



KEYSTONE

Property Wording

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Wording

The **Insured** and **Keystone** agree that **Keystone** will provide insurance in accordance with the terms of this **Policy** upon payment of the **Premium** as shown in the **Schedule**, and upon submission by the **Insured** of the **Proposal**, the contents on which **Keystone** will rely.

Definitions

1. These definitions apply to this whole **Policy** unless stated otherwise.
 - 1.1 **Accidental** means unexpected and unintended from the **Insured's** standpoint.
 - 1.2 **Aircraft** means any craft or object designed to travel through air or space or intended to be propelled on a cushion of air over the surface of land or water and includes a drone.
 - 1.3 **Animal(s)** means any living creature including, but not limited to, livestock, birds, fish, vermin or insects.
 - 1.4 **Automatic Teller Machine (ATM)** means a burglar resistant unit designed for the safe storage and disbursement of bank notes and which resists fire and attack by hand-held or power operated tools.
 - 1.5 **Breakage** means:
 - 1.5.1 for plate or sheet **Glass** or porcelain, a fracture extending through the entire thickness of the **Glass** or porcelain; or
 - 1.5.2 for laminated **Glass**, a fracture extending through the entire thickness of a lamination but not any other damage or disfiguration.
 - 1.6 **Business** means the **Insured's** business(es) as described in the **Schedule** (and, where applicable, as further described in any more specific underwriting information or **Proposal** provided to **Keystone** at the time when this insurance was negotiated).
 - 1.7 **Business Hours** means when the **Insured** or any of the **Insured's Employees** are at the **Business Premises** for the purpose of conducting the **Insured's Business**.
 - 1.8 **Category or Categories** means the category into which property can be designated from the following:
 - 1.8.1 all **Contents** including **Stock**; or
 - 1.8.2 all **Contents** excluding **Stock**; or
 - 1.8.3 **Stock** including goods for which the **Insured** are responsible but excluding **Cigarettes, Cigars and Tobacco**; or
 - 1.8.4 **Cigarettes, Cigars and Tobacco**; or
 - 1.8.5 alcohol; or
 - 1.8.6 **Specified Items** listed in the **Schedule**.
 - 1.9 **Catastrophe** means a large scale destructive event, in the area in which the **Premises** is located, which either:
 - 1.9.1 the Insurance Council of Australia has declared to be an 'insurance catastrophe event'; or
 - 1.9.2 as a consequence of the event, the relevant government authority has declared a state of emergency.
 - 1.10 **Cigarettes, Cigars and Tobacco** means cigarettes, cigars and tobacco used or sold by the **Insured** in the **Business**.
 - 1.11 **Computer Equipment** means any purpose machine, commonly consisting of digital circuitry, that accepts (inputs), stores, manipulates, and generates (outputs) data as numbers, text, graphics, voice, video files, or electrical signals, in accordance with instructions called a program, including but not limited to **Electronic Data** processing equipment comprising a central processing unit, video display units, printers, hard disks, floppy disk drives, micro diskettes

including read and write heads, electro or mechanical motors and passive components, but does not include software.

1.12 Computer Virus means a corrupting, harmful, or otherwise unauthorised piece of code that infiltrates the **Insured's Computer Equipment**, including a set of unauthorised instructions, programmatic or otherwise, that propagates itself through the **Insured's Computer Equipment**. Computer Virus includes 'trojan horses', 'worms' and 'time or logic bombs'.

1.13 Consequential Loss means loss of use, loss of earning capacity and any other consequential loss of any kind, including loss, damage, cost or expense caused directly or indirectly by or resulting from:

1.13.1 delay or interruption of the **Business**; or

1.13.2 lack of power, light, heat, steam or refrigeration; or

1.13.3 any other indirect result or consequence of a breakdown.

1.14 Contents means business and office furniture, tools of trade and equipment used by the **Insured** in the **Business**.

Contents includes:

1.14.1 unused stationery and printed books; or

1.14.2 where the **Insured** are tenants of a leased or rented **Premises**:

1.14.2.1 property owner's fixtures and fittings, window blinds, floor coverings and glass for which the **Insured** are liable under the terms of a lease or similar agreement; or

1.14.2.2 fixtures and fittings installed by the **Insured** for the **Insured's** use in the **Business**;
or

1.14.3 Money up to \$500; or

1.14.4 plant and machinery, unregistered forklifts and hoists, communications systems, fixtures and fittings, signs and awnings (only if the **Insured** is a tenant); or

1.14.5 computers, word processors, printers, scanners and other peripheral equipment and other **Electronic Equipment** or **Electronic Data** processing systems; or

1.14.6 digital or analogue telecommunication transmission and receiving equipment, lighting facilities, televisions, audio visual amplification or surveillance equipment and office machines; or

1.14.7 Electronic Data, Media, records, documents, manuscripts, plans, drawings, designs, business books, but only for the value of these materials in their unused or uninstalled state or as blank stationery; or

1.14.8 current patterns, models, moulds, dies and casts used in the **Business** but limited, unless repaired or replaced, to the value stated in the **Insured's** financial records at the time of damage; or

1.14.9 paintings, works of art, antiques or curios; or

1.14.10 documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations; or

1.14.11 property of the **Insured's** welfare, sports and social clubs; or

1.14.12 Stock, but not if it is shown as a separate item on the **Schedule**.

Contents does not include:

1.14.13 Stock if it is shown as a separate item on the **Schedule**; or

1.14.14 buildings; or

1.14.15 Specified Items; or

1.14.16 directors' and **Employees'** tools of trade and personal effects; or

1.14.17 jewellery, precious metals or stones, bullion or furs unless they are worth less than \$10,000 any one item; or

1.14.18 Vehicles registered for road use and any other machinery whilst registered for road-related areas, caravans, trailers, **Watercraft**, **Aircraft**, **Hovercraft**, rolling stock and locomotives or their accessories; or

1.14.19 live **Animals**; or

1.14.20 plants, shrubs, lawns, growing crops, pastures and standing timber other than pot-plants;
or

1.14.21 Customer's Goods other than customer's records and documents held or created by the **Insured** as part of the **Insured's Business**.

- 1.15 Customers' Goods** means:
- 1.15.1** goods that belong to the **Insured's** customers that are in the **Insured's** physical or legal control because the **Business** repairs, services, maintains, or stores those goods; or
 - 1.15.2** goods that have been purchased by a customer but are in the **Insured's** physical or legal control awaiting delivery; or
 - 1.15.3 Customers' Goods** include items of property at the **Premises** under a 'sales or return' consignment agreement; or
 - 1.15.4 Customers' Goods** do not include consigned items of property under an 'agency' arrangement where the **Insured** make a commission on a sale.
- 1.16 Electronic Data** means facts, concepts and information converted to a form usable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and include programmes, software and other coded instructions for such equipment.
- 1.17 Electronic Equipment** means any of the following equipment provided it is owned, leased, operated or controlled by the **Insured** and used in the **Insured's Business**:
- 1.17.1** any electronic machine, device or instrument used for research, diagnosis or medical treatment; or
 - 1.17.2** telecommunication transmission and receiving equipment; or
 - 1.17.3** lighting facilities, audio visual, amplification and surveillance equipment; or
 - 1.17.4** office machines owned by the **Insured** or for which the **Insured** are legally responsible; or
 - 1.17.5 Computer Equipment.**
- 1.18 Employee** means a natural person employed under a contract of service or apprenticeship by the **Insured** and includes any trainee, volunteer, casual, part-time, seasonal, temporary, or work experience personnel.
- 1.19 Endorsement** means any document which is described as an endorsement to this **Policy** and intends to vary it.
- 1.20 Event** means one incident or all incidents of a series consequent on, or attributable to, one source or original cause.
- 1.21 External Glass** means **Glass** or plastic material used as **Glass** fixed in external windows, doors, showcases or skylights forming part of the building occupied by the **Insured**.
- 1.22 Excess** means the amount specified in the **Schedule** as applying to the particular Cover or **Event** of this **Policy**.
- 1.23 Family** means:
- 1.23.1** an **Insured's** spouse, an **Insured's** partner or an **Insured's** de facto who lives with the **Insured**; or
 - 1.23.2** an **Insured's** parents and parents-in-law who live with the **Insured**; or
 - 1.23.3** an **Insured's** child or child of the **Insured's** spouse, partner or defacto (not being the **Insured's** child) who live with the **Insured**; or
 - 1.23.4** an **Insured's** brothers and sisters who live with the **Insured**.
- 1.24 Financial Service Provider** means a bank, building society or credit union or an agency for any of these.
- 1.25 Flood** means the covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:
- 1.25.1** a lake (whether it has been altered or modified); or
 - 1.25.2** a river (whether it has been altered or modified); or
 - 1.25.3** a creek (whether it has been altered or modified); or
 - 1.25.4** another natural watercourse (whether it has been altered or modified); or
 - 1.25.5** a reservoir; or
 - 1.25.6** a canal; or
 - 1.25.7** a dam.
- 1.26 Fungus** means a group of simple plants that have no chlorophyll. They include but are not limited to mould, mildew, yeast and spores.

- 1.27 Glass** means **External Glass** and **Internal Glass**.
- 1.28 Hovercraft** means any vessel craft or thing made or intended to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.
- 1.29 Insured** means the person or entity named as the insured in the **Schedule** and:
- 1.29.1** any **Subsidiary** company of the person or entity named as the insured in the **Schedule** (and its subsidiaries); and/or
- 1.29.2** includes any directors, officers, partners or principals of the entity named as the insured in the **Schedule**.
- 1.30 In Custody** means in the **Insured's** custody and control at the **Insured's** private residence or in the custody and control of persons authorised by the **Insured** at their private residences until the next business day when the **Money** can be deposited in the bank.
- 1.31 Internal glass** means:
- 1.31.1 Glass** or plastic material used as **Glass** in internal partitions, windows and doors, **Glass** in counters, **Glass** forming shelves and/or stock restraints, interior showcases, fixed mirrors and other fixed internal **Glass**, including ceramic vitreous china urinals, toilet pans and hand basins; and
- 1.31.2** frames of showcases, display cabinets and counters containing the broken **Glass** in the building occupied by the **Insured**.
- 1.32 In Transit** means **Money** in the **Insured's** personal custody or in the custody of persons authorised by the **Insured** whilst in transit within Australia. **Money In Transit** includes **Money** while contained in the night safe, night depository chute or automatic teller machine of any financial services provider. **Keystone's** liability ceases at the time the **Insured's Financial Service Provider** ceases trading on the next business day following the deposit therein. Wages and salaries collected from the bank but not paid to **Employees** are 'In Transit' until they are physically in the control of **Employees**.
- 1.33 Keystone** means Keystone Underwriting Pty Ltd ABN 78 601 944 763 as Corporate Authorised Representative (No. 000468712) of Keystone Underwriting Australia Pty Ltd ABN 59 634 715 674 AFSL 518224 which is acting on behalf of **Underwriters**.
- 1.34 Media** means material on which data is recorded or stored, such as magnetic tapes, hard drives, cartridges, dongles, CD's, DVD's, USB's, flash drives or memory cards.
- 1.35 Money** means cash, bank notes, currency notes, negotiable cheques, negotiable securities, travellers' cheques, debit and credit card vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines.
- 1.35.1 Money** does not include collectable items (for example coin or stamp collections) or anticipated revenue.
- 1.35.2 Money** includes funds held in electronic form in a bank account for the purposes of *Cover 3 - Money* only.
- 1.36 Obsolete Stock** means **Stock** which can no longer be sold for its full value, for example **Stock** which is out-of-season fashion, superseded computers or perishable goods beyond their use-by date.
- 1.37 Period of Insurance** means the period specified in the **Schedule**, unless terminated earlier.
- 1.38 Policy** means the **Schedule**, the terms of this document and any **Endorsement**.
- 1.39 Premises** means the premises at the location shown in the **Schedule**. The premises include buildings and land within the legal boundaries.
- 1.40 Premium** means the amount specified in the **Schedule**.
- 1.41 Principal Insured** means the **Insured** or if the **Insured** is more than one person or entity, the first person or entity listed as the **Insured** in the **Schedule**.
- 1.42 Property Covered** means the property as specified on the **Schedule** in respect of each Cover.

