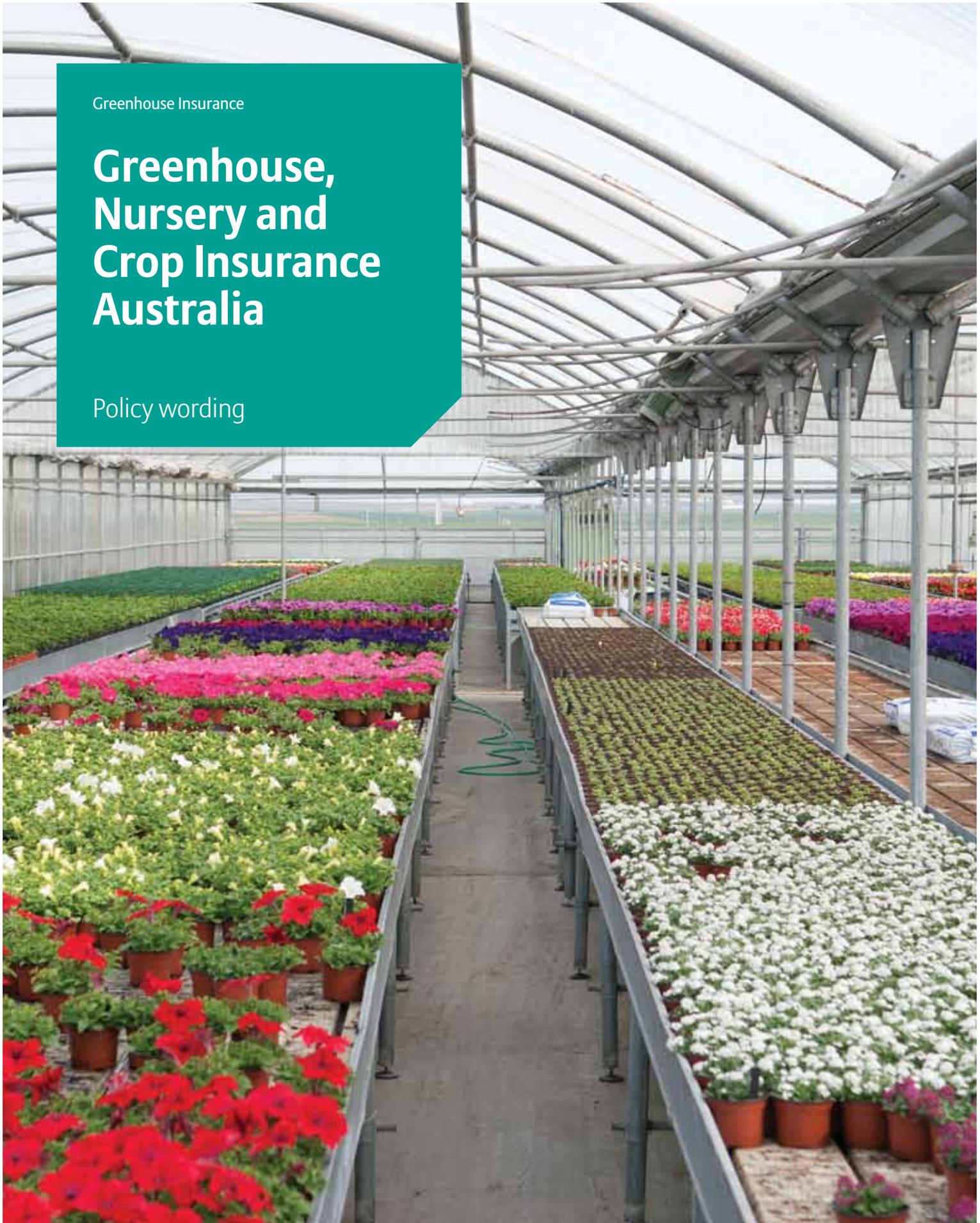


Greenhouse Insurance

Greenhouse, Nursery and Crop Insurance Australia

Policy wording





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Primacy Underwriting Management Pty Ltd
ABN 87 070 058 212 AFS Licence 237271
as agent for the insurer Allianz Australia Insurance Limited
ABN 15 000 122 850 AFS Licence 234708
Level 20, 357 Collins Street, Melbourne, VIC 3000
Phone: (03) 9603 1050 **Fax:** (03) 9620 1222 **Email:** trees@pum.com.au
www.pum.com.au



Important information

Please read the following information carefully.

About Your Policy

This is Your Greenhouse, Nursery and Crop Insurance Policy wording.

Along with Your Schedule of Insurance and any other documents that make up Your Policy, it contains the terms, conditions, limits and exclusions of the Policy such as the type of cover provided and how to make a claim.

When You enter into a Policy with Us We issue a Schedule of Insurance which sets out information relevant to You and may affect the terms of this document. We may also issue endorsements amending the cover.

Together the above documents form Your "Policy" with Us. You must read this Policy wording together with Your Schedule of Insurance and any endorsements to ensure You understand the cover offered and also to ascertain that it meets Your requirements.

If You have any queries about this insurance, You should contact Your insurance broker.

Where We agree to enter into a Policy with You, We agree to provide insurance protection in accordance with the Policy and the coverage You have selected and We have agreed to provide in the Schedule of Insurance, provided You have paid or agreed to pay the required premium including any amounts in relation to Government taxes, duties and other charges.

Renewal procedure

Before Your Policy expires, We will advise You whether We intend to offer renewal and if so, on what terms.

This Policy wording also applies for any renewal offer We make, unless We tell You otherwise. It is important that You check the terms of any renewal before You renew Your Policy to ensure that the details are correct. In particular, check the limits of liability (including, but not limited to, the Aggregate Limit of Liability) to ensure that the levels of cover are appropriate for You.

Please note that You need to comply with Your Duty of Disclosure before each renewal (see Duty of Disclosure Section for details).

Primacy Underwriting Management Pty Ltd and Your insurance Policy

Primacy Underwriting Management Pty Limited ABN 87 070 058 212, AFS Licence 237271 (Primacy) is an underwriting agent. Primacy has been given a binder authority by the insurer, which allows Primacy to enter into the Policy, to administer it and to handle and settle claims made under it as if it were the insurer, subject to the terms of the binder authority. In arranging and administering the Policy, Primacy is acting as the agent of the insurer and not as Your agent.

Your Policy is insured by the insurer Allianz Australia Insurance Limited ABN 15 000 122 850, AFS License 234708 of Level 12, 2 Market Street, Sydney, NSW 2000. Allianz act through its agent, Primacy, and in Your Policy are referred to as "We", "Us" and "Our".

Premium payment

When You apply for this insurance, You will be advised of the total premium amount payable, when it needs to be paid and how it can be paid. This amount will be set out in the Schedule of Insurance. We include an amount in the premium that covers Our actual or estimated obligations in relation to relevant Government taxes, charges and levies relating to the Policy. For estimated amounts, We may over or under recover in any particular year but We will not adjust Your premium

because of this. You can ask Us for more details if You wish.

Claims under the Policy will not be paid or finalised until You have paid all outstanding premiums and/or if You don't pay, We may cancel the Policy in accordance with the Insurance Contracts Act 1984.

Where We cancel the Policy any outstanding premium will remain payable.

