

Cash Flow Insurance

Policy Wording

Introduction

The Policy and any endorsements are to be read as one contract and any word or expression given meaning in any one part has the same meaning wherever it appears.

Provided You have paid the premium and provided You continue to operate the Business then if during the Period of Insurance Damage occurs to Property as defined at the Premises specified in the Schedule and the Damage causes interruption or interference with the Business causing loss as insured by this Policy, then subject to the Policy terms, conditions and exclusions We will pay You an amount up to the Sum Insured and Indemnity Period limits specified in the Schedule.

Definitions

For the purposes of this Policy:

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 thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

1. involves violence against one or more persons;
2. involves damage to property;
3. endangers life other than that of the person committing the action;
4. creates a risk to health or safety of the public or a section of the public; or
5. is designed to interfere with or to disrupt an electronic system.

Average Weekly Rental means one fifty second of the annual rental being received by You for the Premises immediately prior to the Indemnity Period.

Average Weekly Turnover means the actual weekly average of the turnover for the twelve (12) months preceding the commencement date of the Indemnity Period or if the Business has not been operating for 12 months then the weekly average for the period the Business has been in operation.

Business means the Business specified in the Schedule and none other for the purposes of this insurance. If Loss of Rent is covered under this policy then the Business includes property rental.

Damage means material loss or damage.

Electronic Data means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for such equipment.

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

Goods in transit means Property whilst in the course of transportation on land to or from Premises specified in the Schedule.

Indemnity Period means the period during which the Damage to Property at the Premises interrupts or interferes with the Business causing loss as insured by the Policy and not exceeding the number

of Weeks of Indemnity stated in the Schedule and subject always to the provisions of Policy Condition 7 - Time Limitations.

Limit of Liability means the maximum amount(s) specified in the Schedule which We will pay in respect of any individual Item or type of Damage, cost or expense separately identified in the Schedule (see also Sum Insured).

Loss of Rent means the difference between the Average Weekly Rental and the weekly rental actually received by You for the Premises during the Indemnity Period.

Lumped Extensions as numbered and listed below are costs which We, in our absolute discretion, are satisfied, are reasonably and necessarily incurred for the purpose of assisting and returning the Business to its pre-loss trading and/or operational activity level

1. **Relocation Costs** means the expenditure incurred for the actual relocation of the Business excluding asset purchases.
2. **Increased Costs of Working** means the increase to the working costs already appearing in the accounts of the Business directly resulting from the loss or damage but not including stock, materials or expansion costs.
3. **Wages in Lieu of Notice** means wages payable to staff not being retained calculated on normal weekly earnings for a maximum period of four weeks.
4. **Wages and/or Salaries (Wages) not Otherwise Recoverable** means the wages which are not otherwise recoverable under the Policy that are payable to temporarily non-productive staff being retained in employment but that were not taken into account when producing the Weekly Sum Insured from the Rating Classification used.
5. **Expediting Expenses** means expenditure in excess of normal expenditure incurred to expedite return to the normal operations of the Business including penalty rates and transport expediting costs all incurred solely in consequence of the loss or damage.
6. **Loss of Accounts Receivable** means the difference between customers' outstanding debit balances and amounts able to be collected credited or traced but excluding bad and doubtful debts.
7. **Advisors' or Consultants' Costs** means the reasonable professional costs payable to financial advisors (excluding legal cost but including but not limited to accountants and loss adjusters) for preparation and proving any claim under this Policy and under any material damage policy covering the same loss provided such costs cannot be recovered under the material damage policy.
8. **Cost of Recreating Records** means the cost of recreating records directly related to the activity of the Business but excluding research experimental modifications changes testing or the like and all materials provided the cost cannot be recovered under the material damage policy covering the same loss or damage.
9. **Claim Preparation Costs** means costs incurred by You in preparing claims under the Policy and also under the material damage policy covering the same loss or damage provided the costs cannot be recovered under the material damage policy and excluding legal costs.
10. **Additional Costs of Working** means any additional operational expenditure reasonably incurred by You in respect to this claim which is not recoverable under any of the above Extensions You have chosen to insure or under any other insurance policy.

