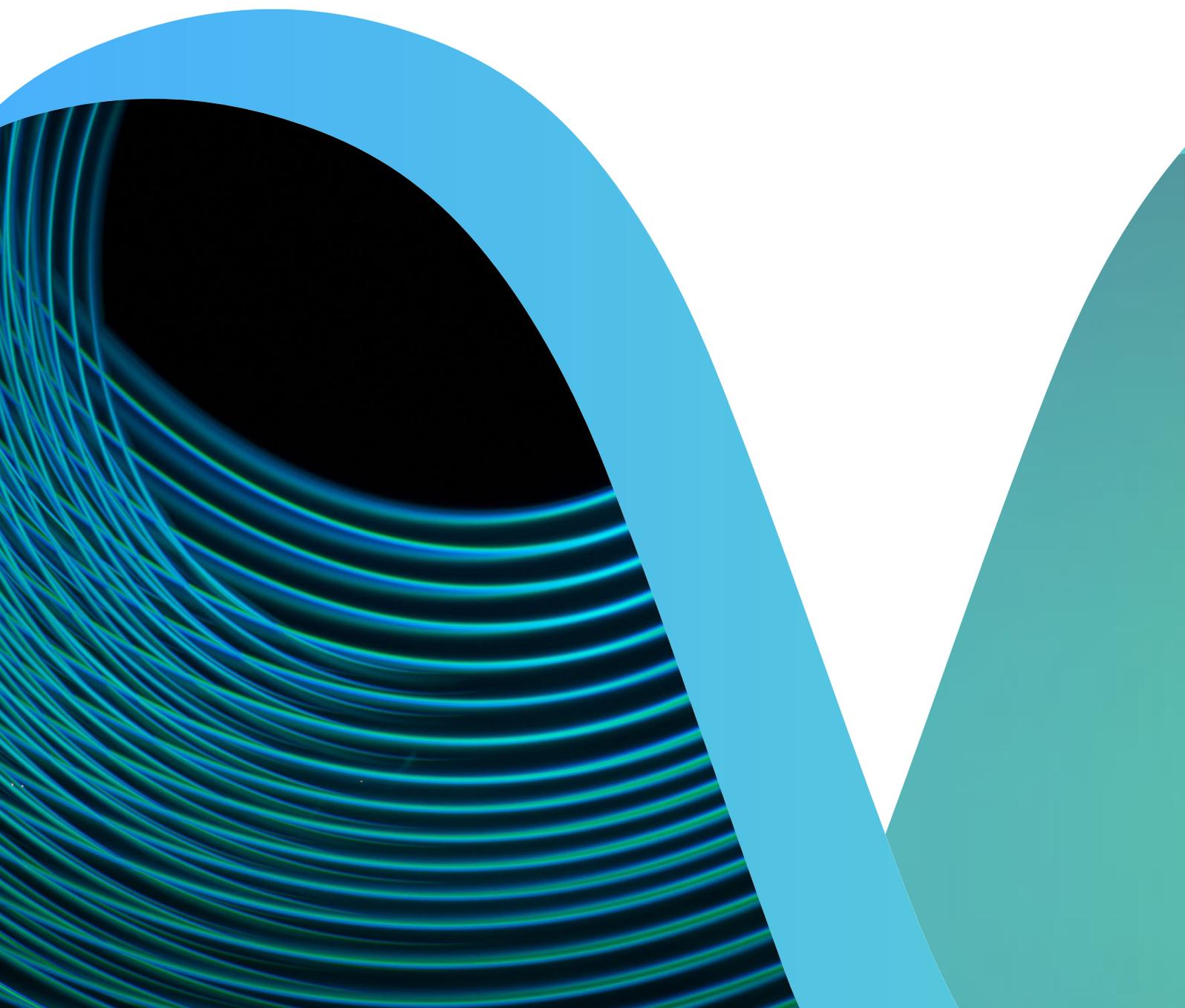




Engineering Plant Insurance Policy Wording

27 November 2023



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WELCOME TO ZURICH

ABOUT ZURICH

The insurer of this product is Zurich Australian Insurance Limited ('ZAIL'), ABN 13 000 296 640, AFS Licence Number 232507. In this document, ZAIL may also be expressed as 'Zurich', 'we', 'us' or 'our'.

ZAIL is part of the Zurich Insurance Group, a leading multi-line insurer that serves its customers in global and local markets. Zurich provides a wide range of general insurance and life insurance products and services in more than 210 countries and territories. Zurich's customers include individuals, small businesses, mid-sized and large companies, including multinational corporations.

ABOUT MIRAMAR

Zurich distributes this product via Miramar Underwriting Agency Pty Ltd (ABN 97 111 534 797, AFSL 314176) ('Miramar'), which acts under a binding authority given to it by us, to administer and issue policies, alterations and renewals. In all aspects of arranging the policy, Miramar acts as an agent for the insurer and not for you.

Miramar is a company within the Steadfast Underwriting Agencies division of Steadfast Group Limited (ABN 98 073 659 677).

You can contact Miramar at:

Street address: Level 5, 97-99 Bathurst Street, Sydney NSW 2000

Postal address: PO Box A2016, Sydney South NSW 1235

Phone: +61 2 9307 6600

DUTY OF DISCLOSURE

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

You have this duty until we agree to insure you.

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

You do not need to tell us anything that:

- reduces the risk we insure you for;
- is common knowledge;
- we know or should know as an insurer;
- we waive your duty to tell us about.

If you do not tell us something

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both. If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

OUR CONTRACT WITH YOU

Your policy is a contract of insurance between you and Zurich and contains all the details of the cover that we provide.

Your policy is made up of:

- the policy wording which tells you what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the proposal, which is the information you provide to us when applying for insurance cover;
- your most current policy *schedule* issued by us. The policy *schedule* is a separate document unique to you, which shows the insurance details relevant to you. It includes any changes, exclusions, terms and conditions made to suit your individual circumstances and may amend the policy; and

- any other written changes otherwise advised by us in writing (such as an endorsement). These written changes vary or modify the above documents..
- Please note, only those covers shown in your policy *schedule* are insured. This document is used for any offer of renewal we may make, unless we tell you otherwise. Please keep your policy in a safe place. We reserve the right to change the terms of this policy where permitted to do so by law.

