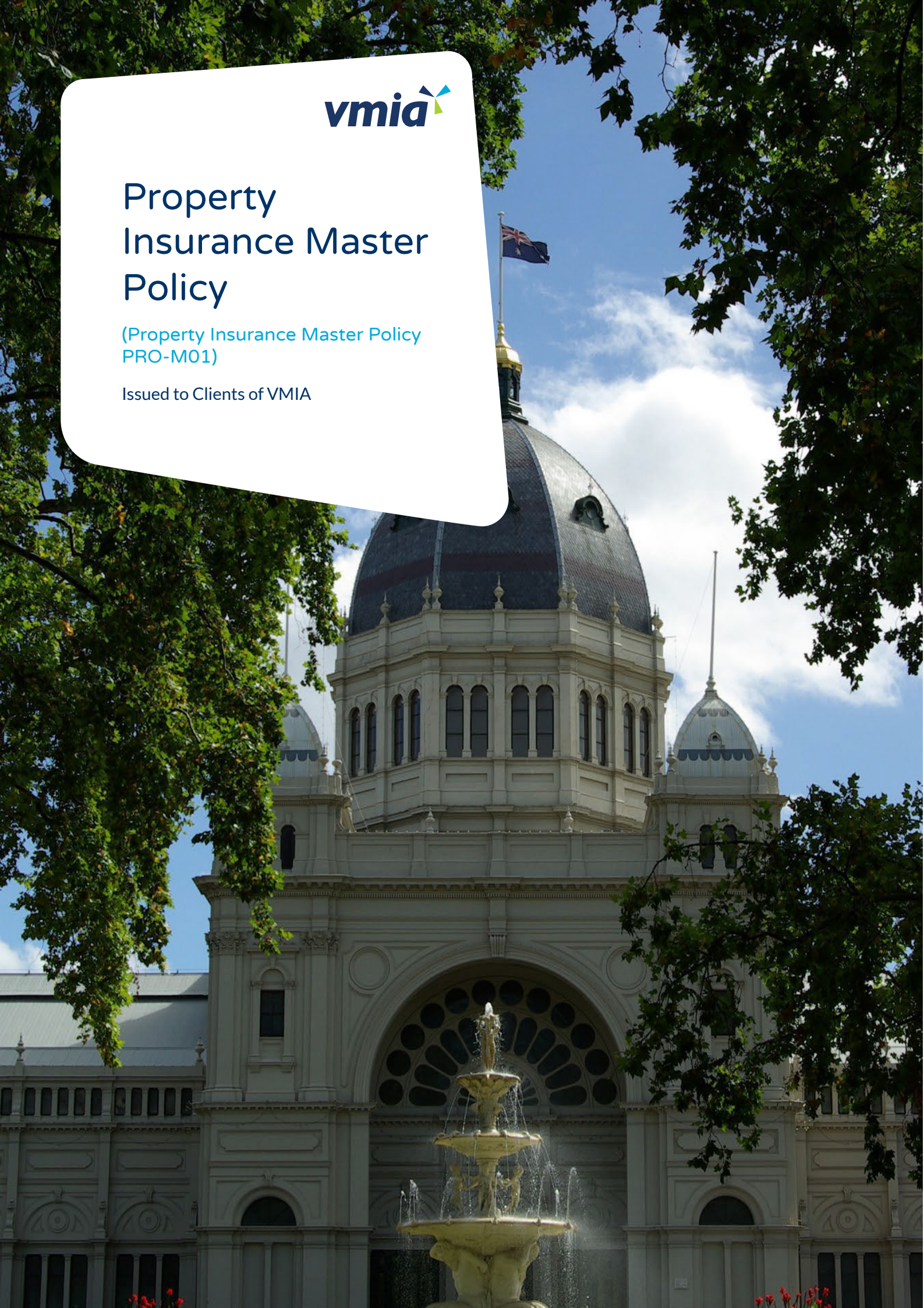




Property Insurance Master Policy

(Property Insurance Master Policy
PRO-M01)

Issued to Clients of VMIA



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Insurance Authority



Victorian Managed Insurance Authority (VMIA) acknowledges the Traditional Custodians of the land on which we do business, and we pay our respects to Elders past and present. We acknowledge the important contribution that Aboriginal and Torres Strait Islander peoples make in creating a thriving Victoria.

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1. Section 1 – Property Damage

1.1 What is covered

1.1.1. Primary cover

VMIA will pay the **Insured** for **Damage** to insured **Property** occurring during the **Policy Period** and happening at the **Situation** where the **Insured** conducts their **Business** activities provided the **Damage** is caused by or resulting from a cause not otherwise excluded.

VMIA will settle the **Insured's** claim in accordance with section 4 'How VMIA will pay – Section 1 – Property Damage'.

1.1.2. Fraud, Dishonesty or Extortion

VMIA will also pay the **Insured** for:

- (a) **Financial Loss** sustained by the **Insured** arising from the illegal use of a credit card by an unauthorised person and from identity fraud discovered during the **Policy Period**.
- (b) **Financial Loss** caused by **Employee** dishonest acts or non-**Employee** fraud arising from the electronic transfer of funds from the **Insured's** bank account to a bank account not controlled by the **Insured**.
- (c) Loss of **Insured Property** caused by **Employee** dishonesty acting alone or in collusion with others and committed and discovered during the **Policy Period**.
- (d) **Financial Loss** arising from extortion or computer violation threats made by a third party to the **Insured** during the **Policy Period**, unless otherwise **Insured** by VMIA; and
- (e) Loss of **Insured Property** caused by non-**Employee** fraud and forgery committed and discovered during the **Policy Period**;

provided the loss has not been caused by or resulted from a cause excluded under this **Policy**.