- 1.43 Proposal** means the written proposal or declaration made by the **Insured** to **Keystone** containing particulars and statements together with other information provided by the **Insured**.
- 1.44 Safe or Strongroom** means a container or structure which has been specifically designed for the safe storage of **Money** or valuables and is designed to resist unauthorised opening by hand-held or power operated tools. A **Safe or Strongroom** includes an automatic teller machine.
- 1.44.1** A safe is not a:
- 1.44.1.1** cash tin; or
 - 1.44.1.2** locked drawer in a filing cabinet or desk; or
 - 1.44.1.3** burglary resistant container weighing less than 20 kilograms that is not fixed to the wall or floor of the **Premises** by anchoring it using mechanical bolting.
- 1.45 Schedule** means the current schedule issued by **Keystone** to the **Insured**.
- 1.46 Seasonal Increase Period** means any period of time during the **Period of Insurance** that has turnover, sales or level of **Stock** at least 20% higher than the average turnover, sales or level of **Stock** at other times during the **Period of Insurance**.
- The total number of days **Keystone** will allow as **Seasonal Increase Periods** is 120 days in total during any one **Period of Insurance**. The **Insured** does not have to tell **Keystone** what the dates of the periods are, but if the **Insured** claim under a **Policy** section which has the seasonal increase cover, then the **Insured's** financial records over at least the previous two (2) years must substantiate the period as a **Seasonal Increase Period**. If the **Business** is less than two (2) years old, **Keystone** will use the financial records of the **Insured's Business** from the date of commencement until the date of the loss or damage to substantiate the **Insured's** claim.
- The **Insured** can nominate different **Stock** increase period(s) or higher percentage increases of **Stock**. If the **Insured** do, they will be shown on the **Insured's Schedule** and the **Insured** must pay any additional premium that applies.
- 1.47 Sign** means **Glass** or plastic that forms part of a sign.
- 1.48 Specified Item** means each item of property that is specifically described on the **Schedule**. Any item worth more than \$2,500 must be specified.
- 1.49 Stock** means products and materials the **Insured** intend to sell, raw or consumable materials or products used by the **Insured** in the **Business** and the **Insured's** products while being made, repaired or altered.
- Stock** includes:
- 1.49.1** stock-in-trade, cigarettes and liquor; or
 - 1.49.2** items of property at the **Insured's Premises** under a 'sales or return' consignment agreement; or
 - 1.49.3** Customers' Goods.
- Stock** does not include consigned items of property under an agency agreement where the **Insured** make a commission on a sale.
- 1.50 Subsidiary** means any company in which the **Insured** have a controlling interest. For the purpose of this definition, the term 'controlling interest' shall mean the beneficial ownership of shares carrying more than 50% of votes capable of being cast at a general meeting of all shareholders of the company.
- 1.51 Sum Insured** means the amount specified in the **Schedule** as applying to the particular Cover of this **Policy**. This is the maximum amount that **Keystone** will pay for all damage that arises out of any one source or original cause at such **Premises**, unless it is specifically stated in the Cover that payments are made in addition to this amount.
- 1.52 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) or government(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.
- 1.53 Underwriters** means certain Underwriters at Lloyd's participating in this contract of insurance.

- 1.54 **Unspecified Items** means each item of property which is not a **Specified Item** but which is part of a group or class of property described generally on the **Schedule**. The group or class described may include hand tools and hand-held power tools. **Unspecified Items** do not include any item worth more than \$2,500.
- 1.55 **Vehicle** means any machine on wheels or self-laid tracks, designed to be propelled by other than manual or animal power and any trailer or other attachment designed to be drawn by any such machine but not including an **Aircraft** or **Watercraft**.
- 1.56 **Watercraft** means any vessel, craft, device or thing designed to float on or in water or to travel on or through water other than model boats.

Cover 1 - Property Damage

Cover 1 - Property Damage only forms part of this **Policy** when specified as Covered in the **Schedule** and is limited to the **Period of Insurance** indicated.

Cover is provided for the physical loss of or damage to the **Insured's Property** during the **Period of Insurance**.

Keystone do not cover theft of the property under this Cover.

2. Property Damage Insuring Clause

Keystone will cover the **Insured** up to the **Sum Insured** for accidental loss or damage to the **Insured's Property Covered** at the **Premises** during the **Period of Insurance**.

3. Property Damage Basis of Settlement

- 3.1 The maximum **Keystone** will pay for any one claim, other than a claim for a **Specified Item**, under this cover is the **Sum Insured** shown on the **Schedule** or adjusted in accordance with this **Cover**, whichever is the higher.
- 3.2 The maximum **Keystone** will pay for each **Specified Item** is the **Sum Insured** shown in the **Schedule** for that item.
- 3.3 **Keystone** will only pay the value of an item up to a maximum of \$10,000 unless it is a **Specified Item**, for **Contents** that are works of art, antiques or curios.
- 3.4 The limit applies to the pair or set where any item of **Contents** or any **Specified Item** is part of a pair or set.
- 3.5 **Keystone** will not pay more than the **Sum Insured** shown on the current **Schedule** for *Cover 1 – Property Damage* for each specific **Category** or **Categories**, except to the extent stated under *5 Property Damage - Extensions* and *6 Property Damage - Additional Benefits*.

Specified Items, Contents or Stock – Reinstatement or Replacement

- 3.6 When **Specified Items, Contents** or **Stock** are lost or damaged **Keystone** will at **Keystone's** option:
- 3.6.1 replace **Contents, Stock** or **Specified Items** with similar property; or
- 3.6.2 pay the **Insured** the amount shown on the proof of purchase for **Specified Items** unless the **Specified Items** are works of art, antiques and curios; or
- 3.6.3 if the **Specified Items** are works of art, antiques and curios, pay the **Insured** the amount of a valuation by the Auctioneers and Valuers Association of Australia; or
- 3.6.4 pay the cost of replacing the **Specified Items, Stock** or **Contents**.
- 3.7 Reinstatement or replacement is subject to the following conditions:
- 3.7.1 the work of replacing or repairing must be commenced and completed by the **Insured** within a reasonable time otherwise **Keystone** will pay no more than the cost that would have been incurred if the work of replacement or reinstatement has been commenced and carried out within a reasonable period of time; and

- 3.7.2 when any **Property Covered** is damaged, but not destroyed, **Keystone** will not pay more than the amount that **Keystone** could have been called upon to pay for if that property had been destroyed; and
- 3.7.3 **Keystone** will only pay to return the **Property Covered** to a condition substantially the same as, but not better or more extensive than, its condition when new.

Branded Stock

- 3.8 **Keystone** will not sell branded **Stock** as salvage without the **Insured's** consent. If the **Insured** does not agree to **Keystone** selling the branded **Stock** as salvage, **Keystone** will pay the market value (determined by **Keystone** acting responsibly) of the **Stock** after brands, labels or names have been removed.

Output Replacement

- 3.9 Where any **Property Covered** consists of equipment, machinery or plant having a measurable function, capability or output and if it is necessary to replace such property with a new item or items which perform a similar function or functions, then the basis of settlement for such property shall be as follows. Where any **Property Covered** is to be replaced with an item or items which have:
- 3.9.1 the same or a lesser total function, capability or output, then the basis of settlement is the new installed cost of such replacement item or items as would give the same total function, capability or output as the **Property Covered**; or
- 3.9.2 a greater total function, capability or output and the new installed cost of such replacement property is:
- 3.9.2.1 no greater than the replacement value of that **Property Covered**, then the basis of settlement is the new installed cost of the item or items so replaced; or
- 3.9.2.2 greater than the replacement value of the **Property Covered**, then the basis of settlement is the lesser of the reinstatement value or that proportion of the new installed cost of the replacement item or items which the output of the damaged **Property Covered** bears to the output of the replacement item or items; provided always that the amount payable shall not be of lesser value than the estimated cost which would have been payable if such damaged property could have been replaced by an item or items that would have given the same total function, capability or output as the damaged **Property Covered**. If the reinstatement value of the damaged **Property Covered** is not ascertainable then the basis of settlement is the new installed cost of the replacement item or items.

Stock

- 3.10 If **Stock** is lost or damaged, **Keystone** will at **Keystone's** option:
- 3.10.1 pay the market value (determined by **Keystone** acting responsibly) of the **Stock** at the time of the loss or damage; or
- 3.10.2 pay the **Insured** the market value (determined by **Keystone** acting responsibly) of **Obsolete Stock** or its purchase price (net of GST), whichever is the lesser, but no more than the original cost to the **Insured**; or
- 3.10.3 replace or repair the **Stock** with property or materials equal to or of a similar standard and specification as the **Stock** at the time it was lost or damaged; or
- 3.10.4 pay the cost of repair or replacement of the lost or damaged **Stock**.

4. Property Damage Limitation of Cover

Earthquake

- 4.1 **Keystone** will not pay for the first amount specified on the **Schedule** as Earthquake Excess for each claim arising from loss caused by earthquake, tsunami, volcanic eruption or subterranean fire.

External Items

- 4.2 This includes cover for damage to textile blinds and awnings, shade cloth, shade houses, fibreglass houses and glass houses, gates, fences, signs and retaining walls caused by or arising from storm, rainwater, wind, hail or snow.
- 4.3 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**. This limit is in addition to the **Sum Insured**.

5. Property Damage Extensions

Keystone will pay for the following costs that are incurred because of damage to **Property Covered** that is covered by *Cover 1 – Property Damage*.

Any amounts payable under these Extensions apply in addition to the **Sum Insured** unless stated otherwise below.

Capital Additions

5.1 Keystone will pay for loss or damage to new additions or installations to the amount shown in the **Schedule** for any one **Event**, if **Contents** are insured and, excluding **Stock**, are in the process of being installed or modified.

Discharge of Mortgages

5.2 Keystone will pay the legal costs (determined by **Keystone** acting responsibly) of discharge of a mortgage or mortgages on **Contents** or **Stock** following settlement of a claim under this **Policy** on a total loss basis.

5.3 Keystone will pay up to the amount shown in the **Schedule** for any one **Event**.

Government Fees

5.4 Keystone will pay any fee, contribution or other impost payable to any Government, Local Government or other Statutory Authority where payment of the fee, contribution or impost is necessary to obtain consent to reinstate any of the **Insured's Property Covered** if it is destroyed or damaged, provided that **Keystone** will not be liable for payment of any fines and/or penalties imposed upon the **Insured** by any such authorities.

5.5 Keystone will pay up to the amount shown in the **Schedule** for any one **Event**.

Removal and Disposal of Trees and Branches

5.6 Keystone will pay the costs (determined by **Keystone** acting responsibly) associated with the removal and disposal of trees or branches which caused damage to **Property Covered**.

Removal of Debris

5.7 Keystone will pay the costs (determined by **Keystone** acting responsibly) of removal, storage and disposal of debris or the demolition, dismantling, cleaning up, shoring up, propping, underpinning or other temporary repairs of **Property Covered** by the **Insured**. **Keystone** will also pay for the **Insured's** legal liability for the cost of removal of debris from adjoining **Premises**, property, services, roadways and waterways as well as on the site.

5.8 Keystone will pay the **Insured** up to the amount shown in the **Schedule** for any one **Event**. If this is insufficient and the **Insured** have not exhausted the **Sum Insured** on the damaged items requiring demolition and/or removal of debris, **Keystone** will pay up to the remaining balance of the **Sum Insured**.

Rewriting of Records

5.9 Keystone will pay the costs (determined by **Keystone** acting responsibly) of restoring the **Electronic Data** stored on **Media** or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the:

5.9.1 business books, plans, computer records, patterns and other business records that are damaged at each **Premises**;

5.9.2 business records of the **Insured's** customers at the **Premises**; or

5.9.3 the **Insured's** business records stored off-site.

5.10 Keystone will pay the amount shown in the **Schedule** for any one **Event**.

Seasonal Increase Period

5.11 Keystone will automatically increase the **Sum Insured** in respect of **Stock** by 50% during the **Seasonal Increase Period**. If the **Sum Insured** in respect of **Stock** is included in the **Insured's Contents Sum Insured**, **Keystone** will only apply the seasonal increase to that portion of the **Insured's Contents Sum Insured** which relates to **Stock**.

Taking Inventory

5.12 Keystone will pay the costs and expenses (determined by **Keystone** acting responsibly) incurred by the **Insured** in taking inventory (including unpacking, repacking and restacking) to identify,

quantify and value any **Property Covered** damaged during the **Period of Insurance** including examination of **Property Covered** not belonging to the **Insured** but in the **Insured's** care, custody or control.

5.13 **Keystone** will pay the amount shown in the **Schedule** for any one **Event**.

6. Property Damage Additional Benefits

Keystone will also provide the following Additional Benefits in this Cover.

Any amount payable under these Additional Benefits applies in addition to the **Sum Insured** unless stated otherwise below.

Directors' and Employees' Tools-of-Trade and Personal Effects

6.1 **Keystone** will pay for loss of or damage to directors and **Employees** tools of trade and personal effects as if they were **Contents**.

6.2 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**.

Fire Brigade Attendance Fees

6.3 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event** for any statutory charges payable by the **Insured** to a fire brigade or fire-fighting authority for attendance at a fire or chemical emergency involving **Property Covered** and for the cost of refilling the **Insured's** fire-fighting appliances used in putting out a fire at or adjoining the **Premises** and threatening the **Property Covered**, during the **Period of Insurance**. The **Excess** applies to this Additional Benefit.

Limited Transit Cover

6.4 **Keystone** will cover the **Insured** for loss of or damage to **Stock** or **Contents** during the **Period of Insurance** which are in transit in any **Vehicle** anywhere in Australia and away from the **Premises**, caused by a collision or overturning of the conveying **Vehicle** or any of the following events:

6.4.1 fire or explosion; or

6.4.2 wind; or

6.4.3 acts of malicious persons; or

6.4.4 escape of molten material from its intended confines; or

6.4.5 lightning or thunderbolt; or

6.4.6 implosion; or

6.4.7 earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these during any period of 72 consecutive hours following the event; or

6.4.8 riot, civil commotion or labour disturbances; or

6.4.9 water damage.

6.5 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**.

Prevention of Imminent Damage

6.6 **Keystone** will cover the **Insured** for the costs (determined by **Keystone** acting responsibly) that the **Insured** incur in the **Period of Insurance**:

6.6.1 to extinguish a fire on or in the vicinity of the **Insured's Premises** which causes or threatens loss or damage to the **Insured's Property Covered**; or

6.6.2 to prevent or diminish imminent damage to the **Insured's Property Covered**; or

6.6.3 for the temporary protection and safety of the **Insured's Property Covered** at the **Premises**, including the employment of security services; or

6.6.4 to remove **Property Covered** from the **Premises** if the purpose of the removal was to prevent or minimise damage insured under this **Cover**. **Keystone** will also cover any damage resulting from the removal.