COMPLAINTS AND DISPUTE RESOLUTION PROCESS

We are committed to meeting and exceeding our clients' reasonable expectations whenever possible and would like to know if your reasonable expectations haven't been met.

You are entitled to make a complaint about any aspect of your relationship with us including the conduct of our agents and authorised representatives.

We will attempt in good faith to resolve any complaint or dispute in a fair, transparent and timely manner. We aim to comply with the General Insurance Code of Practice and any relevant Australian Securities and Investments Commission ('ASIC') guidelines.

Any complaint relating to this insurance should be referred to Miramar in the first instance:

Email: servicefeedback@steadfastagencies.com.au

Phone: + 61 2 9307 6653

Mail: Service Feedback, PO Box A2016, Sydney South NSW 1235

If we do not make a decision within the period that we tell you we will respond, we will tell you about your right to lodge a complaint with an external dispute resolution scheme.

If you are not happy with our response, you can refer your complaint to the Australian Financial Complaints Authority ('AFCA') subject to its rules. AFCA provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its rules.

AFCA's contact details are:

Website: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

If you require further information, you can access Miramar's Complaints and Dispute Resolution Process at <https://steadfastagencies.com.au/complaints-policy/> or go to the Miramar website at www.miramaruw.com.au

PRIVACY

Zurich and Miramar are bound by the Privacy Act 1988 (Cth). We collect, disclose and handle information, and in some cases personal or sensitive (e.g., health) information, about you ('your details') to assess applications, administer policies, contact you, enhance our products and services and manage claims ('Purposes'). If you do not provide your information, we may not be able to do those things. By providing us, our representatives or your intermediary with information, you consent to us using, disclosing to third parties and collecting from third parties your details for the Purposes.

We may disclose your details, including your sensitive information, to relevant third parties including your intermediary, affiliates of Zurich Insurance Group Ltd, other insurers and reinsurers, our banking gateway providers and credit card transactions processors, our service providers, our business partners, health practitioners, your employer, parties affected by claims, government bodies, regulators, law enforcement bodies and as required by law, within Australia and overseas.

We may obtain your details from relevant third parties, including those listed above. Before giving us information about another person, please give them a copy of this document. If you give us information about another person (such as an insured person, their spouse, dependent children, or close family member), we will rely on you to have told them that you will provide their information to us and to have provided them with this Privacy statement. If the information is sensitive (eg health) information, we will rely on you to have obtained their consent to give the information to us. Laws authorising or requiring us to collect information include the Insurance Contracts Act 1984 (Cth), Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), Corporations Act 2001 (Cth), Autonomous Sanctions Act 2011 (Cth), A New Tax System (Goods and Services Tax) Act 1999 (Cth) and other financial services, crime prevention, trade sanctions and tax laws.

Zurich's Privacy Policy, available at www.zurich.com.au or by telephoning us on 132 687, provides further information and lists service providers, business partners and countries in which recipients of your details are likely to be located. It also sets out how we handle complaints and how you can access or correct your details or make a complaint.

Miramar's Privacy Policy is available at miramaruw.com.au or by contacting Miramar's Privacy Officer:

Postal Address: PO Box A2016, Sydney South NSW 1235

Phone: +61 2 9307 6656

Email: privacyofficer@steadfastagencies.com.au

GENERAL INSURANCE CODE OF PRACTICE

We are signatories to the General Insurance Code of Practice ('the Code') and support the Code.

The objectives of the Code are:

- to commit us to high standards of service;
- to promote better, more informed relations between us and you;
- to maintain and promote trust and confidence in the general insurance industry;
- to provide fair and effective mechanisms for the resolution of complaints and disputes you make about us; and
- to promote continuous improvement of the general insurance industry through education and training.

The Code Governance Committee is an independent body that monitors and enforces insurers compliance with the Code. Further information about the Code or the Code Governance Committee and your rights under it is available at <https://insurancecouncil.com.au/cop/> or by contacting us.

ENGINEERING PLANT INSURANCE – POLICY WORDING

In return for paying the premium to us, we will provide cover described in this policy for events which occur during the *period of insurance* shown in your *schedule*.

1. COVER

This policy covers *insured plant* as described in the *schedule* against *insured damage*, subject to the terms, conditions and exclusions of the policy. It covers the *insured plant* while at the *situation*, including when the *insured plant* is being cleaned, adjusted, repaired or relocated within the *situation*.

The cover applies only after you have fulfilled all relevant provisions according to the manufacturer's specifications and *legislative requirements* for installation, certification and successful commissioning of the *insured plant*, which must be in sound working order without any *material defects*.

This policy also covers physical damage, caused by flying fragments as a result of *insured damage* to the *insured plant*, to property belonging to you or property for which you are responsible.

2. ADDITIONAL BENEFITS

2.1 Acquired plant

If you purchase or acquire an item of plant which is similar to the *insured plant* and wish to obtain cover for ninety (90) days, we will automatically provide cover for ninety (90) days if:

- 2.1.1 the value of the new plant does not exceed the *sum insured*;
- 2.1.2 you give us written notice within ninety (90) days of acquiring the new plant;
- 2.1.3 you have fulfilled all relevant provisions for installation and certification and the additional plant has operated satisfactorily for eight hours following commissioning and hand over; and
- 2.1.4 you pay any additional premium and statutory charges which we require.

Upon receiving details from you of your purchase or acquisition, we will give you ten (10) days' notice where your purchase or acquisition is unacceptable to us to insure, and upon expiry of our ten (10) days' notice, the additional plant will not be covered.

2.2 Additional repair costs

We will pay the following reasonable expenses following *insured damage*:

- 2.2.1 temporary repairs;
- 2.2.2 overtime and express freight; and/or
- 2.2.3 hiring of temporary plant.

This Additional Benefit is limited to 50% of the total *sum insured* for this policy or \$40,000, whichever is the lesser.

We will not pay for:

- (a) expenses for overseas specialists or consultants to carry out or supervise repairs;
- (b) air freight by aircraft specifically chartered for the purpose;
- (c) overtime charges 50% greater than the cost of carrying out the repairs at ordinary rates;
- (d) any repairs or replacement of hired or loaned plant.

Our total liability will not exceed the *sum insured*, and our approval for these additional costs must first be obtained in writing.