Third party interests

You must inform Us of the interests of all third parties (e.g. financiers, lessors, share farmers etc.) who have an interest in the Insured Property and Plant(s) to be covered by this insurance. We will not cover the interests of any third party that is not noted as covered in the Schedule of Insurance, unless We agree to a transfer of assignment as per "General Conditions - Applying to all Sections".

Preventing Our right of recovery

Where another person or entity is liable to compensate You for any loss, destruction or physical Damage which is covered by Your Policy, but You have agreed not to seek recovery of any monies from that person or entity, We will not cover You under Your Policy for that loss, physical Damage or liability to the extent permitted by law.

Underinsurance

It is Your responsibility to ensure that the Sum(s) Insured for Insured Property are adequate. Sum(s) Insured should reflect the new replacement value of Insured Property (excluding Stock or Crop). If Sum(s) Insured are not adequate, claims may not be paid in full.

You should review the adequacy of Sum(s) Insured periodically during the Period of Insurance and prior to renewal each year.

Inadequacy of Sum(s) Insured can present significant issues of financial hardship. If You are unable to establish the adequacy of Sum(s) Insured, You should seek assistance from Your insurance broker.

Limit of Liability

Limits apply and some Sections of the Policy have sub-limits. You must read this Policy wording and make sure You understand these limits. We will not pay more than the Aggregate Limit of Liability for any one or all insured claims or losses combined during the Period of Insurance. The most We will pay during the Period of Insurance for any one claim and all claims combined resulting from an insured event is the insured event limit.

Excess

This Policy is subject to Excesses. Information about Excesses and how they apply to the Policy can be found in the Schedule of Insurance and in this Policy wording.

Flood

The Policy does not provide cover for loss or Damage caused by or arising from Flood.

Confirming transactions

You may contact Us or Your insurance broker, in writing (which is always required if You are advising cancellation) or by phone, to confirm any transaction under Your Policy. Any transaction will be documented by Us as quickly as possible.

Your Duty of Disclosure

Before You enter into a contract of insurance with Us, You have a duty, under the Insurance Contracts Act 1984, to disclose to Us every matter that You know, or could reasonably be expected to know, is relevant to Our decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to Us before You renew, extend, vary or reinstate the contract.

This duty of disclosure applies until the contract is entered into (or renewed, extended, varied or reinstated as applicable).

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by Us; or
- that is of common knowledge; or
- that We know or, in the ordinary course of Our business as an insurer, ought to know; or

as to which compliance with Your duty is waived by Us.

Non-disclosure

If You fail to comply with Your duty of disclosure, We may be entitled to reduce Our liability under the contract in respect of a claim, cancel the contract, or both.

If Your non-disclosure is fraudulent, We may also have the option of avoiding the contract from its beginning.

Privacy information

At Allianz, We give priority to protecting the privacy of Your personal information. We do this by handling personal information in a responsible manner and in accordance with the Privacy Act 1988 (Cth). In this Privacy Notice, 'We', 'Our', 'Us' means Primacy Underwriting Management Pty Limited and Allianz Australia Insurance Limited.

How We collect Your personal information

We usually collect Your personal information from You or Your agents. We may also collect it from Our agents and service providers; other insurers and insurance reference bureaus; medical practitioners; third parties or people involved in a claim or assisting Us in investigating or processing claims, including third parties claiming under Your Policy, witnesses and third parties who may be arranging insurance cover for a group that You are a part of; law enforcement, dispute resolution, statutory and regulatory bodies; marketing lists and industry databases; and publicly available sources.

Why We collect Your personal information

We collect Your personal information to enable Us to provide Our products and services, including to process and settle claims; offer Our products and services and those of Our related companies, brokers, intermediaries and business partners that may interest You; and conduct market or customer research to determine those products or services that may suit You.

Who We disclose Your personal information to

We may disclose Your personal information to others with whom We have business arrangements for the purposes listed in the paragraph above or to enable them to offer their products and services to You. These parties may include insurers, intermediaries, reinsurers, insurance reference bureaus, related companies, Our advisers, persons involved in claims, external claims data collectors and verifiers, parties that We have an insurance scheme in place with under which You purchased Your Policy (such as a financier or motor vehicle manufacturer and/or dealer). Disclosure may also be made to government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

Disclosure overseas

Your personal information may be disclosed to other companies in the Allianz Group, business partners, reinsurers and service providers that may be located in Australia or overseas. The countries to which this information may be disclosed will vary from time to time, but may include Canada, Germany, New Zealand, United Kingdom, United States of America and other countries in which the Allianz Group has a presence or engages subcontractors. We regularly review the security of Our systems used for sending personal information overseas. Any information disclosed may only be used for the purposes of collection detailed above and system administration.

Access to Your personal information and complaints

You may ask for access to the personal information We hold about You and seek correction by calling (03) 9603 1050 9am-5pm, Melbourne time, Monday to Friday. Our Privacy Policy contains details about how You may make a complaint about a breach of the privacy principles contained in the Privacy Act 1988 (Cth) and how We deal with complaints. Our Privacy Policy is available at www.pum.com.au and www.allianz.com.au.

General Insurance Code of Practice

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry.

You can obtain more information on the Code of Practice and how it assists You by contacting Us on (03) 9603 1050 9am-5pm Melbourne time, Monday to Friday.

Dispute resolution process - helping You solve any problems

We strive to do things the right way and meet Our customers' expectations. Sometimes though, complaints or disputes do occur and when this happens, Our objective is to resolve any disagreement as amicably and as quickly as possible.

Here is what to do if a complaint or dispute arises

Regardless of whether the complaint or dispute involves Our staff, an agent, Loss Adjuster, assessor, investigator or the service We provide, simply contact Us on (03) 9603 1050 9am-5pm Melbourne time, Monday to Friday and ask to speak to the team leader and provide them with the details of the issue concerning You. They will attempt to resolve the complaint or dispute; if they are unable to do so they will log it and refer it to the appropriate business unit for resolution.

We have established a complaints and disputes resolution process. This is a free service. It is a system designed to log, track, escalate and monitor complaints received from clients and customers about Our services and products.

A staff member involved in the complaints and disputes resolution process will write to You within fifteen (15) working days advising the outcome of the review and reasons for their decision. We do not consider a complaint or dispute to be resolved until a proposed resolution or solution has been communicated to You and You have accepted the resolution or solution.

If You are not satisfied with the outcome of this process

If We are unable to resolve the complaint or dispute, We will offer You the option of referring the matter to the insurance industry's external independent complaints scheme (subject to eligibility). The scheme will only review complaints or disputes if they have gone through Our internal complaints and disputes resolution process.

If this insurance has been issued through an insurance intermediary

If Your Policy has been issued through Our agent, or a broker who is acting under an agency arrangement such as a binder with Us, then they are acting as Our agent and not as Your agent.

If Your Policy has been arranged or issued by a broker, other than a broker acting under such an agency arrangement with Us, then the broker is acting as Your agent. Where Your Policy has been arranged through an intermediary a commission may be payable by Us to them for arranging it.

Contact details

Primacy Underwriting Management Pty Ltd

ABN 87 070 058 212 AFS Licence 237271

Level 20, 357 Collins Street, Melbourne, VIC 3000

Telephone: (03) 9603 1050

Fax: (03) 9620 1222

Email: trees@pum.com.au

Website: www.pum.com.au

General Section

The Agreement

After You have paid or agreed to pay the premium, We will indemnify You, subject to the terms and conditions of the Policy, and the Sections specified in the Schedule of Insurance in respect of loss, Damage or liability occurring during the Period of Insurance.

