured** (subject to the Exclusions Applicable to all Sections) arising out of any one original source or cause other than fire, lightning, thunderbolt, explosion, implosion or collapse, smoke and/or steam, spontaneous fermentation or heating, spontaneous combustion, earthquake, subterranean fire, volcanic eruption, subsidence, earth movement or collapse resulting there from or landslide, impact by any waterborne craft, land vehicles or animals, aircraft and/or other aerial devices and/or articles dropped or falling there from and/or impact by space debris, sonic boom, burglary, theft, the acts or persons taking part in riots or civil commotions or of strikers or locked-out workers or of persons taking part in labour disturbances or of malicious persons or the acts of any lawfully constituted authority in connection with the foregoing acts or in connection with any conflagration or other catastrophe, **flood**, water from or action by the sea, tsunami, tidal wave or high water, storm, tempest wind, hail and/or rainwater, water and/or other liquids or substances discharged overflowing or leaking from apparatus, appliances, pipes, sprinkler and/or any other system at the **situation** or any other events or circumstances more specifically mentioned under any other **sub-limit of liability** and/or **deductible** and is subject to the **sub-limit of liability** shown in the **certificate of insurance**.

archaeological rescue costs means the on-site costs of archaeological rescue work that may follow an insured event including the analysis by the conservation bodies of the original fabric of the building should it become exposed by the **damage**. Costs must be necessarily and reasonably incurred as part of the repair, with **the insurer** prior agreement.

certificate of insurance means the **certificate of insurance** attaching to this wording confirming currency of the policy or the **certificate of insurance** subsequently issued on renewal or variation or by way of endorsement.

constructive total loss if any **property insured** hereunder, or any part thereof, is abandoned:

- (a) on account of its actual total loss or destruction appearing to be unavoidable, or
- (b) because it could not be preserved from actual total loss or destruction without **the insured** incurring an expenditure which would exceed its repaired and/or recovered value, such property shall be regarded as lost or destroyed and the amount payable under this policy shall be the cost of reinstatement as defined in sub-clause 1 of the Reinstatement and Replacement Memorandum (provisions of Reinstatement and Replacement).

damage means physical loss, destruction or damage with “damaged” having a corresponding meaning.

debris means the residue of **damaged property insured**, excluding any material which is itself a pollutant or contaminant and which is deposited beyond the boundaries of the **situation**.

declared values mean the sum total of all **property insured** (other than **money**) at each **situation** and **gross revenue** declared by **the insured** in accordance with the basis of settlement clauses, plus foreseeable expenses, such as planning and architects fees necessary for the reinstatement of damaged **property insured**, claim preparation costs, additional increased costs of working except where

otherwise stated in the **certificate of insurance**.

The insured shall complete a statement of **declared values** as at the commencement of the **period of insurance** and as at the end of the **period of insurance**. The values declared as at the end of the **period of insurance** shall include the value of all such property in which **the insured** may acquire an insurable interest during the **period of insurance**.

The insured's declared values shall also include an allowance for property of others **the insured** is legally responsible for or has assumed responsibility to insure during the **period of insurance**.

deductible means the first amount of each claim which is payable by **the insured** as stated in the **certificate of insurance**. This amount will be deducted from **your** loss before applying any **limit or liability** or **sub-limit of liability**. Should more than one **deductible** apply under this policy for any claim or series of claims arising from the one original source or cause, such **deductibles** shall not be aggregated and the highest single level of **deductible** only shall apply.

earthquake deductible means the **deductible** applicable to all claims under Section 1 of this policy as a result of **earthquake**, subterranean fire or volcanic eruption.

It is equivalent to \$20,000, or 1% of the total **declared values** at the **situation** where **damage** occurs, whichever is the lesser, except where specifically altered in the **certificate of insurance**

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

geographical limit means the Commonwealth of Australia

gross revenue means the **money** paid or payable to **the insured** for services rendered and/or goods sold in the course of business at the **situation**.

heritage means buildings, artefacts, monuments, sites or activities with archaeological, historic, architectural, traditional cultural, engineering or scientific significance.

heritage listing means a building, artefacts, monuments, site or activity with archaeological,

historic, architectural, traditional cultural, engineering or scientific significance which has been listed on the local council's register, state Heritage Register or on the National heritage list, and has been recognised as having particular significance to the people of Australia.

indemnity period means the period beginning with the occurrence of the **damage** and ending not later than the number of months or other time specified in the **certificate of insurance**, during which the results of the business shall be affected in consequence of the **damage**.

increase in cost of working means the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **gross revenue** which, but for that expenditure, would have taken place during the **indemnity period** in consequence of the **damage**, but not exceeding the amount of the reduction in **gross revenue** thereby avoided;

landscaping means decorative trees, shrubs, plants and rockwork.

limit of liability means the amount shown in the **certificate of insurance** which is the maximum amount **we** will pay for any one claim under Section 1 Material loss or damage and Section 2 Consequential loss.

money means current coin, bank notes, currency notes, cheques, credit card sales and/or discount house vouchers, postal orders, **money** orders, unused postage and revenue stamps, and including the value of stamps contained in franking machines.

period of insurance means the period referred to in the **certificate of insurance** or any further period for which renewal of this policy has been agreed.

pollution or contamination means the discharge, dispersal, release or escape of smoke or soot from the business operations (other than sudden and unforeseen discharge, dispersal, release or escape consequent upon **damage** at the **situation**), vapours, fumes, acids, alkalis, chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon any property, land, atmosphere or any water course or body of water (including ground water).

property insured is as defined in Section 1 of this policy.

schedule of declarable assets means a list of **situations** and **declared values** provided to

the insurer by **the insured** prior to the **period of insurance**, or being altered at any time during the **period of insurance**.

situation means any location anywhere in Australia where **the insured** has property or carries on business, has goods or other property stored or being processed or has work done, including the main place of business specified in the **certificate of insurance** and the other premises listed in the **schedule of declarable assets**.

standard gross revenue means the **gross revenue** during that period in the (12) months immediately before that date of the **damage** which corresponds with the **indemnity period** (appropriately adjusted where the **indemnity period** exceeds twelve (12) months).

standing timber means forestry plantations and/or trees that have been planted for revenue and/or bushland at the **situation**.

statutory inquiries means any judicial, coronial or other form of inquiry or hearing established by or at the direction of any government, semi-government, local or planning authority as a direct result of insured **damage**.

sub-limit of liability means the amounts shown in the **certificate of insurance** which apply to specific covers within the policy. The sub-limits of liability shall not increase the **limit of liability**.

terrorism act means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division of that nation, or in pursuit of political, religious, ideological, ethnic or similar purposes or reasons to intimidate the public or a section of the public of any nation, by any person or groups of persons whether acting alone or on behalf of or in connection with any organisation or government de jure or de facto, and which:

- involves force or violence against one or more persons, or threat thereof; or
- involves damage to property; or

- endangers life other than that of the person committing the action; or
- creates a risk to health or safety of the public or a section of the public; or
- is designed to interfere with or disrupt an electronic system.

the insurer means Ansvar Insurance Limited ABN 21 007 216 506, AFS Licence No 237826

the insured means the entity named in the **certificate of insurance** and includes all subsidiary companies, organisations and other entities in which the entity has or acquires a controlling interest to the extent only that each of them is engaged in carrying on the business described in the **certificate of insurance** or activities which are substantially the same kind or related to that business.

A “controlling interest” shall in the case of a company 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.

Insuring clause

Whereas **the insured** named in the **certificate of insurance** has paid or agreed to pay to **the insurer** the premium shown on the certificate, **the insurer** agrees, subject to the terms, conditions, exclusions, memoranda, warranties, limitations and other provisions contained herein or endorsed hereon, to indemnify **the insured** as specified herein against loss arising from any insured events which occur during the **period of insurance** as defined.

Limits of liability

Provided that the total liability of **the insurer** at any one "**situation**" shall not exceed the **limit of liability** for any one loss or series of losses arising out of any one event stated in the **certificate of insurance**, nor any lesser **limit of liability** specified elsewhere in the policy, or such amounts as may be substituted therefore by endorsement or memorandum hereon or attached hereto.