6.7 **Keystone** will not pay for:

6.7.1 any fines, penalties or liability incurred by the **Insured**; or

6.7.2 any loss or damage to the **Insured's Property Covered**.

6.8 **Keystone** will pay up to amount shown in the **Schedule** for all claims under this Additional Benefit during the **Period of Insurance**.

Temporary Cover for New Business Location

- 6.9** Keystone will cover the **Insured** for loss or damage occurring during the **Period of Insurance** to **Contents** and **Stock** at any new location of the **Business**, provided that:
- 6.9.1** the **Insured** first occupy the new location of the **Business** during the **Period of Insurance**; and
 - 6.9.2** the **Business** carried on, at or from the new location of the **Business** is the same as the **Business** shown on the **Schedule**; and
 - 6.9.3** the property at the new location of the **Business** is of the same nature as the **Contents** and **Stock** located at the former **Premises** and would have been covered if they were located at said **Premises**; and
 - 6.9.4** the buildings at the new location of the **Business** are constructed of the same materials as the buildings at the former **Premises**, and have the same or superior protection systems as those at said **Premises**.
- 6.10** Keystone will not cover the **Insured** for more than 50% of the highest **Sum Insured** for **Premises** shown on the **Schedule**.
- 6.11** Keystone will not cover the **Insured** under this Additional Benefit for any loss or damage at the new **Premises** that occurs more than 60 days after the **Insured** first occupy the new **Premises**.

Temporary Removal of Stock and Contents

- 6.12** Keystone will pay up to 20% of the **Sum Insured** for loss or damage to **Stock** or **Contents** during the **Period of Insurance** if the **Stock** or **Contents** have been temporarily removed from the **Premises** or are in a temporary storage facility, self-storage unit or bulk storage facility as if it were at the **Premises** but still within Australia.

Trace and Access

- 6.13** Keystone will pay the costs (determined by **Keystone** acting responsibly) incurred to detect the point of bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems, during the **Period of Insurance**, at the **Premises** used to hold or carry liquid provided that the bursting, leaking, discharging or overflowing has caused or may reasonably be expected to cause damage to **Property Covered**. **Keystone** will not cover the repair or replacement of such apparatus, appliances, tanks, pipes or other systems.

Taxation Audit Costs

- 6.14** Keystone will cover the costs (determined by **Keystone** acting responsibly) the **Insured** incur following notification received during the **Period of Insurance** of an audit or investigation by a federal or state Commissioner of Taxation relating to the **Insured's** liability to pay income tax, fringe benefits tax, capital gains tax, wholesale and sales tax, payroll tax, goods and services tax or superannuation contributions tax in respect of the **Insured's Business** up to the amount shown in the **Schedule** for this Additional Benefit.
- 6.15** 'Costs' means professional fees paid to accountants or registered tax agents who are not the **Insured's Employees**, for work undertaken in connection with the audit or investigation.
- 6.16** Keystone shall not be liable under this Additional Benefit:
- 6.16.1** for the imposition of any tax, fines, penalties, court costs, penalty tax or interest; or
 - 6.16.2** for costs incurred after completion of the audit or investigation; or
 - 6.16.3** where any proceedings were initiated, threatened or started prior to the commencement of the **Period of Insurance**; or
 - 6.16.4** arising from an **Insured's** improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a state or federal Commissioner of Taxation for the production of documents or the supply of information. Refusal or failure to comply will not be deemed improper, unwarranted or unjustified if an **Insured** refuses or fails to comply upon the advice of an **Insured's** accountant or tax agent; or
 - 6.16.5** for costs from audits or investigations under customs legislation; or
 - 6.16.6** for costs from audits or investigations of income received or earned, or where the source of income is, outside Australia or where the services giving rise to the claim are performed by persons or entities ordinarily resident outside Australia; or
 - 6.16.7** arising out of any fraud or fraudulent act or omission committed by an **Insured** or on an **Insured's** behalf; or

6.16.8 arising from audits or investigations which result in an **Insured**, or any person acting on an **Insured's** behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a state or federal Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay.

6.17 The following conditions apply to this Additional Benefit:

6.17.1 the **Insured** must lodge taxation and other returns within the time limits applicable to those returns as prescribed by statute or through extension of time granted by a Commissioner of Taxation;

6.17.2 the **Insured** must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation;

6.17.3 in the event of a claim arising:

6.17.3.1 the **Insured** must at all times keep **Keystone** fully and continually informed of all material developments in relation to the claim and in relation to any audit; and

6.17.3.2 the **Insured** must take all necessary and reasonable steps to minimise any delays and the amount of any costs incurred or likely to be incurred in connection with any audit; and

6.17.3.3 **Keystone** or **Keystone's** duly appointed agent may investigate any matter which is or may be the subject of a claim; and

6.17.3.4 the **Insured** must ensure that their accountants, registered tax agent and/or solicitor cooperate with **Keystone** and where necessary, assist **Keystone** in relation to any claim and assist **Keystone** with any matter **Keystone** wish to pursue with the Commissioner of Taxation which is or may be the subject of a claim.

7. Property Damage Exclusions

7.1 **Keystone** will not cover the **Insured** for loss or damage insurable under any other Cover or Covers of this **Policy**. This Exclusion does not apply to any loss or damage which would only be insurable under any Cover or Covers because it fell within an Extension or Additional Benefit in that Cover.

7.2 **Keystone** will not cover the **Insured** for loss or damage caused by:

7.2.1 wear and tear, gradual deterioration, scratching, marring, developing flaws, normal upkeep or any gradual cause; or

7.2.2 mechanical, hydraulic, electrical breakdown or electronic failure or malfunction; or

7.2.3 corrosion, rust, oxidation, any form of **Fungus**, wet or dry rot, dampness of atmosphere, variation in temperature, evaporation, disease, shrinkage; or

7.2.4 change in colour, flavour, texture or finish; or

7.2.5 inherent vice or latent defect; or

7.2.6 loss of weight or exposure to light; or

7.2.7 the following:

7.2.7.1 error or omission in design, plan or specification or failure during testing; or

7.2.7.2 faulty materials or workmanship,

provided that this *Exclusion 7.2.7* shall not apply to subsequent loss or damage to the **Insured's Property Covered** (not otherwise excluded) resulting from an **Event** referred to in this Exclusion; or

7.2.8 loading or unloading; or

7.2.9 infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by an **Insured** or any **Employee**; or

7.2.10 erosion, subsidence, landslip or mudslide or any other earth movement but **Keystone** will cover loss or damage caused by a landslide or subsidence that occurs within 72 hours of, and directly because of, a storm, earthquake, subterranean fire, volcanic eruption, or water escaping from a water main owned by a water supply authority; or

7.2.11 demolition ordered by any lawful authority as a result of failure by the **Insured** to comply with any lawful requirement; or

7.2.12 the action of the sea or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance; or

7.2.13 faults or defects known to an **Insured** or any **Employee** whose knowledge in law would be deemed to be the **Insured's** knowledge and not disclosed to **Keystone** at the time this insurance was arranged, extended, varied or renewed; or

- 7.2.14 the cessation of work (whether total or partial), interruption or retarding of any process or operation as a result of any industrial dispute; or
- 7.2.15 **Electronic Data** processing or **Media** failure or breakdown or malfunction of a processing system including operator entry or omission; or
- 7.2.16 deliberate and unauthorised corruption, amendment or erasure of **Electronic Data** by an **Insured** or any **Employee** of the **Insured** or any other person who has an interest in the **Property Covered** whether acting alone or in collusion with any other person; or
- 7.2.17 **Computer Virus**; or
- 7.2.18 the gaining of unauthorised access to the **Insured's** computer via any communication system by any person other than an **Insured's** or the **Insured's Employees** or any other person who has an interest in the property; or
- 7.2.19 an electrical device (including wiring) caused by a surge in electrical current; or
- 7.2.20 the operation or presence of any computer program that alters or erases **Electronic Data** or programs in a manner that is undesired by the **Insured**; or
- 7.2.21 the actual breaking, seizing, deformation or melting of any part of the **Property Covered** while it is in use that is caused by mechanical, electrical or electronic defect that results in sudden and total loss of operation that requires repair or replacement before the **Property Covered** can resume normal operation; or
- 7.2.22 explosion or implosion of any pressure vessels (including any boilers):
 - 7.2.22.1 where the load on the safety valve upon the particular pressure equipment was in excess of the manufacturer's specification at the time of any damage; or
 - 7.2.22.2 where any safety valve limiting pressure was removed or rendered inoperative; or
 - 7.2.22.3 due to the failure of the supply of water, gas, electricity or fuel.

The above is on the proviso that **Keystone** will pay for any damage to **Property Covered** that is not otherwise excluded that results from damage caused directly by or arising directly from any of these causes.

- 7.3 **Keystone** will not cover loss of or damage to:
 - 7.3.1 **Property Covered** while it is undergoing any process where damage results from it being processed; or
 - 7.3.2 any **Contents** and **Stock** if the building usually occupied by the **Insured** is vacant awaiting or undergoing demolition, unless **Keystone** have agreed otherwise; or
 - 7.3.3 **Animals** that are livestock, plants, or growing crops (other than plants that are part of landscaping); or
 - 7.3.4 **Glass** or **Signs** except where the **Insured** are a tenant of a building and are required by the lease to insure **Glass**.
- 7.4 **Keystone** will not cover loss or damage caused by or arising from:
 - 7.4.1 any legal liability the **Insured** have other than the legal liability that is covered by the Extension [5.5 Removal of Debris](#); or
 - 7.4.2 any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods; or
 - 7.4.3 contamination, pollution, smoke or smut except where caused directly by fire, lightning, explosion, impact by any road **Vehicle** or **Animal**, **Aircraft** or other aerial devices or articles dropped by them, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing or discharge of tanks, apparatus or pipes containing in water or liquid of any kind, or sprinkler leakage; or
- 7.5 **Keystone** will not cover loss or damage caused by:
 - 7.5.1 a named cyclone named by the Bureau of Meteorology where the damage occurs; or
 - 7.5.2 a bushfire occurring, within 72 hours from the original commencement of this **Policy**.

8. Property Damage Conditions

These Conditions apply to *Cover 1 – Property Damage*.

Leased Building Clause

8.1 The **Insured** may agree to enter into a lease for occupancy of any building or a lease for hiring of property where the terms of the lease include a disclaimer clause in favour of the lessee to the owner without prejudicing the **Insured's** position under *Cover 1 – Property Damage*.

Reinstatement

8.2 **Keystone** will automatically reinstate the **Sum Insured** to the amount shown on the **Schedule** if **Keystone** pay an amount for a claim for loss during the **Period of Insurance** under *Cover 1 Property Damage*. The **Insured** will not be required to pay any additional premium.

Release

8.3 The **Insured** may release any railways, other transportation companies, statutory governmental, semi-governmental or municipal authority from any liability if required by any contract to do so without prejudicing the **Insured's** position under *Cover 1 – Property Damage*.

Storage Premises

8.4 The **Insured** may enter into a contract which includes a disclaimer clause in relation to the storage of goods or merchandise without prejudicing the **Insured's** position under *Cover 1 – Property Damage*.

Under-Insurance

8.5 **Keystone** will be liable for no greater proportion of the loss or damage than the **Sum Insured** on the **Schedule** bears to 80% of the full insurable value of the **Contents, Stock and Specified Items** (net of any input tax credit that the **Insured** could claim) at the time of the commencement of the **Period of Insurance** in the event of loss or damage under this Cover.

8.6 This Condition does not apply if the amount of any loss or damage (net of any input tax credit that the **Insured** could claim) is less than 10% of the **Sum Insured** shown on the **Schedule** at the **Premises**.

8.7 Any additional costs incurred to comply with the requirements of any statutory authority, by-laws or regulations shall be omitted from the calculation of **Keystone's** proportion.

Cover 2 - Theft

Cover 2 - Theft only forms part of this **Policy** when specified as Covered in the **Schedule** and is limited to the **Period of Insurance** indicated.

Cover is provided for the loss of the **Insured's Contents** and **Stock** from theft, attempted theft, armed hold up or an actual or threatened assault. The **Insured** is not covered for theft of **Contents** and **Stock** kept in the open air unless the **Insured** has taken the Extension *12.28 – 12.30 Theft of Property Insured in the Open Air*.

9. Theft Insuring Clause

Keystone will cover the **Insured** for loss of or damage to the **Insured's Contents** and **Stock** occurring during the **Period of Insurance** at the **Insured's Premises** caused by one or more of the following:

9.1 any person who forcibly and violently enters or attempts to enter the **Premises**; or

9.2 any person unlawfully concealed at the **Premises**; or

9.3 any person who threatens or commits physical violence to the **Insured**, the **Insured's Employees** or other persons; or

9.4 armed hold-up at the **Premises**; or

9.5 any person who breaks into any locked cabinet and/or counter and/or showcase which is located at the **Premises**.

10. Theft Basis of Settlement

10.1 **Keystone** will at **Keystone's** option:

10.1.1 with respect to **Stock**:

10.1.1.1 pay the **Insured** the market value (determined by **Keystone** acting responsibly) of the **Stock** at the time of the loss or damage; or

10.1.1.2 pay the **Insured** the value of **Obsolete Stock** or its purchase price, whichever is the lesser, but no more than the original cost to the **Insured**; or

10.1.1.3 replace or repair the **Stock** with property or materials equal to or of a similar standard and specification as the **Stock** before it was damaged; or

10.1.1.4 pay the cost of repair or replacement of the **Stock**; or

10.1.2 with respect to **Electronic Equipment** or **Contents**:

10.1.2.1 repair or replace the **Electronic Equipment** or **Contents**; or

10.1.2.2 pay the **Insured** the cost of repair or replacement of the **Electronic Equipment** or **Contents**; or

10.1.3 pay the **Sum Insured** for a **Specified Item**.