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Material Damage Insurance means any current valid insurance policy covering Property at the Premises against material loss or damage including to registered motor vehicles and trailers owned or operated by You.

Premises means the situation(s) or location(s) specified in the Schedule and none other unless specially noted in the Policy.

Property means the building(s) or other property used by You and for which You or some other person has Material Damage Insurance

Rating Classification Percentage means the Rating Classification percentage shown in the Schedule.

Sum Insured means the maximum amount(s) specified in the Schedule which We will pay in respect of any individual Item or type of Damage, cost or expense separately identified in the Schedule (see also Limit of Liability).

Turnover means the money paid or payable to You for goods sold and/or for services rendered in the course of the Business at the Premises.

Weekly Sum Insured Limit means the maximum sum insured payable in any one week as specified in the Schedule..

You/Your means the Person(s) or Company(s) named in the Schedule as the Policyholder. *We/Our/Us* means the Insurer stated in the Schedule.

The Cover

Subject to the terms, conditions, provisions and exclusions of this Policy:

For Item 1 of the Schedule

We will make weekly payments not exceeding the Weekly Sum Insured Limit in respect of loss of Turnover suffered by You during the Indemnity Period if the Business is interrupted or interfered with due to loss or damage during the Period of Insurance to Your Property at the Premises specified in the Schedule.

Such weekly payments shall be calculated by applying the Rating Classification Percentage to the difference between Average Weekly Turnover and actual weekly Turnover during the Indemnity Period, adjusted for variations or seasonal trends in the Business or other circumstance before or after the Damage that would have affected the Business had the Damage not occurred.

If Average Weekly Turnover is exceeded in any one week, then the excess amount, after applying the Rating Classification Percentage, will be brought in as a credit when calculating the total loss under Item 1.

For Item 2 of the Schedule

We will make weekly payments not exceeding the Weekly Sum Insured Limit for rental income in respect of Loss of Rent suffered by you during the Indemnity Period if the Business is interrupted or interfered with due to loss or damage during the Period of Insurance to Your Property at the Premises specified in the Schedule.

However We will make no payments under Item 2 unless We are satisfied that You are undertaking repair or reinstatement of the Property at the Premises or that You intend to repair or reinstate the Property at the premises.

For Item 3 of the Schedule

We will pay an amount not exceeding the Limits of Liability specified in the Schedule if during the Indemnity Period costs and expenses as defined under the heading "Lumped Extensions" are incurred directly as a result of the Business being interrupted or interfered with due to loss or damage during the Period of Insurance to Your Property at the Premises specified in the Schedule.

Where a single Limit of Liability is shown for Item 3, unless specified otherwise in the Schedule, it shall be divided equally between all Premises and further equally amongst all Policyholders.

For Item 4 of the Schedule

We will pay an amount not exceeding the Limits of Liability as specifically described in the Schedule.

Additional Provisions

1. Our liability for any one Item shall not exceed the Limit of Liability specified in the Schedule for that Item and is limited always to the Maximum Liability specified in the Schedule.
2. If during the Indemnity Period goods shall be sold or services rendered for the benefit of the Business either by You or on Your behalf elsewhere than at the Premises where the Damage to Your Property has occurred the amount paid or payable in respect of such goods or services shall be brought into account in arriving at Turnover during the Indemnity Period.

Additional Benefits

Subject otherwise to the terms, conditions, provisions and exclusions of this Policy:

1. **Claims Settlement Terms:** Whenever You request it and if practicable claim payment shall be made every seven days .
2. **Suppliers and Customers Premises:** We will treat loss or damage to the building and other property of your direct suppliers and direct customers at their premises in Australia as being loss or damage to building(s) or other Property at Your Premises provided that such loss or damage results in the interruption of or interference with the Business.
The Limit of Liability for this Additional Benefit 2 is stated in the Schedule.
3. **Premises in the Vicinity (Prevention of Access and or Loss of Attraction):** We will treat as though such property were at the Premises specified in the Schedule loss or damage to property within a ten kilometre radius of the Premises (including any commercial complex in which the Premises are contained) that may prevent or hinder the use of or prevent access to the Premises and which results in loss of Turnover to Your Business whether Your Premises or Property be damaged or not.
The Limit of Liability for this Additional Benefit 3 is stated in the Schedule.
4. **Storage Locations:** We will treat Damage to Your Property at premises in Australia where You have Property temporarily stored or any work or process temporarily being carried out by others as being loss or damage at Your Premises.
The Limit of Liability for this Additional Benefit 4 is stated in the Schedule.