If more than one limit or **sub-limit of liability** applies in respect of any one event, the lesser amount is payable. Each **sub-limit of liability** does not increase the liability of **the insurer** beyond the **limit of liability** applying to the section of the policy. The **limit of liability** or **sub-limit of liability** includes the amount of any **deductible**. The **Insured** shall bear the amount stated in the **certificate of insurance** being the **deductible** in respect of each claim or series of claims arising out of any one event. Should more than one **deductible** apply under this policy for any claim, such **deductible** shall not be aggregated and the highest single level of **deductible** shall apply.

Section 1 Material loss or damage

The indemnity

In the event of any physical loss, **damage** or destruction not otherwise excluded happening during the **period of insurance** at the **situation** to the **property insured** described in section 1, **the insurer** will, subject to the provisions of this policy including the limitation of **the insurer** liability, indemnify **the insured** in accordance with the applicable basis of settlement.

Subject to the liability of **the insurer** not being increased beyond the limit(s) of liability already stated herein, **the insurer** will also indemnify **the insured** for:

1. Architects, surveyors, consulting engineers, legal and other fees and clerks of works salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in reinstatement consequent upon **damage** to property hereby insured, but not such costs, fees and salary for preparing any claim hereunder;
2. Any fee, contribution or other impost payable to any government, local government or other statutory authority; where payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to reinstate any building(s) insured hereunder; provided that **the insurer** shall not be liable for payment of any fines and/or penalties imposed upon **the insured** by any such authorities;
3. Costs and expenses necessarily and reasonably incurred for the purpose of extinguishing fire at or in the vicinity of property hereby insured or threatening to involve such property, or for this purpose of preventing or diminishing imminent **damage** to property hereby insured by any other peril insured against by this policy, including **damage** to gain access and the cost of replenishment of fire fighting appliances and charges incurred for the purpose of shutting off the supply of water or other substance following accidental discharge from any fire protective equipment or otherwise escaping from intended confines. The indemnity provided by this clause is limited to the **sub-limit of liability** shown as "Fire extinguishment fees" in the **certificate of insurance**;
4. Costs and expenses necessarily and reasonably incurred for the temporary protection and safety of property hereby insured pending repair or replacement consequent upon **damage** recoverable hereunder. The indemnity provided by this clause is limited to the **sub-limit of liability** shown as "Cost of temporary protection" in the **certificate of insurance**;
5. Costs of replacing locks and/or keys and/or combinations, where if as a result of theft or any attempt thereat, the keys and/or combinations are stolen or if there are reasonable grounds to believe the keys may have been duplicated, and also the cost of opening safes and/or strongrooms as a result of theft of keys and/or combinations. The indemnity provided by this clause is limited to the **sub-limit of liability** shown as "Costs of replacing locks and keys" in the **certificate of insurance**;
6. Costs and expenses necessarily and reasonably incurred in respect of:
 - (a) the removal, storage and/or disposal of **debris** or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs consequent upon **damage** to **property insured** by this policy and occasioned by a peril insured against;
 - (b) **the insured's** legal liability in respect of removal, storage and/or disposal of **debris**, notwithstanding excluded peril 8, in relation to premises, roadways, services, railway or waterways of others, consequent upon **damage** to the **property insured** by a peril hereby insured against, for such costs together with the cost of cleaning, provided that such liability was not assumed by **the insured** under an agreement entered into after the

commencement of the **period of insurance** unless liability would have attached in the absence of such agreement;

- (c) the demolition and removal of any property belonging to **the insured** which is no longer useful for the purpose it was intended, provided such demolition and removal is necessary for the purpose of the reinstatement or replacement of **property insured** under this section and is consequent upon **damage** to the **property insured** by a peril hereby insured against;
- (d) the clearance of drains, repairing drains, gutters, sewers and the like, at or in the vicinity of property covered under this policy and consequent upon **damage** recoverable hereunder;

The indemnity provided under clauses 6 (a) to (c) is limited to the **sub-limit of liability** shown as "Cost of demolition and removal of debris" in the **certificate of insurance**

The indemnity provided under clause 6 (d) is limited to the **sub-limit of liability** shown as "Cost of clearing drains" in the **certificate of insurance**

- 7. Costs and expenses necessarily and reasonably incurred by **the insured** in conjunction with **statutory inquiries** following **damage** to **property insured** caused by an insured peril. The indemnity provided by this clause is limited to the **sub-limit of liability** shown as "Statutory inquiries" in the **certificate of insurance**.
- 8. **Damage** to clothing and tools of trade not otherwise insured belonging to directors, committee members, volunteers, visitors and employees of **the insured** whilst at the **situation**.
- 9. On-site **archaeological rescue costs** (including the recording of standing and intact building and parts, and damaged/collapsed building and parts as a result of the **damage**) and **damaged** floor surfaces (but not the excavation of below ground deposits) necessarily and reasonably incurred with our consent as a result of **damage** to the **property insured**. The indemnity provided by this clause is limited to the **sub-limit of liability** shown as "Archaeological rescue" costs in the **certificate of insurance**.
- 10. Actual expenses necessarily and reasonably incurred by **the insured** for the sole purpose of expediting reinstatement or repair of the **property insured** which has been **damaged** by a peril covered by this policy, including but not limited to express carriage rates by road, rail or air freight and extra payments for overtime shift, night, Sunday or public holiday working. The indemnity provided by this clause is limited to the **sub-limit of liability** shown as "Expediting expenses" in the **certificate of insurance**.
- 11. Costs necessarily and reasonably incurred by **the insured** in discovering or locating the source of any leakage of water or other liquid causing **damage** or likely to cause **damage** to the **property insured** by this policy. The indemnity provided by this clause is limited to the **sub-limit of liability** shown as "Exploratory costs for discovering or locating the source of leakage of water or liquid" in the **certificate of insurance**.
- 12. **Damage** to raffle prizes and donated goods to be used for fund raising events whilst in **the insured's** custody or the custody of any person authorised by **the insured** and which occurs away from **the insured's situation** but within the **geographic limits**. The indemnity provided by this clause is limited to the **sub-limit of liability** shown as "Raffle prizes and donated goods" in the **certificate of insurance**.
- 13. **Damage** to any part(s) of the electrical machines, installations, or apparatus forming part of the property caused by the actual burning out of such part(s) by the electric current therein (fusion);

Provided always that the Indemnity does not extend to:

- (a) loss of use, depreciation, wear and tear;
- (b) loss, destruction of or **damage** to

- (i) part(s) of any radio, television, microwave oven, amplifier, transmitter, or any kind of electronic device;
- (ii) lighting or heating elements;
- (iii) fuses or protective devices;
- (iv) electrical contacts at which sparking or arcing occurs in ordinary working.

Provided that the insurance under clauses (2) to (13) inclusive above shall not be subject to application of any co-insurance clause or memorandum contained in this policy.

The property insured

1. All tangible property both real and personal of every kind and description (except as hereinafter excluded) belonging to **the insured** or for which **the insured** is responsible, (excluding property of directors, employees, committee members and voluntary workers) or has assumed responsibility to insure prior to the occurrence of any **damage**, including all such property in which **the insured** may acquire an insurable interest during the **period of insurance**.
2. Insured property includes works of art, pictures, curios and antiques where the value of such property has been specifically included in the **schedule of declarable assets**.

It is understood and agreed that the term "personal property" shall include **money** (as defined) whilst contained in the **situation** and whilst in transit to and from the **situation** anywhere in Australia, including whilst contained in the night safe of any Bank or financial institution where **the insured** transacts business, and in the personal custody of **the insured** and/or persons authorised by **the insured** whilst contained in their private residences.

Basis of settlement

For the purpose of ascertaining the classification under which any property is insured, **the insurer** agree to accept the designation applied to such property by **the insured** in its records, provided that such property is not specifically excluded by this policy.

1. On buildings, machinery, plant (other than **heritage** listed machinery and plant) and all other property and contents (other than those specified below): the cost of reinstatement, replacement or repair in accordance with the provisions of the „reinstatement and replacement“ and „extra cost of reinstatement“ memoranda as set out herein.

