

BUSINESS INSURANCE POLICY

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Customer Information Booklet
Part 2 of the Product Disclosure Statement

Welcome to AAMI Business Insurance

This Product Disclosure Statement was completed on 1 June 2008.

Your complete Product Disclosure Statement is made up of three parts: a document titled "Part 1 of the Product Disclosure Statement", your Customer Information Booklet which contains the general terms that apply to your policy (known as "Part 2 of the Product Disclosure Statement") and the individual wordings for each section of cover you have chosen (known as "Part 3 of the Product Disclosure Statement").

Thank you for deciding to buy your business insurance direct. You've probably been dealing direct for your home or car insurance, so it makes sense to do the same for your business insurance.

AAMI Business Insurance is a specialist in providing direct insurance solutions to small businesses in Australia. AAMI Business Insurance offers a new way of buying business insurance that caters specifically for your needs and by dealing direct you have avoided paying any commissions or fees.

The other benefits that you will have experienced through AAMI Business Insurance include:

- package discounts
- peace of mind
- pay by the month
- customised cover
- hassle-free claims
- plain language policy documentation

You will have received, separate to this Booklet (known as Part 2 of the Product Disclosure Statement), your insurance schedule and the wording for the individual sections of the policy that you have selected.

This booklet contains general information about your insurance policy including general provisions (conditions, exclusions and definitions), not all of which will apply to you, depending on the specific sections of the policy chosen.

Australian Associated Motor Insurers Limited (AAMI) ABN 92 004 791 744, Australian Financial Services Licence No. 238173, is the issuer of the AAMI Business Insurance policies. AAMI Business Insurance is a brand name under which this policy is sold and administered.

You should consider all of the parts of the Product Disclosure Statement when deciding to buy insurance. Visit the AAMI Business Insurance web page at aami.com.au or call us on 13 22 44 to get all of the parts of the Product Disclosure Statement.

We look forward to offering you better insurance coverage, support and value, so you can concentrate on running your business more successfully.

Please note that AAMI Business Insurance products are not covered by AAMI's Customer Charter.

If you would like any further information don't hesitate to contact us on 13 22 44, or visit our web site aami.com.au for useful information.

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AAMI Business Insurance covers available to you

AAMI Business Insurance offers a range of insurance covers for your business as part of our 'Business Pack'. These are listed below. Not all of these covers are available on their own, some are dependent on your taking out another cover as well. For the covers you have selected please refer to "What's Covered" in the schedule. The covers listed in the schedule that you have selected make up Part 3 of your Product Disclosure Statement.

- Section 1 A Property: Fire & Defined Events
- Section 1 B Property: Theft
- Section 1 C Property: Glass & Signs
- Section 1 D Property: Breakdown of Machinery, Boilers & Pressure Plant, Computers & Electronic Equipment
- Section 1 E Property: Restoration of Computer Data
- Section 1 F Property: Computers - Increased Costs of Working
- Section 1 G Property: Deterioration of Stock
- Section 2 Money
- Section 3 Portable & Valuable Items
- Section 4 Employee Dishonesty
- Section 5 Business Interruption
- Section 6 Goods in Transit
- Section 7 Legal Liability
- Section 8 Tax Probe®
- Section 9 LegalPower®
- Section 10 Commercial Motor

If you are interested in insurance or would like additional information about any of these covers please call us on 13 22 44.

Important notices

Cooling off and cancellation

The information we need to know from you

When we agree to insure you, to renew or vary your policy, or to pay your claim, our decision relies on the accuracy of the information you give us. If that information is not accurate, we can potentially reduce or deny any claim you may make or cancel your policy. We never want to have to do that, so you must answer the questions we ask and disclose relevant information to us honestly and correctly.

You must observe the conditions contained in your AAMI policy.

You must pay or agree to pay us the premium we charge and any excesses that apply.

You should retain all of the parts of the Product Disclosure Statement provided to you so you can refer to those parts if needed.

When you renew your policy, we do not require you to comply with the general duty of disclosure. It is enough for you to simply tell us if the information on your renewal notice is incorrect or incomplete.

If you are a joint insured, the above applies to every person or organisation insured under this policy.

How you may cancel

You may cancel your policy at any time. We will refund you the unexpired portion of the premium less any cancellation processing charge to cover the reasonable administrative and transaction costs incurred by AAMI, unless you make a claim. To cancel your policy, please call us on 13 22 44 or write to:

AAMI Business Insurance, GPO Box 2470, Adelaide, SA 5001.

In addition, if you vary your policy and add additional cover, you have

the right to cancel that additional cover. In this instance we will refund you the amount you have paid for that additional cover less any cancellation processing charge, unless you make a claim.

How we may cancel

We can only cancel your policy by giving you written notice in accordance with the Insurance Contracts Act 1984.

Interested parties

We will not insure the interests of any person other than you, unless you have notified us in writing of such interest, and the interest has been noted in the schedule.

Subrogation agreements

Where another person is liable to compensate you for any loss or damage otherwise covered by the policy, but you have agreed with that person either before or after the loss or damage occurred that you would not seek to recover any monies from that person, we will not cover you under the policy for any such loss or damage.

Under insurance

If you have elected to insure your buildings or contents (excluding stock) for reinstatement and replacement costs, the insured amounts should represent the full replacement value at new costs. If this is not done, any claim you make for these may not be paid in full.

If you have insured your buildings or contents for indemnity, the insured amounts should be sufficient to replace, rebuild or repair the property to the same condition as it was at the time of the loss or damage.

If you have insured your gross income, you should ensure that the insured

amount represents all monies paid or payable to you for goods sold, services rendered, or rental received, less the purchase price of your stock.