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- 5. Failure of Supply from Land Based Public Utilities or Telecommunications Services:** We will treat as though such property were at the Premises specified in the Schedule loss or damage to any public electricity generating station, sub-station or supply line, land-based premises of any public supplier of gas or directly linked natural gas producer premises including pipelines, works and supply lines of any public suppliers of water, land-based premises and supply lines of any public sewerage undertakings, land-based premises and cable or transmission lines of any telecommunications network used by You to obtain supply or services.

The Limit of Liability for this Additional Benefit 5 is stated in the Schedule.

- 6. Trade Exhibitions:** Loss of Turnover resulting from curtailment, cancellation or postponement of any trade exhibition anywhere in the world in consequence of loss or damage at the venue and/or to property exhibited there by You shall be treated as loss or damage at the Premises.

The Limit of Liability for this Additional Benefit 6 is stated in the Schedule.

- 7. Goods in Transit:** We will treat loss or damage to Goods in Transit as being loss or damage to Your Property at Your Premises provided that such loss or damage results in the interruption of or interference with the Business.

The Limit of Liability for this Additional Benefit 7 is stated in the Schedule.

- 8. Departments:** If the Business is conducted in separate business units, departments or divisions and separate departmental or divisional Turnover(s) are ascertainable, claims made may separately apply to each business unit affected by the loss or damage. If separate Sums Insured are not specified in the Schedule the Weekly Sum Insured per unit shall be determined by apportioning the Average Weekly Turnover percentage of the unit to the Total Average Weekly Turnover of the Business.

- 9. Multiple Premises and or Multiple Companies:** If the Business is conducted at multiple premises and/or by multiple companies for which only one Weekly Sum Insured is specified then the Weekly Sum Insured for any claim made shall be determined by apportioning the Average Weekly Turnover percentage of the affected Premises and or Company to the Total Average Weekly Turnover(s) of all the insured Premises and Companies.

- 10. Disease Murder Suicide:** We will extend the term, "Damage" at the Premises specified in the Schedule where there is closure of those Premises

- by order of a competent public authority consequent upon vermin or pests or defects in the drains or other sanitary arrangements or injury, illness or disease directly caused by the consumption of food or drink provided at or from the Premises or inhalation of or contact with dangerous or noxious substances or murder or suicide or injury occurring at the Premises; or
- by order of a competent public authority consequent upon human infectious or contagious disease manifested by any person whilst at the Premises, the outbreak of a notifiable human infectious or contagious disease occurring at or within a 40 kilometre radius of the Premises but excluding Highly Pathogenic Avian Influenza and all diseases declared

to be quarantinable under the Quarantine act 1908 (as amended)

where such closure causes interruption to or interference with the Business.

- 11. Acquired Companies:** If during the Period of Insurance You acquire a controlling interest in another company or organisation the property in Australia so acquired including such property for which the other company or organisation are responsible legally or by agreement shall be property at the Premises specified in the Schedule. It is a condition of this Additional Benefit that within thirty days of any such acquisition You shall tell Us in writing the names and nature of the business or businesses and will provide information necessary to revise the Particulars of Insurance values in the Schedule. The Limit of Liability for this Additional Benefit 9 is stated in the Schedule

Exclusions

We will not pay for:

1. Interruption or Interference to the Business arising from loss or damage caused (unless otherwise stated):
 - (a) directly or indirectly by Flood;
 - (b) by mechanical, electrical or electronic breakdowns or breakages;
 - (c) directly or indirectly by war, acts of war (whether war be declared or not), rebellion, revolution, insurrection, military or usurped power or by confiscation, nationalisation, requisition destruction or damage by or by the order of any government or public authority;
 - (d) directly or indirectly related to ionising radiation, any radioactive material or nuclear process or from nuclear weapons material;
 - (e) directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any Act of Terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss. This exclusion also applies to interruption or interference to the Business arising from loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism.
 - (f) in consequence of total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data, error in creating, amending, entering, deleting or using Electronic Data, or total or partial inability or failure to receive, send, access or use Electronic Data, for any time or at all regardless of any other contributing cause or event whenever it may occur

unless any of the matters described in (f) above are

- i) directly caused by any of the perils listed below
Fire, explosion, lightning, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami,

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freezing, weight of snow, impact by aircraft or other aerial objects dropped therefrom, impact by any road vehicle, bursting overflowing discharging or leaking of water tanks apparatus or pipes; or

- ii) the result of theft of Electronic Data solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data

but only when You or some other person has material damage insurance in respect of the loss or damage.

For the purposes of this Policy, computer systems records include Electronic Data as defined in the Definitions section of this Policy. For the sake of clarity Exclusion (e) and any other Terrorism exclusion in this Policy or any endorsement thereto excluding liability arising directly or indirectly out of Acts of Terrorism prevails over this exclusion.

- 2. Any loss or damage incurred or caused by any wilful act or connivance on Your behalf or by Your failure to keep reasonable Business books or Financial records.

Conditions

- 1. **Alterations to the Business:** You must advise Us of any alteration in the trade or manufacture carried on by You or of any other circumstances which might increase the risk of a claim or the period of interruption or if the Business goes into liquidation or receivership or is wound up or discontinued.
- 2. **Care and Maintenance:** You shall exercise reasonable care, and take all reasonable measures to maintain the Premises and Your Property in a satisfactory state of repair and take all reasonable precautions to prevent loss or damage at the Premises.
- 3. **Compliance with Statutory Requirements:** You shall comply with all statutory requirements and other safety regulations imposed by any authority in respect to Your Business.
- 4. **Unoccupancy:** The cover provided by this Policy shall be entirely suspended for any period in excess of 60 consecutive days during which the Building or buildings containing insured Property becomes unoccupied, unless the period of unoccupancy continues with Our written consent.
- 5. **Interests of Other Persons:** We will not insure the interest(s) of any person(s) other than You unless You have notified Us in writing of such interest(s), and the interest(s) and the person(s) are noted in the Schedule.

- 6. **Making a Claim:** When You suffer any loss or damage or if an event occurs which is likely to result in a claim under this Policy You must at your own expense:
 - (a) give Us immediate notice in writing of details of any loss or damage;
 - (b) provide Us with all information, evidence and documentation We may reasonably require;
 - (c) take all reasonable precautions to prevent, avoid, or diminish further loss or damage;
 - (d) immediately inform the police of any malicious damage or attempts to commit same.
- 7. **Time Limitations:** We will not pay for any loss or additional loss claimed under this Policy after the expiration of one year from the end of the Period of Insurance in which the Damage to Your property occurs or three months from the date on which payment covering the Damage shall have been made or liability admitted by Us unless in the meantime such claim shall have become the subject of arbitration or legal action.
- 8. **Automatic Reinstatement:** Following payment of any claim under the Policy and subject to Our agreement the Sums Insured specified in the Schedule shall be automatically reinstated and any appropriate extra premium charged.
- 9. **Subrogation:** Upon paying Your claim We reserve Our entitlement to subrogate all or any recovery rights available from other parties. We shall waive any subrogation rights against all parties insured by this Policy including their directors, officers and employees.

Cancellation

You may cancel this Policy at any time by giving Us written notice of Your intention. We will refund to You the pro rata proportion of unexpired premium less our standard cancellation fee.

We may cancel this Policy by giving You written notice to that effect if You are in breach of any of the provisions of this Policy, including any provision relating to the payment of premium or for any other reason available to Us at law.

On cancellation by Us, We will refund to You the pro rata proportion of unexpired premium.