Provided that if **the insured** elects to claim the indemnity value of any damaged property, **the insurer** will pay to **the insured** the value of such property at the time of the happening of the **damage** or at its/their option reinstate, replace or repair such property or any part thereof. In any event **the insurer** will pay costs incurred by **the insured** in accordance with the provisions of the „extra cost of reinstatement“ memorandum.

2.

(a) Noteable Old Buildings without Legal Protection

Where the **property insured** is a building with architectural features, specific finish and/or structural materials possessing an ornamental or historical character but not legally protected for preservation by national, state or local legislation or regulation, it is agreed that the basis of settlement shall be as follows and not as per provision 1 of the Basis of Settlement:

the cost necessary to repair the **damage** and restore the **damaged** portion of the building to a condition substantially the same as, but not better or more extensive

than its condition when new, in accordance with the provisions of the “reinstatement and replacement” and “extra cost of reinstatement” memoranda as set out in the policy, and not exceeding the reinstatement value of the building. If the cost of repairing the **damage** and restoring the **damaged** portion exceeds the reinstatement value, the building may, at **the insured’s** option, be deemed to be destroyed and the basis of settlement shall be its reinstatement value.

For the purpose of this endorsement, “Reinstatement Value” is the cost necessary to replace the building with one that is not more expensive, but of equivalent or improved utility using current design techniques and modern materials.

The amount payable under this endorsement shall not be subject to any co-insurance clause or memorandum contained in Section 1 of the Policy.

(b) Heritage protected buildings

Where the **property insured** is a building with architectural features, specific finish and/or structural materials possessing an ornamental or historical character and subject to a **heritage** listing or conservation order, it is agreed that the basis of settlement shall be as follows and not as per provision 1 of the Basis of Settlement:

the cost necessary to replace, repair, rebuild or restore the building to a reasonably equivalent appearance and capacity using the original design, specific finish and building materials in accordance with the provisions of the “reinstatement and replacement” and “extra cost of reinstatement” memoranda as set out in the policy; however, where the original materials are not available, the basis of settlement shall be the cost necessary to replace, repair, rebuild or restore the building to the standard acceptable to the authority administering the **heritage** listing or conservation order.

The amount payable under this endorsement shall not be subject to any co-insurance clause or memorandum contained in Section 1 of the Policy.

3. On computer systems records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description: the cost of repairing, replacing, reproducing or restoring same, including information contained therein or thereon, but excluding the value to **the insured** of the said information; or, if repair, replacement, reproduction or restoration is not carried out with reasonable despatch, the replacement cost of materials as blank stationery at the time and place of the **damage**.
4. On glass including leadlight or stained glass windows the cost of repairing or replacing the broken glass including:
 - (a) temporary shuttering and/or hiring of security service pending replacement of broken glass;
 - (b) signwriting or ornamentation on glass;
 - (c) replacement of burglar alarm tapes on glass;
 - (d) removing and re-fixing of window and show case frames and fittings;
 - (e) heat reflecting material or process on glass;

Provided the liability of **the insurer** for any one loss or series of losses arising out of the one event at any one **situation** shall not exceed the **sub-limit of liability** stated in the **certificate of insurance** against “Glass breakage (not stained and leadlight) or Glass breakage (stained glass or leadlight glass)”.

5. On directors', employees', committee members and voluntary workers clothing and tools of trade that are not otherwise insured elsewhere, and only whilst at **the insured’s situation**, the replacement cost at the time of replacement subject to due allowance for wear and tear, depreciation and betterment.

This cover is limited to \$2,000 per person or in total for all claims the **sub-limit of liability** as stated in the **certificate of insurance** against “Damage to clothing and tools of trade of: directors, committee members, employees &/or voluntary workers (not otherwise insured)” or “Damage to clothing and tools of trade of: visitors (not otherwise insured)”.

6. On empty premises awaiting demolition: the salvage value of the building materials and/or landlords fixtures and fittings, net of saved demolition costs.
7. On defined listed **heritage** machinery and plant, the indemnity value only which is the cost necessary to replace, repair or rebuild the **property insured** to a condition substantially the same as, but not better or more extensive than, its condition at the time of **damage** taking into consideration age, condition and remaining useful life.

The insurer will settle any claim for such **property insured** on that basis or, may at its/their option reinstate, replace or repair such **property insured** or any part thereof in accordance with its indemnity value.

8. On **landscaping** (notwithstanding Property Exclusions 7 and 8) the cost of reinstatement of **landscaping**, as a result of **damage** to the **property insured** which is covered by this Policy; provided the liability of **the insurer** for any one loss or series of losses arising out of the one event at any one **situation** shall not exceed the **sub-limit of liability** stated in the **certificate of insurance** against **landscaping**.
9. On artworks curios and antiques the indemnity value only which is the cost necessary to replace, repair or rebuild the **property insured** to a condition substantially the same as, but not better or more extensive than, its condition at the time of **damage** taking into consideration age, condition and remaining useful life, provided the liability of **the insurer** for any one loss or series of losses arising out of the one event at any one **situation** shall not exceed the **sub-limit of liability** stated in the **certificate of insurance** against “Works of Art, Antiques, Curios”.

The insurer will settle any claim for such **property insured** on that basis or, may at its/their option reinstate, replace or repair such **property insured** or any part thereof in accordance with its indemnity value.

Memoranda to Section 1

Except to the extent that this policy is hereby modified under the following memoranda the terms, conditions and limitations of this policy shall apply.

Interests of Other Parties

The insurable interest of those lessors, financiers, trustees, mortgagees, owners and all other parties specifically noted in the records of **the insured** shall be automatically included without notification or specification; the nature and extent of such interest to be disclosed in event of **damage**.

Where the insurance covers the interest of more than one party, any act or neglect of an individual party will not prejudice the rights of the remaining party/parties; provided the remaining party/parties shall, immediately on becoming aware of any act or neglect whereby the risk of **damage** has increased, give notice in writing to **the insurer** and on demand pay such reasonable additional premium as **the insurer** may require.

Branded Goods

Any salvage of branded goods and/or merchandise, **the insured's** own or held by **the insured** in trust or on commission, and/or goods sold but not delivered, shall not be disposed of by sale without the consent of **the insured**. If such salvage is not disposed of by sale, then the value of such salvage shall be deemed to be the market value of the **damaged** goods after brands, labels or names have been removed by or on behalf of **the insured**.

Declarable assets

The **schedule of declarable assets** (as defined) at each **situation** (in accordance with the applicable basis of settlement) shall not include any allowance for extra cost of reinstatement nor any of the costs and expenses referred to under clauses (2) to (9) of the indemnity.

Theft of property in the open air

Peril Exclusion 6(a) and Property Exclusion 13 (b) are deleted (only in respect to the cover granted for theft or property in the open air), and this policy extends to cover theft, without forcible entry or threat of violence, of property (being Groundsmen's equipment Monuments, memorials, statues, ornaments, and signage in the immediate vicinity of the premises) in the open air.

The liability of **the insurer** shall not exceed the sub limit stated in the **certificate of insurance** as "Theft of property in the open air" for any one loss or series of losses arising out of any one event or occurrence at any one **situation**.

Reinstatement and Replacement

(Applicable to buildings, machinery, plant and all other property and contents; as per item 1 under basis of settlement).

The basis upon which the amount payable is to be calculated shall be the cost of reinstatement of the damaged **property insured** at the time of its reinstatement, subject to the following provisions and subject also to the terms, conditions and limit(s) or sub limit(s) of liability of this policy.

For the purpose of the insurance under this memorandum, 'reinstatement' shall mean:

- (a) Where property is lost or destroyed: in the case of a building the rebuilding thereof, or in the case of property other than a building, the replacement thereof by similar property; in either case in a condition equal to, but not better or more extensive than, its condition when new;
- (b) Where property is damaged: the repair of the **damage** and the restoration of the **damaged** portion of the property to a condition substantially the same as, but not better or more extensive than, its condition when new.

Money

"**Money**" cover is amended to include increased cover during fundraising events by 25% for **money** in transit and by 50% for **money** in **the insured's** building. This increased cover will apply for 7 days prior to, during and for 7 days after the event.

Bequeathed property

Physical loss, destruction of **damage** caused by an event not otherwise excluded by section 1 of the policy to tangible property bequeathed whilst anywhere in the **geographical limits**.