VMIA will settle the **Insured's** claim in accordance with section 4 'How VMIA will pay - Section 1 - Property Damage.' VMIA will pay no more than the amount specified as the **Sub-Limit of Liability** stated in the **Policy Schedule** for any one loss or series of losses arising out of any one event.

1.2 Extensions - Primary Cover

VMIA also provides the following extensions of cover where **Damage** to the **Insured Property** has taken place in circumstances which satisfy clause 1.1.1.

VMIA will pay the **Insured** for:

1.2.1. Accounts receivable records

- (a) all sums due to the **Insured** from debtors, where the **Insured** cannot collect sums owing because of **Damage** to records of accounts receivable;
- (b) all interest charges at bank rates applicable at the time of loss on any loan to offset impaired collections pending repayment of such amount(s) rendered uncollectible as a result of such **Damage** to records of accounts receivable;
- (c) all interest lost by the **Insured** as a consequence of such impaired collections;
- (d) additional expenditure incurred in tracing and establishing the amount(s) of accounts receivable; and
- (e) collection costs and expenses in excess of normal collections costs and expenses made necessary because of such **Damage**.

1.2.2. Coverage for Emergency Services Resource Providers

An **Emergency Services Resource Provider** is considered an **Insured** to the extent that they agree to a **Supply Period** with the **Control Agency**.

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Under this clause 1.2.2, VMIA will indemnify the **Insured** in accordance with insuring clause 1.1.1.

For the purposes of this extension,

- i. **Control Agency** means the named **Insured** to this policy to the extent they have been appointed or deemed as appointed under the Emergency Management Act 1986.
- ii. **Eligible Emergency** means an emergency as defined in the Emergency Management Act 1986 and the State Emergency Management Plan, the response to which is handled by a **Control Agency**, and which emergency is due to the actual or imminent happening of an **Occurrence** or the manifestation of circumstances which harms or endangers, or threatens to harm or endanger, the safety or health of persons in Victoria or which destroys or **Damages**, or threatens to destroy or **Damage**, property in Victoria or an element of the Victorian environment. For the purpose of this insurance **Eligible Emergency** includes subsequent urgent post event activities where insurance cover is not otherwise available.
- iii. **Emergency Services Resource Provider** means:
 - a. the Commonwealth of Australia and any State of the Commonwealth of Australia, including any agency or instrumentality thereof having an emergency response function; or
 - b. a company or person who supplies, for the purposes of responding to an **Eligible Emergency**, labour, professional services or **Equipment** but does not include:
- iv. a company which or person who, prior to the happening of an **Eligible Emergency**, is under an obligation (whether contractual or statutory) to supply or make available for reward labour, professional services or **Equipment** for use in connection with or the purposes of, inter alia, an **Eligible Emergency**; or
- v. a volunteer emergency worker as defined in the Emergency Management Act 1986.
- vi. **Equipment** means plant (including scaffolding, temporary structures and portable buildings), machinery and equipment.
- vii. **Supply Period** means in relation to each **Insured** the period during which that **Insured** supplies or makes available, pursuant to a request by or on behalf of a **Control Agency**, labour, professional services or **Equipment** which is or are under the control and direction of a **Control Agency** for the purposes of responding to an **Eligible Emergency**. The **Supply Period** begins when the **Insured** supplies or makes available the labour, professional services or **Equipment** and ends when the personnel providing the labour, services and/or the **Equipment** return to the **Insured's** usual place of **Business** or ceases to be under the control and direction of a **Control Agency**, whichever is the earlier.

It is the responsibility of the **Control Agency** to pay any **Deductible** in relation to this extension. VMIA will pay up to the amount specified as the **Sub-Limit of Liability** stated in the **Policy Schedule**.

1.2.3. Machinery breakdown

The **Policy** extends to indemnify the **Insured** against machinery breakdown which means the actual breaking, seizing, deformation or burning out of any part of a **Machine** whilst in use arising from either mechanical or electrical or electronic defects in the **Machine** causing sudden stoppage of the functions thereof and necessitating repair or replacement before it can resume working.

1.2.4 Change in temperature

Damage to Stock resulting from a change in a temperature-controlled environment due to mechanical, hydraulic, electrical, electro-mechanical or electronic breakdown of the temperature controlling equipment, accidental power failure or accidental shutdown of electricity for more than 12 hours.

1.2.5 Customs, excise and other duties

Customs, excise and other duties which the **Insured** may become liable to pay in the event of **Damage** to the **Insured Property** or the **Insured's** liability to compensate others who may become liable for such customs, excise or other duties.

1.2.6 Environmental upgrade

Additional costs incurred by the **Insured** in rebuilding, undertaking the repair or restoring the **Damage Insured Property** using, or with, more environmentally friendly technology, products or materials that improve energy and water efficiency. This may include the upgrading of greywater and rainwater

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systems, ventilation, lighting, hot water and heating systems. VMIA will only pay up to 20% more than the amount it would have paid if there was no upgrade.

1.2.7 Fire brigade charges, extinguishing expenses and cleaning up costs

- (a) reasonable and necessary costs and expenses incurred by the **Insured** for the purpose of extinguishing fire at or in the vicinity of the **Insured Property** or threatening to involve such **Insured Property** including **Damage** to gain access;
- (b) reasonable costs of replenishing fire-fighting appliances;
- (c) reasonable charges incurred for the purpose of shutting off the supply of water, electricity or gas following accidental discharge from any fire protective equipment; and
- (d) post-fire related costs including the cleaning or clearing up of insured **Premises** not otherwise covered by this **Policy**.

1.2.8 Government and statutory fees

Fees and costs including Commonwealth and State government, local government or statutory authority fees incurred by the **Insured** to obtain consent to reinstate **Insured Property**. Such fees shall not include fines or penalties imposed on the **Insured** by any such authorities.