10.2 **Keystone** will not pay more than the **Sum Insured** shown on the current **Schedule** for *Cover 2 - Theft* for each specific **Category** or **Categories**, except to the extent stated under *11 Theft Extensions* and *12 Theft Additional Benefits*.

11. Theft Extensions

Keystone will also pay or provide the Extensions set out below if **Keystone** agree to pay a claim under *Cover 2 - Theft* for loss or damage caused by theft.

Damage to Rented Premises

11.1 **Keystone** will cover the **Insured** for damage to **Premises** that the **Insured** occupies as a tenant if the **Insured** is legally liable for that damage under the **Insured's** tenancy agreement, provided that the damage is due to theft occurring during the **Period of Insurance**.

11.2 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**. This limit is in addition to the **Sum Insured**.

Seasonal Increase Period

11.3 **Keystone** will automatically increase the **Sum Insured** in respect of **Stock** by 50% during the **Seasonal Increase Period**.

Temporary Protection and Security Guards

11.4 **Keystone** will pay the costs (determined by **Keystone** acting responsibly) of temporary protection and repairs and the employment of guards or watchman by the **Insured**, for the safety and protection of the building pending repair of damage to the building caused by a theft or attempted theft.

11.5 **Keystone** will pay up to amount shown in the **Schedule** for any one **Event**. This limit is in addition to the **Sum Insured**.

11.6 Any cover given shall not accumulate with any similar cover that may be given under Money Extensions *17.4 - 17.6 Temporary Protection and Security Guards*.

12. Theft Additional Benefits

Keystone will also provide the following Additional Benefits in this Cover.

Any amount payable under these Additional Benefits applies in addition to the **Sum Insured** unless stated otherwise below.

Directors' and Employees' Tools-of-Trade and Personal Effects

12.1 **Keystone** will pay for loss of or damage to directors' and **Employees'** tools-of-trade and personal effects caused by theft as if they were **Contents**.

12.2 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**.

Employee Dishonesty

- 12.3** Keystone will cover the **Insured** for loss to **Stock, Contents** or **Electronic Equipment** as a direct result of **Employee** dishonesty during the **Period of Insurance** which is discovered within 45 days of the **Employee** dishonesty occurring.
- 12.4** This Additional Benefit does not cover:
- 12.4.1** any loss arising from the conduct of an **Employee** after the **Insured** have knowledge of or information about any prior act of fraud or dishonesty by the **Employee**; or
 - 12.4.2** any loss arising from the conduct of an **Employee** outside Australia; or
 - 12.4.3** any loss where the **Insured** is unable to identify which **Employee** is responsible; or
 - 12.4.4** any loss or part of a loss arising from the conduct of an **Employee**, where the proof of the loss, either as to its occurrence or as to its amount, is dependent upon an inventory stock take or a profit and loss calculation; or
 - 12.4.5** fraud or dishonesty committed by an **Insured's Family**; or
 - 12.4.6** fraud or dishonesty committed by any of the **Insured's Employees** with the **Insured's** connivance.
- 12.5** Keystone will pay up to the amount shown in the **Schedule** for any one **Event**.

Funeral Expenses

- 12.6** Keystone will cover the **Insured** for burial or cremation costs of any director, **Employee**, officer or business partner who sustains a fatal injury provided:
- 12.6.1** their death directly results from an assault that occurs during a theft or attempted theft in the **Period of Insurance** of property owned by the **Insured** or for which the **Insured** is legally responsible; and
 - 12.6.2** the death occurs within twelve (12) months of the assault.
- 12.7** Keystone will pay up to the amount shown in the **Schedule** for any one **Event**, to the estate of the deceased person.
- 12.8** This is provided that any cover shall not accumulate with any similar cover that may be given under Money Additional Benefit *18.12 - 18.14 Funeral Expenses*.

Illegal Use of Corporate Financial Transaction Card

- 12.9** Keystone will pay any financial loss sustained by the **Insured** arising from the illegal use of a card by an unauthorised person if this **Policy** covers **Contents**, and any corporate credit and/or debit card used by the **Business** is lost or stolen during the **Period of Insurance**.
- 12.10** Keystone will not pay any financial loss arising from the misuse or illegal use of corporate credit cards by the **Insured's Employees** or any other person acting in collusion with the **Insured's Employee** or by any member of an **Insured's Family**.
- 12.11** Keystone will pay up to the amount shown in the **Schedule** for any one **Event**.

Illegal Electronic Funds Transfer

- 12.12** Keystone will pay any financial loss sustained by the **Insured** arising from the electronic transfer of funds from the **Insured's** bank account to a bank account not controlled by the **Insured** if this **Policy** covers **Contents** and following entry into the **Premises** arising from one of the events listed under *9 Theft Insuring Clause*.
- 12.13** Keystone will not pay for:
- 12.13.1** any financial loss arising from the misuse or illegal use of corporate credit cards or financial transaction cards by any of the **Insured's Employees** or any other person acting in collusion with any of the **Insured's Employees** or by any member of an **Insured's Family**; or
 - 12.13.2** transfer of **Money** via electronic funds transfer which was enabled by:
 - 12.13.2.1** a key; or
 - 12.13.2.2** use of details of a combination, code or password, that are left in the **Premises** outside **Business Hours**.

- 12.14** Keystone will pay up to the amount shown in the **Schedule** for any one **Event**.

Replacement of Locks and Keys

- 12.15** Keystone will pay the cost (determined by **Keystone** acting responsibly) of replacing locks, keys, magnetic keys, cards or similar devices and combinations used in the **Business** if:

- 12.15.1 as a result of theft covered under this **Cover**, keys or combinations are stolen or there are reasonable grounds to believe that keys have been duplicated; or
- 12.15.2 keys, magnetic keys or cards or similar devices are accidentally lost; or
- 12.15.3 the sequence of numbers or letters become known by any unauthorised person or are accidentally lost; or
- 12.15.4 circumstances have allowed the unauthorised duplication of keys, magnetic keys, cards or similar devices.

12.16 **Keystone** will also pay the cost (determined by **Keystone** acting responsibly) of:

- 12.16.1 opening safes and strongrooms because of the theft of or loss of keys or combinations during a theft; or
- 12.16.2 replacing and developing security film exposed because of theft or attempted theft; or
- 12.16.3 restoring the security system to its former functionality following a theft or attempted theft that is covered by *Cover 2 - Theft*.

12.17 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event** provided that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Money Additional Benefit 18.17 - 18.20 *Replacement of Locks and Keys*.

Rewriting of Records

12.18 **Keystone** will pay for any labour costs (determined by **Keystone** acting responsibly) incurred in reproducing or making good the **Insured's Business** records if they are lost, stolen or damaged while located at the **Insured's Premises** or offsite anywhere in Australia.

12.19 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**.

Temporary Cover for New Premises

12.20 **Keystone** will cover the **Insured** for loss of **Stock** or **Contents** at any new premises which the **Insured** first occupy during the **Period of Insurance** provided that:

- 12.20.1 cover is limited to a period of 60 consecutive days from the day that the **Insured** first use the new premises; and
- 12.20.2 cover is not available to property that cannot be correctly designated to one of the **Categories** that are shown as insured in the **Schedule**; and
- 12.20.3 cover is only available to **Contents** or **Stock** that is of a similar type to that insured by *Cover - 2 Theft*; and
- 12.20.4 for each specific **Category** of property shown in the **Schedule**, cover is limited to 50% of the **Sum Insured** for that **Category**; and
- 12.20.5 the new premises have building and security features that are similar to the **Premises** shown in the **Schedule**; and
- 12.20.6 the **Insured** provides **Keystone** with full details of the new premises.

12.21 The **Insured** must pay any additional premium **Keystone** require if **Keystone** agree to cover **Stock** or **Contents** at the new premises beyond the 60 consecutive day period.

Temporary Removal

12.22 **Keystone** will cover the **Insured's Property Covered** while temporarily removed to any other premises within Australia. This is provided that:

- 12.22.1 **Keystone** will not cover **Cigarettes, Cigars and Tobacco** products or alcoholic beverages; and
- 12.22.2 **Keystone** will not cover **Stock** that is on consignment to other parties unless it is owned by the **Insured** or is property for which the **Insured** are responsible; and
- 12.22.3 the maximum amount **Keystone** will pay for this Additional Benefit will be 20% of the **Sum Insured**; and
- 12.22.4 This Additional Benefit will not apply to any **Property Covered**, which has been removed for a period greater than 90 days without **Keystone's** prior written consent.

Theft of External Property

12.23 **Keystone** will cover the **Insured** for loss or damage as a result of theft or any attempt at theft occurring during the **Period of Insurance** to **Contents** that are securely and permanently affixed (by means other than the connection to a power point) to the outside of the building occupied by the **Insured**.

12.24 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**.

Theft Without Forcible and Violent Entry (not Property in the Open Air)

12.25 Keystone will cover the **Insured** for loss or damage occurring during the **Period of Insurance** to **Contents** in the building occupied by the **Insured** as a result of a theft where there are no signs of forcible and violent entry to, or exit from, the building.

12.26 Keystone will not cover the **Insured** if the theft or attempted theft is from any open-sided structure such as, but not limited to, verandas, yards or other open spaces, even if they are partially or fully enclosed. This Additional Benefit does not cover loss as a result of unexplained disappearance, shoplifting, unexplained or inventory shortage, clerical or accounting errors, or shortage in supply or delivery to or from the **Premises**.

12.27 Keystone will pay up to the amount shown in the **Schedule** for any one **Event**.

Theft of Property Insured in the Open Air

12.28 Keystone will cover the **Insured** for theft without forcible and violent entry of **Property Covered** in the open air but within the boundaries of the **Premises** or contained in an unlocked building occupied by the **Insured**, up to the amount shown in the **Schedule**.

12.29 Keystone will not cover the **Insured** for the theft of property in the open air unless the **Premises** after hours are fully enclosed by a locked cyclone fence with padlocks that have a security rating detailed in AS 4145.4 of six (6) or above (or any subsequent amendment).

12.30 Keystone will pay up to the amount shown in the **Schedule** for any one **Event**.

13. Theft Exclusions

Keystone will not pay for:

Access

13.1 loss of, or damage to **Property Covered** if entry is gained to the building occupied by the **Insured**:

13.1.1 by use of a key or security code; or

13.1.2 through an unlocked door or window, except as provided for under:

13.1.2.1 Additional Benefit *12.3 - 12.5 Employee Dishonesty*;

13.1.2.2 Additional Benefit *12.25 - 12.27 Theft Without Forcible and Violent Entry (not Property in the Open Air)*; and

13.1.2.3 Additional Benefit *12.28 – 12.30 Theft of Property in the Open Air*;

Glass

13.2 the breakage of glass (including washbasins, sinks, toilet pans or cisterns, or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to broken glass) unless it is **Stock**;

Open Air

13.3 loss of, or damage to **Property Covered** from any open space, whether fenced or unfenced, outside the walls of the building occupied by the **Insured** except as expressly provided in the Additional Benefit *12.23 and 12.24 Theft of External Property* and Additional Benefit *12.28 – 12.30 Theft of Property in the Open Air*;

Property

13.4 loss of, or damage to:

13.4.1 **Money** in excess of \$500; or

13.4.2 jewellery, precious metals or stones, property made of gold or silver, bullion or furs exceeding \$10,000 any one loss, and \$2,000 any one item, unless these items form part of the **Insured's Stock**; or

13.4.3 **Vehicles**, unless they are:

13.4.3.1 **Stock**; or

13.4.3.2 fork-lift trucks and similar appliances that are used for hauling or conveying goods at the **Premises**;

13.4.4 live **Animals**; or

13.4.5 plants, shrubs, landscaping materials or growing crops, pastures or standing timber;

Theft by Persons

13.5 loss of, or damage to property committed by:

13.5.1 an **Insured, Employees** or any member of an **Insured's Family** other than following forcible and violent entry by the **Insured's Employees** or a member of an **Insured's Family**;
or

13.5.2 any person or persons while lawfully at the building occupied by the **Insured**.

14. Theft Conditions

These Conditions apply to *Cover 2 - Theft*.

Burglar Alarm

14.1 If notified to **Keystone** that an alarm system is on the **Premises** that alarm must be tested and used in accordance with the manufacturer's specifications if the **Insured** own or have responsibility for operating and maintaining such burglar alarm for the purposes of the **Business**. The alarm must be activated whilst the building is unoccupied.

14.2 Testing and use includes resistance checking the battery, alarm detection coverage and transmission to the monitoring station.

Valuables

14.3 The **Insured** must ensure that all **Stock** that is precious stones, gold and silver articles, jewellery, watches trinkets, stamps, coins, and personal ornaments, which are individually of the value of \$500 or more, are contained in a securely locked **Safe or Strongroom** outside **Business Hours**.

Reinstatement

14.4 **Keystone** will automatically reinstate the **Sum Insured** to the amount shown on the **Schedule** if **Keystone** pay an amount for a claim under *Cover 2 - Theft*. The **Insured** will not have to pay any additional premium.