2.3 Bore pump removal costs

We will pay the cost of removal or re-installation of bore pumps necessarily and reasonably incurred following *insured damage*, up to an amount of 10% of the *sum insured* or \$6,000 in total, whichever is the lesser.

Our total liability will not exceed the *sum insured*.

2.4 Demolition and Increased cost of construction

We will cover the increased cost of repair or replacement of the *insured damage* to the *insured plant* (including the reasonable costs of demolition and/or removal of debris) as a result of a *legislative requirement*, in force prior to the *insured damage* and which regulates or restricts the repair, replacement, construction or installation of the *insured plant*.

In the event of business interruption and this section is in force on the *schedule*, we also cover loss during the additional time required to effect the repair or replacement of the *insured damage* to the *insured plant* as a result of the enforcement of a *legislative requirement*. The additional time required is to be exercised with care and expediency.

However we will not pay for:

- 2.4.1 any costs exceeding the reasonable costs of replacing the *insured plant* at the *situation* or an alternate *situation* that will satisfy the minimum requirements imposed by a *regulatory authority*;

Our liability is limited to the cost of satisfying the minimum requirements imposed by a *regulatory authority* for replacement of the *insured plant* at the *situation* and not the alternate *situation*, in the event that the *insured plant* at the alternate *situation* is of a higher standard;

- 2.4.2 any increase in loss as result of any *legislative requirement* affecting the use or operation of the *situation* or *insured plant*;

- 2.4.3 any increased cost of demolition and/or increased cost of construction to the *insured plant* as a result of the involvement or release of hazardous substances.

Our total liability for this Additional Benefit is limited to 10% of the *sum insured*, up to a maximum of \$20,000 in total, or the *sum insured* specified in the *schedule* for 'Demolition and Increased cost of construction', whichever is the greater.

2.5 Environmental upgrade

We will pay the reasonable costs of repairing or replacing the *insured damage* with materials or equipment that will improve the energy or water efficiency of the *insured plant*.

Our total liability for this Additional Benefit is limited to 50% of the *sum insured*, up to a maximum of \$20,000 in total, or the *sum insured* specified in the *schedule* for 'Environmental upgrade', whichever is the greater.

2.6 Hazardous substances

In the event of *insured damage* to the *insured plant* as a result of the involvement or release of hazardous substances, we will cover you for any increase in the cost of repairing, replacing, cleaning up or disposing of the *insured damage* up to an amount of 10% of the *sum insured*, up to a maximum of \$20,000 in total, or the *sum insured* specified in the *schedule* for 'Hazardous substances', whichever is the greater.

We will not be liable for any consequential loss, if included within the *schedule*, which is caused by or arises from hazardous substances.

Deterioration of stock that is caused by or arises from hazardous substances is also excluded, unless Option 3 – Deterioration of Stock in Cold Storage Cover is included within the *schedule*. The increase in cost means the cost or loss beyond that which would have been incurred had there been no involvement or release of hazardous substances.

2.7 Insulating oil refrigerant cost

We will pay for the cost of liquids or refrigerant gas for air conditioning or refrigeration units and insulating oil from transformers or capacitors following *insured damage*.

We will not pay for loss of gas or liquid resulting from leakage from glands, seals, gaskets, joints or fatigue-fractured pipes.

Our total liability for this Additional Benefit, including oil or refrigerant gas, will not exceed the *sum insured* for each item or group of items outlined in the *schedule*.

2.8 Lifts and Escalators

We will pay, in respect of lifts and escalators, cover for electric motors, gearboxes, transformers, solenoids, switchboards and pumps only. The cover specifically excludes ropes, slides, pulleys, trailing cables, lift car, and any costs recoverable under the 'Lifts and Escalators Maintenance Contracts'.

2.9 New situation – Automatic coverage

If you purchase or acquire a new place of business during the *period of insurance*, we will provide cover for any *insured damage* at the new *place of business* provided that it is located in Australia, and that:

2.9.1 you have given us notice in writing within 90 days of the new *place of business* and paid any additional premium and statutory charges which we require; and

2.9.2 upon receiving details from you of your new place of business, we will give you ten days' notice if your new place of business is unacceptable to us to insure, and upon expiry of our ten days' notice, the additional plant will not be covered.

Our total liability for this Additional Benefit is limited to 10% of the *sum insured*, up to a maximum of \$20,000 in total, or the *sum insured* specified in the *schedule* for 'Automatic coverage', whichever is the greater.

2.10 Professional fees

Where we provide for *insured damage*, we will pay the fees necessarily and reasonably incurred and authorised by us (such authority will not be withheld unreasonably), which are payable to auditors, accountants, lawyers, architects, engineers or other professionals for producing and certifying information required by us to establish the amount payable under this Additional Benefit.

This cover does not apply to either the *insured's* employees or to third party loss adjusters appointed by the *insured*.

Our total liability for this Additional Benefit shall not exceed 5% of the *sum insured*, up to a maximum of \$20,000 in total, or the amount specified in the *schedule* for 'Professional fees', whichever is the greater.

3. DEFINITIONS

The words listed below have been given a specific meaning in this policy and these specific meanings apply when the words are italicised. Where the following words appear in this policy, this is what they mean.

3.1 Act of terrorism

act of terrorism 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, or in pursuit of political, religious, ideological or similar purposes 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 organisations or governments de jure or de facto, and which:

3.1.1 involves violence against one or more persons;

3.1.2 involves damage to property;

3.1.3 endangers life other than that of the person committing the action;

3.1.4 creates a risk to health or safety of the public or a section of the public;

3.1.5 is designed to interfere with or to disrupt an electronic system.

3.2 Collapse

collapse means the sudden distortion of the furnace or firebox of an internally fired boiler or any part of a pressure vessel caused by bending or crushing of the permanent structure by force of steam, gas, fluid pressure or vacuum including damage caused by overheating resulting from a deficiency of water.

3.3 Communicable disease

communicable disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- 3.3.1 the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not;
- 3.3.2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
- 3.3.3 the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property,

and includes, but is not limited to, a disease that is or becomes listed on the National Notifiable Disease List and/or is or becomes a temporary addition to the National Notifiable Disease List and/or has given or could give rise to a public health event of national significance and/or is or becomes a listed human disease (where National Notifiable Disease List means the list established and in force from time to time under section 11 of the National Health Security Act 2007 (Cth) and listed human disease has the meaning given by section 42 of the Biosecurity Act 2015 (Cth)).