Cover under this extension will cease upon legal title in such tangible property passing to **the insured** unless, within 60 days of that occurring, **insured** advising **the insurer** and pay any additional premium **the insurer** may require for the continuance of cover under this extension but not exceeding the sub-limit shown in the **certificate of insurance**.

Exhibitions, festivals and events

Physical loss, destruction or **damage** caused by an event not otherwise excluded by this section to:

- marquees, tents, stalls and similar equipment for which **the insured** have accepted responsibility which occurs whilst they are being used in connection with any exhibition, festival or event;
- other items not belonging to **the insured** but for which **the insured** is responsible whilst they are being used in connection with or while on display at exhibitions, festivals or events:
 - at **your situation** or elsewhere within the **geographic limits** and

— whilst in transit to or from the **situation** or the **situation** of such exhibition, festival or event.

For this extension to apply, there must be at least two responsible officials in attendance at all times while the exhibition, festival or event is open to the public and the buildings where the exhibition, festival or event is held must be locked at all times when unattended.

The liability of **the insurer** shall not exceed the sub limit stated in the **certificate of insurance** for any one loss or series of losses arising out of any one event or occurrence at any one **situation**.

Provisions to Reinstatement and Replacement

1. The work of rebuilding, replacing, repairing or restoring as the case may be (which may be carried out upon any other site(s) and in any manner suitable to the requirements of **the insured**, but subject to the liability of **the insurer** not being thereby increased), must be commenced and carried out with reasonable dispatch (excluding any delays bought about by unexpected archeological finds), failing which **the insurer** shall not be liable to make any payment greater than the indemnity value of the damaged property at the time of the happening of the **damage**.
2. When any **property insured** to which this memorandum applies is damaged in part only, the liability of **the insurer** shall not exceed the sum representing the cost which **the insurer** could have been called upon to pay for reinstatement if such property had been wholly destroyed.
3. **Property insured** under this memorandum is separately subject to the following co-insurance clause:

In the event of **damage** to **property insured** hereunder at any **situation** caused by any peril hereby insured against, **the insurer** shall be liable for no greater proportion of such **damage** than the amount of **the insured's** declaration of value of **property insured** at such **situation** on the day of the commencement of the **period of insurance** bears to the sum representing seventy per cent (70%) of the cost which would have been incurred in reinstatement if the whole of such property had been destroyed on that day, but not exceeding the **limit of liability** expressed in the **certificate of insurance**;

Provided that if the sum actually incurred or expended in rebuilding or replacing the damaged property within the meaning of sub-paragraph A of the above-mentioned definition of reinstatement, exceeds the amount which would have been payable under the policy if this memorandum had not been incorporated therein, but is less than the cost of reinstatement as above defined, then the sum so actually incurred or expended shall for all purposes of this memorandum be deemed to be the cost of reinstatement of the property;

Provided further that the above clause shall not apply if the amount of the **damage** does not exceed ten per cent (10%) of the amount of **the insured's** declaration aforementioned.

4. No payment beyond the amount which would have been payable under this policy if this memorandum had not been incorporated herein shall be made until a sum equal to the cost of reinstatement shall have been actually incurred;

Provided that where **the insured** reinstates or replaces any lost or destroyed property at a cost which is less than the cost of reinstatement (as defined) but greater than the value of such property at the time of the happening of its loss or destruction, then the cost so incurred shall be deemed to be the cost of reinstatement.

Extra Cost of Reinstatement

(Applicable to buildings, machinery, plant and all other property and contents, as per item 1 under the basis of settlement).

This policy extends to include the extra cost of reinstatement (including demolition or dismantling) of damaged property necessarily incurred to comply with the requirements of any act of parliament or regulation made thereunder or any by-law or regulation of any municipal or other statutory authority; subject to the following provisions and subject also to the terms, conditions and limit(s) or sub limits of liability of this policy.

Provisions to Extra Cost of Reinstatement

1. The work of reinstatement (which may be carried out wholly or partially upon any other site(s), if the requirements of the aforesaid Act, regulation or by-law so necessitate, subject to the liability of **the insurer** not being thereby increased), must be commenced and carried out with reasonable dispatch (excusing any delays brought about by unexpected archaeological finds), failing which **the insurer** shall not be liable to make any payment beyond the amount which would have been payable under this policy if this memorandum had not been incorporated herein.
2. The amount recoverable shall not include the additional cost incurred in complying with any such Act, regulation, by-law or requirement with which **the insured** had been required to comply prior to the happening of the **damage**.
3. Co-insurance shall not be applied to the amount recoverable under this memorandum and any amount specified shall not be taken into account for co-insurance purposes in terms set out in any clause contained in this policy.
4. Where extra costs are required to be incurred in respect of the undamaged portion of the building, such costs will be payable up to \$250,000. All extra costs payable under this policy are subject to the **sub-limit of liability** shown as "Additional Extra Costs of Reinstatement" in the **certificate of insurance**.

Undamaged foundations

When **property insured** is **damaged** but its foundations are not destroyed and, due to the exercising of statutory powers or delegated legislation or authority by any government department, local government or other statutory authority, reinstatement of the **property insured** is carried out upon another site(s), then the abandoned foundations shall be deemed to have been destroyed;

Provided that if the presence of the abandoned foundations increase the sale value of the original site, then such increase in value shall be regarded as salvage and shall be payable to **the insurer** by **the insured** upon completion of the sale, or deducted from the total amount otherwise payable by **the insurer** under the policy if later, or within twelve months of the settlement of the claim.

The term "foundations" shall be deemed to include services, such as but not limited to conduits, pipes, cables and wiring, which are built in to footings, foundations or concrete floor slabs.

All differences relating to the amount of such increase in site value shall forthwith be referred to the decision of two registered valuers, one to be appointed by each of the parties to this policy. If the two valuers fail to agree, their differences shall be referred to the decision of the Valuer – General whose decision shall be binding.

Loss of Land Value

In the event of a competent local or statutory authority refusing to allow the reconstruction or allowing only partial reconstruction of **damaged** premises, **the insurer** shall pay by way of indemnity the difference between the land value after such reconstruction (if any) and the land value before the **damage**; less any sum paid by way of compensation by such authority arising out of the above action.

The liability of **the insurer** is limited to the **sub-limit of liability** shown as "Loss of land value" in the **certificate of insurance** applying to this clause.

Definition

"Land Value" means the sum certified by the Valuer-General as being the value of the land where the premises are situated after due allowance has been made for variations in or special circumstances affecting such value either before or after the **damage** or which would have affected the value had the **damage** not occurred, so that the figures thus adjusted shall represent as near as may be reasonably practicable the true land value pertaining both before and after the **damage**.

Special Conditions

1. Settlement shall be made following the ruling of the competent local or statutory authority resulting in the loss of land value. Should settlement have been made however, and subsequently the ruling of the competent local or statutory authority be changed prior to completion of the reconstruction, resulting in an increase in the land value, that part of the claim paid in **deductible** of the revised land value shall be refunded to **the insurer**.
2. All differences relating to the establishment of the land value arising out of this clause shall forthwith be referred to the decision of two registered valuers, one to be appointed by each of the parties and in case the two registered valuers do not agree, to a third valuer appointed by the President of the Commonwealth Institute of Valuers whose decision shall be binding.

The amount payable under this endorsement shall not be subject to any co-insurance clause or memorandum contained in Section 1 of the Policy.

Floor space ratio index (plot ratio)

Subject to the terms, conditions and limit(s) or sub-limit(s) of liability of this policy, in the event of any building(s) being **damaged** so as to constitute total loss or **constructive total loss** and as a result of the exercise of statutory powers and/or authority by any government departments, local government or any other statutory authorities reinstatement of such building(s) as before is prohibited and reinstatement is only permissible subject to a reduced floor space ratio index,

The insurer agrees to pay in addition to any amount payable on reinstatement of such building(s) the difference between:

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

In arriving at the amount payable under A and B above, any payments made by **the insurer** shall include the extra cost of reinstatement including demolition or dismantling of **the insured** property necessarily incurred to comply with the requirements of any Act of Parliament or regulation made thereunder or any by law or regulation of any municipal or other statutory authority.