Cover 3 - Money

Cover 3 - Money only forms part of this **Policy** when specified as Covered in the **Schedule** and is limited to the **Period of Insurance** indicated.

Cover is provided for the loss of or damage to the **Insured's Business' Money** from a wide variety of causes such as theft, armed hold up, or fire. The **Money** may be **In Transit** or at the **Premises**.

15. Money Insuring Clause

15.1 **Keystone** will cover the **Insured** for loss of or damage to **Money** occurring during the **Period of Insurance** as a result of the defined events described below:

15.1.1 **Money In Transit**; or

15.1.2 **Money** on the **Premises**; or

15.1.3 **Money** in a securely locked **Safe or Strongroom**; or

15.1.4 **Money In Custody**.

16. Money Basis of Settlement

16.1 The maximum amount **Keystone** will pay is the **Sum Insured** shown on the **Schedule**.

16.2 **Keystone** will pay the amount of **Money** lost or damaged if **Keystone** agree to pay a claim for loss of or damage to **Money** (other than certificates of stock, bonds, coupons and all other types of securities or travellers' cheques).

16.3 The amount of any certificates of stock, bonds, coupons and all other types of securities will be calculated as follows:

16.3.1 if the securities can be replaced with **Keystone's** approval, the cost of replacement paid or payable by the **Insured**; or

16.3.2 otherwise, the greater of:

16.3.2.1 the price for which the **Insured** purchased them; or

- 16.3.2.2** the closing market value on the last business day prior to the date of discovery by the **Insured** of the loss or destruction of the securities; or
- 16.3.2.3** if the time of discovery by the **Insured** is after the close of the market, their closing market value on the day of discovery by the **Insured**.
- 16.4** The value of a loss of subscription, conversion or redemption privileges through the loss of any security will be the value immediately preceding the expiration of the subscription, conversion or redemption, in the currency in which the loss was sustained.
- 16.5** Losses sustained in currencies other than Australian dollars will be calculated by converting the amount of loss to Australian dollars at the market rate at the time of settlement of the loss or such other rates as may have been expressly agreed with **Keystone**. If there is no market price or value on the relevant day, then the value shall be agreed between the **Insured** and **Keystone**, or in default, **Keystone** and the **Insured** shall submit to mediation and be bound by the decision of the mediator.
- 16.6** The amount will be calculated at the original purchase price incurred by the **Insured** in the case of travellers' cheques, discount house vouchers or lottery tickets.
- 16.7** If the **Safe or Strongroom** is lost or damaged, **Keystone** will, at **Keystone's** option:
- 16.7.1** repair the **Safe or Strongroom**; or
- 16.7.2** replace the **Safe or Strongroom** with an item of a specification equal to but not better or more extensive than it was when new; or
- 16.7.3** if the loss or damage is confined to part of the **Safe or Strongroom**, repair or pay the **Insured** the cost of repair of that part plus the cost of any necessary dismantling and reassembling; or
- 16.7.4** pay the **Insured** the cost of repairing or replacing the **Safe or Strongroom**. **Keystone** will not pay costs of alterations, improvements or overhauls carried out when the lost or damaged **Safe or Strongroom** is repaired or replaced.

17. Money Extensions

Keystone will also pay or provide these Extensions set out below if **Keystone** agree to pay a claim under *Cover 3 - Money* for loss or damage to **Money**.

Any amounts payable under these Extensions apply in addition to the **Sum Insured**.

Reinstatement of Sum Insured

- 17.1** When a **Sum Insured** is reduced following a loss **Keystone** will automatically increase this reduced **Sum Insured** to its value immediately before the loss.
- 17.2** Note that:
- 17.2.1** the maximum amount **Keystone** will pay during the **Period of Insurance** is limited to twice the **Sum Insured**; and
- 17.2.2** the **Insured** pay or agree to pay any additional premium **Keystone** require.

Seasonal Increase Period

- 17.3** **Keystone** will automatically increase the **Sum Insured** in respect of **Money** by 50% during the **Seasonal Increase Period**.

Temporary Protection and Security Guards

- 17.4** **Keystone** will pay the costs (determined by **Keystone** acting responsibly) incurred by the **Insured** in effecting temporary protection, or the employment of guards or watchman, by the **Insured**, to safeguard the **Money** at the **Premises** as a result of theft or attempted theft of **Money** occurring during the **Period of Insurance** and that is under this cover.
- 17.5** **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**.
- 17.6** Any cover given under Clauses **17.4** and **17.5** shall not accumulate with any similar cover that may be given under Theft Extensions **11.4 - 11.6 Temporary Protection and Security Guards**.

18. Money Additional Benefits

Keystone will also provide the following Additional Benefits in this Cover.

Any amount payable under these Additional Benefits applies in addition to the **Sum Insured** unless stated otherwise below.

Bank and Public Holidays Additional Benefit

18.1 The **Sum Insured** for **Money** is automatically increased by 100% on days that are gazetted bank or public holidays. This increase shall apply up until bank closing time on the next business day after such holiday.

18.2 This Additional Benefit does not apply to damage to safes or strongrooms and to the **Seasonal Increase Period**.

Counterfeit Currency

18.3 **Keystone** will pay for losses sustained by the **Insured** due to the acceptance in good faith in exchange for merchandise, **Money** or services, of counterfeit Australian currency notes.

18.4 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**.

Directors and Employees Tools-of-Trade and Personal Effects

18.5 **Keystone** will cover the **Insured** for loss of or damage to the personal effects of the **Insured's** directors, officers and **Employees** during a theft or attempted theft covered under *Cover 3 - Money*.

18.6 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**.

18.7 The benefits payable under this Additional Benefit shall not be cumulative if the **Insured** are covered under *Cover 2 - Theft*.

Employee Dishonesty

18.8 **Keystone** will cover the **Insured** for loss of **Money** as a direct result of **Employee** dishonesty during the **Period of Insurance** if discovered within 45 days of the **Employee** dishonesty occurring.

18.9 This Additional Benefit does not cover:

18.9.1 any loss arising from the conduct of an **Employee** after the **Insured** has knowledge of or information about any prior act of fraud or dishonesty by the **Employee**; or

18.9.2 any loss arising from the conduct of an **Employee** outside Australia; or

18.9.3 any loss where the **Insured** are unable to identify which **Employee** is responsible; or

18.9.4 any loss or part of a loss arising from the conduct of an **Employee**, where the proof of the loss, either as to its occurrence or as to its amount, is dependent upon an inventory stocktake or a profit and loss calculation; or

18.9.5 fraud or dishonesty committed by an **Insured's Family**; or

18.9.6 fraud or dishonesty committed by any of the **Insured's Employees** committed with the **Insured's** connivance.

18.10 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**.

18.11 Any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under *Cover 2 - Theft*.

Funeral Expenses

18.12 **Keystone** will cover the **Insured** for any burial or cremation costs if any director, **Employee**, officer or business partner sustains a fatal injury provided:

18.12.1 their death directly results from an assault that occurs during a theft or attempted theft of **Money** owned by the **Insured** or for which the **Insured** are legally responsible in the **Period of Insurance**; and

18.12.2 the death occurs within twelve (12 months) of the assault.

18.13 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**.

18.14 Any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Theft Additional Benefit *12.6 - 12.8 Funeral Expenses*.

Loss of or Damage to Safes, Strongrooms and Cash Carrying Bags

18.15 Keystone will pay the **Insured**, if **Money** is stolen or there is an attempt at stealing the **Insured's Money** from the **Insured's Safe or Strongroom** or cash carrying bag:

18.15.1 the cost of opening the **Safe or Strongroom** and of repairing or replacing any loss or damage to the **Safe or Strongroom** that was caused by the theft or attempted theft;

18.15.2 for loss of or damage to the **Insured's** cash carrying bag that was caused by the theft or attempted theft.

18.16 Keystone will pay up to the amount shown in the **Schedule** for any one **Event**.

Replacement of Locks and Keys

18.17 Keystone will pay the cost (determined by **Keystone** acting responsibly) of replacing locks, keys, magnetic keys or cards or similar devices or to change the sequence of numbers or letters used in a **Safe or Strongroom** during the **Period of Insurance** if:

18.17.1 as a result of theft of **Money** under this cover, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated; or

18.17.2 keys, magnetic keys or cards or similar devices are accidentally lost; or

18.17.3 the sequence of numbers or letters become known by any unauthorised person or are accidentally lost; or

18.17.4 circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices.

18.18 Keystone will also pay the cost (determined by **Keystone** acting responsibly) of:

18.18.1 opening safes or strongrooms because of the theft of keys or combinations during a theft of **Money** under this cover; and

18.18.2 developing images stored on **Media** from a security camera following a theft or attempted theft of **Money** under this cover.

18.19 Keystone will pay up to the amount shown in the **Schedule** for any one **Event**.

18.20 Any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Theft Additional Benefit *12.15 - 12.17 Replacement of Locks and Keys*.

Temporary Cover for New Premises

18.21 Cover is extended to include **Money** at, or **In Transit** to or from any new business premises occupied by the **Insured** after the commencement of the **Period of Insurance**, within Australia, for 30 days from first being used by the **Insured** (unless the **Period of Insurance** or the **Insured's** occupancy of such premises ends sooner, whichever shall first occur), but the cover is limited to:

18.21.1 the **Business** described in the **Schedule**; and

18.21.2 the **Money** insured described in the **Schedule**.

18.22 **Keystone's** maximum liability under this Additional Benefit is limited to 20% of the **Sum Insured** shown in the **Schedule** in relation to each item of **Money** covered under *Cover 3 - Money*.

18.23 Full details of such additional **Premises** are to be supplied to **Keystone** within 30 days of the **Insured's** commencement to use the **Premises**. If **Keystone** agree to cover **Money** at the additional **Premises** beyond this 30 day period, **Keystone** may require payment of an additional premium.

Traveller's Money

18.24 Keystone will pay the **Insured** for loss of **Money** in the **Insured's** custody, or in the custody of the **Insured's Employee**, while the **Insured** are travelling on the **Insured's Business** anywhere in the world.

18.25 Keystone will pay up to the amount shown in the **Schedule** for any one **Event**.

19. Money Exclusions

Keystone will not pay for:

Automatic Teller Machines (ATMs)

19.1 loss or damage to **Money** that does not belong to the **Insured** in or from an **ATM**;

Consequential Loss

19.2 loss of use, loss of earning capacity and any other **Consequential Loss**;

Key or Combination in Building

19.3 loss or damage of **Money** from any **Safe or Strongroom** opened by a key or by use of details of a combination that are left in the building occupied by the **Insured** outside **Business Hours**;

Loss Outside the Commonwealth of Australia

19.4 loss or damage to **Money** occurring outside Australia except as provided under Additional Benefit *18.24 and 18.25 Traveller's Money*;

Missing Money

19.5 loss or damage of **Money**:

19.5.1 due to shortages resulting from clerical or accounting errors, or loss due to errors in receiving or paying out; or

19.5.2 by any intentional or wilful act or omission by an **Insured** or the **Insured's Employees** with the **Insured's** connivance other than as covered by Additional Benefit *18.8 – 18.11 Employee Dishonesty*; or

19.5.3 by any fraudulent or dishonest acts committed by an **Insured**, an **Insured's Family** members or any of the **Insured's Employees** acting alone or in collusion with others other than as covered by Additional Benefit *18.8 – 18.11 Employee Dishonesty*;

Professional Carrier

19.6 loss or damage to **Money** while professional **Money** carriers, professional carriers or common carriers are carrying it;

Unattended Money

19.7 loss or damage to **Money** in or from an unattended **Vehicle** that is not locked.

Cover 4 - Glass

Cover 4 - Glass only forms part of this **Policy** when specified as Covered in the **Schedule** and is limited to the **Period of Insurance** indicated.

Cover is provided for the **Breakage** of **Glass** which the **Insured** owns or for which the **Insured** is legally responsible, occurring during the **Period of Insurance** at the **Premises**.

20. Glass Insuring Clause

Keystone will pay for the cost of replacement of broken **Glass** with **Glass** of similar manufacture and quality including the costs (determined by **Keystone** acting responsibly) for after-hours service by repairers, express delivery and overtime charges to repair or replace broken **Glass**. **Keystone** will also pay the extra cost necessarily incurred to comply with the minimum requirements of any statutory authority when replacing the **Glass**.

21. Glass Extensions

Keystone will also pay or provide the Extensions set out below if **Keystone** agree to pay a claim under this Cover for loss or damage to **Glass**.

Any amounts payable under these Extensions apply in addition to the **Sum Insured**.

Costs

21.1 **Keystone** will pay for the following costs (determined by **Keystone** acting responsibly) incurred by the **Insured** and are directly related to **Breakage** of the **Glass** under this Cover:

21.1.1 the cost of temporary shuttering necessary to secure otherwise exposed **Stock** or **Contents** pending replacement of the broken **Glass**; and

21.1.2 the costs incurred in replacing sign-writing, ornamentation, reflective materials and burglar alarm tapes and connections attached to the broken **Glass**; and

21.1.3 the cost incurred in repairing or replacing damage to window, door or showcase frames and their fittings; and

21.1.4 the cost incurred in repairing or replacing tiles on shop and office fronts and around the broken **Glass**.

21.2 **Keystone** will not cover the **Insured** for the cost of repairing or replacing bars, grilles or shutters.

21.3 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**.

Destruction of Stock or Contents

21.4 **Keystone** will pay for destruction of or damage to the **Insured's Stock** or **Contents**, caused by broken **Glass** following the **Breakage of Glass** where such **Breakage** constitutes an admissible claim under this Cover.