1.2.9 Landscaping

Damage to landscaping located at the **Insured's Premises** and within 500 metres of the **Insured Property**.

1.2.10 Locks and electronic security

Reasonable and necessary costs and expenses incurred by the **Insured** as a result of the necessary replacement or adjustment of locks and electronic security passes and electronic security systems at the insured **Premises** following the theft or loss of keys or electronic security access cards.

VMIA will also pay for the cost of opening safes or strong rooms following the loss of keys, access cards or combination.

1.2.11 Loss prevention expenses

Reasonable and necessary costs and expenses incurred by the **Insured** to protect the **Insured Property** at the **Insured Premises** from imminent further **Damage**.

1.2.12 Personal property tools and effects

- (a) **Damage** to **personal property tools and effects** of directors, visitors, **Employee(s)** and volunteers whilst on the **Insured Premises**; and
- (b) **Damage** to property of welfare, sporting and social clubs, **Customer** goods and effects whilst on the insured **Premises**,

provided that such personal **property tools and effects** are not otherwise **Insured**.

The maximum amount payable is set out in the **Sub-limit of Liability** stated in the **Policy Schedule**.

1.2.13 Professional fees

Reasonable and necessary professional fees incurred by the **Insured** for reinstatement after **Damage** to **Insured Property**.

1.2.14 Removal of debris

Reasonable and necessary costs and expenses incurred by the **Insured** in:

- (a) the cleaning up, removal, storage and disposal of debris or the dismantling, demolishing, shoring up, propping, underpinning of the portion or portions of the **Insured Property** which have sustained **Damage**. The maximum amount payable is set out in the **Sub-Limit of Liability** stated in the **Policy Schedule**;
- (b) the cleaning up, removal, storage and disposal of debris or the dismantling, demolishing, shoring up, propping, underpinning of the wide area **Damage** sustained within 500 metres of the **Damage Insured Property**. The maximum amount VMIA will pay is 15% of the **Indemnity Value** of the **Insured Property**;
- (c) the removal, storage or disposal of debris on premises, roadways, services, railway or in waterways owned, controlled or managed by others consequent upon **Damage** to the **Insured Property** that an **Insured** is legally required to undertake. Cover is not available in

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respect of assumed liability under contract and any liability incurred by the **Insured** as a consequence of **Pollution**; and

- (d) the demolition and removal of any **Insured Property** that is no longer useful for its intended purpose, providing such demolition and removal is necessary for the purpose of the reinstatement or replacement of the **Insured Property**.

1.2.15 **Safety and temporary protection**

Reasonable and necessary costs and expenses incurred by the **Insured** for making temporary repairs to **Insured Property** and the protection and safety of people pending repair or replacement of **Insured Property**.

1.2.16 **Water tanks and pipes**

Reasonable and necessary costs incurred by the **Insured**:

- (a) in locating and repairing burst or leaking water tanks, pipes or associated apparatus that are the cause of **Damage** to the **Insured Property**; and
- (b) in restoring the resulting **Damage** to the **Insured Premises**.

1.3 Extensions - Fraud, Dishonesty or Extortion

VMIA also provides the following extension of cover where the **Insured** has sustained loss in circumstances which satisfy clause 1.1.2.

1.3.1 **Forensic investigation costs**

VMIA will pay the **Insured** for reasonable and necessary costs and expenses incurred by the **Insured** in investigating loss arising from:

- (a) **Employee** dishonesty;
- (b) non-**Employee** fraud/forgery;
- (c) electronic funds transfer;
- (d) credit card fraud and identity fraud; and
- (e) extortion and computer violation.

The most that **VMIA** will pay for any one loss is the amount specified as the **Sub-Limit of Liability** stated in the **Policy Schedule**.

1.4 Extensions - Combined

VMIA also provides the following extension of cover in circumstances which satisfy either of the clauses in section 1.1.

1.4.1 **Claim preparation costs**

VMIA will pay the **Insured** for reasonable and necessary fees, costs, and expenses incurred by the **Insured** for the preparation of a claim under Section 1 of this **Policy**, provided that such fees, costs, and expenses are incurred with the prior consent of **VMIA**.

Such payment shall be subject to the **Limit of Liability** and the applicable **Sub-Limit of Liability** specified in the **Policy Schedule**, for any one loss or series of losses arising from a single **Occurrence**.

2. Section 2 – Consequential Financial Loss

2.1 What is covered

2.1.1 Primary cover

VMIA will pay the **Insured** for **Financial Loss** arising from the interruption of or interference with the **Insured's Business** as a result of **Damage** to **Insured Property** which occurs in circumstances which satisfy clause 1.1.1. **Loss** will be calculated in accordance with the applicable **Basis of Settlement**.

2.1.2 Access Denied

VMIA will pay the **Insured** for **Financial Loss** resulting from interruption of or interference with the **Insured's Business** in consequence of **Damage** to any property in the vicinity of any insured **Premises** which prevents or hinders the access to or use of the **Insured's Premises**.

2.1.3 Contingent Business Interruption

VMIA will pay the **Insured** for **Financial Loss** resulting from interruption of or interference with the **Insured's Business** in consequence of any threat to the physical safety of the public and imminent **Damage** as a result of that threat, which does not involve **Damage** to **Insured Property** but causes the access to the insured **Premises** to be restricted or lead to a general denial of access to the area in which the **Insured's Premises** are located.

2.1.4 Infectious or contagious diseases and closure of Insured Premises

VMIA will pay the **Insured** for **Financial Loss** resulting from interruption of or interference with the **Insured's Business** directly arising from the intervention of a public body authorised to deny and restrict access to the insured **Premises**, directly arising from an **Occurrence** or outbreak at the **Insured's Premises** of the following:

- (a) a **Notifiable Disease**;
- (b) discovery of an organism likely to cause a **Notifiable Disease**;
- (c) injury or illness sustained by any person from food or drink poisoning;
- (d) discovery of vermin or pests;
- (e) an accident causing defects in the drain or sanitary arrangements; and
- (f) murder or suicide.