We may, at Our option, settle any accepted claim by payment, replacement, restoration or repair. Provided that Our liability will not exceed the Sum(s) Insured nor any specific sub-limits contained in the Schedule of Insurance or any specified Section of the Policy covering that particular loss, Damage or liability.

General Definitions - Applying to all Sections

Where used in the Policy, the following definitions apply, unless an alternative definition, definitions provided in this section will apply unless We expressly state otherwise.

Act of Terrorism:

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

Aggregate Limit of Liability:

The maximum amount We will pay during the Period of Insurance, as specified in the Schedule of Insurance, for any one claim and all claims combined resulting from an insured event made under the Policy.

Application:

The form required to be completed and signed by You and sent to Us giving details of the Insured Property and Crop(s) to be insured along with any supplementary documentation attached with it. We rely on this in entering into the Policy, (including on renewal) Information to be included with the Application includes, but is not limited to, maps of the property and should be provided with the Application.

For renewal business, a new Application will be required if Your information requires updating.

Arson:

The act by anyone of intentionally and maliciously setting a Fire that results in destruction of Insured Property insured under Your Policy.

Buildings:

Buildings used in connection with the Business which belong to You or for which You are legally responsible, including:

- (a) lessor's fixtures and fittings;
- (b) walls, fences, paths, gates, roadways and other structural improvements;
- (c) external signs;
- (d) tanks above or below ground; and
- (e) cool stores.

Buildings does not mean:

- (a) temporary or permanent shade cloth structures and plastic;
- (b) covered igloo structures;
- (c) any Greenhouse(s);
- (d) Buildings which are used or intended to be used principally or primarily as a place of residence;
- (e) any item described as Other Contents.

Business:

The Business or occupation described in the Schedule of Insurance and carried out by You at Your Situation.

Crop(s):

Growing Plant(s) including potted, bare rooted, ground planted and hydroponically grown Plant(s) whether or not located within or external to the Greenhouse(s) or in a Nursery.

Damage:

Physical loss and physical Damage. In relation to Crop, "Damage" means physical Damage to the Crop by an insured event to such an extent that the Crop is not capable of producing Growing Crop. In relation to Growing Crop and Harvested Crop, "Damage" means such an impact of an insured event that the Growing Crop or Harvested Crop no longer can be sold to wholesale or retail consumers.

Destroyed:

The Insured Property is damaged to such an extent that it is no longer suitable for its purpose.

Excess:

The amount and/or percentage specified in the Schedule of Insurance, unless otherwise stated under any applicable Section of the Policy, which You must first bear in the event of a claim under the Policy.

If multiple Sections respond to a claim, then a single Policy Excess will apply, that being the highest Excess amount of any of the Sections in response to that claim.

Financial Statements:

All financial information (including transactions) of a Business recorded and maintained.

Fire:

The rapid oxidation of a material in the chemical process of combustion releasing heat, light and other by-products.

Flood:

The covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:

- (a) a lake (whether or not it has been altered or modified);
- (b) a river (whether or not it has been altered or modified);
- (c) a creek (whether or not it has been altered or modified);
- (d) another natural watercourse (whether or not it has been altered or modified);
- (e) a reservoir;
- (f) a canal;
- (g) a dam.

Greenhouse(s):

Structures erected to provide protected environments for growing Plant(s) including glasshouse(s), rigid or flexible film-covered structures, which are permanently fixed structures that consist of a roof and external walls that completely enclose an area beneath the roof when doors and windows that form part of the structure are closed. Greenhouse(s) excludes temporary or permanent shade cloth structures and igloo structures.

Growing Crop:

The fruits, berries, vegetables or other parts of the Plant(s) grown on a Plant prior to harvesting.

GST:

means Goods and Services Tax.

Hail:

Frozen water in the form of hailstones falling from the sky.

Harvested Crop:

The amount of produced fruits, berries, vegetables or other parts of the Plant(s) grown and gathered or harvested from the Crop(s) grown in the Greenhouse(s) or Nursery for the purpose of sale to wholesale or retail consumers.

Insured Property:

Your property specified in the Schedule of Insurance as being covered under the relevant Section of the Policy.

Loss Adjuster:

The person or entity appointed by Us to evaluate claims made under Your Policy.

Malicious Act(s):

A deliberate act by a person or persons, resulting in Damage to or destruction of Insured Property. Any deliberate act, including Arson, committed by one or more of the following persons is not considered to be a Malicious Act:

- You or any person who is acting with Your express or implied consent;
- Your tenants;
- Your employees;
- the invitees of You, Your employees or Your tenants,

unless it is to avoid or reduce damage that would otherwise happen.

Nursery:

A commercial wholesale operation where Plant(s) are grown for the purpose of being moved or transplanted later.

Other Contents:

Contents of every description belonging to You or for which You are responsible whilst in or about the Buildings, Greenhouse(s) and/or Nursery including:

- (a) Business furniture, machinery, plant, tools, climate control systems, above and below ground irrigation pipes and equipment, computers and electronic equipment;
- (b) Business (including computer) records, plans and designs but only for the value of materials and not for the value to You of the information therein;
- (c) improvements, alterations or additions, which are advised to us prior to the Policy coming into force and which are not otherwise insured, carried out or owned by You at leased or rented premises;
- (d) property of Your directors and/or employees, not otherwise insured, limited to \$500 in respect of any one person and \$2,000 in total.

Other Contents does not mean:

- (a) Stock or Crop;
- (b) property more specifically described as a Greenhouse(s), Nursery, Plant(s) and Buildings;
- (c) motor vehicles, aircraft, watercraft, trailers or their accessories;
- (d) jewellery, furs, precious stones or metals, bullion, money, stamps, cheques or other negotiable instruments or securities;
- (e) property wholly or predominantly used for personal, domestic or household purposes by You, Your relative or with any other person with whom You reside.

Period of Insurance:

The period during which cover is provided under Your Policy as specified in the Schedule of Insurance unless ending earlier in accordance with the Policy or law.

Plant(s):

A living organism that derives growth from sunlight, water and nutrients. They are generally positioned in hydroponic systems or planted in pots mixed with fertilizer and potting soil mixtures.

Policy:

Means this document, the relevant Schedule of Insurance, and any other document which We notify You in writing will form part of Your agreement with Us (such as an endorsement).

Rainwater:

Water falling naturally from the sky.

Sea:

Oceans, Seas, bays or tidal waters.

Schedule of Insurance:

The relevant document of that name We have provided to You which specifies important information such as the Policy number, Aggregate Limit of Liability and other important details of cover including the Sections of the Policy which apply. It must be read together with this document and any other documents forming the Policy. If We agree to alter Your Policy, We will issue a new Schedule of Insurance.

Situation:

The address(es) specified in the Schedule of Insurance.

Stock:

- (a) Stock and/or merchandise including their containers and packaging;
- (b) customers' goods unless otherwise insured;
- (c) current patterns, models, moulds and designs limited to the value shown in Your financial records;
- (d) all raw materials used to propagate and grow potted or hydroponically grown Plant(s) including seeds, potting mix, soil, other growing media, fertilizer and Plant nutrients (in dry or liquid form), pots, trays, fungicides, pesticides and growth regulators.