If this is not done, any claim you make for these may not be paid in full.

The General Insurance Code of Practice

AAMI is a signatory to the General Insurance Code of Practice (Code) which sets out a commitment by the general insurance industry to raise standards of service and to promote better relations between customers and insurers.

The Code describes standards in areas such as buying insurance, claims handling, responding to catastrophes and disasters, information and education and dispute resolution. The Code was introduced in 1995 with the backing of consumer groups, the Federal Government, insurers and the Insurance Council of Australia. It was revised in 2005.

More information on the Code, or a copy of the Code, can be obtained from the Financial Ombudsman Service (FOS). You can contact the FOS on 1300 780 808, toll free, or you can access the Code at www.fos.org.au

The Goods and Services Tax (GST) and your insurance - GST registered policyholders only

GST has an impact on the way in which claim payments are calculated under your policy. We will calculate the amount of any payment we make to you having regard to your GST status.

If, for example, we make a cash payment to you for the purchase of goods or services for which you are entitled to claim an input tax credit, we will only pay you an amount equal to your net cost i.e. your cost after claiming input tax credits. The wording contained in this booklet sets this out.

In respect of your policy with us, therefore, where you are registered for GST purposes, you should calculate your sums insured or advise us your asset values or turnover having regard to your entitlement to input tax credits.

You should, therefore, consider the net amount (after all input tax credits have been taken into account) which is to be insured and calculate and advise to us insured amounts, asset values or turnover on a GST exclusive basis.

If you are either wholly or partially input taxed, you are in a special category under the GST legislation, and will need to advise us your sums insured, asset values or turnover on a GST inclusive basis.

This outline of the effect of the GST on your policy is for general information only. You should not rely on this information without first seeking expert advice on the application of the GST to your particular circumstances.

Paying by instalments

You may be eligible to pay in regular instalments by direct debit.

When you pay this way, the total premium may be higher than we charge for one annual payment, reflecting the higher costs we experience. Any premium discounts we may provide are applied before these additional costs are calculated.

Your responsibilities when paying by instalments

When paying by instalments:

- you must be an authorised signatory on the account nominated for your direct debit payments, and

- you must ensure that your nominated account can accept direct debits and has sufficient funds to meet each payment at each due date.

Your financial institution may also apply its own fees (including dishonour fees). Those fees are your responsibility.

What happens if your instalment remains unpaid?

AAMI may cancel your policy without notice if an instalment payment remains unpaid for 30 days or more.

AAMI will not accept any claims if an instalment payment has remained unpaid for a period of 14 days or more.

Changing your instalment payments

If you wish to change or cancel your direct debit arrangements, you need to contact us at least seven days before the debit day.

If you cancel the direct debit arrangement completely, you will need to arrange for another way to pay us your premium, to ensure you remain covered.

Important things to remember when paying by instalments

When you first commence your direct debit payments, or when you change your account details, it may take up to fourteen days for us to first debit your account.

If you believe that we may have incorrectly debited your account, please contact us on 13 22 44.

When you claim on your policy and we decide that the damage or loss to your building, business or car is so severe that it will need to be rebuilt or replaced, we will require you to pay the total unpaid balance of your premium before your claim can proceed.

Privacy Statement

The Privacy Act 1988 (as amended) now applies and requires us to inform you of the following.

Why do we collect your personal information?

AAMI collects personal information from or about you for the purposes of providing insurance services to you. This includes deciding whether to agree to an application or any amendment or increase of any insurance provided; to provide, administer and manage insurance covers relating to an accepted application; investigating and, if covered, managing claims for any insurance you have with us or other members of the same group of companies.

AAMI may disclose (and receive) your personal information in connection with the purposes listed above, to other members of the same group of companies, government bodies, loss assessors, claim investigators, reinsurers, other insurance companies, repairers, mailing houses, insurance reference providers, and other service providers.

AAMI may also use your personal information for the purpose of providing information about our products and services. If you do not wish to receive this information please let us know.

What happens if you choose not to provide us with this information?

If you are unable to provide us with the personal information we need, we will be unable to consider your application for insurance cover, administer your policy or manage any claim under your policy.

How you can access the information we hold about you

You can request access to the personal information we hold about you by calling us on 13 22 44, or by writing to AAMI Business Insurance at GPO Box 2470, Adelaide SA 5001, or email us at businessinsurance@aami.com.au and providing us with the full details you require.

How we will handle your request for access to your personal information

We will respond to your request for access to personal information as quickly as possible. Depending on the nature of your request and the accessibility of the information, we aim to respond within three working days, but may be able to respond immediately. If accessing your personal information will take an extended period of time, we will inform you of the delay.

In some circumstances we may not agree to allow you access to some or all of the personal information we hold about you, such as when it is unlawful to give it to you. In such cases we will give you the reasons for our decision.

What happens if you have a dispute about your personal information?

If you have a complaint about privacy or you do not agree with a decision we have made about access to your personal information, we have an internal dispute resolution procedure. To access this please call us on 13 22 44.

About your insurance policy

In the insurance policy:

you/your means the policyholder named in the schedule.

we/our/us means Australian Associated Motor Insurers Limited (AAMI)
ABN 92 004 791 744, Australian Financial Services Licence
No. 238173 as the issuer.

Some other words used in the policy have special defined meanings. These words are in bold (although as noted below, some of the definitions may not be relevant for the sections you have chosen). Most of the words we have defined are listed in the "Definitions" section of this booklet. We also explain the meaning of some words in the sections themselves.