2.1.5 Public Authority

VMIA will pay the **Insured** for **Financial Loss** resulting from interruption of or interference with the **Insured's Business** in consequence of any public authority preventing or restricting the access to **Insured Premises** or ordering the evacuation of the public due to **Damage** or threat of **Damage** to property in the vicinity of any insured **Premises**.

2.1.6 Public Utilities

VMIA will pay the **Insured** for **Financial Loss** resulting from interruption or interference with the **Insured's Business** in consequence of **Damage** to property that affects the supply of land based electricity supply, gas supply, steam, water or sewerage reticulation within Australia.

2.1.7 Suppliers or Customers

VMIA will pay the **Insured** for **Financial Loss** resulting from interruption or interference with the **Insured's Business** in consequence of **Damage** to any premises of the **Insured's** direct suppliers and **Customers**.

2.2 Extensions - Primary Cover

VMIA also provides the following extensions of cover where **Financial Loss** has been sustained in circumstances which satisfy clause 2.1.1.

2.2.1 Accounts receivable

Financial Loss resulting from the interruption of or interference with the **Insured's Business** arising from the **Damage** to the **Insured's** books of account or other **Business** books or records resulting in the inability to trace or establish outstanding debt balances.

Financial Loss will be calculated as the total of:

- (a) the sum due to the **Insured** from its **Customers**;
- (b) less the amount of any sum evidenced by records not **Damage** or established or collected by the **Insured**; and
- (c) less an amount to allow for probable bad debts which the **Insured** would normally not be able to collect.

2.2.2 Contractual penalties

Penalties and **Damages** that the **Insured** is legally liable to pay for breach of written contract for non completion of a contract due to the interruption or interference of the **Insured's Business** arising from **Damage** to the **Insured Property**.

2.2.3 Rent Receivable

Loss of rent arising from the **Damage** to the **Insured's Property**. Loss of rent is calculated by:

- (a) assessing the difference between rent received during the **Policy Period** and the **Standard Rent Receivable**;
- (b) add the increased cost of working incurred during the **Policy Period**, but only to the extent that the reduction in **Rent Receivable** is reduced; and
- (c) less any sum saved during the **Policy Period** in respect of such charges and expenses of the **Insured's Business** payable from the **Rent Receivable** as may cease or be reduced in consequence of the **Damage**.

2.3 Extensions - Combined

VMIA also provides the following extension of cover where **Financial Loss** has been sustained in circumstances which satisfy any of the clauses in section 2.1.

2.3.1 Claim preparation costs

VMIA will pay the **Insured** for reasonable professional fees and expenses incurred by the **Insured** with the consent of **VMIA**, which shall not be unreasonably withheld, for the preparation of a claim under Section 2 of this **Policy**. **VMIA**, for each and every loss, will pay no more than the amount specified as the **Sub-Limit of Liability** stated in the **Policy Schedule**.

3. Exclusions

The following exclusions apply to the following Section 1 -Property Damage and Section - 2 Consequential Financial Loss of this **Policy**.

3.1 Excluded causes/perils

This **Policy** does not cover physical loss, destruction or **Damage** occasioned by or happening through:

3.1.1 Electronic Equipment failure

Electronic Equipment failure, or data error erasure or corruption of **Electronic Equipment**.

3.1.2 Erosion, subsidence and earth movement

Erosion, subsidence, earth movement or collapse unless caused by or resulting from earthquake, volcanic eruption, storm and tempest, **Flood** or sudden or accidental discharge of water.

3.1.3 Error, faulty workmanship or omission in design

Error or omission in design, plan or specification or failure of design, faulty materials or faulty workmanship.

3.1.4 Fraud and dishonest acts

Fraudulent or dishonest acts, except as provided under clauses 1.1.2(b) and 1.1.2(e).

3.1.5 Legal liability

Any legal liability of whatsoever nature other than as insured by this **Policy**.

3.1.6 Moths, termites and insects

Moths, termites or other insects, vermin, rust or oxidation, mildew, mould, contamination or **Pollution**, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect.

3.1.7 Settling and seepage

Normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration.

3.1.8 Wear and tear

wear and tear, fading, scratching or marring, gradual deterioration, or developing flaws including cracks or partial fractures, normal upkeep or making good.

3.1.9 War and terrorism

- (a) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, or requisition or destruction of or **Damage** to property by or under the order of any government or public or local authority, except where covered by clauses applicable elsewhere in this **Policy**; and
- (b) any **Act of Terrorism** in excess of the amount of cover stated in the Terrorism Extension as stated in the **Policy Schedule**.

3.2 Excluded property

This **Policy** does not cover **Damage** to:

3.2.1 Aircraft

Aircraft is excluded

3.2.2 Exhibitions or artworks

Exhibitions or artworks (including the National Gallery of Victoria collection) that have been specifically **Insured** under a separate fine arts policy.

3.2.3 Land

Land, provided that this exclusion will not apply to the reasonable costs incurred by the **Insured** for the restoration of soil or filling of soil, roadside batters or the installation of an alternative structural retaining system in order to sustainably reinstate **Damage** to the **Insured Property**.

This Exclusion does not apply to cover granted under clause 1.2.6.

3.2.4 Livestock

Livestock, animals, birds or fish, but this exclusion will not apply in respect of the death of fauna directly caused by fire, lightning, explosion, earthquake, subterranean fire, volcanic eruption, impact, aircraft or aerial devices or articles dropped from these, **Flood**, storm or tempest, or hail provided that the **Insured** has declared to **VMIA** the estimated value of such property prior to the **Occurrence** of such **Damage**.