Storm:

Violent atmospheric disturbance which may be accompanied by Rainwater, snow or sleet.

Sum(s) Insured:

The Sum(s) Insured or amount specified in the Schedule of Insurance for which You have elected to insure.

We / Us / Our:

Means the insurer Allianz Australia Insurance Limited ABN 15 000 122 850, AFS Licence 234708 of Level 12, 2 Market St, Sydney, NSW 2000 acting through its agent, Primacy.

You / Your:

The Insured named in the Schedule of Insurance.

General Conditions - Applying to all Sections

1. Alteration

If You become aware of any changes in the facts or circumstances which existed when the Policy commenced that change the nature of the risk, You must immediately notify Us in writing.

For example:

- (a) the nature of or type of Your Business, or other circumstances affecting Your Situation change in a way that increases the risk of loss or Damage; or
- (b) Your interest in the Situation or Business ceases or changes in nature for whatever reason.

When We receive this information, We may:

- alter the terms and conditions of Your Policy;
- charge You additional premium;
- cancel Your Policy; or
- decide not to offer to renew Your Policy.

If You do not provide the information immediately We may be entitled to reduce, or refuse to pay, a claim under the Policy, to the extent permitted by law.

If We agree to the change, We will do so in writing and unless Our written consent is obtained, We will not be liable for loss, Damage or liability caused or contributed to by any alteration after the commencement of the Policy.

If Your Business is wound up or carried on by a receiver or permanently discontinued, all cover under the Policy will cease from that time.

2. Automatic reinstatement

Following a loss under any Section of the Policy and subject to payment of the appropriate additional premium, the Sum(s) Insured will be automatically reinstated. However, the reinstatement of each Sum(s) Insured will be made only once during any one Period of Insurance.

3. Breach

A breach of a Policy condition without Your knowledge or consent, or error in name, description, or Situation, will not prejudice Your rights under the Policy. However, unless You immediately notify Us in writing when such breach or error comes to Your knowledge and pay any additional premium required by Us in respect of any increase in the risk insured resulting from such breach or error We may, to the extent permitted by law, refuse to pay a claim under this Policy.

4. Cancellation

You may cancel Your Policy at any time by giving Us written notice at Level 20, 357 Collins Street, Melbourne, VIC 3000, but You may not be entitled to receive a full refund of premium.

We may cancel Your Policy in accordance with the Insurance Contracts Act 1984. Upon cancellation by Us, We will inform You in writing and a proportionate refund of premium (less any amounts in relation to Government taxes, charges and levies We are unable to recover) will be paid based on the unexpired Period of Insurance. You will not receive a refund of premium if You have already made a claim or if circumstances have arisen entitling You to make a claim. If You receive a refund and You later make a claim, the claim will be reduced by any such refunded premium.

5. Third party interests

You must inform Us of the interests of all third parties (e.g. financiers, lessors etc.) to be covered by the Policy. We will protect their interests only if You have informed Us of them and We have noted them in the Schedule of Insurance. We will only be liable to such parties:

- to the extent of their interest in the insured property; and
- where Our Notational Liability exceeds the amount of Our liability to You in respect of the loss.

Notational Liability means the amount for which We would have been liable to You in respect of the particular claim if You had been the only person who had an interest in the insured property. We will never pay to such persons an amount exceeding the loss suffered by them.

6. Discharge of liabilities

We may, at any time, pay You in respect of all claims arising from one source or original cause:

- (a) the amount of the applicable Sum(s) Insured for the applicable Section of the Policy (after deduction of any amounts already paid by Us which would reduce the amount of Our unfulfilled liability); or
- (b) any lesser amount for which the claim or claims can be settled.

Upon such payment, We will relinquish conduct or control of, and be under no further liability under the Policy in connection with, such claim or claims except for costs, charges and expenses incurred with Our written consent prior to such payment.

7. Inspection

You must give Us or Our appointed representative all reasonable access and assistance to inspect and examine any Insured Property covered by the Policy. We will provide You with no less than seven (7) days' notice of Our intention to inspect the Situation.

8. Interpretation

- (a) Any word or expression which is given a specific meaning in the Policy will have that meaning wherever it may appear provided that it commences with a capital letter.
- (b) Headings have been included for ease of reference and the terms and conditions of the Policy are not to be construed or interpreted by reference to such headings.
- (c) Words in the singular include reference to the plural and vice versa.
- (d) We agree to accept the designation applying to the property in Your Financial Statements or books of account.

9. Misrepresentation and non-disclosure

If You failed to disclose any matter which You were under a duty to disclose to Us, or made a misrepresentation to Us before the Policy was entered into, We may be entitled to:

- (a) reduce Our liability in respect of a claim; and/or
- (b) cancel, or where fraud is involved avoid, the Policy.

10. Progress payments

Progress payments on account of any loss recoverable under the Policy may be made to You at such stages as agreed by Us subject to production of an interim report by Our loss adjuster

11. Other insurances

You must give notice to Us of any other insurance which covers any or all of the Insured Property against loss or physical Damage also covered by any Section or aspect of the Policy.

Where We have detailed another insurance policy in the Schedule of Insurance, this Policy will apply as an excess Policy to that other insurance and We will not pay anything until the other insurance has been exhausted.

12. Time of settlement of claims

Claims will be settled as soon as possible after the Loss Adjuster has been able to determine the extent of Your loss and the value of salvage (if any). Any additional benefits that are agreed with the Loss Adjuster will be reimbursed after such expenses have been incurred. No claim will be paid until You have paid the Excess (where applicable) in full. We will not pay for any loss until all premiums and charges have been paid.

13. Assignment of interest

If You wish to transfer Your interest in the Insured Property to another person or entity and advise Us in writing before that event, We will transfer Your interest in the Policy to that person or entity provided that:

- You are not then in breach of any of the provisions of the Policy;
- the person or entity agrees to be bound by all of the provisions of the Policy; and

the person or entity is, at Our sole and absolute discretion, acceptable to Us as an insured.

14. False claims

If a claim is in any respect fraudulent or if any fraudulent means or devices are used by You or anyone acting on Your behalf to obtain any benefit under the Policy or if any destruction or physical Damage is occasioned by Your willful act or with Your connivance, We may refuse to pay the claim.

15. Preventing Our right of recovery

Where another person is liable to compensate You for any loss, destruction or physical damage which is covered by this Policy but You have agreed not to seek recovery of any monies from that person, We will not cover You under this Policy for that loss, destruction or physical Damage.

16. Subrogation

Subject to the Insurance Contracts Act 1984, We have the right to recover any money paid by Us from any other person against whom You may be able to claim and We shall have full discretion in the conduct, defence or settlement of any claim in Your name. You must not hinder these rights and must give full information and cooperation that We may require.

17. Your obligations

You must take all reasonable precautions to:

- (a) prevent or minimise loss of or Damage to property or injury to persons;
- (b) maintain all premises, fittings and equipment in efficient working condition, including:
 - (i) burglar alarms and other security devices which must be operative whenever the premises are unattended outside Your normal Business hours;
 - (ii) Fire protective systems which must comply with the relevant Australian standard and be operative at all times;
- (c) comply with all statutory requirements, by-laws and regulations imposed by any public authority for the safety of persons or property.