3.4 Compensation

compensation means money payable by reason of a judgement ordered by a Court or by reason of any settlement of any claims negotiated with our consent in writing but does not include any fine or penalty or money payable by way of punitive, aggravated or exemplary damages.

3.5 Computer system

computer system means interconnected electronic, wireless, web or similar systems, including computer hardware, software and the *electronic data* stored on those systems, as well as associated input and output devices, mobile devices (including, but not limited to, smart phone, laptop, tablet, wearable device), data storage devices, servers, cloud or microcontroller including any similar system media libraries, networking equipment, components, firmware and electronic backup facilities, including systems accessible through the internet, intranets, extranets or virtual private networks, owned or operated by you or any other party.

3.6 Cyber act

cyber act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax of such acts involving access to, processing of, use of or operation of any *computer system*.

3.7 Cyber incident

cyber incident means any:

- 3.7.1 error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any *computer system*;
- 3.7.2 partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any *computer system*.

3.8 Data media

data media means the portable drives, discs or tapes whether optical or magnetic used in the *computer system* to store data, but not the actual stored data itself.

3.9 Deterioration of stock

deterioration of stock means physical loss or damage to refrigerated stock due to:

3.9.1 a rise or fall in temperature of a refrigerated chamber as a direct result of:

- (a) *insured damage* to insured refrigeration plant covered under this policy;
- (b) the failure of the public electricity supply to the premises due to accidental damage;
- (c) the failure of any switch, thermostats, pressure controls, fuses, circuits breakers, overloads or other limiting devices. This does not include loss due to manual operation of switches or valves;
- (d) the sudden leakage of refrigerant from the *insured plant*.

3.9.2 contamination resulting from the escape of refrigerant or liquid into the refrigerated chambers.

3.10 Domestic type hot water systems/service

domestic type hot water systems/service means heating or hot water systems of a kind used for domestic purpose not exceeding 500 litres and operating at a temperature not exceeding 99 degrees Celsius.

3.11 Electronic data

electronic data means facts, concepts, codes or any other information of any kind converted to a form that is recorded or useable for communications, display, distribution, interpretation, or processing by electronic or electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment or stored by a *computer system*.

3.12 Excess (expressed as a monetary amount)

excess means the amount(s) specified in the *schedule* that you shall first contribute towards each claim, or series of claims arising out of the one occurrence. The *excesses* shown for the individual items in the *schedule* will apply cumulatively.

3.13 Excess (expressed in time)

Excess (expressed in time) means the period beginning with the occurrence of the *insured damage* and ending not later than the period specified in the *schedule*.

3.14 Explosion

explosion means the sudden, unforeseen and violent:

- 3.14.1 rending of any *certified boilers and unfired pressure vessels or pressure pipe systems* caused by the force of internal fluid pressure or pressure of ignited flue gases, (but excluding any rending caused by the force of any other chemical action or reaction);
- 3.14.2 bursting or disruption of turbines, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformers, switches or oil-immersed switchgear.

3.15 Insured

insured means you, your and the persons or entity named in the *schedule*.

3.16 Insured damage

insured damage means sudden and unforeseen physical loss or damage to the *insured plant* which occurs at the *situation* during the *period of insurance* and which requires immediate repair or replacement to enable normal operation to continue.

3.17 Insured plant

insured plant means:

3.17.1 *electrical and mechanical* items of plant as described in the *schedule*, including electronic control equipment and other integral parts associated exclusively with and forming part of the insured item.

Insured plant does not include plant referred to in Exclusion 5.9 - Excluded plant of this policy unless specifically listed in the *schedule*.

3.17.2 *certified boilers and unfired pressure vessels*, those parts of the permanent structure of the *insured plant* specified in the *schedule* which are subject to internal steam gas or fluid pressure (other than atmospheric pressure) including fittings and direct attachments which are connected to the permanent structure without intervening valve or cock. This definition also includes the supporting structures of the *insured plant* (other than foundations, masonry and brickwork), such as furnace doors, access doors, external combustion chambers, smoke boxes and casings.

This definition also includes the metal parts of pressure and water gauges and their connections to the permanent structure, even if separated from the structure by valves or cocks and in the case of an air receiver, shall include the pressure parts of the compressor or compressors supplying the air, but shall not in any event include rotating, reciprocating or electrical apparatus or any interconnecting *pressure pipe systems*.

3.17.3 *pressure pipe systems*:

- (a) in respect of *certified boilers and unfired pressure vessels*, any pressure pipe systems with valves, fittings, traps and separators which contain steam condensate, gas or fluids under pressure (other than atmospheric pressure) and which is generated in whole or in part within the *insured plant* specified in the *schedule*, including any feed water piping between such *boiler* and its feed pump or injector, but not including any such pipe systems which form part of any other vessel or apparatus;
- (b) in respect of refrigeration and air-conditioning *insured plant* specified in the *schedule*, the interconnecting coils and pipe work containing transfer media.

3.18 Legislative requirement

legislative requirement means any applicable statute, regulation, by-law, ordinance, policy or subordinate legislation in force from time to time in the territorial limits whether made by a State, Territory, the Commonwealth or a local government, and includes standards, guides, information bulletins or industry codes that apply by reason of statute or regulations.

3.19 Material defect

material defect means any physical imperfection in any item that substantially prevents the item from operating or functioning as designed or according to its specifications..

3.20 Period of insurance

period of insurance means the Period of Insurance specified in the *schedule*.

3.21 Regulatory authority

regulatory authority means State, Territory and Commonwealth departments, agencies or corporations charged with the development, regulation or supervision of laws.

3.22 Schedule

schedule means the schedule attaching to and forming part of the policy, including any schedule substituted for the original schedule.

3.23 Senior counsel

senior counsel means a Senior Counsel to be mutually agreed upon by you and us or, in the absence of agreement, to be appointed by the current President of the Law Society in the State or Territory in which the policy is issued.

3.24 Situation

situation means the place or location described in the *schedule* and any place or location which we have agreed to insure pursuant to additional benefit clause 2.9.