21.5 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**.

Overtime

21.6 **Keystone** will pay the costs (determined by **Keystone** acting responsibly) of after-hours service by repairers, express delivery and overtime charges to repair or replace broken **Glass**.

22. Glass Additional Benefits

Keystone will also provide the following Additional Benefits in this Cover.

Any amount payable under these Additional Benefits applies in addition to the **Sum Insured**.

Malicious Damage

22.1 **Keystone** will pay for the cost of replacement of **External Glass** which has suffered malicious damage. This Additional Benefit is payable even where there is no **Breakage of External Glass**.

Signs

22.2 **Keystone** will cover the **Insured** for loss or damage to **Signs** at the **Premises** if they break during the **Period of Insurance**.

22.3 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**.

23. Glass Exclusions

23.1 **Keystone** will not pay for damage to **Glass**:

23.1.1 when being transported or whilst being fitted into position or removed from its fitting; or

23.1.2 forming part of **Stock**; or

23.1.3 in light fittings; or

23.1.4 that is cracked or imperfect prior to **Breakage**; or

23.1.5 that is not fit for the purpose intended; or

23.1.6 that is in a glasshouse, conservatory or the like, television, computer screen or any domestic item such as a vase, china ware or **Glass** in a photo frame.

Cover 5 - General Property

Cover 5 - General Property only forms part of this **Policy** when specified as Covered in the **Schedule** and is limited to the **Period of Insurance** indicated.

Cover is provided for portable or valuable items that the **Insured** usually carries around with them in the course of the **Insured's Business** anywhere in the world. Any individual item worth more than \$2,500 must always be specified.

24. General Property Insuring Clause

Keystone will cover the **Insured** for **Accidental** loss or damage to the **Insured's Property Covered** occurring anywhere in the world during the **Period of Insurance**.

25. General Property Basis of Settlement

25.1 **Keystone** will at **Keystone's** option:

- 25.1.1 repair or replace the item of **Property Covered** (including carry case and usual accessories) to a condition equal to but not better or more extensive than its condition when new; or
- 25.1.2 pay the **Insured** the cost to repair or replace the **Property Covered**; or
- 25.1.3 replace the **Property Covered** with a new item that has the same features or features that are nearly the same as (but not less than) the item being replaced.
- 25.2 When the loss or damage is confined to a part or component of the **Property Covered**, **Keystone** will only pay for that part or component plus the cost of any necessary dismantling and reassembling.
- 25.3 The **Insured** no longer have any cover for an item or the replacement item if **Keystone** replace or pay the cost of replacing any item of **Property Covered**.
- 25.4 The maximum amount **Keystone** will pay in respect of each **Specified Item** is the **Sum Insured** for that item.
- 25.5 The maximum amount **Keystone** will pay in respect of any one **Unspecified Item** is \$2,500.
- 25.6 The maximum **Keystone** will pay during the **Period of Insurance** for all claims in respect of any particular group or class of **Unspecified Items** is the **Sum Insured** for that group or class of **Unspecified Items** set out in the **Schedule**.

26. General Property Extension

Keystone will also pay or provide this Extension set out below if **Keystone** agree to pay a claim under *Cover 5 General Property* for loss or damage to property.

Reinstatement

- 26.1 **Keystone** will automatically reinstate the **Sum Insured** to the amount shown on the **Schedule** if **Keystone** pay an amount for a claim under *Cover 5 General Property*. The **Insured** will not have to pay any additional premium.

27. General Property Additional Benefit

Keystone will also provide the following Additional Benefits in this Cover.

Any amount payable under these Additional Benefits applies in addition to the **Sum Insured**.

Theft of Other Equipment

- 27.1 **Keystone** will cover the **Insured** for theft of any property including property not belonging to the **Insured** but in the **Insured's** physical or legal control for the purposes of the **Insured's Business** occurring during the **Period of Insurance** anywhere in the world.
- 27.2 This Additional Benefit does not cover theft committed by any member of an **Insured's Family** or by any **Employee** of the **Insured's** or committed by any person whilst lawfully at the **Insured's Premises**.
- 27.3 **Keystone** will not cover the **Insured** under this Additional Benefit unless the **Property Covered** was:
- 27.3.1 in a securely locked **Vehicle** and the theft was consequent upon forcible and violent entry to the **Vehicle**; or
- 27.3.2 securely and permanently affixed to a building or **Vehicle** and theft is consequent upon forcible and violent removal of the insured property; or
- 27.3.3 in a **Vehicle** and was securely chained to that **Vehicle** by a steel chain having a link diameter of 10mm or greater and a padlock that has a security rating detailed in AS 4145.4 of six (6) (or its equivalent) or above (or any subsequent amendment); or
- 27.3.4 at an **Insured's** private residence or the private residence of the **Insured's Employee** who has been authorised by the **Insured** to have the custody and control of the **Property Covered**, however **Keystone** will not cover any theft by a tenant; or
- 27.3.5 securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building.
- Keystone** will not cover any theft:
- 27.3.6 committed by any person while lawfully in the building; or

- 27.3.7 of **Property Covered** which is unattended in areas of the building; or
- 27.3.8 stolen as a consequence of armed hold-up or the threat of physical violence.

27.4 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**.

28. General Property Exclusions

Keystone will not pay for:

- 28.1 loss or damage to any **Unspecified Item** of property unless the **Insured's Schedule** shows that the **Insured** have cover for **Unspecified Items**;
- 28.2 loss or damage caused by or arising out of:
 - 28.2.1 wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause; or
 - 28.2.2 moths, termites or other insects or vermin; or
 - 28.2.3 scratching, biting or chewing by any **Animal**; or
 - 28.2.4 chipping, scratching, denting or marring that does not materially affect the use or operation of the **Property Covered**; or
 - 28.2.5 change in colour, loss of weight, change in flavour, texture or finish; or
 - 28.2.6 the action of light, atmospheric conditions, any form of **Fungus** or variations or extremes of temperature, rust or oxidation, wet or dry rot, corrosion, inherent vice or latent defect; or
 - 28.2.7 mechanical, hydraulic, electrical or electronic breakdown, burn-out, failure, malfunction or derangement of any equipment or device; or
 - 28.2.8 smut or smoke from industrial operations (other than sudden and unforeseen resultant damage); or
 - 28.2.9 any faults or defects in any item of insured property that the **Insured** or any of the **Insured's Employees** knew about before taking out this Cover; or
 - 28.2.10 faulty materials or faulty workmanship;
- 28.3 loss or damage to any item worth more than \$2,500 unless it is a **Specified Item**;
- 28.4 loss or damage to **Money** or documents of any kind;
- 28.5 loss of use, loss of earning capacity and any other **Consequential Loss**;
- 28.6 loss or damage to property as a result of:
 - 28.6.1 total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **Electronic Data**; or
 - 28.6.2 breakdown or malfunction of the processing system including operator error or omission in creating, amending, loading, deleting or using **Electronic Data**; or
 - 28.6.3 total or partial inability or failure to receive, send, access or use **Electronic Data** for any time or at all; or
 - 28.6.4 an act committed by any member of an **Insured's Family** or by any **Employee** of the **Insured's** or committed by any person whilst lawfully at the **Insured's Premises**.

Extensions

29. These Extensions are all subject to the terms and conditions of this **Policy** unless expressly stated otherwise.

Approved Claim Preparation Costs

- 29.1 **Keystone** will pay for professional fees and such other expenses (determined by **Keystone** acting responsibly) incurred by the **Insured** for the preparation and negotiation of a claim under a Cover in addition to the amount of cover provided by each Cover.
- 29.2 The **Insured** must obtain **Keystone's** written approval to incur claim preparation costs before the **Insured** incurs them, to which **Keystone** agree not to unreasonably withhold consent.
- 29.3 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**.

Emergency Mitigation Costs

29.4 **Keystone** give the **Insured** the authority to arrange emergency repairs on **Keystone's** behalf in the case of an emergency where the **Insured** is required to prevent further loss or damage to the **Insured's Property Covered** as a direct result of that emergency, and the **Property Covered** is covered by this **Policy**.

Repairs to Damage by the Insured

29.5 **Keystone** agree to pay the **Insured's** labour costs and overhead expenses subject to the terms and conditions of the **Policy** when **Keystone** agree that the repair of the damage can be undertaken by the **Insured** or the **Insured's Employees**. **Keystone** will not pay more than the amount required by a competent contractor to do the same work.

Payment of Rewards

29.6 **Keystone** will reimburse any public reward expense paid by the **Insured** to recover property or to identify the offenders responsible following loss, destruction or damage to the **Insured's Property Covered** for which a claim has been paid under Covers: Property Damage, Theft, Money and Glass of this **Policy** in addition to the amount of cover provided in each Cover. This is on the proviso that:

29.6.1 the terms of the reward are agreed by **Keystone** and approved by the relevant Authority before being offered; and

29.6.2 **Keystone's** payment does not exceed the value of the property lost destroyed or damaged.

29.7 **Keystone** agree not to unreasonably withhold consent to the terms or the amount of any reward payable under this **Policy** provision nor does **Keystone's** offer to pay such reward in any way limit the amount of any reward the **Insured** may wish to offer for the **Insured's** own account.

29.8 **Keystone** will pay up to the amount shown in the **Schedule** for any one **Event**.

Exclusions

30. These Exclusions apply to all Covers unless expressly stated otherwise.

Consequential Loss

30.1 This **Policy** does not cover loss of use, loss of earning capacity and any other **Consequential Loss**.

Electronic Data

30.2 This **Policy** does not cover:

30.2.1 total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **Electronic Data**; or

30.2.2 error in creating, amending, entering, deleting or using **Electronic Data**; or

30.2.3 total or partial inability or failure to receive, send, access or use **Electronic Data** for any time or at all from any cause whatsoever, regardless of any other contributing cause or **Event** whenever it may occur.

30.3 Where an event listed below (being an event covered in *Cover 1 - Property Damage* or *Cover 5 - General Property* of this **Policy**, except for this Exclusion) is caused by any of the matters described in *clause 30.2* above, this **Policy**, subject to all its provisions, will cover:

30.3.1 total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **Electronic Data**; or

30.3.2 error in creating, amending, entering, deleting or using **Electronic Data**.

30.4 This Exclusion does not apply where an event listed below caused any of the matters described in *clause 30.2* above:

30.4.1 fire; or

30.4.2 lightning or thunderbolt; or

30.4.3 explosion or implosion; or

30.4.4 storm and wind; or

30.4.5 water damage; or

30.4.6 impact; or

30.4.7 earthquake, including tsunami, subterranean fire, volcanic eruption or fire resulting from any of these; or

30.4.8 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**.

Flood

30.5 This **Policy** does not cover **Flood**.

Geographical Limitations

30.6 **Keystone** will not pay for any loss or damage to the **Insured's Property Covered** that is outside Australia at the time of its loss or damage, except as specifically stated otherwise in the appropriate Cover, unless **Keystone** agree in writing to the contrary.

Intentional Acts

30.7 This **Policy** does not cover intentional acts by an **Insured** or another party committed with the **Insured's** knowledge and consent and which an **Insured** can prevent.

Known Defects

30.8 **Keystone** will not pay for loss or damage caused by faults or defects known to an **Insured** or any **Employee** whose knowledge in law would be deemed to be the **Insured's** and not disclosed to **Keystone** at the time this insurance was arranged.

Non-Compliance

30.9 This **Policy** does not cover loss or damage, or liability caused by or because of an **Insured's** failure to take reasonable precautions to comply with any relevant statutory obligations, by-laws, regulations, public authority requirements or safety requirements.

Radioactivity

30.10 This **Policy** does not cover claims directly or indirectly caused by, or arising from, or in consequence of, or contributed to by ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or from the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

30.11 This Exclusion does not apply to liability arising from radioisotopes, radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits.

Sanctions

30.12 This **Policy** does not cover any claim or action that would be in contravention of any sanction, prohibition or restriction under United Nations resolutions or trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

Terrorism

30.13 This **Policy** does not insure any act of **Terrorism**, or any action taken in controlling, preventing, suppressing or in any way relating to an act of **Terrorism**.

30.14 This Exclusion does not apply to:

30.14.1 Cover 2 - Theft; or

30.14.2 Cover 3 - Money; or

30.14.3 Cover 4 - Glass; or

30.14.4 Cover 5 - General Property.

Un-occupancy

30.15 **Keystone** will not pay for any loss or damage to the **Insured's Property Covered** if the occurrence happens after the **Insured's Premises** has been unoccupied for more than 90 consecutive days, unless **Keystone** otherwise agree in writing. This Exclusion does not apply to damage caused by:

30.15.1 lightning, earthquake, volcanic eruption, tsunami and subterranean fire; or

30.15.2 impact by road **Vehicle** or their loads, **Animals**, trees or branches, meteorite, **Aircraft** or other aerial devices or articles dropped from them, sonic boom or space debris, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof which do not belong to the **Insured**; or

30.15.3 riots, civil commotions and strikes.

30.16 This Exclusion will not apply if the **Premises** are partly occupied.

War

30.17 This **Policy** does not cover claims directly or indirectly caused by, or arising from, or in consequence of, or contributed to by war, invasion, acts of foreign enemies, hostilities (whether war has been declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by, or under the order of, any government or public or local authority.

Claims Conditions

31. The following Claims Conditions apply to enable **Keystone** to process a claim under any Cover of this **Policy**.

Admitting Liability

31.1 The **Insured** must not admit liability for any loss, damage or injury, or settle or attempt to settle or defend any claim without **Keystone's** written consent.