Your insurance policy is made up of:

this customer information booklet (known as Part 2 of the Product Disclosure Statement) with general conditions, exclusions and definitions,

the individual wordings for each section you have chosen (known as Part 3 of the Product Disclosure Statement),

any endorsements (which are part of the schedule), and

the schedule which shows the insured amounts, the premium and any relevant government charges.

Please note that some of the general conditions, exclusions and definitions may not be relevant for the sections you have chosen.

You should read the schedule and the policy together, to tell you what we cover, what we exclude, what we pay to settle claims and other important information. Each section of the policy has exclusions which are listed under "What we exclude". There are also some general exclusions listed in this booklet that apply to the whole policy (although, as noted above, some of the general exclusions may not be relevant for the sections you have chosen).

The headings and shaded areas of the policy are not part of the policy itself. Their purpose is to provide you with a general guide about the content of the text.

Our contract with you

The insurance policy is a legal contract between you and us. The contract is based on the information you gave us when you applied for the insurance, and any subsequent information which you have supplied.

We will provide cover for the sections of the policy shown under “What’s Covered” on your schedule for the period of insurance. You must pay the premium and any relevant government charges for the period of insurance and comply with all of the policy conditions.

Applicable law

The policy is subject to Australian law, including the Insurance Contracts Act 1984.

Evidence of ownership

Please read the policy carefully and keep all documents in a safe place. If there is something you do not understand, please contact us. You should also keep any evidence of value of property and proof of ownership (receipts, valuations, owner’s manuals or warranty books, etc. as we may ask you to provide them if you make a claim).

If you are unable to provide us with the evidence we require, we may reduce or refuse to pay your claim.

In addition to the premium, we will charge you an amount on account of GST.

How the Goods and Services Tax (GST) affects this insurance

You must inform us of the extent to which you are entitled to an input tax credit for that GST amount each time that you make a claim under the policy. No payment will be made to you for any GST liability that you may have on the settlement of a claim if you do not inform us of your entitlement or correct entitlement to an input tax credit.

Despite the other provisions of this insurance (including provisions in the policy, the schedule and any endorsement), our liability to you will be calculated taking into account:

- (a) any input tax credit to which you are entitled for any acquisition which is relevant to your claim, or which you would have been entitled were you to have made a relevant acquisition; and
- (b) for claims for business interruption only) the GST exclusive amount of any supply made by your business which is relevant to your claim.

If your insured amount is not sufficient to cover your loss, we will only pay an amount for GST (less any relevant input tax credit) that relates to our proportion of your loss. We will pay that GST amount in addition to your insured amount.

In respect of loss or damage to your vehicle, if your vehicle is a total loss and you have chosen the agreed value option, we will not deduct any input tax credit entitlement from the amount of the agreed value shown in the schedule.

'GST', 'input tax credit', 'acquisition' and 'supply' have the meaning given in A New Tax System (Goods and Services Tax) Act 1999.

Making a claim

You must follow the procedures outlined if something happens that causes loss or damage or injury which may lead to a claim. Please bear in mind, if you do not, we may refuse your claim or reduce the amount we pay you.

When loss or damage occurs

When loss or damage occurs, as soon as possible you must:

- (a) take all reasonable steps to reduce the loss or damage and to prevent further damage;
- (b) immediately make a report to the police if:
 - you know or suspect that your property or motor vehicle has been stolen,
 - someone has broken into your premises, or
 - someone has caused malicious damage to your property or motor vehicle;
- (c) not make any admission of liability, offer, promise or payment in connection with any event;
- (d) preserve and retain any damaged property and make it available for inspection by us or our agent (including a loss adjuster);
- (e) not authorise the repair or replacement of anything without our agreement.

If you have an accident in your motor vehicle

As soon as possible after the accident or event that causes the loss, damage or legal liability (as described in the Commercial Motor Section of the policy):

- (a) report the accident to the police, particularly if your vehicle has been stolen and/or maliciously damaged;
- (b) if you have an accident involving another vehicle, write down these details:
 - name and address of the other vehicle owner;
 - name, address and licence number of the other driver;
 - insurance company of the other vehicle and their policy details;
 - registration number of the other vehicle;
 - description of the other vehicle and the damage it sustained; and
 - name and address of any witnesses;
- (c) take all reasonable steps to minimise or prevent further loss or damage;
- (d) if you receive any demands or legal documents from the other party, immediately advise a motor claims specialist assigned to your claim.

How your car is repaired

When your car is damaged, for your peace of mind, we choose the repairer and arrange the repair for you.

Usually, damage to cars is repairable.

If your car has been damaged and can be repaired, our responsibility to you when we authorise repairs is to ensure that the repair work is properly carried out. So we can ensure the quality of the repair and give you peace of mind, we choose the repairer and arrange the repair for you.

We ordinarily obtain two independent quotes from repairers recommended by AAMI. If you want you can choose a repairer to provide one of the quotes. Our assessor will review the quotes, including any quote from a repairer you choose. We will choose the repairer who has submitted the more competitive and complete quote and that will be the repairer who repairs your car.

If your tax or financial affairs are going to be investigated

- (a) provide us immediately with full written details of any proposed audit as soon as you are aware of it;
- (b) before retaining any professional other than your accountant, obtain our prior approval of that person's engagement and of the fees and disbursements likely to be incurred;
- (c) keep us fully informed of all material developments in relation to the claim and the audit;
- (d) take all reasonable steps to minimise cost and delay;
- (e) submit to us all accounts for professional fees immediately after receiving them. Provide fully itemised details of accounts so we can determine the nature of the work done;

- (f) when you have made a claim:
- we or our agent may investigate any matter that is or may be the subject of the claim;
 - you are required to provide us with direct access at all times to your professional adviser;
 - if we so request, you are required to instruct your professional adviser to assist us in connection with any claim;
 - you are required to instruct your professional adviser to assist us with any matter we seek to pursue with the department, body or agency conducting the audit which is or may be the subject of a claim under this policy.