3.25 Sum insured

sum insured means the amount specified in the *schedule* being the maximum amount payable for any one claim and for all claims arising out of the one original source or cause.

4. OPTIONAL EXTENSIONS

These Optional Extensions will only apply if they are listed in the *schedule*.

All Conditions and Exclusions which apply under the policy apply to these Optional Extensions.

Option 1 – Cover Limited to Explosion and Collapse Only

Cover

Under this Optional Extension, cover is limited to physical damage resulting from *explosion* or *collapse* only to *certified boilers and unfired pressure vessels* listed in the *schedule*.

Option 2 – Third Party Legal Liability (Boilers and Unfired Pressure Vessels)

Cover

Under this Optional Extension we will indemnify you for your legal liability to pay *compensation* in respect of:

- 1.1 death of, or bodily injury to, any person not arising out of or in the course of the employment of that person by you;
- 1.2 damage to property not belonging to you or in your custody or control,

arising directly upon and solely due to *explosion* or *collapse* of any *insured plant* specified in the *schedule* occurring during the *period of insurance*.

Our liability under this Optional Extension for all claims arising out of any one occurrence or all occurrences resulting from the one original source or cause shall not exceed the Limit of Liability stated in the *schedule*.

For the purpose of this clause, Limit of Liability means the maximum amount payable under this cover as stated in the *schedule*.

In addition to the indemnity granted under this Optional Extension, we will pay all legal costs, charges and expenses incurred by you with our written consent (which consent shall not be unreasonably withheld or delayed) or by us in the settlement or defence of any claim together with all legal costs and charges properly recoverable against you by any claimant, provided that:

- 1.3 if a payment exceeding the Limit of Liability has to be made to dispose of a claim, our liability to pay any additional payments shall be limited to that proportion of those amounts as the Limit of Liability bears to the amount paid to dispose of the claim; and

- 1.4 in the event of a claim covered by this policy being made against you in any Court or before any other legally constituted body in the United States of America and Canada, or any State or Territory incorporated in, administered by, the United States of America or Canada, the Limit of Liability shall apply to such claim inclusive of all additional payments.

Supplementary Exclusions applying to Option 2

We shall not incur liability under this Optional Extension for:

2.1 Asbestos

death, bodily injury or property damage caused by or arising directly or indirectly out of, caused by, or contributed to by, or arising from asbestos products or asbestos contained in any product.

2.2 Contractual liability

any liability or obligation assumed by you under any agreement or contract except to the extent that the liability or obligation would have been implied by law.

2.3 Employer's liability

death or bodily injury to any person:

2.3.1 caused by or arising out of the employment of the person by you;

2.3.2 in your service that arises from any liability imposed by:

- (a) any workers' compensation legislation;
- (b) industrial award, agreement or determination.

2.4 Excess

the amount of the excess stated in the *schedule*.

2.5 Fines / Penalties

any fines, penalties, exemplary, punitive, liquidated or aggravated damages.

2.6 Insured property

any expenditure incurred in doing, redoing, making good, repairing or replacing anything insured or insurable as a subject matter of any other section of this policy.

2.7 Pollution

2.7.1 death, bodily injury or property damage directly or indirectly arising out of the discharge, seepage, dispersal, release or escape of pollutants or contaminated substances;

2.7.2 the cost of removing, nullifying or cleaning up pollutants or contaminated substances; and

2.7.3 the cost of preventing the escape of pollutants or contaminated substances.

This Exclusion shall not apply where loss or damage arises from a sudden identifiable event that is unintended and unexpected by you, and this event takes place in its entirety at a specific time and place during the *period of insurance*.

Supplementary Conditions applying to Option 2

3.1 Change in working conditions

You shall notify us as soon as reasonably practicable of any intended alterations of, or departures from normal working conditions which you know (or a reasonable person in the circumstances could be expected to know) would materially increase the risk of *explosion* or *collapse*.

3.2 Change of risk

If any defects or conditions of working which render the risk more than usually hazardous are discovered by you, you shall notify us as soon as reasonably practicable and shall take reasonable and appropriate precautions as circumstances may require.

We may decline cover where you or someone acting on your behalf, recognises a danger and deliberately courts the danger by taking measures which you or the person acting on your behalf, should know, acting reasonably, are inadequate to avert the danger; similarly where you or the person acting on your behalf recognises or is aware that a danger exists, and continues to use or operate the *insured plant* with disregard to whether or not the danger is averted.

3.3 Disposal of claim

We may at any time pay to you in respect of a claim made against you, the Limit of Liability (after deduction of any sum already paid by us as *compensation*) or any lesser sum for which the claim or claims can be settled. If you do not accept payment of the lesser sum a *Senior Counsel* will determine the amount for which the claim or claims can be settled, based on a written submission from each of you and us and any other information that the *senior counsel* may request. Upon such payment, we shall be under no further liability under this policy in connection with that claim or claims, except for costs, charges and expenses recoverable from you or incurred by us or by you, with our consent, prior to the date of such payment.

3.4 Inspection of insured plant

Our representative shall at all reasonable times be permitted to inspect the *insured plant*. To enable such inspection, you shall at our expense have the *insured plant* emptied, dismantled, cleaned and rendered accessible so far as its construction permits.

3.5 Liability not to be admitted

No admission, offer, promise, payment or admission of liability shall be made or given to third parties by you or on your behalf without our written consent (which consent shall not be unreasonably withheld or delayed).

We shall be entitled to take over and conduct in your name, the defence or settlement of any claim or to prosecute in your name for our benefit, any claim for liability or damages or otherwise and we shall consult with you and take into account your interests regarding the conduct of any proceedings and in the settlement of any claim. You shall give us such information and assistance as we may reasonably require.

3.6 Reasonable care

In the event or circumstances, which may give rise to a claim under this Optional Extension, you will do all things necessary and reasonably available to reduce the amount of any claim.

3.7 Regulatory compliance

Where a certificate of inspection is required or there is a *legislative requirement*, then the liability provided under this Optional Extension is limited to *insured damage* to such items of *insured plant* that conform with the relevant *legislative requirement*.

3.8 Subrogation

If upon making any payment to you under this Optional Extension, we become subrogated to your rights of recovery against any person or entity, you shall at any time, at our request and expense, permit all reasonable steps required to enforce any such rights of recovery to which we have become entitled.