3.2.5 Money

Money stolen from an unlocked and unattended vehicle.

3.2.6 Property under construction

(a) **Insured Property** undergoing construction, erection, alteration or addition where the value of the contract works exceed \$500,000.

This Exclusion shall only apply to the part or area of the **Premises** or **Property** under construction works and does not apply to any loss, **Damage** or destruction to existing **Property** insured or caused by a peril or any other event not otherwise excluded under this Policy.

(b) empty **Premises** undergoing demolition,

3.2.7 Timber and trees

Standing timber, trees, growing crops and pastures, dams and reservoirs and their contents, but this exclusion will not apply in respect of loss or **Damage** to such property directly caused by fire, lightning, explosion, earthquake, subterranean fire, volcanic eruption, impact, aircraft or aerial devices or articles dropped from these, **Flood**, storm, or hail provided that the **Insured** has declared to **VMIA** the estimated value of such property prior to the **Occurrence** of such **Damage**.

This Exclusion does not apply to cover granted under clause 1.2.8.

3.2.8 Vehicle or mobile equipment

Any vehicle or mobile equipment whilst being driven on a public thoroughfare (but with the exception that **Damage** to such unregistered vehicle or mobile equipment whilst being used at any **Situation** as a tool of trade is not excluded).

3.2.9 Watercraft or Hull

Watercraft or Hull 15 metres or more in length.

4. How VMIA will pay – Section 1 – Property Damage

4.1 Reinstatement or replacement

4.1.1 Accounts receivable

Where a loss covered by this **Policy** has occurred, but the **Insured** cannot accurately establish the total amount of accounts receivable outstanding as of the date of loss, such amount shall be calculated as follows:

- (a) the monthly average of accounts receivable by the **Insured**, adjusted in accordance with the percentage increase or decrease in the 12 months average of monthly gross sales of goods and services which may have occurred in the interim; and
- (b) a further adjustment for any demonstrable variance from the average for the particular month(s) in which the loss occurred, taking into account the normal fluctuations in the amount of accounts receivable within the fiscal month(s) involved.

Deductions will be made from the total amount of accounts receivable for such accounts evidenced as not lost or **Damage**, or otherwise established or collected by the **Insured**, as well as an amount to allow for probable bad debts which would normally have been uncollectible by the **Insured**.

4.1.2 Better or more extensive property

Except as provided elsewhere in this **Policy**, including in clause 4.1.7 below, if any lost or destroyed **Insured Property** is replaced by property which is better or more extensive than its condition when new:

- (a) **VMIA** will pay the cost that would have been incurred if the **Insured Property** had been reinstated in accordance with the reinstatement definition at clause 4.1.4(a); and
- (b) the **Insured** will pay the balance of the cost to better or make more extensive the property.

4.1.3 Bridges, Crossings and associated road infrastructure

VMIA will pay the cost of reinstatement of the **Damage Insured Property** to the current Australian Standard at the time of the loss as prescribed by the *Road Management Act 2004* (VIC) as amended, provided such assets have been declared on this basis by the **Insured** to **VMIA** prior to the **Occurrence** of any **Damage**.

4.1.4 Buildings, machinery, plant and all other **Insured Property** and contents

VMIA will pay the cost of reinstatement, replacement or repair of the **Damage Insured Property** at the time of reinstatement, including costs necessarily and reasonably incurred to expedite such reinstatement, replacement or repair. The basis upon which the amount payable is to be calculated will be the cost:

- (a) where the **Insured Property** is lost or destroyed:
 - (i) in the case of a building, its rebuilding; or
 - (ii) in the case of **Insured Property** other than a building, the replacement with similar property; in either case in a condition equal to, but not better or more extensive than its condition when new; and
- (b) where the **Insured Property** is **Damage**, the repair of the **Damage** and the restoration of the **Damage** portion of the **Insured** property to a condition substantially the same as, but not better or more extensive than its condition when new.

4.1.5 Computer system records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other business records

VMIA will pay the cost of reinstating, replacing, reproducing or restoring the **Damage Insured Property**, including information contained in them but excluding the value of the information to the **Insured**. If reinstatement or reproduction of information is not required, **VMIA** will pay the replacement cost of materials as blank media or stationery.

4.1.6 Empty **Insured Premises** awaiting demolition

VMIA will pay the cost of the salvage value of the building materials or landlord's fixtures and fittings.

4.1.7 Extra cost of reinstatement

VMIA will pay the extra cost of reinstatement (including demolition or dismantling) of **Damage Insured Property** necessarily incurred to comply with the requirements of any Act of Parliament or regulation, by-law or regulation of any municipal or other statutory authority imposed after the **Damage**.

VMIA will not pay for any extra costs of reinstatement incurred to meet:

- (a) costs incurred solely to comply with the **Insured's** internal guidelines; or
- (b) any compliance requirements set out under a written notice imposed on the **Insured** prior to the **Damage** occurring.

4.1.8 Glass

VMIA will pay the cost of repairing or replacing the broken glass including:

- (a) temporary shuttering or hiring of security service pending replacement of broken glass;
- (b) sign writing or ornamentation on glass;
- (c) replacement burglar alarm tapes on glass;
- (d) removing and re-fixing of window and show case frames and fittings; and
- (e) heat reflecting material or process on glass.

4.1.9 Insured does not wish to replace or reinstate damaged Insured Property

VMIA will pay the **Indemnity Value** of such **Insured Property** at the time of the happening of the **Damage** provided such **Indemnity Value** does not exceed the cost to reinstate, replace or repair such **Insured Property**. In any event, VMIA will also pay the costs incurred by the **Insured** in accordance with clause 4.1.7 above.