Any payment made for the difference between A and B above shall be made as soon as the said difference is ascertained upon completion of the rebuilding works and certified by the architect acting on behalf of **the insured** in the reinstatement of the building(s).

Catastrophe Escalation Cost

If any of the **property insured** is destroyed or **damaged** and cover is not otherwise excluded by this policy, and

- **the insurer** will classify such destruction or **damage** as a total loss, and
- the event causing the destruction or **damage** causes any competent authority to declare a state of emergency where the **property insured** is situated,

the insurer will:

- increase the total **declared values** of **property insured** under this section by up to 20% provided that the **property insured** is rebuilt, and
- increase the limits set out in indemnity 4 Temporary Protection by 20% to cover any increase in building costs for labour and materials and any other additional costs which may apply after the event.

Increase in building costs means the difference between the cost of reinstatement actually incurred in accordance with the basis of settlement provisions of this section of the policy and the cost of reinstatement that would have applied had the event not occurred.

Coinsurance

Unless otherwise stated herein to the contrary, this policy is subject to the following co-insurance memorandum:

In the event of **damage to property insured** hereunder at any **situation** caused by any peril hereby insured against, **the insurer** shall be liable for no greater proportion of such **damage** than the amount of **the insured's** declaration of value of such **property insured**, at the **situation** where the **damage** occurred, on the day of the commencement of the **period of insurance** bears to the sum representing seventy per cent (70%) of the actual value of **property insured** at such **situation** on the day of commencement of the **period of insurance** but not exceeding the **limit of liability** expressed in the **certificate of insurance**.

Provided that this clause shall not apply if the amount of the **damage** does not exceed ten per cent (10%) of the amount of **the insured's** declaration aforementioned.

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

Section 2 Consequential loss

The indemnity

In the event of any building or any other property or any part thereof used by **the insured** at the premises for the purpose of the business being physically lost, destroyed or **damaged** during the **period of insurance** by any cause or event not hereinafter excluded (loss, destruction or **damage** so caused being hereinafter termed **damage**) and the business carried on by **the insured** being in consequence thereof interrupted or interfered with, **the insurer** will subject to the provisions of this policy including the limitation on **the insurer** liability, pay to **the insured** the amount of loss resulting from such interruption or interference in accordance with the applicable basis of settlement.

Basis of settlement

Item No. 1 (Loss of gross revenue due to Reduction in Revenue and Increase in cost of working)

The insured is indemnified with respect to loss of **gross revenue** calculated in the following manner, namely:

- (a) In respect of Loss of **gross revenue**, the amount by which the **gross revenue** during the **indemnity period** shall, in consequence of the **damage**, fall short of the **standard gross revenue**;
- (b) The **increase in cost of working**, Less any sum saved during the **indemnity period** in respect of such charges and expenses of the business payable out of **gross revenue** as may cease or be reduced in consequence of the **damage**;

Provided that if the estimate of **gross revenue** for the **indemnity period** declared at the commencement of the relevant **period of insurance** be less than the **gross revenue** in the twelve months immediately before the date of the **damage** (or the appropriate multiple where the **indemnity period** exceeds twelve months), the amount payable hereunder shall be proportionately reduced.

Item No. 2 (Claims Preparation Costs)

The insured is indemnified with respect to such reasonable professional fees payable by **the insured** to their financial advisers (including fees of accountants, loss adjusters and/or valuers appointed by **the insured**) and such other reasonable expenses necessarily incurred by **the insured** and not otherwise recoverable, for preparation of claims under Section 1 or 2 of this Policy.

Item No. 3 (Additional Increased Cost of Working)

The insured is indemnified with respect to increases in the cost of working (not otherwise recoverable under Section 2 of this Policy) necessarily and reasonably incurred during the **indemnity period** in consequence of the **damage** for the purpose of avoiding or diminishing the loss of **gross revenue** and/or resuming or maintaining normal business operations and/or services.

Memoranda to Section 2

Except to the extent that this policy is hereby modified under the following memoranda the terms, conditions and limitations of this policy shall apply.

Books of account

Any particulars or details contained in **the insured's** books of account or other business books or documents which may be required by **the insurer** for the purpose of investigating or verifying any claim hereunder may be produced and certified by **the insured's** auditors and their certificate shall be prima facie evidence of the particulars and details to which such certificate relates.

The words and expressions used herein shall have the meanings usually attached to them in the books and accounts of **the insured** unless otherwise defined in this policy.

Gross revenue Elsewhere After Damage:

If during the **indemnity period**, services shall be rendered or goods shall be sold elsewhere than at the **situation** for the benefit of the Business, either by **the insured** or by others on **the insured's** behalf, the **money** paid or payable in respect of such sales or services shall be brought into account in arriving at the **gross revenue** during the **indemnity period**.

New Business

In the event of **damage** occurring at the **situation** before the completion of the first year's trading of business, the term **standard gross revenue** shall bear the following meaning and not as stated in the Definitions:

Standard gross revenue means the proportional equivalent, for a period equal to the **indemnity period**, of the **gross revenue** realised during the period between the commencement of the Business and the date of the **damage**.

Adjustment shall be made to the **standard gross revenue** as may be necessary to provide for the trend of the Business and for variations in or special circumstances affecting the Business either before or after the date of the **damage** or which would have affected the Business had the **damage** not occurred, so that the figures thus adjusted shall represent as nearly as reasonably practicable, the results which but for the **damage**, would have been obtained during the relative period after the **damage** occurred.

Public utilities extension

Any loss resulting from interruption of or interference with the Business in consequence of **damage** to any land-based property either at or away from the **situation** anywhere in the Commonwealth of Australia, belonging to or under the control of suppliers of electricity, communication services, power, gas, natural gas, steam, water or sewerage reticulation control systems by a peril insured by this policy shall be deemed to be loss resulting from **damage** to property used by **the insured** at the premises for the purpose of the Business.

Provided that **the insurer** shall not be liable for any loss incurred by **the insured** during the first (72) hours from the occurrence of the **damage**.

Computer

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

Premises in the vicinity (prevention of access)

Loss as insured by this policy resulting from interruption of or interference with the business in consequence of **damage** to property within a radius of 25 kilometres from **the insured's situation** which results in a cessation or diminution of **the insured's** trade or normal business operations, shall be deemed to be loss resulting from **damage** to property used by **the insured** at the premises.

Provided that **the insurer** shall not be liable for any loss incurred by **the insured** during the first (48) hours from the occurrence of the **damage**.

Registered vehicles and/or trailers

Notwithstanding the provisions of property exclusion 5, this policy extends to include loss resulting from interruption of or interference with the business occasioned by **damage** to registered vehicles and/or trailers whilst such vehicles or trailers are at the premises owned or occupied by **the insured**; provided always that this policy does not cover loss resulting from physical loss, destruction of or **damage** to such vehicles and/or trailers whilst they are being used on any public highway or thoroughfare.

Infectious Disease, Murder and Closure of **Insured's** Premises

Notwithstanding anything contained in this policy to the contrary, cover is extended under the Consequential Loss Section, up to the sub-limit for this extension shown in the **certificate of insurance**, to include loss directly resulting from interruption or interference with the business carried on by **the insured** at the premises in consequence of:

- (a) Closure of the whole or part of the premises by order of or in consultation with or upon advice from a Statutory or Government Authority following:
 - (i) an outbreak of a human infectious or contagious disease (that is notifiable) or bacterial infection at or occurring within 25 kilometres of the premises other than any disease outlined in Proviso iii) below;
 - (ii) discovery of vermin or pests and/or defects in the drains and/or other sanitary arrangements at the premises;
- (b) Murder or suicide (or any attempt thereat) occurring at the premises;
- (c) Injury, illness or disease arising from or likely to arise from or traceable to foreign or injurious matter in food or drink provided at or from the premises;
- (d) Threat of violent **damage** to the premises and/or injury to persons therein, but not arising from any act of terrorism;

Provided that:

- (a) **The insurer** will not be liable for any loss incurred by **the insured** during the first (48) hours of the interruption or interference;
- (b) Perils exclusion 4.(a) and 7.(d) shall not apply for the purpose of this extension:

Exclusions applicable to all sections of the policy

Property exclusions

This policy does not cover physical loss, destruction of or **damage** to the following property or loss under section 1 and/or 2 resulting therefrom:

1. Property (except **money**) whilst in transit other than during the incidental movement of such property within a **situation** occupied by **the insured** and as provided in the **schedule of declarable assets**.