18. Goods and Services Tax (GST)

18.1 GST Notice

Your Policy has a GST provision in relation to premium payments and Our payment to You for claims. It may have an impact on how You determine the amount of insurance You need. Please read Your Policy wording carefully. Seek professional advice if You have any queries about GST and Your insurance.

18.2 Total Sum Insured

All monetary limits in the Policy may be increased for GST in some circumstances (see below).

18.3 Claim settlements – Where We agree to pay

When We calculate the amount We will pay You, We will have regard to the items below:

- Where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim (such as services to repair a damaged item covered under the Policy) We will pay for the GST amount.
- We will pay the GST amount in addition to the Total Sum Insured /Aggregate Limit of Liability or other limits shown in the Policy or in the current Schedule of Insurance.
- If the Aggregate Limit of Liability is not sufficient to cover Your loss, We will only pay the GST amount that relates to Our settlement of Your claim.
- We will reduce the GST amount We pay for by the amount of any input tax credits to which You are or would be entitled.
- Where We make a payment under the Policy as compensation instead of payment for a relevant acquisition, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to had the payment been applied to a relevant acquisition.

18.4 Disclosure – Input tax credit entitlement

If You register, or are registered, for GST, You are required to tell Us Your entitlement to an input tax credit on Your premium. If You fail to disclose or understate Your entitlement, You may be liable for GST on a claim We may pay. The Policy does not cover You for this GST liability, or for any fine, penalty or charge for which You may be liable.

19. Governing law and jurisdiction

Your Policy is governed by the laws of Australia. Any dispute relating to the Policy shall be submitted to the exclusive jurisdiction of an Australian Court within the State or Territory in which Your Policy was issued.

Making a claim

1. Notifying a claim

On the occurrence of any loss or physical Damage covered by this Policy, You must give notice to Us within forty eight (48) hours stating the time when the loss or physical Damage occurred, the cause, a description of the Insured Property which is the subject of the claim, an estimate of the nature and extent of the physical Damage and details of any other insurances under which You are entitled to claim for the same loss or physical Damage.

When notifying a claim You should contact Primacy Underwriting Management Pty Ltd as follows:

Telephone: (03) 9603 1050, or
Facsimile: (03) 9620 1222, or
Email: claims@pum.com.au, or
Website: www.pum.com.au

2. Required assistance

You must give Us all reasonable assistance that We may require to assess the nature and extent of the loss or physical Damage and all such proof and information that We or Our appointed representative may require to prove the nature and extent of the loss, verified under oath, if necessary.

In the event of any loss or physical Damage to the Insured Property, We may:

- inspect and take possession of any property that is subject of the claim;
- keep possession of the property that is subject of the claim for any reasonable purpose; or
- sell the property that is subject of the claim or dispose of it as We see fit but You are not entitled to abandon such property to Us.

3. Important measures

You must take all reasonable steps to reduce the loss and prevent further loss. You must report to the police if You suspect Arson or Malicious Act(s). You must not authorize repairs or replacement of lost or Damaged property, nor make any payment, settlement or admission of liability, without Our written permission.

General Exclusions - Applying to all Sections

We will not pay for any loss of any type caused by, arising from or in any way connected with:

1. Nuclear

The use, existence or escape of nuclear material, or ionising radiation from, or contamination by radioactivity from any nuclear fuel or nuclear waste, resulting from the combustion of nuclear fuel, including any self-sustaining process of nuclear fission or fusion.

2. Unoccupancy

Loss, Damage or liability which occurs during any period in excess of thirty (30) consecutive days during which Your Situation is left unoccupied, unless with Our written consent.

3. War

War or warlike activities, including but not limited to the use of military power, invasion, other hostile acts or a foreign power whether war be declared or not, civil war, insurrection, rebellion, revolution and usurped power.

4. Terrorism

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

5. Wear and tear

Loss or Damage in respect of wear and tear including, but not limited to, rust, fading, discolouration, scratching or marring, development of flaws, normal upkeep or making good.

6. Gradual deterioration

Gradual deterioration, decay, contamination, animals, birds, pests (including uninsured plant species), termites, vermin, insects, larvae or disease howsoever caused.

7. Biosecurity threat

Loss or Damage due to a civil authority's request to destroy Stock and/or Crop of any kind due to pest and/or disease.

8. Flood

Loss or Damage as a result of Flood.

9. Expropriation

Lawful seizure, resumption, confiscation, nationalisation or requisition, but this exclusion does not apply to physical Damage that occurs because of the order if it prevents or attempts to prevent a loss that would be covered under this Policy.

10. Chemicals

The use of chemicals.

11. Value of Crop

Movement in value or price of Harvested Crop and/or Plant(s).

12. Consequential Loss

Consequential loss howsoever caused, unless specifically provided for in the Policy.

Section 1: Buildings, Greenhouse(s), Nurseries, Stock, Crop and Other Contents

Important note

The Agreement, General Definitions, General Conditions and General Exclusions noted in the General Section apply to this Section and must be read in conjunction herewith.

Cover

We will indemnify You in respect of Damage to Insured Property whilst at Your Situation which is caused by any of the events listed below in accordance with the applicable Basis of Settlement.

We will insure You against the loss of or Damage to the Harvested Crop caused directly by the events listed below that occur within fifteen (15) days after the end of harvest. Damage to the Harvested Crop caused by rotting or loss of quality due to over-maturity which originate from the nature of Crop is not covered.

The listing for events may also include conditions, limitations or exclusions on cover. There are also time limits on events which are set out below after the listed events. Please read them carefully.

Definitions - Applying to Section 1

Accidental

An occurrence which is unintended and unexpected.

Event(s)

1. Deliberate acts of:

- (a) persons taking part in riots or civil commotion or taking part in labour disturbances but excluding Damage caused directly or indirectly by total or partial cessation of work;
- (b) other malicious persons (including persons carrying out a theft or persons of malicious intent acting on behalf of or in connection with any political organisation), but excluding Damage caused by employees, tenants or members of Your family residing with You, or to any property stolen; and
- (c) civil authorities through attempts to prevent further loss or Damage following the occurrence of any event.

2. Earthquake, subterranean Fire or volcanic eruption or Fire occasioned by earthquake or volcanic eruption

In addition to the Policy Excess, a separate Earthquake Subterranean Fire or Volcanic Eruption Excess is to apply.

This Excess is the lesser of:

- (a) \$20,000; or
- (b) 1% of the Sum Insured in respect of all Insured Property at Your Situation.

3. Escape of molten material from its intended confines but excluding:

- (a) the cost of:
 - i. repairing any fault which permitted such escape; or
 - ii. retrieving or removing escaped material from any escape channel or catchment area designed for such purpose.
- (b) Damage to:
 - i. furnace linings, crucibles, moulds or other containers from which molten material escapes; or
 - ii. such escaped material.

4. Explosion

Excluding Damage to boilers, economisers or other pressure vessels and their contents resulting from their own explosion.

5. Fire

Excluding Damage:

- (a) resulting from earthquake, subterranean Fire, volcanic eruption or spontaneous combustion; and
- (b) to property undergoing any heating process.