4.1.10 Value of labour, overhead charges and margin for profit

With the consent of VMIA, the **Insured** may reinstate the **Damage Insured Property**. VMIA will pay reinstatement costs including the reasonable and necessary value of labour and other overhead charges together with a margin for profit which would otherwise have been earned by the **Insured**, provided that the liability of the VMIA shall not exceed the amount which would otherwise have been payable hereunder had such reinstatement been carried out by outside contractors.

4.2 Historic property

4.2.1 Architectural features or structural materials

If the **Damage Insured Property** is a building that has architectural features or structural materials of an ornamental, antiquarian or historical character, or is the subject of a registration on the Victorian Heritage Register, VMIA will pay the costs of rebuilding or replacing or restoring of the building to reasonable equivalent utility and capacity, using at the **Insured's** option and subject to VMIA's consent (such consent not be unreasonably withheld):

- (a) current design, current construction methods and original materials if available or modern materials resulting in an original appearance; or
- (b) current design, current construction methods and available or modern materials resulting in a modern appearance.

4.3 Works of art, cultural property and antiques

If the **Insured Property** is works of art, cultural property and antiques and are **Damage** and cannot be repaired:

- (a) VMIA will pay the **Insured** an amount equal to the value of the **Insured Property** at the time of loss as determined by two accredited experts in the appropriate field. **The Insured** may appoint one of the accredited experts;
- (b) if the parties cannot agree on the value, VMIA will pay the average of the two valuations provided by the accredited experts; and
- (c) if the **Damage Insured Property** is one of a set, VMIA will take into account the diminished overall value of the set in any settlement of the loss.

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The **Insured** and the appointed accredited experts are to determine whether the **Damage Insured Property** should be repaired or treated as a constructive total loss. If the **Insured Property** can be repaired, **VMIA** will make allowance for restoration and any loss of value when calculating the loss settlement. If the **Insured Property** is treated as a total loss, the salvage remains the **Insured's**, but the residual value as determined by two accredited experts in the appropriate field will be deducted from the claim settlement. If the parties cannot agree on the value, **VMIA** will pay the average of the two valuations as determined by the accredited experts.

5. How VMIA will pay – Section 2 – Consequential Financial Loss

5.1 Gross Revenue

Gross Revenue is calculated as follows:

- (a) determine the difference between **Gross Revenue** during the **Indemnity Period** and the **Standard Gross Revenue**;
- (b) add the increased cost of working incurred during the **Indemnity Period** (but only to the extent that the reduction in **Gross Revenue** is reduced); and
- (c) less any sum saved during the **Indemnity Period** in respect of the charges and expenses of the **Business** as may cease or be reduced in consequence of the **Damage**.

5.2 Additional increase in costs of working

VMIA will pay the **Insured** for any additional increase in cost of working (not otherwise recoverable hereunder), including the cost of engaging or employing **Temporary Staff**, necessarily and reasonably incurred during the **Indemnity Period** in consequence of the **Damage** to the **Insured Property** for the purpose of avoiding or diminishing reduction in **Gross Revenue** or resuming or maintaining normal **Business** operations or services.

6. General terms and conditions applicable to all Sections

Except to the extent that this **Policy** is modified the following terms and conditions of this **Policy** shall apply.

6.1 Amount of policy not reduced by loss

The insurance provided under each section or item of this **Policy** shall be automatically reinstated in the event of any **Damage** or **Financial Loss** in respect of which a claim is made under this **Policy** during the **Policy Period**.

6.2 Applicable law

Any dispute concerning this **Policy** shall be determined in accordance with the law of Australia and its States and Territories. Where the **Insured Property** is located in Victoria, the parties to this **Policy** agree to submit to the competent jurisdiction of Victoria. Where the **Insured Property** is located in another State or Territory, the parties to this **Policy** agree to submit to the competent jurisdiction of that State or Territory.

6.3 Claims co-operation

The **Insured** will advise **VMIA** as soon as practicable after the discovery of any loss or **Damage** the value of which may exceed the **Deductible**.

The **Insured** will provide **VMIA** with all information available in respect of the event including the circumstances, nature and amount of **Damage** and proofs and information relating to any **Financial Loss**. The **Insured** must also fully co-operate with **VMIA** in the investigation, adjustment and settlement of the claim.

6.4 Event

For the purposes of this cover, all losses or series of losses occurring during the following periods shall be deemed to arise out of one event:

- (a) 168 consecutive hours in respect of losses arising out of bushfire, including all individual losses caused by fires spreading through trees or grassland, irrespective of origin or location;
- (b) 168 consecutive hours in respect of losses arising out of cyclone, hurricane, typhoon, windstorm, rainstorm, hailstorm, **Flood** or tornado;
- (c) 168 consecutive hours in respect of losses arising out of earthquake, seaquake, tsunami, tidal wave or volcanic eruption;
- (d) 168 consecutive hours and within the limits of one State capital city, city, town or village in respect of losses arising out of riots, strikes, civil commotions or malicious **Damage**; and
- (e) 168 consecutive hours for any other loss or series of losses of whatsoever nature.

Individual loss from any insured peril which occurs outside (a) to (e) above will be excluded from that one event.

The **Insured** may choose the date and time from which any such period of consecutive hours commences and, if losses occur over periods of greater duration than the above periods, the **Insured** may divide those losses into two or more events, provided that no two periods overlap and provided further that no period commences earlier than the date and time of the happening of the first recorded individual loss.

6.5 Interested parties

VMIA will include as an additional **Insured** all parties who have an interest in the **Insured Property** by way of loan, lease, hire purchase or other agreement.

6.6 Other insurance

The **Insured** must give written notice to **VMIA** of any other insurance or insurances effected covering the loss.