This exclusion shall not apply during temporary removal of property (other than stock and/or merchandise) and unregistered motor vehicles, to any **situation** in the Commonwealth of Australia but, whilst such property is in transit, cover is limited to physical loss, destruction or **damage** caused by fire, lightning, explosion, earthquake, aircraft, riot, strikes, malicious damage, storm and/or tempest, **flood**, collision and/or overturning of conveying vehicle or theft from a securely locked vehicle.

2. **Money**:

- (a) whilst being carried by professional **money** carriers, professional carriers or common carriers which is more specifically insured excepting the **deductible** amount over and above such more specific insurance which **deductible** is held to be covered hereunder;

Provided that where in the ordinary course of business **the insured** enters into an agreement with such carriers and such agreement provides that **the insured** shall indemnify and/or hold harmless and/or release from liability such carriers in respect of loss, destruction or **damage** which may occur as a result of any event hereby insured against, this insurance shall operate as if this property exclusion 2(a) had been deleted;

- (b) stolen from an unlocked and unattended vehicle;
 - (c) stolen from a safe or strongroom opened by a key or by use of details of a combination, either of which has been left at the **situation** outside business hours, unless such key or combination details have been properly secured;
 - (d) where the loss is not discovered within fifteen (15) working days of the event;
 - (e) where the loss arises out of:
 - (i) kidnapping;
 - (ii) bomb threat;
 - (iii) hoax;
 - (iv) extortion
 - (v) or any attempt thereat.
3. Jewellery, furs, bullion, precious metals or precious stones other than as stock and/or merchandise of the business.

4.
 - (a) Any locomotive or rolling stock or watercraft other than as stock or merchandise of the business, provided always that no cover shall apply hereunder whilst any watercraft is on water;
 - (b) Any aircraft (including its accessories and/or spare parts), other than as stock or merchandise of the business, provided always that no cover shall apply hereunder during taxiing, take-off, flight or landing.
5. Vehicles or trailers registered or licensed to travel on a public road, provided that this exclusion shall not apply to mobile plant and equipment (excluding cars, sedans, panel vans and trucks) not otherwise insured whilst on any premises occupied or used by **the insured**.
6. Livestock, animals, birds or fish.
7. **Standing timber**, growing crops and pastures.
8. Land, unmined or unrecovered oil, gas and mineral deposits, provided that this exclusion shall not apply to structural improvement on or in the land if such structural improvements are not otherwise excluded in the policy.
9.
 - (a) Bridges, canals, roadways, tunnels (other than **landscaping** at the **situation**), dams and reservoirs (other than tanks) and their contents;
 - (b) Railway tracks (other than on the premises, occupied or used by **the insured** for the purpose of its business).
10. Docks, wharves, piers and pontoons not forming part of any building.
11. Mining property located beneath the surface of the ground, unless otherwise expressly stated in this policy.
12. Property during the course of, and as a result of, its processing.
13.
 - (a) Gates, fences, retaining walls, textile awnings and blinds;
 - (b) Property in the open air, unless such property comprises or forms part of a permanent structure designed to function without the protection of walls or roof;
caused by wind, rainwater or hail.
14.
 - (a) Property included in a project of construction, erection, 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 **situation** during such activity exceeds 10% of the **limit of liability** or \$500,000 whichever is the lesser;

Provided that this exclusion 14(a) shall apply only to the works comprising such construction, erection, alteration or addition and not to any original or existing structures;
 - (b) Empty premises undergoing demolition.
15. Oil and gas drilling and/or production rigs whilst offshore.
16. All machinery (as defined in this exclusion), electronic data processing equipment or electronic control equipment occasioned by or happening through any mechanical, electrical, electro-mechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non-operation of whatsoever kind, other than fusion;

Provided that property exclusion 16 shall not apply to any subsequent loss, destruction of or **damage** to such machinery, electronic data processing equipment or electronic control equipment occasioned by or happening through any cause or event not otherwise excluded herein which results from any of the events referred to in this exclusion.

For the purpose of property exclusion 16, machinery means any apparatus whether or not functioning independently or as any component part of a collection of apparatus which generates, contains, controls, transmits, receives, transforms or utilises any form or source of energy or power.

17. Any boiler (other than a boiler used for domestic purposes) economiser or other pressure vessel, including pipes, valves and other apparatus thereof in respect of which a certificate is required to be issued under the terms of any statute or regulation occasioned by or arising from explosion, rupture, collapse, bursting, cracking or overheating thereof;

Provided that this exclusion shall be limited to the aforementioned items immediately affected and shall not extend to other property as a result of such loss or destruction or **damage**.

This exclusion shall not apply to section 2 as specifically stated therein

18.

- (a) **archaeological rescue costs** which may be enabled or facilitated as a result of **damage** but which is not a necessary part of the process of repair or rebuilding;
- (b) costs of analysis of data subsequent to archaeological rescue work (except in so far as such costs are a necessary and integral part of the process of repair or rebuilding);
- (c) costs of conservation or scientific analysis of materials or objects retrieved in the course or an archaeological exercise.

Peril exclusions

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

- 1. Physical loss, destruction of or **damage** to the **property insured**:
 - (a) directly or indirectly occasioned by or happening through or connected with war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;
 - (b) resulting from confiscation, nationalisation, requisition or **damage** to property by or under the order of any government or public or local authority.
 - (c) arising directly or indirectly from or based upon or attributable to or in consequence of any **terrorism act**, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, or any action taken in controlling, preventing, suppressing, retaliating against, responding to or in any way relating to a **terrorism act**.
- 2. Physical loss, destruction of or **damage** to the **property insured** or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - (a) ionising radiations or contamination by radioactivity from any nuclear waste or from the combustion (including any self-sustaining process of nuclear fission) of nuclear fuel;
 - (b) nuclear weapons materials.

Notwithstanding the provisions of perils exclusion 1(b) **the insurer** shall be liable for loss, destruction of or **damage** to, or the cost of removal of, sound property at the premises for the purpose of preventing or diminishing imminent **damage** by, or inhibiting the spread of, fire or any other peril insured against under this policy.

- 3. Physical loss, destruction or **damage** occasioned by or happening through:
 - (a) **flood** (as defined);

- (b) water from or action by the sea, tidal wave or high water;

Provided that perils exclusions 3(a) and 3(b) shall not apply if loss, destruction or **damage** is caused by or arises out of an **earthquake** or seismological disturbance.

4. Physical loss, destruction or **damage** occasioned by or happening through:

- (a) moths, termites or other insects, vermin, rust or oxidation, mildew, mould, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour texture or finish, smut or smoke from industrial operations (other than sudden and unforeseen **damage** resulting therefrom);
- (b) wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
- (c) error or omission in design, plan or specification or failure of design;
- (d) normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration;
- (e) faulty materials or faulty workmanship;

Provided that this exclusion 4(a) to 4(e) shall not apply to subsequent loss, destruction of or **damage** to the **property insured** occasioned by a peril (not otherwise excluded) resulting from any event or peril referred to in this exclusion.

5. Physical loss, destruction or **damage** occasioned by or happening through:

- (a) incorrect siting of buildings consequent upon:
 - (i) error in architectural design or specification;
 - (ii) faulty workmanship;
 - (iii) non-compliance by **the insured** (or anyone acting on behalf of **the insured**) with the necessary permits issued by government, public or local authorities;
- (b) demolitions ordered by government or public or local authorities due to failure on the part of **the insured** or their agents to obtain the necessary permits required

6. Physical loss, destruction or **damage** occasioned by or happening through:

- (a) theft of property (other than **money** in transit) in the open-air;
- (b) unexplained or inventory shortage, disappearance resulting from clerical or accounting errors, shortage in the supply or delivery of materials to or from **the insured**;
- (c) spontaneous combustion or spontaneous fermentation or heating or any process involving the direct application of heat;

Provided that perils exclusion 6(c) shall be limited to the item or items immediately affected and shall not extend to other property damaged as a result of such spontaneous combustion, fermentation or heating or process involving the direct application of heat.