Making a claim

If you wish to make a claim you must:

- (a) promptly call the claims team on 13 22 44;
- (b) give us all the information and documentation which we request. If we ask for it, you must provide us with a statutory declaration verifying the truth of your claim and any matters connected with it;
- (c) immediately send us any court documents or other communication you receive about the claim. Do not take any action yourself or ask anyone else to do so on your behalf.

Proceedings and negotiations

- (a) we control all claims;
- (b) we require that you give us all information and assistance we may need:
 - to settle or defend claims; or
 - to recover from others any amount we have paid for a claim;
- (c) you must allow us to:
 - make admissions, settle or defend claims on your behalf; and
 - take legal action in your name against another person to recover any payment we have made on a claim before we have paid your claim, whether or not you have been compensated or paid in full for your actual loss;
- (d) allow us or our agent to enter your premises or make them available to us for inspection; and
- (e) allow us or our agent to take possession of any damaged property and deal with it in a reasonable manner. If we do not take possession of the damaged property you cannot abandon it to us.

Fraudulent claims

If you or someone acting on your behalf makes a false or fraudulent claim, we will:

- (a) refuse to pay the claim;
- (b) cancel the policy; and
- (c) take legal action against you.

Subrogation agreements

Where another person is liable to compensate you for any loss or damage otherwise covered by the policy, but you have agreed with that person either before or after the loss or damage occurred that you would not seek to recover any monies from that person, we will not cover you under the policy for any such loss or damage.

AAMI's commitment to you

In the event of a claim the team at AAMI Business Insurance will provide:

- (a) support - 24 hours a day, 7 days a week;
- (b) freedom from the stress and inconvenience of filling out claim forms;
- (c) the service of claims professionals who care about you;
- (d) licensed, professional repair contractors who adhere to our stringent standards;
- (e) lifetime guarantees on repairs to sedans, 4 wheel drives, light commercial vehicles (less than 2 tonnes carrying capacity) while the vehicle is still owned by you;
- (f) free post-repair inspections (if requested);
- (g) pro-active communication that keeps you fully informed.

Additional accident plan tips

These steps may help your business recover promptly after a loss. (Please note, this is only a guide and is not limited to the following):

- (a) close out current books as of the date of the loss. Maintain a separate business log of extra expenses incurred because of the loss;
- (b) obtain authorisation from your insurer before removing damaged goods or debris;
- (c) if non-food stock has been damaged, separate damaged goods from unaffected goods;
- (d) secure the business from potential looters and weather damage;
- (e) use temporary signs to redirect parking and traffic;
- (f) consider making a public or limited announcement advising any changes during the recovery process. (This will help lessen concerns and manage expectations.)

When we may refuse or reduce a claim

We may refuse or reduce a claim if:

- (a) the information you provided us when we agreed to insure you, renew or vary your policy was not accurate;
- (b) you are paying by instalments and an instalment payment has remained unpaid for a period of 14 days or more;
- (c) you do not at all times take all reasonable care as we require you to do under the 'Taking care' section of this booklet;
- (d) you do any of the following without us agreeing to it first:
 - make or accept any offer or payment or in any other way admit you are liable,
 - settle or attempt to settle any claim, or
 - defend any claim;
- (e) cover is specifically excluded in the policy;
- (f) you have not complied with any of the requirements of the 'Making a claim' section of this booklet; or
- (g) you are in breach of any other conditions of the policy.

Remember, if you prevent our right to recovery from someone else or if you have agreed not to seek compensation from another person who is liable to compensate you for any loss, damage or liability which is covered by the policy, we will not cover you under the policy for that loss, damage or liability.

How we resolve your complaints

If you think we have let you down in any way, or our service is not what you expect, please let us know so we can help you. You can tell us about your complaint by phone or in writing. If you phone, you will be given the name of the person who will be dealing with the matter. If you write to us, your letter will be directed to the correct person.

Your complaint will be handled by the person who has the authority to deal with it and this person will consider the facts and contact you to resolve your complaint as soon as possible, usually within 24 hours of receiving your complaint. If this person is not able to resolve the matter to your satisfaction, then it will be referred to the relevant AAMI Business Insurance manager and you will be contacted usually within 5 working days.

If you are not satisfied with the relevant AAMI Business Insurance manager's response, you can ring, write to or email the AAMI Customer Ombudsman or the Financial Ombudsman's Service with details. The AAMI Customer Ombudsman acts with the authority of AAMI's Chief Executive Officer in dealing with disputes.

The AAMI Customer Ombudsman will respond to your complaint within five working days of receiving your letter or email.

How to contact the AAMI Customer Ombudsman

Telephone: 1300 130 794 (local call costs apply)

9am to 5pm EST Monday to Friday.

Fax: (03) 9529 1214

Write to: The AAMI Customer Ombudsman, Australian Associated Motor Insurers Limited, PO Box 14180, Melbourne City Mail Centre, Victoria 8001

Email: consumerappeals@aami.com.au

If you disagree with the AAMI Customer Ombudsman's decision, you can choose to have the matter resolved externally, for example, through mediation, arbitration or by taking legal action.

You can also raise complaints about certain services we provide directly with the Financial Ombudsman Service. This is an independent body and its service is free to you.