If the **Insured** is entitled to cover under any other insurance policy, **VMIA** will not be liable to pay or contribute under this **Policy** more than the ratable proportion of any compensation, costs, and expenses.

6.7 Subrogation

In event of payment of a claim under this **Policy**, **VMIA** will be subrogated to all of the **Insured**'s rights of recovery against any person or organisation. The **Insured** agrees to execute and deliver all appropriate papers and instruments and allow **VMIA** to undertake necessary steps or what is reasonably required to:

- (a) enforce any rights and remedies; or
- (b) obtain relief or indemnity from other parties,

to recover any amount paid by **VMIA** to the **Insured** in settlement of the **Insured**'s claim.

If **VMIA** makes a successful recovery against a third party, recover proceeds will be distributed in the following order:

- (c) first to **VMIA** to cover the legal and administrative costs incurred in connection with the recovery; and
- (d) second to **VMIA** and the **Insured** on a pro rata basis, calculated by the amount the indemnified loss under the **Policy** and the amount of any provable uninsured loss and/or the applicable **Deductible** bears to the entire provable loss, respectively.

7. Definitions

7.1 Accidental Damage

For the purposes of this policy Accidental Damage means any physical loss, destruction or Damage caused by any peril or circumstance not specifically covered under Section 1 and Section 2 and not otherwise excluded elsewhere in this Policy subject to the Sublimit-of Liability stated in the Policy Schedule.

7.2 Act of Terrorism

An action, including but not limited to the use of force or violence or threat of any person or group(s) of person, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), where:

- (a) the action is done with the intention of advancing a political, religious, ideological or similar cause; and
- (b) the action is done with the intention of:
 - (i) coercing, or influencing by intimidation, the government of the Commonwealth, State, Territory or foreign country, or of part of a State, Territory or foreign country; or (ii) intimidating the public or a section of the public.

(a) and (b) above are subject to the declaration of an Act of Terrorism as defined in the *Terrorism Insurance Act 2003* (Cth) as amended. The exception to this subjectivity is physical loss or **Damage** solely and directly caused by an **Occurrence** of an Act of Terrorism by:

- (i) use of nuclear or radiological weapons or materials; or
- (ii) use or operation, as a means of inflicting harm, of any computer, computer system, or computer software program, malicious code, computer virus or process or any other electronic system.

7.3 Aircraft

Any aerial vessel such as a fixed-wing aircraft (airplane), rotary aircraft (helicopters) and inflatable balloons. This includes unmanned aerial vessel intended to fly or travel in the air for the purpose of carrying persons or stock or other property.

7.4 Business

The **Business** stated in the **Policy Schedule**.

7.5 Business Interruption

The interruption of or interference with the **Insured's Business** in consequence of **Damage to Insured Property** that occurs during the **Policy Period**.

7.6 Customers

Any party with whom the **Insured** has a direct contractual relationship for the sale or supply of goods, property or services.

7.7 Damage

Physical loss destruction and/ or Damage

7.8 Deductible

The **Deductible** is the amount to be first paid by the **Insured** in respect of each claim, as stated in the **Policy Schedule**.

7.9 Electronic Equipment

- (a) computers, computer equipment, computer peripherals;
- (b) climate control, and protection equipment, used solely for data processing operations;
- (c) separately identifiable and removable component computer devices that are attached to **Insured Property** and are designed to control such property, but not the **Insured Property** itself;
- (d) telecommunications equipment used solely for data protection operations, interconnecting wiring; and peripheral equipment used in connection therewith; and

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- (e) generating and regulating equipment, used solely for data protection operations, detection and protection equipment, interconnecting wiring and paperwork, and storage equipment used in connection therewith, owned by, and for which the **Insured** is legally liable;
- (f) including portable devices that are essential to the **Insured's Business** operations, designed to be used, worn or carried by the **Insured** or **Employee** away from the **Insured's Premises**.

7.10 Employee

Any natural person employed under a contract of service or apprenticeship with the **Insured**, whether such contract is express, implied, oral or in writing, including persons:

- (a) supplied by labour only subcontractors;
- (b) providing their services on a labour only basis;
- (c) engaged in work experience or similar schemes;
- (d) providing their services on a voluntary basis; or
- (e) on secondment with the **Insured**.

7.11 Financial Loss

Direct or indirect loss of income, including **Rent Receivable** and/ or **Gross Revenue**.

7.12 Flood

Covering of normally dry land by water that has escaped or been released from the normal confines of any lake, river, creek or other natural watercourse or of any reservoir, canal or dam.

7.13 Gross Revenue

The **Money** paid or payable to the **Insured** for services rendered and/or goods sold in the course of the **Business** at the **Situation**, including any **Rent Receivable**.

7.14 Indemnity Period

The period beginning with the **Occurrence** of the **Damage** and ending no later than the number of months stated in the **Policy Schedule** during which the results of the **Business** will be affected in consequence of the **Damage**.

7.15 Indemnity Value

The cost necessary to replace, repair, or rebuild the **Insured Property** to a condition substantially the same as but not better or more extensive than its condition at the time that the **Damage** occurred taking into consideration age, condition and remaining useful life.

7.16 Insured

The person(s) or entity/ies identified as the **Insured** in the **Policy Schedule**.

7.17 Insured Damage

physical loss, destruction or **Damage** caused by an event **Insured** by this **Policy** to tangible property anywhere in Australia (not being property excluded by this **Policy**).

7.18 Insured Property

Property (including money) as described in the **Policy Schedule** that belongs to the **Insured** or is held by the **Insured** in trust or on commission and for which the **Insured** is responsible for insuring.

7.19 Landscaping

Ornamental trees, shrubs, lawns, gardens, rockwork, paving and other plants not intended for any commercial purposes.

For avoidance of doubt crops, standing timber and plantations are excluded.