Claims Settlement

31.2 The **Insured** must tell **Keystone** the **Insured's** entitlement to input tax credits for the **Insured's** insurance **Premium** if the **Insured** are registered, or should be registered for GST purposes, if any **Event** occurs which gives or may give rise to a claim. **Keystone** will not cover the **Insured** for any resulting fines, penalties or tax charges if the information the **Insured** give **Keystone** is incorrect.

31.3 Any cash payments made to the **Insured** under this **Policy** will be based on costs including GST. However, if the **Insured** are, or would be, entitled to claim any input tax credits for the repair or replacement of the **Property Covered** or for other things insured by this **Policy**, **Keystone** will reduce **Keystone's** payment to the **Insured** by the amount of the **Insured's** input tax credit entitlement.

31.4 The future conduct of a claim becomes the **Insured's** responsibility if, at any time, **Keystone** pay the **Insured** the **Sum Insured** for any claim under this **Policy**. **Keystone** may also pay any Extensions or Additional Benefits that are in addition to the **Sum Insured**.

Conduct of Claims

31.5 **Keystone** may appoint legal or other representatives to assist in the conduct of a claim.

31.6 **Keystone** shall have the right and full discretion to conduct claims.

31.7 **Keystone** reserve the right to negotiate and settle any claim on terms **Keystone** consider appropriate.

Co-operation and Mitigation

31.8 The **Insured** must give **Keystone** such information and assistance as **Keystone** consider necessary to:

31.8.1 determine an appropriate course of action in relation to any claim; and

31.8.2 identify any parties that the **Insured** may have rights against relating to any claim.

31.9 The **Insured** must take all reasonable steps to avoid, minimise or mitigate any loss or damage that is or may be the subject of a claim.

31.10 Compliance with this Claims Condition will be at the **Insured's** own expense.

31.11 **Keystone** has the right to reduce any liability in respect of a **Claim** under this **Policy** by the amount which fairly represents the extent to which **Keystone's** interests were prejudiced as a result of the **Insured's** breach of this Claims Condition.

Foreign Currency

31.12 Any payments made, or costs and expenses incurred in a currency other than Australian dollars shall be converted to and paid in Australian dollars based upon the rate of exchange published by the Reserve Bank of Australia on the date that the payments were made or costs and

expenses were incurred, or the preceding date should they be incurred on a weekend or public holiday.

Not Authorise the Repair or Replacement

31.13 The **Insured** must not authorise the repair or replacement of anything without **Keystone's** agreement.

31.14 **Keystone** give the **Insured** authority to arrange emergency repairs on **Keystone's** behalf where the **Insured** is required to prevent further loss or damage to the **Insured's** property as a direct result of an emergency and the property is covered by this **Policy**.

Notify Claim

31.15 The **Insured** must:

31.15.1 notify the police immediately following a theft or burglary or when any property is misappropriated, lost or maliciously damaged; and

31.15.2 notify **Keystone** as soon as possible giving **Keystone** all the known details of the event including the police event number if available.

Keystone's Rights of Possession

31.16 **Keystone**, **Keystone's** employees or **Keystone's** agents have the right to enter any building or area where loss or damage has occurred and take possession of **Property Covered** or require the **Property Covered** to be delivered to **Keystone**.

Progress Payments

31.17 **Keystone** will make progress payments on claims at intervals to be agreed by **Keystone** following receipt of an interim report from **Keystone's** loss adjuster or representative. **Keystone** will not unreasonably withhold progress payments.

Proof of Fraud or Dishonesty

31.18 The **Insured** must supply **Keystone** with all records and documents that may assist **Keystone** in substantiating and investigating any act of fraud or dishonesty and the **Insured's** rights of recovery in the event of a claim. This includes but is not limited to all records (including computer, electronic and accounting records), video and audio recordings, working papers, internal memoranda, police reports, accounting records and audit documents.

Provide Proof of Ownership

31.19 The **Insured** must supply **Keystone** with all the information and documentation that **Keystone** request to prove the **Insured's** ownership or legal responsibility for the **Property Covered** and its value.

31.20 **Keystone** will decide what is acceptable proof of ownership and value based on the **Property Covered** for which the **Insured** are claiming, the age of the item and its value at the time of loss or damage.

31.21 Examples of the type of documentation that may be required include, but are not limited to:

31.21.1 tax invoices and/or receipts for **Property Covered**; and/or

31.21.2 photographs of the **Property Covered**; and/or

31.21.3 copies of any relevant contracts or agreements; and/or

31.21.4 statutory declaration verifying the details of the **Insured's** claim and any other matters connected with it; and/or

31.21.5 quotes for replacement items.

31.22 **Keystone** understand the **Insured** may not keep such information for every business item the **Insured** own, especially if items are recorded in the **Insured's** books of account. The **Insured** or the **Insured's** accountant may have records for tax purposes and these may be sufficient to prove ownership.

Retain All Damaged Property

31.23 The **Insured** must:

31.23.1 retain and preserve all damaged property for **Keystone's** inspection prior to authorisation of repairs unless alterations and repairs are immediately necessary for safety reasons or to minimise or prevent further loss, damage or injury. If repairs are necessarily carried out without **Keystone's** prior approval, the **Insured** are still required where reasonably practical, to retain and preserve all damaged property for **Keystone's** inspection; and

31.23.2 use the **Insured's** best endeavours to preserve all property, products, plant and all other things that may assist **Keystone** in investigating a claim, including assisting in determining if there are rights of recovery against another entity or person.

Recoveries

31.24 Recoveries (whether effected by **Keystone** or by an **Insured**), less the cost of recovery, shall be distributed as follows:

31.24.1 first, to the **Insured** for the amount of loss otherwise covered but in excess of the **Sum Insured** less any applicable **Excess**; and

31.24.2 second, to **Keystone** for the amount paid to the **Insured** for covered losses; and

31.24.3 third, to the **Insured** for the applicable **Excess**.

Sale of Salvage

31.25 **Keystone** will not sell or dispose of any salvage without giving the **Insured** the opportunity to buy it at its salvage value, provided that this Claims Condition does not allow the **Insured** to abandon the property to **Keystone**.

General Conditions

32. The following General Conditions apply to all Covers of this **Policy** unless expressly stated otherwise. Breach of a condition or warranty without the **Insured's** knowledge or consent, or error in name, description, or situation of property will not prejudice the **Insured's** rights under this **Policy** provided notice in writing is given to **Keystone** when such breach or error comes to the **Insured's** knowledge. Reasonable extra premium (determined by **Keystone** acting responsibly) shall be paid if required, from the date of such breach or error.

Accountancy Records

32.1 The **Insured** must provide to **Keystone** all books of account, business books and other documents as may be required to investigate or verify claims. If the **Insured** does not, **Keystone** may refuse to pay or may reduce the amount of a claim.

Acquisition of Companies

32.2 **Keystone** will provide cover for a company or companies acquired by the **Insured** where the business is of a similar occupation to that stated in the **Schedule** subject to the **Insured's** acceptance of **Keystone's** terms, undertaking to pay any additional premium required by **Keystone**, and provided that the **Insured** notifies **Keystone** in writing within 30 days of the acquisition of:

32.2.1 any company or other legal entity acquired during the **Period of Insurance**; or

32.2.2 any property or liability associated with such company or any other legal entity or business undertaking or operation.

32.3 **Keystone's** liability shall not exceed the **Sum Insured** or sub-limit applicable under the relevant Covers making up this **Policy** for each **Category** of property.

Assignment

32.4 This **Policy** cannot be assigned by the **Insured**.

Authorisation

32.5 The **Principal Insured** is the agent for each **Insured** and each **Insured** is bound by any statement, act or omission of the **Principal Insured** for all purposes under this **Policy**.

Cancellation

32.6 **Keystone** may only cancel this **Policy** pursuant to the *Insurance Contracts Act 1984 (Cth)*.

32.7 The **Principal Insured** may cancel this **Policy** at any time by giving written notice to **Keystone**.

32.8 **Keystone** may retain the pro rata proportion of the **Premium**. Note that in the event of the notification of a claim which is covered under this **Policy**, the **Premium** shall be regarded as fully earned and may be retained by **Keystone**.

Consideration

32.9 The cover provided by **Keystone** under this **Policy** is in consideration of the payment of the **Premium**.

32.10 The **Insured** must pay the **Premium** specified in the **Schedule** for the **Period of Insurance** to **Keystone** by the due date. The due date is on or before thirty (30) days after the inception date of the **Period of Insurance** or such other time that **Keystone** agrees in writing. If the **Insured** fails to pay the **Premium** by the due date, **Keystone** is entitled to cancel this **Policy** in accordance with the *Insurance Contracts Act 1984 (Cth)*.

Construction and Interpretation

32.11 Paragraph titles used in this **Policy** are included for descriptive purposes only and do not form part of this **Policy** for the purposes of its construction or interpretation.

32.12 Words denoting the singular include the plural and vice versa except where the context otherwise requires.

Designation of Property

32.13 **Keystone** agree to accept the designation under which any property appears in the **Insured's** books of account to determine under which item any property is insured.

32.14 This General Condition shall not apply to *Cover 2 - Theft* with respect to tobacco, products containing tobacco, cigars, cigarettes and alcohol.

32.15 **Stock** does not include tobacco, products containing tobacco, cigars, cigarettes or alcohol under *Cover 2 - Theft*, unless they are specified on the **Schedule**.

Endorsements

32.16 An **Endorsement** does not affect or increase the **Sum Insured** or any other term, except to the extent specifically provided in the **Endorsement**. For the avoidance of doubt, each **Endorsement** is otherwise subject to all the terms of this **Policy**.

Enforceability

32.17 This **Policy** must have a **Schedule** attached to it which has been signed by an authorised officer of **Keystone** to be enforceable.

Excess

32.18 The **Insured** must pay the **Excess** that applies to claims under this **Policy**. The **Excess** that applies will depend on the circumstances of the claim. The amount of the **Excess** and the circumstances that each **Excess** applies to are shown on the **Schedule** or set out in the applicable Cover. **Keystone** will tell the **Insured** how to pay the **Excess** and to whom to pay it.

32.19 **Excess** shall not be aggregated and only the highest single **Excess** shall apply should more than one **Excess** apply for any claim made under any part of this **Policy**.

32.20 The **Sum Insured** and sub-limits shall apply in addition to, and shall not be reduced by, the amount of any applicable **Excess**.

32.21 Only one **Excess** will apply to all damage resulting from earthquake, subterranean fire, volcanic eruption, bushfire, storm, hail or rainwater that is continuous, due to the same general conditions, and occurs within a 72-hour period from the first happening of damage.

32.22 **Keystone** shall be liable only for **Loss** which exceeds the **Excess**.

32.23 The **Excess** is to be borne by the **Insured** and shall remain uninsured.

32.24 The **Insured** shall, within seven (7) working days of receipt of **Keystone's** written request, reimburse **Keystone** for a payment where **Keystone** have elected to pay all or part of the **Excess** in respect of any **Claim**.

Goods and Services Tax (GST)

32.25 **Keystone** will charge the **Insured** an amount for GST as part of the **Premium**. The **Insured** must inform **Keystone** of the extent to which there is an entitlement to an input tax credit for that GST amount each time it notifies a claim under this **Policy**. No payment will be made to the **Insured** for any GST liability that it may incur on the settlement of a claim if it does not inform **Keystone** of its entitlement or correct entitlement to an input tax credit. Despite the other terms of this **Policy**, **Keystone's** liability to the **Insured** will be calculated considering any input tax

credit to which the **Insured** is entitled for any acquisition which is relevant to the claim, or to which it would have been entitled had it made a relevant acquisition. 'GST', 'input tax credit', 'acquisition' and 'supply' have the meaning given in *A New Tax System (Goods and Services Tax) Act 1999*.

Governing Law

32.26 This **Policy** will be governed in accordance with the law of the State or Territory of Australia in which this **Policy** was issued. Any disputes relating to interpretation will be submitted to the exclusive jurisdiction of the courts of Australia.

Inspections

32.27 **Keystone** (or agents appointed by **Keystone**) have the right to inspect and examine, by mutual appointment, any **Property Covered**.

Material Change

32.28 The **Insured** must notify **Keystone** as soon as reasonably practicable of any material change in the risk insured by this **Policy**. **Keystone** is entitled to amend the terms of this **Policy** and/or charge an additional **Premium** based on **Keystone's** assessment of any change in the risk covered by this **Policy**. A material change in the risk includes, without limitation:

32.28.1 activities that are materially different from those declared in the **Proposal**; or

32.28.2 activities outside the normal activities of the **Business**; or

32.28.3 any loss of, or conditions imposed upon, any licence or other authority required by the **Insured** to conduct the **Business**.

32.29 **Keystone** may at its election, instead of cancelling or avoiding this **Policy**, give notice in writing to the **Insured** that any claim which has arisen or may arise which is related to such facts, activities or circumstances shall be excluded from indemnity under this **Policy** in the event of **Keystone** being at any time entitled to cancel or avoid this **Policy** because of the **Insured** failing to give notice in accordance with General Condition **32.28**.

Maximum Sum Insured

32.30 The maximum amount **Keystone** will pay will not exceed the amount stated in the **Schedule** as the **Sum Insured** for those Covers selected, except as stated elsewhere in this **Policy**.

32.31 The **Sum Insured** shall apply in addition to, and shall not be reduced by, the amount of any applicable **Excess**.