You can contact the Financial Ombudsman Service on 1300 780 808 toll free or by email to info@fos.org.au or write to GPO Box 3, Melbourne, Victoria 3001.

You can visit the Financial Ombudsman Service's web site at www.fos.org.au

Inflation protection

To protect you from the effects of inflation, if you have the Fire and Defined Events section under “What’s covered” and “Inflation Protection” shown in the schedule we will automatically change the insured amount at renewal in line with movements in the Consumer Price Index or another similar index.

If the insured amount increases because of index linking, the new premium and relevant government charges will be based on the new insured amounts shown on the schedule.

Other conditions

Keeping us up to date

During the period of insurance and at renewal you must tell us of any of the following changes (for which we may ask for an additional premium to maintain cover):

- if the building is not in a good state of repair;
- work on the building other than routine maintenance or decoration;
- any change in the business;
- any change of premises;
- details of any conversion or modification to your vehicle made by someone other than the manufacturer. For example, if you give your vehicle wide tyres or wheels, or lower its suspension;
- if there is anyone under the age of 25 years who is likely to be a regular driver of the vehicle;
- if there is any change in the use of your vehicle. For example, if you start using your vehicle for courier services.

Taking care

You must:

- take all reasonable steps to prevent loss of or damage to the property insured by the policy;
- take all reasonable care to prevent injury to another person or damage to another person's property;
- comply with all laws and safety requirements imposed by any authority or by state or national legislation;
- employ only competent employees;

- keep all property well maintained;
- keep all vehicles in a roadworthy condition.

Complying with our requirements

You must comply, within a reasonable time which we will specify, with any request made by us:

- to be allowed to survey your premises or examine your products;
- for the protection or improvement of your property;
- to reduce the likelihood of injury or loss of or damage to property.

You must give us, and pay for, all of the information we reasonably ask for about a claim. You must also help us to take legal action against anyone or help us defend any legal action if we ask you to.

Third party interests

We will not insure the interests of any person other than you, unless you have notified us in writing of such interest, and the interest has been noted in the schedule.

Joint Insureds

If more than one person takes out this insurance, each is a joint insured. Each joint insured gives authority to each other joint insured to make any changes to this policy including cancelling this policy or removing a joint insured. AAMI may agree to any change without notice to any person other than the joint insured requesting the change.

General exclusions

These are the policy exclusions which apply to all the sections of your policy, unless otherwise specified.

We will not cover:

Nuclear risks

any loss, destruction, consequential loss, damage, injury or legal liability directly or indirectly caused by or contributed to by or arising from:

ionising radiation or radioactive contamination from any nuclear fuel or waste which results from the burning or fission of nuclear fuel; or

the radioactive, toxic, explosive or other dangerous properties of nuclear machinery or any part of it.

Nuclear weapons

any loss, destruction, consequential loss, damage, injury, or legal liability directly or indirectly caused by or contributed to by, or arising from nuclear weapons material.

War risks

any consequence of war or warlike activities which includes invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.

Confiscation, nationalisation or expropriation

any loss, damage or consequential loss due to confiscation, nationalisation or expropriation.

any loss, damage or consequential loss caused by any person or organisation who lawfully destroys or takes away your ownership or control of any property or vehicle covered by the policy.

Sonic bangs

any loss, damage or consequential loss due to pressure waves caused by aircraft or other flying objects moving at or above the speed of sound.

Existing damage

any loss or damage which happens before this cover starts or which arises from an event before the period of insurance cover starts.

Deliberate damage

any loss or damage caused deliberately by you, or any director, business partner, principal, or employee of yours, or with your permission.

This does not apply to Section 7 of the policy.

Unoccupied premises

any loss or damage where the premises has been totally unoccupied for 30 (thirty) or more consecutive days, unless our written consent has been obtained before the premises are left so unoccupied.

This does not apply to Section 7 of the policy.

Contractual liability

any loss or damage in respect of which you have entered into an agreement which excludes your right to recover from a third party or any claim for liability where you have admitted liability without our agreement.

Consequential loss

consequential loss of any kind including loss by delay, confiscation or detention by customs or other lawful authority, loss of market, lack of performance, loss of contract or depreciation in the value of land and stock.

This does not apply to Section 5 of the policy.

Electronic data exclusion

This exclusion prevails over any other provision in the policy except any terrorism exclusion.

- (a) we will not cover:
 - (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of electronic data,
 - (ii) error in creating, amending, entering, deleting or using electronic data, or
 - (iii) 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.
- (b) we will not cover legal liability for communication, display, distribution or publication of electronic data.

however, this exclusion does not apply to bodily injury, death, sickness, disease, disability, shock, fright, mental injury, mental anguish or loss of consortium resulting from any of them.
- (c) where an event listed below (being an event covered under "What we cover" in Section 1 and/or Section 3 of the policy but for this exclusion) is caused by any of the matters described in paragraph (a) above, the policy, subject to all its provisions, will insure:
 - (i) loss of or damage to insured property directly caused by the event, and/or

- (ii) consequential loss insured by the policy.

This exclusion does not apply where an event listed below (being an event covered under “What we cover” in Section 1 and/or Section 3 of the policy but for this exclusion) caused any of the matters described in paragraph (a) above.

fire

lightning or thunderbolt

explosion

earthquake, including subterranean fire, volcanic eruption

impact by any road vehicle, space debris, animal, falling tree

impact by aircraft or anything dropped from them

wind and/or water (including snow, sleet and hail)

sprinkler leakage

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.

For the purposes of the “What we pay” provision in the policy, computer systems records includes electronic data.

Where damage to property or property are used in the policy, they do not include electronic data.

This does not apply to Sections 1E, 8, 9 or 10 of the policy.