Option 3 – Deterioration of Stock in Cold Storage Cover

This Optional Extension will only apply to perishable stock contained within refrigerated chambers insured under this policy.

Where listed in the *schedule*, we will cover *deterioration of stock*.

Supplementary Exclusions applying to Option 3

This Optional Extension does not cover:

1.1 Consequential loss

consequential loss of any kind.

1.2 Excess

the *excess* shown in the *schedule*.

1.3 Excluded stock

loss or damage to stock which:

1.3.1 are alive or of a bacterial nature;

1.3.2 has passed the manufacturer's printed used by date.

1.4 Improper storage

loss or damage caused by improper storage or the collapse of packing materials.

1.5 Inherent defects

loss or damage due to shrinkage, inherent defects or disease to the extent you were aware of the defects or a reasonable person in the circumstances ought to have known about the defects.

1.6 Penalties

penalties for delay or detention.

1.7 Public electricity supply failure

loss or damage caused by failure of the public electricity supply due to:

1.7.1 any deliberate act of the public electricity supply authority, unless the action was necessary to safeguard life or any part of the public supply and the supply authority's interference is not caused directly or indirectly by fire, flood, storm or any other natural cause;

1.7.2 earthquake.

1.8 Riots or civil commotion

the actions of people taking part in riot or civil commotion, labour disturbances, strikes or lock-outs.

Supplementary Benefits applying to Option 3

2.1 Disposal costs

Where we pay a claim or agree to pay a claim, we will also pay any reasonable costs incurred with the removal and disposal of the physically damaged stock.

This Additional Benefit will be subject to our prior written approval (which consent shall not be unreasonably withheld or delayed) and to the *sum insured* for the loss of stock not already being exhausted.

2.2 Loss minimisation costs

We will pay reasonable costs which you incur in preventing or minimising the physical loss or damage of the stock if:

2.2.1 as a result, our liability is reduced;

2.2.2 you reasonably considered it was necessary to incur the expenses but you were unable to obtain our consent.

2.3 Seasonal increase

The *sum insured* for the loss of stock will automatically be increased by 30% during the following two periods:

2.3.1 sixty (60) days before New Year's Day and for ten (10) days following New Year's Day;

2.3.2 thirty (30) days before Good Friday and for ten (10) days following Good Friday,
or as shown in the *schedule*.

Supplementary Claims Condition applying to Option 3

3.1 Method of settlement

In the event of a claim, the amount we pay under this Optional Extension is calculated on the basis of your cost to replace the physically damaged items less any amount gained from the sale of the damaged items.

Our total liability under Option 3, including costs subject to clause 2.1 'Disposal costs' and clause 2.2 'Loss minimisation costs' above will not be more than the *sum insured* for the items listed in the *schedule*. This does not apply to any increase to the *sum insured* under clause 2.3 'Seasonal increase' above.

Option 4 – Increased Cost of Working (Production Plant)

Cover

Under this Optional Extension we will indemnify you in respect of:

1.1 reasonable expenditure incurred for increased cost of working which results directly from and is caused solely by *insured damage* to the *insured plant*, specified in the *schedule* against which this optional extension is shown.

We will not pay any more than the Limit of Liability with respect to each and every occurrence.

Supplementary Exclusions applying to Option 4

This Optional Extension does not cover:

2.1 Excess

The excess shown in the *schedule*.

2.2 Non performance

any loss resulting from the incurring of fines or damages for breach of contract, late or non-completion of orders or for any loss of bonus or for any penalties of whatever nature or for any other consequential loss of profit of any other kind.

2.3 Restoration of electronic data

any cost incurred in the replacement of *electronic data*, processing media or the cost of restoration of such data.

Supplementary Claims Condition applying to Option 4

3.1 Method of settlement

3.1.1 The amount payable by us under this Optional Extension shall be the additional expenditure which you necessarily and reasonably incur minimising any interruption of or interference with your business, or part of your business using the *insured plant*, during the period beginning with the occurrence of the *insured damage* and ending not later than the period specified in the *schedule regarding this Optional Extension*; and during which period the operation of your business is adversely affected as a direct result of such *insured damage*.

Our approval for this additional expenditure, which shall not be unreasonably withheld, must first be obtained in writing.

3.1.2 We will deduct from the amount payable by us under this Optional Extension any sums saved during the relevant period in respect of charges and expenses of your business which may cease or be reduced as a direct result of the *insured damage*.

3.1.3 You must notify us within forty-eight (48) hours or as soon as reasonably practicable, with confirmation of any *insured damage* occurring which may result in you incurring any increased cost of working.

5. EXCLUSIONS

You are not insured under this policy for:

5.1 Communicable disease

any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to a *communicable disease* or any action taken by you in response to a *regulatory authority's* response to a *communicable disease*, its potential consequences or the fear or threat (whether actual or perceived) of a *communicable disease*.

Loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:

5.1.1 for a *communicable disease*; or

5.1.2 any *insured plant* hereunder that is affected by such *communicable disease*.

5.2 Consequential loss

consequential loss of any kind, except as detailed in Option 4 – Increased Cost of Working (Production Plant) when specified on the *schedule*.

5.3 Cyber act

a direct *cyber act*, apart from physical loss or physical damage at the *situation* caused by any ensuing fire or explosion which directly results from a *cyber incident*.

However, what we will not cover is that *cyber incident* if caused by, contributed to by, resulting from, arising out of or in connection with a *cyber act* including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any *cyber act*.

5.4 Deliberate acts

a deliberate act ordered or carried out by you or by any person acting with your permission, except when it is to avoid or reduce *insured damage* which would otherwise happen.

5.5 Dishonest acts

dishonest acts or misappropriation of *insured damage* by you or any person acting with your permission.

5.6 Dual lifting

insured damage to any plant being moved which is caused by dual lifting.

5.7 Electronic data

5.7.1 (a) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of *electronic data*;

(b) error in creating, amending, entering, deleting or using *electronic data*;

(c) total or partial inability or failure to receive, send, access or use *electronic data* for any time or at all,

from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

5.7.2 for the purpose of the 'Method of settlement' provision in this policy, *computer systems* records includes *electronic data* as defined.