Other Insurance

32.32 The **Insured** shall promptly give to **Keystone** full details of such other insurance, including the identity of the insurer, the policy number, and such further information as **Keystone** may reasonably require if at the time any claim arises under this **Policy** there is any other insurance in force covering the same Cover.

Reasonable Care

32.33 The **Insured** must take reasonable precautions to prevent property damage as if the **Insured** were not covered by this **Policy** such as (but not limited to):

32.33.1 maintaining and looking after other person's or organisation's property and buildings used or occupied by the **Insured**, in accordance with the **Insured's** agreement with them; and

32.33.2 complying with all laws and safety requirements imposed by any authority or by State or national legislation.

32.34 **Keystone** may refuse to pay part or all of the **Insured's** claim if the **Insured** do not take reasonable precautions.

Severability and Non-Imputation

32.35 Where this **Policy** covers more than one party, any failure on the part of any of the parties to:

32.35.1 comply with the duty of disclosure under the *Insurance Contracts Act 1984 (Cth)*; or

32.35.2 comply with any obligation under this **Policy** (other than the obligation to pay **Premium**); or

32.35.3 refrain from conduct which is dishonest, fraudulent, criminal or malicious, shall not prejudice the right of the remaining party or parties to cover under this **Policy**, provided that such remaining party or parties shall:

32.35.4 be entirely innocent of and have had no prior knowledge of any such failure; and



32.35.5 as soon as practicable after becoming aware of any such failure, advise **Keystone** in writing of all its relevant circumstances.

Subrogation

32.36 **Keystone** will become subrogated to all rights and remedies that the **Insured** may have against any party in relation to that claim where **Keystone** have paid a claim under this **Policy**. At **Keystone's** request, and without charge, the **Insured** must assist **Keystone** (including giving evidence at any civil hearing) and provide such information and documentation (including signed statements) as **Keystone** reasonably require to exercise such rights.

32.37 **Keystone** agree not to exercise the **Insured's** rights of subrogation against any **Principal** or **Employee** of the **Insured's** unless the claim is brought about or contributed to by the dishonest, fraudulent, criminal or malicious act or omission of the **Principal** or **Employee**, notwithstanding General Condition *32.35 Severability and Non-Imputation*, if any payment is made or may be made under this **Policy**.

Variation of this Policy

32.38 No variation of this **Policy** will be effective, unless made by **Endorsement**.

Important Information

This Policy is issued by:

Keystone Underwriting Pty Ltd ABN 78 601 944 764 (Keystone)

Keystone Underwriting Pty Ltd is a Corporate Authorised Representative (No. 000468712) of:

Keystone Underwriting Australia Pty Ltd ABN 59 634 715 674 AFS License No: 518244

Who is the Insurer?

Certain Underwriters at Lloyd's ("Underwriters") will be providing the financial service. Keystone is authorised to quote, bind and issue Certificates of Insurance under a Binding Authority Agreement (Binder) granted to Keystone by those Underwriters. Keystone will provide details of the syndicate numbers and the proportions underwritten by them on request.

General Insurance Code of Practice

Lloyd's supports the General Insurance Code of Practice and its purpose of raising the standards of practice and service in the general insurance industry.

What makes up the Insurance Contract?

This contract of insurance is made up of the Schedule, this Policy and any Endorsements that Keystone issues when an application is accepted or an existing Policy is renewed or amended.

Significant Features, Benefits and Exclusions

This Policy provides many significant features and benefits, subject to Conditions and Exclusions. Exclusions apply to this Policy and all of them are important. It is important that this Policy is read carefully to be aware of and understand the extent of cover that it offers. It will give full details of the Exclusions.

Significant Risks

The Insured should make sure that the sum insured and the limits to be purchased will be sufficient. All the terms and conditions contained in this Policy need to be understood.

Alteration to Risk and Deregistration

This Policy requires an Insured to notify Keystone within thirty (30) days of any material change to the business, or in the event of insolvency or bankruptcy. This Policy requires an Insured to give immediate notice of the cancellation, suspension, termination or imposition of conditions in respect of an Insured's statutory registration. Claims arising from conduct which occurs subsequent to the cancellation, suspension or termination of the Insured's statutory registration, licence, certification or authorisation under any relevant legislation or industry code of practice governing the Insured's profession are excluded from indemnity under this Policy. However, this condition does not apply if the suspension relates purely to the late payment of registration fees.

Doctrine of Utmost Good Faith

Every insurance contract is subject to this doctrine which requires the parties to the contract to act toward each other with the utmost good faith. Failure to do so may prejudice any claims and/or the continuation of the insurance contract.

The Insured's Duty of Disclosure - (this applies to non-consumer insurance contracts only)*

The Insured has a duty to tell Keystone anything that the Insured knows, or could reasonably be expected to know, before entering an insurance contract, that may affect Keystone's decision to insure the Insured and on what terms. The Insured has this duty until Keystone agrees to insure the Insured.

The Insured has the same duty before the Insured renews, extends, varies, or reinstates an insurance contract.

The Insured does not need to tell Keystone anything that:

- reduces the risk for which the Insured is insured; or
- is common knowledge; or
- Keystone knows, or should know; or
- Keystone waives the Insured's duty to tell Keystone.

If the Insured does not tell Keystone

Keystone may if the Insured does not tell Keystone anything the Insured is required to tell:

- cancel the Insured's contract, or
- reduce the amount to be paid to the Insured if the Insured makes a claim, or
- both the above.

Keystone may refuse to pay a claim and treat the contract as if it never existed if the Insured's failure to tell Keystone is fraudulent.

Change of Circumstances

The terms and conditions of this Policy will be based on information the Insured provided to Keystone. It is essential Keystone are advised of any material change that occurs to this information prior to the inception of this Policy. Failure to do so by the Insured may prejudice any subsequent claims under the Policy and/or jeopardise the continuation of the insurance contract.

* From Schedule 1, Part 1 Insurance Contracts Regulations 2017. A "Consumer Insurance Contract" is a policy of insurance that is wholly or predominantly obtained for personal, domestic, or household purposes.

Buying Insurance

Set out below are important matters that apply to the initial enquiry, buying of insurance, and renewal of cover. Defined terms are the same as in the Policy.

Information that Keystone ask

Keystone will only ask for and consider relevant information when assessing the Insured's application for cover.

Assessing Applications

The Insured will have access to information that Keystone has relied on in assessing their application and an opportunity to correct any mistakes or inaccuracies. Keystone may decline to release information in special circumstances, but will not do so unreasonably. Keystone will give reasons in these circumstances, and the Insured will have the right to request Keystone to review the decision through Keystone's complaints handling procedures. Keystone will provide reasons in writing upon request.

Mistakes

Keystone will immediately initiate action to correct an error or mistake in assessing the Insured's application for cover where it is identified.

Misrepresentation

Keystone's sales process will be conducted in a fair, honest and transparent manner.

Declining Cover

If Keystone cannot provide insurance cover, Keystone will:

- (a) give reasons; and
- (b) refer the entity/person seeking insurance to another insurer, AFCA or NIBA, for information about alternative insurance options (unless they already have someone acting on their behalf).

Keystone will make available information about Keystone's complaints handling procedures if the entity/person is unhappy with Keystone's decision.

Policy Information

Information about Keystone's policy wordings will be available when the Insured buy insurance from Keystone as well as on request. They will also be available on Keystone's website at www.keystoneunderwriting.com.au.

Subrogation

The Insured may prejudice their rights regarding a claim if, without prior approval from Keystone, the Insured makes an agreement with a third party that would prevent Keystone from recovering any applicable loss (in whole or in part) from that, or another party.

This Policy contains provisions that have the effect of excluding or limiting Keystone's liability for a claim under this Policy if you have entered into any agreement that excludes, limits or delays the Insured's right to recover damages from another party in respect of such claim.

Cost of Policy

The cost of this Policy is made up of premium plus any applicable policy fees, government taxes and charges. Keystone may cancel this Policy if the Insured fails to pay the total premium due.

Deductibles

The Insured may be required to pay a deductible or excess if a claim is made under this Policy. Details of applicable deductibles or excess are provided in the Schedule. This Policy sets out the terms relating to the payment of deductibles or excesses.

Taxation

All taxes and charges are shown as separate items (e.g. fire and emergency services levy, stamp duty depending upon location and GST).

Cooling-off Period

The Insured has the right to cancel this Policy with Keystone within 14 days of the date that the Policy inception, unless a claim is made. Keystone will refund the full amount of the premium less any duties or taxes payable if this cancellation occurs during the cooling-off period. This Policy will be terminated from the date Keystone receive the request to cancel.

Making a Claim

Benefits are payable if the Insured suffers a loss that is covered under this Policy during the Period of Insurance, except if an Exclusion or Condition applies. The Insured must immediately notify Keystone or their insurance adviser if there is a loss under this Policy.

Cancelling the Policy Before the Due Date

The Insured may cancel this Policy at any time by notifying us in writing, detailing the date that the cancellation will take effect. Keystone will refund any unearned premium to the Insured or their insurance adviser within 15 working days after the date of cancellation. Unearned premium will be computed pro rata for the unexpired term of this Policy, unless agreed in advance through the insurance adviser and set out in this Policy.

Privacy

Keystone are committed to safeguarding and protecting the Insured's privacy. Keystone is bound by the provisions of the *Privacy Act 1988* which sets out the standards to meet in the collection, use and disclosure of personal information.

The Act defines "personal information" as "information or an opinion about an individual whose identity is apparent or can reasonably be ascertained from the information or opinion".

Purpose of Collection

Keystone will only use personal information the Insured provides to quote on and insure risks and matters incidental thereto, including investigating and managing claims.

It may be necessary for Keystone to provide the Insured's personal information to others, such as other insurers or reinsurers, claims investigators, lawyers and other professionals, and government bodies. Keystone will not under any circumstances trade, rent or sell the information.

Keystone cannot properly quote insurance and cannot insure the Insured if they do not provide Keystone with complete, accurate and up-to-date information. If the Insured provide Keystone with personal information about anyone else, Keystone will rely on the Insured to have told them that their information will be provided to Keystone, to whom Keystone may provide it, the purposes for which Keystone will use it and that they can access it. Keystone relies on the Insured to have obtained their consent on these matters if the information is sensitive.

Access to Information

The Insured can check the personal information Keystone holds about them at any time. Requests for access can be made in writing to:

The Privacy Officer
Keystone Underwriting Australia Pty Ltd
17/296 Bay Road
Cheltenham, VIC 3192

Keystone will keep the Insured informed of any delays in responding to the Insured's request throughout the process.

General Insurance Code of Practice

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice ("the Code"), which is a voluntary self-regulatory code. The Code aims to raise the standards of practice and service in the insurance industry.

Lloyd's has adopted the Code on terms agreed with the Insurance Council of Australia. For further information on the Code please visit www.codeofpractice.com.au.

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code. For more information on the Code Governance Committee (CGC) go to www.insurancecode.org.au.

Complaints and Disputes

If you have any concerns or wish to make a complaint in relation to this policy, our services or your insurance claim, please let us know and we will attempt to resolve your concerns in accordance with our Internal Dispute Resolution procedure. Please contact Keystone Underwriting Australia Pty Ltd in the first instance:

The Complaints Officer
Keystone Underwriting Australia Pty Ltd
17/296 Bay Road
Cheltenham, VIC 3192
Phone: 1300 946 530
Email: complaints@ksua.com.au

We will acknowledge receipt of your complaint and do our utmost to resolve the complaint to your satisfaction within 10 business days.

If we cannot resolve your complaint to your satisfaction, we will escalate your matter to Lloyd's Australia who will determine whether it will be reviewed by their office or the Lloyd's UK Complaints team. Lloyd's contact details are:

Lloyd's Australia Limited
Email: jdaustralia@lloyds.com
Telephone: (02) 8298 0783
Post: Suite 1603 Level 16, 1 Macquarie Place, Sydney NSW 2000

A final decision will be provided to you within 30 calendar days of the date on which you first made the complaint unless certain exceptions apply.

You may refer your complaint to the Australian Financial Complaints Authority (AFCA), if your complaint is not resolved to your satisfaction within 30 calendar days of the date on which you first made the complaint or at any time. AFCA can be contacted as follows:

Telephone: 1800 931 678
Email: info@afca.org.au
Post: GPO Box 3 Melbourne VIC 3001
Website: www.afca.org.au

Your complaint must be referred to AFCA within 2 years of the final decision, unless AFCA considers special circumstances apply. If your complaint is not eligible for consideration by AFCA, you may be referred to the Financial Ombudsman Service (UK) or you can seek independent legal advice. You can also access any other external dispute resolution or other options that may be available to you.

The Underwriters accepting this Insurance agree that:

- (i) if a dispute arises under this Insurance, this Insurance will be subject to Australian law and practice and the Underwriters will submit to the jurisdiction of any competent Court in the Commonwealth of Australia;
- (ii) any summons notice or process to be served upon the Underwriters may be served upon:
*Lloyd's Underwriters' General Representative in Australia
Suite 1603
Level 16
1 Macquarie Place
Sydney NSW 2000*
who has authority to accept service on the Underwriters' behalf;
- (iii) if a suit is instituted against any of the Underwriters, all Underwriters participating in this Insurance will abide by the final decision of such Court or any competent Appellate Court.

In the event of a claim arising under this Insurance immediate notice should be given to:

Claims Department - Keystone Underwriting Australia Pty Ltd
Telephone: 1300 946 530
Email: claims@ksua.com.au