6. Impact by:

- (a) a vehicle, animal, watercraft or aircraft;
- (b) space debris or other aerial devices including sonic boom; and
- (c) a falling tree or part of a tree but not if the Damage is caused by You or a person acting with Your consent to fell or lop trees.

7. Lightning strike directly upon Your Situation

Excluding Damage caused by fluctuations in the power supply unless there is reasonable evidence of a lightning strike.

8. Smoke Damage resulting from a Fire

At Your Situation or adjoining premises, but excluding cumulative Damage.

9. Storm and Rainwater

Excluding:

- (a) Damage caused by:
 - (i) the Sea, tsunami, tidal wave, high water or Flood;
 - (ii) water seeping or percolating through walls, roofs or floors;
 - (iii) Rainwater to the exterior paintwork of the Buildings;
 - (iv) steam or condensation;
 - (v) soil erosion, subsidence or landslip; and
 - (vi) water entering as a result of structural defects, faulty design or faulty workmanship in the Buildings.
- (b) Damage to:
 - (i) gates, fences, retaining walls, textile awnings, blinds and signs;
 - (ii) property in the open air (unless it comprises or forms part of a permanent structure) designed to function without the protection of walls or roof; and
 - (iii) Buildings (and Stock or Crop including Growing Crop and Harvested Crop and Other Contents therein) in course of construction or reconstruction unless the Buildings are enclosed and under roof with all external doors and windows permanently in place.

10. Water or other liquids

Discharged, leaking or otherwise escaping from fixed apparatus, appliances, pipes or systems including:

- (a) the reasonable cost of identifying and locating the source of Damage if it is necessary to do so to effect repair; and
- (b) expenses incurred by a Fire fighting authority to attend to shut off the water supply following Accidental discharge or leaking of an automatic Fire suppression installation.

11. Hail

Damage to insured Greenhouse(s), Stock, Crop(s) including Growing Crop and Harvested Crop, Buildings and Other Contents caused by the direct impact of Hail. It does not include loss due to any other cause such as wind, snow and/or rain, whether or not accompanying the Storm that produced the Hail.

Event Time Limits

The term "event" as used herein shall mean all individual losses arising out of and directly occasioned by one loss. The duration and extent of any one event so defined shall be limited to:

- (a) twenty four (24) consecutive hours for cyclone, hurricane, typhoon, windstorm, rainstorm, hailstorm and/or tornado;
- (b) seventy two (72) consecutive hours for earthquake, subterranean Fire, and/or volcanic eruption;
- (c) one hundred and sixty eight (168) consecutive hours and within the limits of one city or town for riots, civil commotions, and malicious Damage;
- (d) one hundred and sixty eight (168) consecutive hours for any other catastrophe, of whatever nature, which does not include individual loss or losses arising from any of the perils mentioned in (a), (b) and (c) above; and
- (e) one hundred and sixty eight (168) consecutive hours for bush Fires, but in respect of bush Fires the term shall mean all individual losses arising during such period as a result of Fires originating in or spreading through trees and/or grassland.

No loss from an otherwise insured event which occurs outside such periods shall be included in that insured event.

You may choose the date and time when any such period of consecutive hours commences, and if any loss is of a greater duration than the appropriate period specified above, You may divide such loss into two or more events, provided no two periods overlap and provided that no period commences earlier than the date and time of the first recorded individual loss to You in that catastrophe.

Additional benefits - Applying to Section 1

Following insured Damage (except for Additional benefit 1. Accidental Damage and 6. Property in transit), We will also pay:

1. Accidental Damage

For Accidental Damage to Your Insured Property whilst at the Situation which occurs during the Period of Insurance, but excluding:

- (a) Damage to:
 - (i) any Insured Property whilst in transit other than during incidental movement of such property within the Situation;
 - (ii) machinery, electronic equipment, electronic data and electronic media which is caused by any mechanical, electrical or electronic failure, malfunction, derangement or breakdown;
 - (iii) Insured Property undergoing reconstruction, construction, demolition, repair or maintenance.
- (b) Damage caused by:
 - (i) an event listed in Section 1;
 - (ii) unloading or delivery to, or loading prior to dispatch from, the Situation.
- (c) burglary, theft, attempted theft or unexplained inventory shortages;
- (d) claims arising out of any manufacturing, processing, packaging or assembly process;
- (e) Damage caused directly or indirectly by moths, vermin, termites or other insects or disease;
- (f) the cost of recreating computer records or programs;
- (g) fraudulent or dishonest acts by Your employees.

The maximum amount We will pay in total during any one Period of Insurance under this additional benefit is either:

- (a) the Sum(s) Insured for the relevant Insured Property noted in the Schedule of Insurance; or
 - (b) \$250,000
- whichever is the lesser.

2. Claims preparation costs

Refer to Additional benefits - Applying to Section 1 and Section 2 for details of this benefit.

3. Clean up costs

We will pay You the costs necessarily and reasonably incurred at Your Situation for:

- (a) removal of debris, demolition or dismantling of Insured Property; and
- (b) any necessary temporary repairs to Insured Property.

Cover for clean up costs is limited to 10% of the Damaged Insured Property or \$250,000, whichever is the lesser, during the Period of Insurance.

4. Expenses and fees

Refer to Additional benefits - Applying to Section 1 and Section 2 for details of this benefit.

5. Temporary protection and repairs

Where a claim is payable under this Section 1 in respect of Damage to Insured Property as a result of an event, We will pay You the costs necessarily and reasonably incurred at Your Situation for:

- (a) temporary protection, including security personnel, boarding up and fencing;
- (b) necessary temporary repairs, including shoring up, propping, underpinning and make safe work.

The most We will pay under this additional benefit is \$25,000 for any one event.

6. Property in transit

We agree to cover You for Stock and Harvested Crop Damaged in transit on land within Australia as a result of Fire or collision or overturning of a carrying vehicle in Your custody, limited to \$500 any one loss.

However, We will not pay for any Damage:

- (a) when carried in any inadequately constructed vehicle;
- (b) when carried in any unroadworthy or overloaded vehicle; or
- (c) that occurs during the harvesting process.

Accidental Damage covered under this benefit must occur during the Period of Insurance and within 200km of the Situation.

Special conditions - Applying to Section 1

1. Co-insurance

In the event of Damage to Buildings, Greenhouse(s), Nurseries, Stock, Crop, Growing Crop, Harvested Crop or Other Contents or specified items, if the respective Sum(s) Insured is less than 85% of the reinstatement and replacement value of such property at the time such Damage occurs, We will only pay the proportion of such Damage that the respective Sum(s) Insured bear to 85% of those respective values but limited to the Sum(s) Insured.

This Special Condition will not apply if the amount of any Damage does not exceed 5% of the respective Sum(s) Insured.

2. Hazardous goods

Hazardous goods may be stored if usual to the occupancy of Your Situation, but only in such quantities and in such manner as permitted by law.

Basis of Settlement - Applying to Section 1

1. Reinstatement and replacement of Buildings, Greenhouse(s) and Other Contents

Where loss or Damage occurs to Buildings, Greenhouse(s) or Other Contents (other than property of Your directors and/or employees) caused by an event, the basis of calculating the amount payable to You will be, where the Building, Greenhouse(s) or Other Contents are:

- (a) Destroyed, their reinstatement by similar property by way of rebuilding or replacement in a condition equal to, but not better or more extensive than their condition when new; or
- (b) Damaged, the restoration and the repair of the Damaged portion to a condition substantially the same as, but not better or more extensive than its condition when new.