7. Physical loss, destruction or **damage** occasioned by or happening through:

- (a)
 - (i) fraudulent or dishonest acts, fraudulent misappropriation, embezzlement, forgery, counterfeiting, data corruption, unauthorised amendment of data and erasure by electronic or non-electronic means involving the **property insured** by **the insured** or any employee(s) of **the insured** acting alone or in collusion with any other person(s);
 - (ii) access by any person(s) other than **the insured** or **the insured's** employee(s) to **the insured's** computer system via data communication media that terminate in **the insured's** computer system;

Provided that this exclusion 7(a) shall not apply to theft consequent upon forcible and violent entry upon premises or felonious concealment upon premises committed by an employee of **the insured**;

(b)

- (i) cessation of work whether total or partial;
- (ii) cessation, interruption or retarding of any process or operation;
- (iii) as a result of strikes, labour disturbances or locked out workers.

Provided that perils exclusions 7(b)(i) and 7(b)(ii) shall not apply in respect of physical loss, destruction or **damage** directly caused by strikers, locked out workers or similar person(s);

(c) erosion, subsidence, earth movement or collapse resulting therefrom;

(d) kidnapping, threat, hoax, extortion or any attempt thereat;

Provided that this exclusion 7 (a) to (d) shall not apply to subsequent loss, destruction or **damage** to the **property insured** occasioned by a peril (not otherwise excluded) resulting from any event or peril referred to in this exclusion.

8. Any legal liability of whatsoever nature other than as herein provided.
9. Consequential loss of any kind, including consequential loss due to delay, lack of performance, loss of contract or depreciation in the value of land or stock, except as herein provided in Section 2.
10. **Pollution or contamination** of any kind except where caused directly by fire, lightning, explosion, impact by aircraft or other aerial devices or articles dropped from them, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, bursting, overflowing and discharging of water tanks, apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal.
11. Loss or **damage** arising as a result of any highly pathogenic avian influenza in humans or diseases declared to be quarantinable diseases under the Quarantine Act (1908) and any subsequent amendments.
12. Graffiti, malicious **damage** and vandalism however cover is provided after a claim has exceeded \$5,000.

Memoranda applicable to all sections

Except to the extent that this policy is hereby modified under the following memoranda the terms, conditions and limitations of this policy shall apply.

Amount of policy not reduced by loss

The insurance under each section and/or item of this policy and the **indemnity period** shall be automatically reinstated in the event of any loss subject to our written agreement, and in consideration of the payment by **the insured** of a pro-rata additional premium calculated on the amount of the loss settlement at the rate(s) agreed for the **period of insurance**.

Event

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

Subrogation Waiver

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

- (a) any corporation or organisation (including its directors, officers, employees or servants) owned or controlled by any **insured** named herein or subsidiary to any **insured** named herein or any co-owner of the **property insured** hereunder;
- (b) any **insured** named or described by this policy (including its directors, officers, employees or servants).

Adjustment of premium

1. The premium shown is provisional and is calculated on the **declared values** (as defined) of:
 - (a) property insured,
 - (b) gross revenueon the day of commencement of each **period of insurance**.
2. **The insured** undertakes to declare to **the insurer** within a reasonable time after the day of expiry of the **period of insurance**:-
 - (a) The value of **property insured** on the day of expiry of the **period of insurance** (For purpose of this declaration stock-in-trade and/or merchandise shall be taken at its average value during the **period of insurance**);
 - (b) The amount of **gross revenue** received, in accordance with the cover afforded in the respective item of Section 2, in the course of the Business during the most recent accounting period of twelve months ending on or prior to the date of expiry of the **period of insurance**.
3. The provisional premium shall be adjusted by payment to **the insurer** of an additional premium or by allowance to **the insured** of a return premium, as the case may be, calculated at the agreed rate on:
 - (a) fifty per cent (50%) of the difference between property declared in accordance with clauses 1(a) and 2(a);

(b) the full agreed rate hereunder on the difference between the amounts declared under 1(b) and 2(b).

4. It is agreed to make allowance for any abnormal fluctuation in values and to charge a premium commensurate with the risk, such premium to be agreed between the parties to this agreement.
5. The declaration of values at the expiry of the **period of insurance** declared in accordance with this memorandum shall not be reduced as the result of loss, destruction or **damage** in respect of which a claim has been paid or is payable under this policy.

Conditions applicable to all sections

Misrepresentation and non disclosure

If **the insured** failed to disclose any matter which **the insured** was under a duty to disclose to **the insurer** and subject to the provisions of the Insurance Contract Act 1984 ; or made a misrepresentation to **the insurer** before this policy was entered into

and if **the insurer** would not have entered into this policy for the same premium and on the same terms and conditions expressed in this policy but for the failure to disclose or the misrepresentation; then

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

Alteration

The insurer shall not be liable for loss, destruction of or **damage** to any **property insured** hereunder caused or contributed to by any alteration after the commencement of this policy:

1. by removal of such property from the premises other than as provided under the terms of property exclusion 1;
2. in the trade or processes of manufacture carried on at the premises or whereby the nature of the occupation or other circumstances affecting the premises and/or **the insured's** property therein contained shall be changed in such a way as to increase the risk of loss, destruction or **damage**;
3. whereby any premises containing any **property insured** hereunder shall become unoccupied, and so remain for a period of more than thirty (30) days; or
4. whereby **the insured's** interest ceases except by will or the operation of law;

Provided that any such alteration, upon coming to the knowledge of **the insured's** officer responsible for insurance, shall be immediately notified to **the insurer** and, if agreed to by **the insurer** in writing, an appropriate additional premium paid, if required.

Sprinkler installations

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

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

Notice of all alterations and additions to the automatic sprinkler installation shall be given by **the insured** to **the insurer** as soon as reasonably practicable.

Other Insurance

The insured shall give written notice as soon as practicable to **the insurer** of any other insurance or insurances effected covering the **property insured**.

Cancellation

1. This policy may be cancelled at any time at the request of **the insured**, in which case **the insurer** will retain the customary short-period rate for the time this policy has been in force.
2. **The insurer** may also cancel this policy by giving **the insured** written notice to that effect where:
 - (a) **the insured** or any person who was at any time **the insured** failed to comply with the duty of utmost good faith;
 - (b) the person who was **the insured** at the time when this policy was entered into failed to comply with the duty of disclosure;
 - (c) the person who was **the insured** at the time when this policy was entered into made a misrepresentation to **the insurer** during the negotiations for this policy but before it was entered into;
 - (d) **the insured** or any person who was at any time **the insured** failed to comply with a provision of this policy, including a provision with respect to the payment of the premium;
 - (e) **the insured** has made a fraudulent claim under this policy or any other policy of insurance (whether with **the insurer** or some other insurer) that provided insurance cover during any part of the period during which this policy provides insurance cover;
 - (f) **the insured** failed to notify **the insurer** of any specific act or omission where such notification is required under the terms of this policy; or
 - (g) **the insured** acted in contravention of or omitted to act in compliance with any condition of this policy which empowers **the insurer** to refuse to pay, or reduce its/their liability in respect of, a claim in the event of such contravention or omission.
3. The insurer's notice of cancellation takes effect at the earlier of the following times:
 - (a) the time when another policy of insurance between **the insured** and **the insurer** or some other insurer, being a policy that is intended by **the insured** to replace this policy, is entered into; or
 - (b) 4.00p.m. on the thirtieth business day after the day on which notice was given to **the insured**.

In the event that **the insurer** cancels this policy, **the insurer** will repay to **the insured** a rateable proportion of the premium for the unexpired **period of insurance** from the date of cancellation.

Notification of claims

On the happening of any loss, destruction or **damage**, **the insured** shall forthwith give notice thereof in writing to **the insurer** and shall (within thirty (30) days after such loss, destruction or **damage** or such further time as **the insurer** may in writing allow) at **the insured's** own expense, deliver to **the insurer** a claim, in writing containing as particular an account as may be reasonably practicable of the several articles or portions of property lost, destroyed or **damaged** and of the amount of loss, destruction or **damage** thereto, having regard to their value at the time of the loss, destruction or **damage**, together with details of any other insurances on any property hereby insured.