7.20 Limit of Liability

The amount stated in the **Policy Schedule**.

7.21 Machine

Any apparatus, including electronic control equipment, whether or not functioning independently or as part of a collection of apparatus which generates, contains, controls, transmits, receives, transforms or utilises any form or

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source of energy or power.

7.22 Money

Negotiable money, including cash, bank and currency notes, cheques (other than blank or partly completed cheques), travellers cheques, bankers drafts, postal orders, money orders, gift tokens all belonging to the **Insured** or for which the **Insured** has accepted responsibility.

7.23 Notifiable Disease

Illness sustained by a person resulting from food or drink poisoning or any human infectious or human contagious disease, an outbreak of which the competent local authority has stipulated must be notified to them.

7.24 Occurrence

An event including continuous or repeated exposure to substantially the same general conditions resulting in Property Damage and/or physical tangible destruction of Insured Property, which is neither expected nor intended from the standpoint of the Insured. All events of a series consequent on or attributable to one source or original cause are deemed one occurrence.

7.25 Personal property tools and effects

Personal property tools and effects are privately owned personal items normally worn or carried such as clothing, including handheld tools of trade and/or personal electronic devices, and subject to exclusions under section 3.2 Excluded Property of this **Policy**.

7.26 Policy

This policy wording, the **Policy Schedule** and any other document that **VMIA** tells the **Insured** forms part of the **Policy** describing the insurance contract between the **Insured** and **VMIA**.

7.27 Policy Period

The period of time stated in the **Policy Schedule**.

7.28 Policy Schedule

The **Schedule** issued with this **Policy** wording.

7.29 Pollution

Any solid, liquid, gaseous, contaminant including smoke, soot, fumes, soot, acids, alkalis chemicals and materials to be recycled, reclaimed or reconditioned.

7.30 Premises

Any building, including outbuildings, and other structural improvements occupied by the **Insured** in connection with the **Business** or at which property is stored or kept by or on behalf of the **Insured**.

7.31 Professional Fees

Architects, surveyors, consulting engineers legal and other fees and clerks of works, salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in reinstatement for **Damage** to **Insured Property**.

Excluding claims preparation cost and subject to the **Sublimit of Liability** stated in **Policy Schedule**, and/or otherwise not excluded under this **Policy**.

7.32 Property in Transit

Insured Property owned or is held by the **Insured** in trust or on commission and for which the **Insured** is responsible for insuring, excluding money, that is transported by the **Insured** from one location to another within Commonwealth of Australia and for the purpose of the **Insured's Business** activities. Subject to the **Sublimit of Liability** stated in **Policy Schedule**, and/or not otherwise excluded under this **Policy**.

7.33 Rent Receivable

The amount of rent received or receivable from the letting of all or part of the **Insured Premises**.

7.34 Situation

The situation stated in the **Policy Schedule**.

7.35 Standard Gross Revenue

The **Gross Revenue** during that period immediately before the date of the **Insured Damage** which corresponds with the **Indemnity Period**, which shall be adjusted as necessary to provide for the Trend in 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.

7.36 Standard Rent Receivable

The **Rent Receivable** during that period immediately before the **Insured Damage** which corresponds with the **Indemnity Period**, which shall be adjusted as necessary to provide for the **Trend in the Business**.

7.37 Stock

- (a) stock, merchandise, promotional or raw materials, including the value of work done, containers and packaging materials; and
- (b) **Customers'** goods including goods and/or merchandise and other items held in trust or on commission for which the **Insured** is responsible.

7.38 Sub-Limit of Liability

The applicable sub-limit stated in the **Policy Schedule** which applies to the cover or section of the **Policy**.

7.39 Temporary Staff

People employed, and contractors engaged, by the **Insured** for the purpose of the claim.

7.40 Trend in the Business

Adjustments to provide for the trend of the **Insured's Business** and variations and other circumstances that impact the **Business** either before or after the **Insured Damage** or which would have impacted the **Business** had the **Insured Damage** not occurred.

7.41 VMIA

The Victorian Managed Insurance Authority ABN 39 682 497 841.

7.42 Watercraft or Hull

Watercraft or Hull is any vessel or craft or thing made or intended to float on or in or travel on, through or under the water for the purpose of carrying persons or property, not otherwise excluded under this Policy, subject to the Sublimit of Liability stated in Policy Schedule.

Privacy Statement

We are committed to protecting any information and data, including personal information and health information we collect, handle, store or disclose about you through our services. We manage all information and data, including personal and health information in accordance with the *Victorian Managed Insurance Authority Act 1996 (Act)*, the *Privacy and Data Protection Act 2014*, the *Health Records Act 2001*, the *Freedom of Information Act 1982*, and our [Privacy Policy](#).

From time to time, in accordance with our legislative and regulatory frameworks and applicable laws, we may be required to disclose information concerning policies or claims to government bodies authorised by Victorian or Commonwealth legislation.

Collection and use of Personal Information

Personal information means information or an opinion that is recorded in any form, and whether true or not, about an individual whose identity is apparent, or can reasonably be ascertained, from the information or opinion.

We collect and record personal information through our client data collection processes which include our website, online forms and surveys. Some examples of when we may collect your personal information are when you:

- send us an email;
- use our online services, such as completing a form or survey electronically;
- register to attend training and events; and
- access our secure client portal on our website.

Personal information we collect can only be used for the purpose of performing functions under our Act and in accordance with all applicable laws and regulations.

Access and Correction

Please contact our Information Privacy Officer at privacy@vmia.vic.gov.au if you:

- want to access personal information (if any) that we hold about you;
- want to know more about what sort of information we hold, for what purposes and how we deal with that information;
- believe that personal information that we hold about you is not accurate, complete and up to date; or
- have concerns about your privacy rights.