Provided that:

- (i) the work of rebuilding, replacing, repairing or restoring, as the case may be, (which may be carried out on another site and in any manner suitable to Your requirements but subject to Our liability not being increased as a result) must be commenced and carried out without delay, failing which We will not be liable to make any payment beyond the indemnity value of the Damaged property at the time of the happening of the Damage;
- (ii) if any Building, Greenhouse(s) or Other Contents are Damaged or Destroyed in part only, Our liability will not exceed the amount We would have been liable to pay for reinstatement if the Building, Greenhouse(s) or Other Contents had been wholly Destroyed; and
- (iii) each of the items insured are separately subject to Special Condition 1 (Co-insurance).

2. Extra cost of reinstatement

We will pay for the extra cost of reinstatement, including demolition or dismantling of Buildings, Greenhouse(s) or Other Contents (other than property of Your directors and/or employees) necessarily and reasonably incurred to enable compliance with any statutory requirements at the time of reinstatement.

If the cost of reinstatement of the Damage is less than 50% of the reinstatement cost of the Insured Property had such property been totally Destroyed, the amount payable will relate only to the portion of the property Destroyed or Damaged and will not include any extra cost in relation to any portion of the property which has not been Destroyed or Damaged and, in any event, will not exceed the amount which We would have had to pay if that property had been totally Destroyed.

'Reinstatement' means, where the Building, Greenhouse(s) or Other Contents are:

- (a) Destroyed, their reinstatement by similar property by way of rebuilding or replacement in a condition equal to, but not better or more extensive than their condition when new; or
- (b) Damaged, the restoration and the repair of the Damaged portion to a condition substantially the same as, but not better or more extensive than its condition when new.

Provided that the:

- (i) work of reinstatement (which may be carried out wholly or partially upon another site if necessary by any statutory requirements, but subject to Our liability not being increased as a result) must be commenced and carried out without delay, failing which We will not be liable to make any payment beyond the amount which would have been payable had not applied; and
- (ii) amount payable will not include any extra cost to comply with any statutory requirement imposed before the destruction or Damage occurred.

3. Stock and Crop in Greenhouse(s) or Nurseries

- (a) On Stock, raw materials, supplies and other materials used to propagate Plant(s), the cost of replacement, provided the replacement shall have been carried out with reasonable dispatch, or if not replaced, the original cost to You of such property or the Sum(s) Insured, whichever is the lesser;
- (b) On Crop in the process of production, the cost of replacement of the Plant(s), raw materials and the cost of labour and other overhead charges expended on them, without any allowance for profit, calculated at the time and place of the Damage; and
- (c) On Growing Crop or Harvested Crop produced by You, the gross loss amount will be determined by multiplying the agreed value of Growing Crop or Harvested Crop as specified in Your Schedule of Insurance by the assessed percentage loss or Damage. The applicable Excess will be deducted from the total gross loss amount to determine the claim payment.

4. Salvage

Where appropriate, the salvage value of any Buildings, Greenhouse(s), Stock or Crop and Other Contents which cannot be reinstated or replaced shall either accrue to insurers or be deducted from the claim.

Section 2: Business Interruption

Important note

The Agreement, General Definitions, General Conditions and General Exclusions noted in the General Section apply to this Section and must be read in conjunction herewith.

This Section is not available if the Growing Crop and/or Harvested Crop are covered under Section 1.

Cover

If the Business carried on by You at the Situation is interrupted or interfered with as a result of Damage to Insured Property under Section 1 (Buildings, Greenhouse(s), Stock, Crop and Other Property) due to an Insured event listed in Section 1, We will, subject to the provisions of this Policy including the limitation on Our liability, pay to You the amount of loss resulting from such interruption or interference in accordance with the applicable Basis of Settlement.

Definitions – Applying to Section 2

Annual Turnover:

The Turnover during the twelve (12) months immediately before the date of the Damage to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

Gross Profit:

The amount by which:

- (a) the sum of the Turnover and the amount of the closing Stock and Crop and Harvested Crop and work in progress shall exceed;
- (b) the sum of the amount of the opening Stock and Crop and Harvested Crop and work in progress and the amount of the uninsured working expenses as set out in the Schedule of Insurance.

The amounts of the opening and closing Stock(s) and Crop(s) and work in progress shall be arrived at in accordance with Your normal accountancy methods, due provision being made for depreciation.

Increase in Cost of Working:

The Increase in Cost of Working necessarily and reasonably incurred during the Indemnity Period as a result of the Damage for the purpose of avoiding or diminishing reduction in Turnover and/or resuming and/or maintaining normal Business operations and/or services.

Indemnity Period:

The period beginning with the occurrence of the Damage and ending not later than the number of months specified in the Schedule of Insurance thereafter during which the results of the Business shall be affected as a result of the Damage.

Payroll:

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

Rate of Gross Profit:

The Rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

Rate of Payroll:

The Rate of Payroll to Turnover during the financial year immediately before the date of the Damage to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

Shortage in Turnover:

The amount by which the Turnover during a period shall, as a result of the Damage fall short of the part of the Standard Turnover which relates to that period.

Standard Turnover:

The Turnover during that period in the twelve (12) months immediately before the date of the Damage which corresponds with the Indemnity Period to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

Turnover:

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

Basis of Settlement – Applying to Section 2

1. Loss of Gross Profit

You are entitled to compensation for loss of Gross Profit due to:

- (a) Shortage in Turnover; and
- (b) Increase in Cost of Working.

The amount payable as indemnity thereunder shall be:

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

LESS any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced as a result of the Damage. Provided that if the declared value of Gross Profit at the commencement of each Period of Insurance be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover, (or its proportionately increased multiple thereof, where the Indemnity Period exceeds twelve (12) months) the amount payable hereunder shall be proportionately reduced.

2. Payroll

You are entitled to compensation for loss in respect of Payroll and the amount payable as indemnity thereunder shall be:

- (a) In respect of Shortage of Turnover:
 - (i) during the portion of the Indemnity Period beginning with the occurrence of the Damage and ending not later than the number of weeks thereafter specified in the Schedule of Insurance: the sum produced by applying the Rate of Payroll to the Shortage in Turnover during the said portion of the Indemnity Period less any saving during the said portion of the Indemnity Period, through reduction as a result of the Damage, in the amount of Payroll paid;
 - (ii) during the remaining portion of the Indemnity Period: the sum produced by applying the Rate of Payroll to the Shortage in Turnover during the said remaining portion of the Indemnity Period less any saving during the said remaining portion of the Indemnity Period, through reduction as a result of the Damage, in the amount of Payroll paid; but not exceeding the sum produced by applying the percentage of the Rate of Payroll specified in the Schedule of Insurance to the Shortage in Turnover during the said remaining portion of the Indemnity Period, increased by such amount as is deducted for savings under the terms of clause (a) (i) above. At Your option the number of weeks referred to in clause (a) (i) above may be increased to the number of weeks specified in the Schedule of Insurance under the heading 'Consolidated Period provided that the amount arrived at under the provisions of clause (a) (ii) shall not exceed such amount as is deducted under clause (a) (i) for savings effected during the said increased number of weeks.
- (b) In respect of Increase in Cost of Working: so much of the additional expenditure described in clause (b) of Item 1 "Loss of Gross Profit" as exceeds the amount payable thereunder, but not more than the additional amount which would have been payable in respect of Shortage in Turnover under the provisions of clauses (a)(i) and (ii) of this item 2 had such expenditure not been incurred.