Terrorism

Except as otherwise provided in the Terrorism Insurance Act 2003, we will not cover:

- (a) personal injury, damage to property, legal liability, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the personal injury, damage to property, legal liability, loss, damage, cost or expense;
- (b) personal injury, damage to property, legal liability, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

Definitions

Act of terrorism. 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) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Additional costs.

claimant's costs;

first aid costs (other than medical costs which we are not allowed to pay by law);

defence costs incurred with our written consent;

any other costs and expenses incurred with our written consent.

ADR. Any form of alternative dispute resolution (not including any form of dispute resolution provided or ordered by courts, tribunals or other statutory bodies) which is agreed between us and you as appropriate for a particular commercial dispute.

ADR clause. A clause embodied in your written contracts in the following terms or in substantially those terms as approved by us:

"If any dispute arises in relation to this contract, the parties must, before instituting any legal proceedings, use their best endeavours to resolve the dispute and must participate in good faith in alternative dispute resolution presided over by a mediator agreed to by both parties."

Agreed value. The amount we agree to insure your vehicle for. This amount is shown in the schedule.

Annual income. The gross income during the 12 months immediately before the date the damage occurred.

Appointed solicitor. The solicitor appointed to act for you, with our approval.

Attendance expenses. The salary or wages of an insured employee for the period he or she is absent from work to attend either as a witness on your behalf or on behalf of another insured employee and at the request of the appointed solicitor, or as a defendant at a court, tribunal or arbitration hearing as the case may be or as a jury member for each half or whole day of such attendance to the extent that they are not recoverable from the court, tribunal or arbitration hearing or from the other side in the case or action; they must be calculated on the basis that:

the period of absence from work includes the time taken to travel to and from the hearing and shall be calculated to the nearest half day taking an eight hour day to be a whole day for this purpose and as the maximum period for which a claim can be made in respect of one day,

for full time employees one whole day's salary or wages equals 1/250th of the insured employee's annual salary or wages at the time of such attendance,

for part time employees the salary or wages for the period of absence from work shall bear the same proportion to their weekly salary or wages as the period of absence from work to their normal working week for you.

Auditor. An officer who is authorised under Commonwealth, State or Territory legislation to carry out an audit of your taxation or financial affairs or a designated liability.

Average weekly income. The average weekly income for the 12 months preceding the date of the damage. If the business has not yet completed the first financial year, then the average weekly gross income for the period which it has operated for.

Boilers and pressure plant. those parts of the permanent structure of the machinery described in the schedule which are subject to internal steam gas or fluid pressure (other than atmospheric pressure) including fittings and direct attachments which are connected to the permanent structure without intervening valve or cock.

supporting structures of the machinery described above (other than foundations, masonry or brickwork) such as furnace doors, access doors, external combustion chambers smoke boxes and casings.

metal parts of pressure and water gauges and their connections to the permanent structure.

Buildings. Buildings and structural improvements, including services, fences, walls, gates and landlord's fixtures and fittings.

Business. The business described in the schedule, including the ownership of any premises shown in the schedule.

Business equipment. Machinery, boilers and pressure plant, computers and electronic equipment.

Business hours. The time that you or any of your employees are on the premises in connection with the business, including overtime.

Capital additions. Alterations or additions to buildings or contents at the premises carried out after the commencement of the period of insurance.

Cigarettes and liquor. Cigarettes, cigars, tobacco, liquor and spirits.

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

Commercial dispute. A dispute between you and any other party arising out of or in connection with your business.

Computer equipment. Electronic data processing equipment comprising a central processing unit with flexible programming ability, video display units, printers, hard disks, floppy disk drives, micro diskettes including read/write heads, electro/mechanical motors and passive components, but does not include software.

Computer virus. A corrupting, harmful, or otherwise unauthorised piece of code that infiltrates your computer equipment, including a set of unauthorised instructions, programmatic or otherwise, that propagates itself through your computer equipment. Computer virus includes "Trojan horses", "worms" and "time or logic bombs".

Concluded decision. Written notification of the auditor's concluded views in connection with a designated liability and includes any written statement which is intended by the auditor to be its findings in connection with a designated liability or the basis upon which it proposes to act in connection with a designated liability.

Contaminants or pollutants. Includes smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials, or other irritants and other contaminants or pollutants.

Contents.

business equipment, plant, fixtures, fittings, business furniture and tools of trade;

documents;

patterns, models, moulds, dies or lasts, but limited to the value of such items in your financial records used in connection with the business;

paintings, works of art, antiques and curios up to \$5,000 any one item, and \$20,000 for all such articles, unless a different amount is shown in the schedule;

all owned by you or for which you are legally responsible.

Contents also includes:

tenants' improvements (when you are the tenant but not the owner of the premises);

landlord's fixtures and fittings for which you as tenant are legally liable.

Damage. Sudden and unforeseen physical damage or destruction.

Damage to property.

physical loss of or damage to or destruction of tangible property including resultant loss of use,

loss of use of tangible property which has not been physically damaged or destroyed provided such damage is caused by an occurrence.

Where damage to property is a consequence of a latent cause we will consider the damage to property to have happened when it was first discovered.

Dangerous goods.

substances which are shown in the Australian Code for the Transport of Dangerous Goods by Road or Rail,
liquid fuels, liquefied or compressed gasses, toxic chemicals, acids, organic peroxides, or corrosives,
infectious, explosive radioactive, or oxidising substances, or
substances with a flashpoint of below 22.7°C.

Designated liability. Your obligation to pay an amount under Commonwealth, State or Territory Legislation.