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

No claim under this policy shall be payable unless **the insured** has complied with the terms of this condition.

Fraud

If any claim be in any respect fraudulent or if any fraudulent means or devices be used by **the insured** or anyone acting on **the insured's** behalf to obtain any benefit under this policy, or if any destruction or **damage** be occasioned by the wilful act or with the connivance of **the insured, the insurer**, without prejudice to any other right(s) **the insurer** might have under this policy, shall be entitled to refuse to pay such claim.

Reinstatement

If **the insurer** elects or becomes bound to reinstate or replace any property, **the insured** shall at **the insured's** own expense produce and deliver to **the insurer** all such plans, documents and information as **the insurer** may reasonably require. **The insurer** shall not be bound to reinstate exactly or completely, but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend more than the applicable **limit of liability**.

Insurer(s) rights

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

This condition shall be evidence of the leave and licence of **the insured** to **the insurer** so to do. If **the insured** or anyone acting on **the insured's** behalf shall not comply with the requirements of **the insurer** or shall hinder or obstruct **the insurer** in doing any of the abovementioned acts, then all benefits under this policy shall be forfeited. **The insured** shall not in any case be entitled to abandon any property to **the insurer** whether taken possession of by **the insurer** or not.

Subrogation

Any person claiming under this policy shall at the request and at the expense of **the insurer** do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by **the insurer** for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which **the insurer** shall be or would become entitled or subrogated upon **the insurer** paying for or making good any destruction or **damage** under this policy.

If **the insurer** makes any recovery as a result of such action, **the insured** may only recover from **the insurer** any amount by which the amount recovered by **the insurer** exceeded the amount paid to **the insured** by **the insurer** in relation to the loss.

Precautions to prevent loss

The insured shall take all reasonable precautions to prevent loss, destruction or **damage** to the **property insured** by this policy.

Insured's action after theft or damage

The insured shall, upon becoming aware of any loss by theft or of any wilful or malicious **damage** which may give rise to a claim under this policy, take all practicable steps to trace and recover any missing property and to discover by whom the property was stolen or damaged.

Termination of cover on liquidation

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

1. **the insured** ceases to carry on the business or any part of the business is disposed of, permanently discontinued or **the insured's** interest in the business or such part thereof ceases otherwise than by death; or

2. **the insured** (being a corporation) is placed in liquidation (or provisional liquidation), is placed under official management, enters into a scheme of arrangement, has receivers and/or managers appointed over its assets or undertaking(s); or
3. **the insured** (being a natural person) becomes a bankrupt or enters into a scheme of arrangement or compromise or composition with creditors;

then the insurance cover provided under Section 2 of this policy in respect of such business or **insured** shall automatically and forthwith cease.

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

Observance of terms and conditions

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

Progress payments

Provided that liability has been admitted progress payments on account of any claim may be made to **the insured** at such intervals and for such amounts as may be agreed upon production of a report by the loss adjuster (if appointed) provided such payment(s) shall be deducted from the amount finally determined upon adjustment of the claim.

Headings

Headings have been included for ease of reference and it is understood and agreed that the terms and conditions of this policy are not to be construed or interpreted by reference to such headings.

Jurisdiction

This insurance policy shall be governed and construed in accordance with the laws of Australia. Any dispute shall be resolved in accordance with the laws of Australia.

Unoccupancy of Premises

This policy is conditional on **the insurer** being advised by **the insured**, broker and/or agent in writing of any change(s) in occupancy or tenancy of the one **situation** or the number of **situations** insured which is listed in the **schedule of declarable assets** under the policy. If the policy has a number of **situations** under the **certificate of insurance** then the change to the occupancy or tenancy of the **situation** will relate only to the specific **situation** effected and not to the other **situations** listed in the **schedule of declarable assets**.

Such advice is to be received by **the insurer** within FOURTEEN (14) DAYS of the change in occupancy and/or tenancy and/or unoccupancy.

Should such change(s) due to their nature be unacceptable to **the insurer**, then **the insurer** reserves the right to discontinue insurance on the relevant **situation** or other **situations** listed under the **schedule of declarable assets** under this Policy (if applicable). In this event, **the insurer** will provide fourteen (14)) days notice in writing of the cancellation of the Policy if one **situation** is involved, and/or cancellation of the specific **situation** on the **schedule of declarable assets** if there is a **schedule of declarable assets** involved.

If **the insurer** is NOT advised in writing of any change(s) in occupancy or tenancy or of unoccupancy of any **situation** and the resulting change in risk is unacceptable to **the insurer**, then there will be NO cover provided under this Policy for the particular **situation** from the date of such change(s), and the policy will be cancelled. If the particular **situation** is one **situation** listed within a **schedule of declarable assets** involved, then there will be no cover provided on that **situation** and the other **situations** on the policy will not be effected.

Supplementary Product Disclosure Statement (SPDS)

Heritage Insurance Policy

Preparation Date: 06/07/2012

This document is an SPDS that updates and amends the Heritage Insurance Policy Product Disclosure Statement and Policy Document (PDS) issued by Ansvar Insurance and provided to you. It is issued by the insurer Ansvar Insurance Limited (Ansvar Insurance) ABN 21 007 216 506, Australian Financial Services Licence (AFS) number 237826 of Level 5, 1 Southbank Boulevard Southbank, Victoria 3006. Where this SPDS applies, it must be read together with the PDS and any other SPDS that you are given which updates or amends the PDS.

Please contact us or your insurance intermediary if you require another copy of the PDS issued by us to you.

This SPDS only applies in relation to business owners and operators, situations or risk addresses that are located in the State of Victoria, Australia and amends the PDS as follows:

The following additional conditions are added to the “**Conditions of cover**” section of the PDS:

Victorian Fire Services Levy

Other than as required by law, we will not refund any amount paid by you that is referable to our estimate of the Victorian Fire Services Levy for any policy that was issued on or after 1 August 2012.

Under the Metropolitan Fire Brigades Act 1958 (VIC) and the Country Fire Authority Act 1958 (VIC) insurers insuring against fire in respect of property in Victoria are required to contribute 75% of the annual budget of the Metropolitan Fire and Emergency Services Board and 77.5% of the annual budget for the Country Fire Authority.

The amount we are required to pay is determined by reference to the percentage of premium we collect compared to the premium of all other insurers insuring fire property in Victoria. This percentage is not known at the date of issue of your policy and therefore we allocate to all relevant policies our estimate of the amount that we will be required to pay towards this contribution. The amount (if any) that we have estimated for your policy is shown in the “Premium Details” section of your policy schedule and is described as “Emergency and / or Fire Services Levies”.

We are not able to calculate in advance the exact amount we need to allocate to your policy and all other relevant policies and, as a consequence, we may either over-recover or under-recover these amounts in any particular year. The under- and over-recoveries are reported to the Victorian fire service authorities but no adjustment will be made to your premium by reference to any such under- or over- recovery.

From 1 July 2013 insurers will no longer be required to contribute to the Victorian fire services authorities and so policies issued on or after this date will not include any amounts referable to the Victorian Fire Services Levy.

What happens if you change the expiry date of your policy?

Ansvar Insurance must be notified in writing of any changes to contract dates, in these instances the Victorian FSL charge as is appears on the certificate of insurance for the relevant policy would not be refunded.

Costs

The last paragraph of “**Costs**” clause within the “**Important Information**” section of PDS, is deleted and replaced with the following:

Premiums and fees are subject to Commonwealth and State taxes and levies which include Goods and Services Tax, Stamp Duty and Fire or Emergency Services Levy (if applicable in your State). All are shown in your certificate of insurance.

Cancellation

The paragraph “**We** may also retain reasonable administrative costs related to the acquisition and termination of the **policy** and any government taxes or duties **we** cannot recover” within the “**Cancellation**” clause of the “**General conditions applicable to all sections of the policy**” section of the Policy, is deleted and replaced with the following:

We may also retain reasonable administrative costs related to the acquisition and termination of the policy and any government taxes or duties we cannot recover. The Fire Services Levy may be retained by us.

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