5.8 Excluded perils

any of the following perils:

5.8.1 fire (except for *insured damage* caused by overheating of boilers), smoke, soot;

5.8.2 extinguishing of a fire including subsequent demolition or repair work;

5.8.3 lightning;

5.8.4 cyclone, tornado or hurricane;

5.8.5 wind and water including (but not limited to):

(a) snow, sleet or hail;

(b) flooding;

(c) discharge from water mains, pipes, gutters, drains, water tanks or apparatus;

(d) steam, condensation or oxidisation;

(e) erosion, subsidence, landslide or any other earth movement;

(f) water seeping or percolating from outside the *situation*;

(g) water entering the *situation* as a result of structural design, faulty workmanship or faulty design;

(h) sea or storm surge;

5.8.6 impact by vehicles, waterborne craft or animals;

5.8.7 impact by aircraft, other aerial devices or articles dropped from them;

5.8.8 earthquake including:

(a) subterranean fire or volcanic eruption;

(b) fire resulting from an earthquake;

5.8.9 the actions of:

(a) people taking part in riot or civil commotion;

(b) malicious people;

(c) strikers or locked-out workers;

(d) people taking part in labour disturbances;

- 5.8.10 leakage of liquids;
- 5.8.11 explosion (other than as defined in the policy);
- 5.8.12 theft or any attempted theft.

5.9 Excluded plant

excluded plant, which is:

- 5.9.1 electronic apparatus (other than control equipment associated exclusively with and forming part of the *insured plant*), computers, telecommunication transmitting and receiving equipment, *electronic data* processing equipment, audio visual amplification and electronic surveillance equipment, burglar alarms, research, diagnostic and electro-medical equipment, unless specifically listed in the *schedule* as *insured plant*;
- 5.9.2 lighting facilities, reticulating liquid and gas piping, ducting;
- 5.9.3 *domestic type hot water systems/service*, storage tanks, vats, stationary and mobile pressure vessels containing explosive gases;
- 5.9.4 mobile plant unless specifically listed in the *schedule* as *insured plant*;
- 5.9.5 office machines and coin/card/note operated machines.

5.10 Expendable or consumable parts

expendable or consumable parts, such as (but not limited to):

- 5.10.1 seals, gaskets, joints, belts, ropes, wires, chains, links, felts, sieves, fabrics, joinings, packings, thermostats, TX valves, conveyor belts, unless damaged as a result of the *insured damage*;
- 5.10.2 electric heating elements, batteries, electrical contacts, fuses, filaments, glass, porcelain or ceramic components other than when used as electrical insulation;
- 5.10.3 cutting edges, tyres, rails, wear plates, dies, impression rollers, engraved cylinders, shear pins, moulds, patterns, exchangeable tools;
- 5.10.4 concrete, brickwork, foundations or refractories unless damaged as a result of the *insured damage*.

5.11 Fair wear and tear

fair wear and tear which means the wasting or wearing out of any part of the *insured plant* due to natural, ordinary use or gradual deterioration including (but not limited to):

- 5.11.1 erosion, corrosion, rust, boiler scale or oxidation, chemical action, fatigue fractured pipes or damage due to cavitation;
- 5.11.2 tightening of loose components, recalibration or adjustments other than as a result of the *insured damage*;
- 5.11.3 slowly developing deformation, distortion or crack;
- 5.11.4 any crack, blister, flaw or grooving which has not penetrated the entire thickness of the *insured plant's* material although repair or replacement may be necessary at some time in the future.

5.12 Known faults / defects

faults or defects known to you or any employee whose knowledge in law would be deemed to be your knowledge and not disclosed to us at the time this insurance was arranged, extended, varied or renewed.

5.13 Lawful seizure, confiscation

lawful seizure, confiscation or requisition pursuant to a *legislative requirement*. However, we will pay for *insured damage* which occurs as a result of such a *legislative requirement*, if it prevents or attempts to prevent *insured damage* to the *insured plant* covered by this policy.

5.14 Maintenance agreements

insured damage which is rectified under a maintenance agreement, warranty, guarantee or indemnity in your favour.

5.15 Policy excess

the excess shown in the *schedule*.

5.16 Radioactive contamination

5.16.1 any ionising radiations or contamination by radioactivity from any nuclear fuel or waste from the combustion of nuclear fuel. For the purpose of this Exclusion only, combustion will include any self-sustaining process of nuclear fission; or

5.16.2 nuclear weapons material.

5.17 Testing, Intentional overloading

testing (involving the imposition of abnormal conditions), intentional overloading or experiments of any kind, unless such actions are being undertaken in accordance with the manufacturer's specifications and/or requirements of the relevant *regulatory authority* or agreed by us and noted in the *schedule*.

5.18 War, Act of terrorism

5.18.1 war or warlike activities, including invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or seized power;

5.18.2 any *act of terrorism* or any action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*.

6. CLAIMS CONDITIONS

6.1 In the event of a claim

As soon as you are aware of any *insured damage* that is likely to result in a claim under this policy you must as soon as reasonably practicable:

6.1.1 take any reasonable steps to reduce the *insured damage* and avoid any further *insured damage*;

6.1.2 tell us about any other insurances which cover all or part of the *insured plant*;

6.1.3 keep where reasonably possible to do so, any damaged or defective parts for which you intend to make a claim (so that we may inspect them).

You must not:

6.1.4 carry out any repairs (except those allowed in 6.1.1 above) without our written authority (which consent shall not be unreasonably withheld or delayed);

6.1.5 admit responsibility for any *insured damage*;

6.1.6 make any false statements in connection with your policy or any claim you make.

If you do not follow these steps, we can reduce any claim by an amount that fairly represents the extent to which our interests have been disadvantaged.

6.2 How to make a claim

To make a claim under this policy, you must:

- 6.2.1 tell us as soon as reasonably possible, what happened and provide details to us where there may be a claim under this policy;
- 6.2.2 where required, complete our claim form and send it to us as soon as reasonably possible;
- 6.2.3 give us and our agents free access to examine and assess any *insured damage* subject to you receiving reasonable notice of any such inspection;
- 6.2.4 provide any other information or help which we may reasonably request to support your claim;
- 6.2.5 provide a statutory declaration to verify the *insured damage*, if we request it;
- 6.2.6 tell us the identity of anyone who has an interest in the *insured plant*.