Diagnostic equipment. Electronic research, diagnostic or electro-medical equipment.

Documents. Documents, manuscripts, business books, computer system's records, plans or designs. These items are only insured for their value in an unused or blank state as stationery or media as the case may be.

Domestic type hot water systems. Any heating or hot water system of any kind used for domestic purposes not exceeding 500 litres and normally operating at a temperature not exceeding 99°C.

Electronic data. Facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronics and electro-mechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.

Emergency repairs. Minor repairs which are essential for you to be able to drive your vehicle safely from an accident or event causing damage.

Employee. Any person engaged in the business under a contract of service or apprenticeship.

Employee dishonesty. The unlawful taking of property or money by an employee while working for you in connection with the business (whether acting alone or in collusion with others) with the intent to:

- a) cause loss to you, or
- b) benefit any person or organisation other than you.

Event. One incident or all incidents of a series consequent on, or attributable to, one source or original cause.

Excess. The first amount of each and every claim that shall be paid by you, after the application of any limits.

The excess will be deducted after the application of any limits or terms imposed by the policy.

For example if a limit of \$1,000 applies, and an excess of \$250 is payable by you, the amount we pay will be \$750.

If you suffer loss or damage which leads to a claim under more than one section of the policy, or for more than one item of property:

- a) the highest excess is payable, but
- b) only one excess is payable.

Expendable items.

Electrical and electronic glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements,

Tracks, rails, wear plates, cutting edges, tools, dies, engraved cylinders, moulds, patterns, shear pins, filters, chains, belts, tyres, tracks or

conveyor belts and any other part or parts which require periodic replacement.

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

General electronic equipment. Telecommunication transmission and receiving equipment, lighting facilities, audio visual amplification and surveillance equipment, and office machines.

General electronic equipment does not include diagnostic equipment.

Glass. Glass (including plastic material used as glass) which belongs to you, or for which you are legally responsible and including:

external glass;

internal glass and vitreous china or ceramic toilet pans, cisterns and wash basins;

but excluding:

signs;

glass in light fittings;

stock in trade or merchandise;

ornaments, antiques or portable glass objects;

cracked or imperfect glass;

glass in electronic and/or printing equipment.

Goods. Stock, plant and or machinery that you buy, sell or use in connection with your business.

Gross income. The money paid or payable to you for goods sold, services rendered, or rental received, less the purchase price of stock.

Indemnity period. The period beginning when the damage took place, and ending when the business is no longer affected by the damage, or the period shown in the schedule, whichever is the sooner.

Indemnity value of the building. The value of the building at the time of loss or damage taking into account the age and condition of the building.

Insured amount. The relevant amount specified in the schedule.

Insured employee. All of your employees, including directors, business partners and managers.

We will treat any statement, claim, act or omission by any one of the insured persons as a statement, claim, act or omission by all of them.

Legal costs and expenses. Costs and disbursements reasonably and properly charged or incurred by the appointed solicitor or by any mediator appointed by any ADR body in accordance with any applicable statutory or court scale of fees.

Loss. Sudden and unforeseen physical loss.

Machinery. Any item or component of an item including electronic and other integral parts which generates, contains, controls, transmits, receives, transforms, or utilises any form or source of energy or power as described in the schedule.

Machinery does not include computer equipment, general electronic equipment, diagnostic equipment, coin/card operated machines, lifts and escalators, storage tanks and vats, stationary and mobile pressure vessels containing explosive gases, domestic type hot water systems, mobile plant,

ducting, reticulating electrical wiring, water and gas piping and any other machinery not owned by you or not installed or used at the premises unless specified in the schedule.

Market value. The amount you would have to pay to buy a vehicle similar to your vehicle immediately before the loss or damage, taking into account its make, model, age, kilometres travelled and condition.

To determine the market value, we may refer to an accepted motor vehicle valuation guide used by the motor industry.

Mediator. An independent third party who assists in the resolution of a commercial dispute.

Money. Current coin, banknotes or negotiable instruments such as but not limited to cheques, stamps, vouchers or tickets all belonging to the business, or for which you are legally responsible, but excluding lottery tickets.

Negotiable instrument. A legal document that represents money and that can be legally transferred in title from one person to another.

Non temperature controlled goods. Goods belonging to you which are not temperature controlled goods.

Occurrence. An event, including continuous or repeated exposure to substantially the same general conditions which results in personal injury or damage to property neither expected nor intended by anyone insured by Section 7 of the policy.

Office. A room used solely for clerical and/or administrative duties.

Opponent's civil costs. The costs incurred by other parties in civil cases to the extent that you or the insured employee are held liable in court proceedings to pay those costs or otherwise become liable to pay them as the result of filing a notice of discontinuance of the proceedings or under settlement made with the other party with our prior approval.

Other property. Items described in the schedule.

Outstanding' accounts receivable. The total amount owed to your business by customers as at the end of the month immediately prior to the date of the damage, adjusted for:

- a) bad debts;
- b) amounts debited (or invoiced but not yet debited) and credited (including credit notes and cash not passed through the books at the time of the damage) to customers' accounts in the period between the date to which the last statement relates, and the time of the damage; and
- c) any abnormal condition of trade which had, or could have had, a material effect on the business.

Partial loss. When we decide, at our option, to repair your vehicle, replace any part of it or reimburse you for the loss or damage to it. In this case, we will not treat your vehicle as a total loss.

Period of insurance. The period of time beginning on the date shown by "Start Date" on the schedule, and ending at midnight on the date shown by "Expiry Date" on the schedule.

Personal effects. Clothing and personal belongings normally worn or carried but excluding personal computers, musical instruments, curios, works of art, money or credit cards.