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

3. Increase in Cost of Working

You are entitled to compensation for loss in respect of an Increase in Cost of Working (not otherwise recoverable hereunder) necessarily and reasonably incurred during the Indemnity Period as a result of the Damage for the purpose of avoiding or diminishing reduction in Turnover and/or resuming and/or maintaining normal Business operations and/or services.

Special conditions – Applying to Section 2

Except to the extent this Policy is hereby modified under the following Special Conditions the terms, conditions and limitations of this Policy shall apply:

1. Turnover elsewhere after Damage

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

2. Departmental clause

If the Business be conducted in departments the independent trading results of which are ascertainable the provisions of clauses (a) and (b) of Item Nos. 1 and 2 under Basis of Settlement shall apply separately to each department affected by the Damage.

3. New business

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

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

Annual Turnover: the proportional equivalent, for a period of twelve (12) months, of the Turnover realised during the period between the commencement of the Business and the date of the Damage to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

Standard Turnover: the proportional equivalent, for a period equal to the Indemnity Period, for the Turnover realised during period between the commencement of the Business and the date of the Damage to which such adjustments shall be made as may be necessary to provide

for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

Rate of Payroll: the Rate of Payroll to Turnover during the period between the date of the commencement of the Business and the date of the Damage to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

4. Accumulated Stocks or Crop

In adjusting any loss, account shall be taken and equitable allowance made if any Shortage in Turnover due to the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated Stocks or Harvested Crop.

5. Financial Statements or books of account

Any particulars or details contained in Your Financial Statements or books of account or other Business books or documents which may be required by the insurer(s) for the purpose of investigating or verifying any claim hereunder may be produced and certified by Your 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 Your books and accounts unless otherwise defined in this Policy.

6. Public utilities extension

Any loss resulting from interruption of or interference with the Business as a result of Damage to Insured Property, caused by an event, Damage as a result of which is insured hereunder, at any electricity station or substation, gas works or water works of a public supply undertaking which is situated on or immediately adjacent to the Situation shall be deemed to be loss resulting from Damage to Insured Property used by You at the Situation.

7. Turnover/output alternative

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

If the meaning set out above be used, Special Condition 1 'Turnover elsewhere after Damage' shall be altered to read as follows:

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

8. Computer

The 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 You anywhere in Australia.

9. Salvage sale

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

- Clause (a) of Item 1 of the Basis of Settlement shall, for the purpose of such claim, read as follows:

In respect of Shortage in Turnover: the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall, as a result of the Damage fall short of the Standard Turnover, from which shall be deducted the Gross Profit actually earned during the period of the salvage sale.

- The definition of Shortage in Turnover shall, for the purpose of such claim, read as follows:

Shortage in Turnover shall mean: the amount by which the Turnover during a period (less the Turnover for the period of the salvage sale) shall, as a result of the Damage, fall short of the part of the Standard Turnover which relates to that period, from which shall be deducted the Payroll paid during the period of the salvage sale.

10. Situation in the vicinity (prevention of access)

Loss as insured by the Policy resulting from interruption of or interference with the Business as a result of Damage to property in the vicinity of the Situation caused by an event, Damage as a result of which is insured hereunder, which shall prevent or hinder the use thereof or access thereto, whether the Situation or Insured Property therein shall be Damaged or not, shall be deemed to be loss resulting from Damage to property used by You at the Situation.

Loss as insured by this Policy resulting from interruption of or interference with the Business as a result of Damage to property in the vicinity of and forming part of or contained in the complex of which the Situation forms part caused by an event, Damage as a result of which is insured hereunder, which results in a cessation or diminution of trade due to temporary falling away of potential custom whether the Situation or Insured Property therein shall be Damaged or not shall be deemed to be loss resulting from Damage to property used by You at the Situation.

Specific exclusions - Applying to Section 2

Business interruption losses due to Damage caused by other events not listed as an event within the Policy are excluded.

Additional benefits - Applying to Section 1 and Section 2

Following insured Damage, which results in a covered loss under Section 1 or Section 2, We will also pay the following additional benefit:

1. Claims preparation costs

The reasonable and necessary professional fees and expenses, as approved by the Loss Adjuster, which are payable by You for the preparation of claims made under the Policy arising as a direct result of an insured event occurring during the Period of Insurance.

Cover for claims preparation costs is limited to a combined total amount under both Section 1 and Section 2 of \$5,000 any one event, unless a higher limit is specified in Your Schedule of Insurance.

2. Expenses and fees

Expenses and fees reasonably incurred:

- (a) from architects, surveyors, solicitors, consulting engineers, accountants, bookkeepers and other professional consultants other than for preparing any claim; or
- (b) to discharge Your mortgage following a total loss to Buildings insured under this Section 1.

Cover for expenses and fees is limited to a combined total amount under both Section 1 and Section 2 of \$25,000 any one event, unless a higher limit is specified in Your Schedule of Insurance.

Section 3: Burglary

Important note

The Agreement, General Definitions, General Conditions and General Exclusions noted in the General Section apply to this Section and must be read in conjunction therewith.

Cover

We will indemnify You in respect of Damage and theft to Insured Property described whilst within the Premises caused by Burglary. A Sum Insured of \$5,000 is automatically provided, per Period of Insurance. Should You require a higher Sum Insured, You will need to specify the Sum Insured required, and if acceptable to Us, pay any additional premium required. Your Sum(s) Insured will be specified in the Schedule of Insurance.

Definitions - Applying to Section 3

Burglary:

Theft or attempted theft by any person involving:

- (a) visible forcible and violent entry to or exit from the Premises; or
- (b) actual or threatened armed hold up, assault or violence; or
- (c) felonious concealment within the Premises.

Premises:

Part of the Building at Your Situation occupied by You excluding:

- (a) any Building not communicating therewith; and
- (b) any yard or open space.

Additional benefits - Applying to Section 3

We will also pay:

1. Employee dishonesty

Up to \$2,500 any one event where Your employee(s) is/are successfully prosecuted in respect of fraudulent misappropriation of Stock or Crop, provided that:

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

2. Keys and locks

Following Burglary, the cost of replacing keys and locks used to secure Your Premises, limited to \$1,000 any one event.

3. Temporary protection and security guards

Following Burglary, costs necessarily and reasonably incurred by You in arranging temporary protection at Your Premises, including the employment of security guards, up to \$2,000 any one event.

4. Damage to Premises

Following Burglary, the cost of repairs to the Premises limited to \$2,000 any one event.

Specific exclusions - Applying to Section 3

We will not pay for Damage:

- (a) due to Burglary by, or in collusion with, You, any members of Your staff or household or occupants of the Premises other than as provided in Additional benefit 1 of this Section;
- (b) to cash, currency, bank notes, stamps, deeds, bonds, bills of exchange, promissory notes, securities for money or other negotiable documents;
- (c) arising during or as a result of Fire, earthquake, riot or civil commotion; or
- (d) of any consequential kind.

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The information contained in this Policy wording is current as at July 2017.

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