After you have made a claim under this policy, we may elect to act in your name and on your behalf to negotiate or settle any claim having regard to your interests. If we do this, it will be at our expense.

You must reasonably give us all the help and information we need to pursue these claims.

6.3 After your claim is accepted

After we have paid a claim under this policy either in total or in part, we may take over any legal right of recovery which you have. If we do this, it will be for our interest and at our expense (if you have been fully reimbursed). You must provide cooperation which is necessary or reasonably required by us during any recovery.

We have the right to keep any *damaged plant or parts that we have paid for* under this policy, including any proceeds if the items are sold.

If any person compensates you for the *insured damage* of any *insured plant* for which we have paid a claim, you must reimburse us for that payment. You must do this as soon as practicably, after the payment is made.

6.4 Method of settlement

We will repair, rebuild or replace the *insured plant* or pay the amount of the *insured damage*.

We will not pay more than the *sum insured* which is listed in the *schedule* for the item or group of items.

We will not pay the cost of any alterations, additions, improvements, modifications or overhauls.

6.5 Reinstatement of the sum insured

Following a claim, we will automatically reinstate the amount of the *sum insured* for no additional premium. The reinstatement will start from the date the *insured damage* occurred. For this Additional Benefit to apply:

- 6.5.1 the *period of insurance* during which the *insured damage* occurred must not have ended;
- 6.5.2 the policy must not have been cancelled.

6.6 Excess payment

Before paying a claim, you will be required to pay the *excess (expressed as a monetary amount)* shown in the *schedule*. We will deduct the applicable *excesses (expressed as a monetary amount)* from the claim otherwise payable and then pay you the amount of the loss or damage up to, but not exceeding, the relevant *sum insured*.

6.7 Payments in respect to Goods and Service Tax

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

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

6.8 Repairs

Before any remedial work is started, we will require you to provide us with at least two quotes, unless we agree in writing otherwise.

Minor or temporary repairs can be carried out subject to the Claims Condition 6.1 'In the event of a claim' however, the damaged parts, items or physical evidence must not be removed before you have obtained our consent in writing (which consent shall not be unreasonably withheld or delayed).

We have no liability for any *insured plant* which is damaged and subsequently operated without it having been repaired to our satisfaction confirmed in writing.

6.9 Obsolete equipment

Where components or manufacturer's specifications are no longer available because they are obsolete, we may choose to either:

6.9.1 pay the costs which would have been incurred if the components or manufacturer's specification had still been available;

6.9.2 pay the actual value of the item immediately before the *insured damage* occurred, whichever is the lesser.

6.10 Insurance Contracts Act

Nothing contained in this policy intends to reduce or waive either your or our privileges, rights or remedies available under the Insurance Contracts Act 1984 (Cth).

6.11 Proper law and jurisdiction

The construction, interpretation and meaning of the provisions of this policy will be determined in accordance with the laws of the State or Territory of Australia in which the policy was issued.

In the event of any dispute arising under this policy, including but not limited to its construction, interpretation, validity or performance, the parties to the policy submit to the exclusive jurisdiction of the courts of Australia.

A reference to any statute, regulation or subordinate legislation in this policy includes any amendment, replacement, successor or subsequently enacted equivalent statute, regulation or subordinate legislation.

6.12 Other insurance

6.12.1 If you make a claim for an occurrence which is, or may be, covered in whole or in part by any other insurance, then when making the claim you must give us full details of the other insurance.

6.12.2 This policy does not cover any claim to the extent that you are entitled to indemnity in respect of that claim under any Industrial Special Risks policy specified in the *schedule*.

7. GENERAL TERMS AND CONDITIONS

7.1 Assignment

We must first agree in writing before the interest in the insurance can be transferred to anyone else.

7.2 Cancelling your policy

By you: you may cancel this policy by notifying us in writing. Subject to any claims costs that we have paid to you, we will then refund all the premium you have paid us for the time remaining on the policy, less any non-refundable government charges.

By us: If we are entitled to cancel this policy, we will tell you in writing.

We will refund you the proportion of premium for the unexpired portion of the *period of insurance*, less any tax or duty paid or owing for which we are unable to obtain a refund.

If the premium is paid in instalments, we may cancel the policy after any instalment has remained unpaid for one month or more and you have failed to pay the instalment within 14 days of being given written notice of the non-payment.

7.3 Changing the risk

You must as soon as reasonably practicable notify us as soon as you are aware of any changes to the risk that:

7.3.1 may result in a greater chance of *insured damage*; or

7.3.2 result in your interest in the *insured plant* ceasing.

When we receive notification of a change, we may decide to:

7.3.3 adjust the premium or the terms of the policy based on an assessment of any change in the risk insured by the policy; and/or

7.3.4 cancel the policy if we are entitled to do so.

7.4 Headings

Headings have been included for ease of reference, but do not form part of the policy.

7.5 Inspections

We (or agents appointed by us) have the right to inspect and examine, by mutual appointment, any *insured plant*.

7.6 Joint insurance

A claim made by any one of the people named as the *insured* in your *schedule* is a claim made by all of them.

7.7 Precautions to prevent insured damage

You must take reasonable precautions to prevent *insured damage*. You must maintain the *insured plant* in proper condition and act in accordance with all *legislative requirements* and manufacturer's recommendations relating to the safeguarding operating and maintenance of the *insured plant*.

7.8 Reasonable care

You must exercise all reasonable care, take reasonable precautions and use all due diligence to prevent loss or damage to the *insured plant* and prevent any liability and comply with all *legislative requirements* for the safety of the *insured plant*.

We may decline cover where you or someone acting on your behalf, recognises a danger and deliberately courts the danger by taking measures which you or the person acting on your behalf, should know, acting reasonably, are inadequate to avert the danger; similarly where you or the person acting on your behalf recognises or is aware that a danger exists, and continues to use or operate the *insured plant* with disregard to whether or not the danger is averted.

7.9 Sanctions regulation

Notwithstanding any other terms or conditions under this policy, we shall not be deemed to provide cover and will not make any payments nor provide any service or benefit to you or any other party to the extent that such cover, payment, service, benefit and/or any business or activity of yours which would violate any applicable trade or economic sanctions, law or regulation.



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