Personal injury. Death, bodily injury, sickness, disease, disability, shock, fright, mental injury, mental anguish, or loss of consortium resulting from any of them; or

the effects of:

false arrest, false imprisonment, wrongful eviction, wrongful detention, and humiliation;

libel, slander, defamation of character or invasion of the right of privacy, or assault and battery not committed by, or at the direction of, you unless committed for the purpose of preventing or eliminating danger to persons or property.

Where the personal injury consists of any latent medical condition, we will consider the personal injury to have happened at the time that the medical condition was first diagnosed.

Premises. The premises specified in the schedule.

Prescribed Goods and Services Tax return. Any return required to be lodged by you pursuant to relevant Goods and Services Tax legislation.

Pressure pipe systems. In respect of boilers and pressure plant any pressure pipe systems with valves, fittings, traps and separators which contain steam condensate, gas or fluids under pressure (other than atmospheric pressure) and which is generated in whole or in part within the machinery specified in the schedule, including any feed water piping between such boiler and its feed pump or injector, but not including any such pipe systems which form part of any other vessel or apparatus.

In respect of refrigeration and air-conditioning machinery specified in the schedule the interconnecting coils and pipework containing transfer media.

Product. Anything (after it has ceased to be in your possession or control) including its packaging or container which is manufactured, grown, extracted, produced, processed, assembled, constructed, erected, installed, repaired, serviced, treated, sold, supplied, resupplied, or distributed in or from Australia or its external territories by you in the normal course of the business, and also including directions, markings, instructions or warnings given or omitted to be given by you in connection with such products.

Professional adviser. An accountant who is a member of a nationally recognised accounting body, a registered tax agent or a tax consultant.

Any other professional person or consultant engaged by or at the recommendation of the accountant with our prior written approval, but does not mean you or any person working for you under a contract of employment.

Professional fees. Reasonable and necessary fees, costs and disbursements incurred in connection with an audit that would be payable by you to your professional adviser for work undertaken in connection with an audit, but does not mean or include fees, costs and disbursements which:

- (a) form part of an annual or fixed fee or cost arrangement; or
- (b) relate to any subsequent objection or appeal or request for review in respect of the audit, or any assessment, amended assessment or concluded decision of the auditor; or
- (c) were rendered by a third party in relation to which our written consent was not obtained before those fees were incurred; or
- (d) relate to or are associated with the preparation of any accounts, financial statements and/or documents or to any attendance or service which would have been or would or should ordinarily or prudently have been prepared prior to or at the time that the lodgement of any return and/or document was required to be lodged in connection with a designated liability.

Property. Buildings, contents, stock, capital additions and any other items specified in the schedule, owned by you or for which you are legally responsible, but excluding:

- (a) money;
- (b) explosives;
- (c) aircraft and/or watercraft of every kind and description; or
- (d) registered motor vehicles and trailers unless these items are specified in the schedule.

Recommended repairers. A repairer who is selected by us because they give a high standard of workmanship and service. We can give you the name of our recommended repairers closest to you.

Record keeping audit. An audit by the Australian Taxation Office which is aimed at determining the extent of your compliance with the record keeping requirements of relevant taxation legislation.

Replacement vehicle. A vehicle which you have bought to replace your vehicle which you have sold.

Safe or strongroom. A container or structure which has been specifically designed for the safe storage of money or valuables and is designed to protect the contents against fire and to resist unauthorised opening by hand-held or power operated tools, but excluding any automated telling machine.

Schedule. The schedule attached to and forming part of the policy, or if the policy has been renewed the schedule issued with the renewal notice.

Seasonal increase periods.

20 days prior to and including Easter Sunday;

10 days following Easter Sunday;

1 December to 29 January the following year (inclusive).

Signs. Advertising or identification signs made out of glass or electrically illuminated permanently fixed to the building or contained within the premises.

Specified accessories. Equipment (including auxiliary equipment attached to earthmoving, lifting or maintenance vehicles) and optional extras that:

are not supplied by the manufacturer as original equipment;

you tell us about;

are listed in the schedule;

are in or on a vehicle listed in the schedule.

Specified items. An item owned by you that is shown and specified in the schedule.

Standard income. The gross income during that period which corresponds to the indemnity period, in the 12 months before the damage occurred.

Stock. Stock in trade and cigarettes and liquor.

Stock in trade. Merchandise and customers' goods for which you are legally responsible including the value of the work done and any containers or packaging materials used in connection with the business, but excluding cigarettes and liquor, and bullion.

Stock transfer. Transfer of goods between your premises.

Substitute vehicle. A vehicle which does not belong to you and which you, your spouse, defacto partner or an employee are using while your vehicle is not in use because your vehicle is unroadworthy or undergoing repair.

Temperature controlled goods. Goods belonging to you that require a controlled temperature environment for transit.

Territorial limits.

Australia including its external territories

anywhere else in the world except North America or states or territories incorporated in or administered by any country in North America.

Total loss. When your vehicle is stolen and not recovered, or is damaged so badly it would cost more to repair than the value of your vehicle.

Trade samples. Samples of your goods carried for the purpose of demonstration.

UNEP. Montreal Protocol with respect to substances which deplete the ozone layer.

Unspecified items. Items owned by you or for which you are legally responsible and which are items in a category listed in the schedule up to a limit of \$1,000 each item and a maximum total of \$5,000.

Value of your vehicle. The market value or agreed value, whichever is shown in your schedule.

Weekly benefit. The amount shown in the schedule.

Weekly income. The gross income received by you for each week the business is in operation, during the indemnity period.

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