

# ISR Property Insurance Policy

SIGNIFICANT CHANGES FROM THE PREVIOUS POLICY WORDING

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# Significant changes from the previous policy wording

## Introduction

We have upgraded and redesigned the Insurance cover protecting your property risks, known as your Industrial Special Risks (ISR) policy. This document highlights the significant changes. where words or phrases have been capitalised, they may refer to a defined term from your policy wording. Throughout this document where we refer to 'you' this means the Insured entities as detailed in your Policy Schedule. This document is not exhaustive in addressing general editing to improve or update the language of the policy. It is also important to read and understand the new wording so that you understand the cover available to you. If you have any questions these should be directed to your Insurance Broker.

## Definitions Applicable to All Sections

### ACT OF TERRORISM

Act of Terrorism means and includes an act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisations(s) or government(s) de jure or de facto, and which:

- (a) involves violence against one or more persons; or
- (b) involves Damage to property; or
- (c) endangers life other than that of the person committing the action; or
- (d) creates a risk to health or safety of the public or a section of the public; or
- (e) is designed to interfere with or to disrupt an electronic system.

### BOILER AND/OR PRESSURE VESSEL

Boiler and/or Pressure Vessel means:

- (a) any boiler used for domestic purposes; and
- (b) any other boiler, economiser or other pressure vessel (which shall include any pipes, valves and other apparatus forming part of these) in respect of which a certificate is required to be issued under the terms of any statute or regulation.

### BOILER COLLAPSE

Boiler Collapse means the sudden and dangerous distortion of any part of the permanent structure of the Boiler and/or Pressure Vessel by bending or crushing caused by force of steam or fluid pressure whether attended by rupture or not. Except in the case of a steam test at a pressure not exceeding the maximum pressure permitted by the inspecting authority, the term "Boiler Collapse" shall not mean failure under any test.

### BOILER EXPLOSION

Boiler Explosion means the sudden and violent rending of the permanent structure of the Boiler and/or Pressure Vessel by force of internal steam or fluid pressure or bodily displacement of any part of such structure together with forced ejection of its contents. Except in the case of a steam test at a pressure not exceeding the maximum pressure permitted by the inspecting authority, the term "Boiler Explosion" shall not mean failure under any test.

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## Significant changes from the previous policy wording (continued)

### **BURGLARY**

Burglary means Theft or attempted Theft by any person:

- (a) consequent upon forcible and violent entry to the Premises or to locked cabinets, counters or showcases in which Property Insured is located, including any attempt thereat;
- (b) feloniously concealed in an enclosed building at the Situation; or
- (c) threatening or committing physical violence against persons including armed hold up;

but does not mean intentional or malicious Damage to Property Insured even though caused by persons engaged in Burglary, Theft or attempted Theft.

### **BUSINESS**

Business means the occupation of the named Insured described in the Schedule including all incidental activities.

### **BUSINESS HOURS**

Business Hours means the period during which the Insured's Premises at the Situation are actually occupied for Business purposes and during which the Insured or employees of the Insured are in or on the Premises.

### **DAMAGE/DAMAGED**

Damage/Damaged means physical loss, damage or destruction of property.

### **DEBRIS**

Debris means the residue of Damager Property and/or other substance (other than landlords property if not Property Insured by this Policy), following Damage to Property Insured by a peril or event covered by this policy and includes liquids and/or chemicals used in the extinguishment or suppression of Damage or in preventing imminent Damage to Property Insured by fire or any other peril or event covered by this Policy.

### **DEDUCTIBLE**

Deductible means the first amount of each claim or series of claims arising out of any one original source or cause at any one Situation which is payable by the Insured.

### **ELECTRONIC DATA / ELECTRONIC DATA PROCESSING EQUIPMENT**

Electronic Data means any facts, facts, concepts and/or information converted to a form usable for communications and/or displays and/or distribution and/or processing by electronic and/or electromechanical data processing and/or electronically controlled equipment which includes but is not limited to programs and/or software and/or other coded instructions for such equipment.

### **FLOOD**

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:

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

Note this is no longer an automatic cover. Flood is an exclusion and we may elect to grant some cover in certain circumstances.

### **GREEN STANDARDS**

Green Standards means the Green Star certified rating system of the Green Building Council of Australia or equivalent Energy Star qualified requirements applicable to buildings or areas within the Premises.

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## Significant changes from the previous policy wording (continued)

### INDEMNITY VALUE

Indemnity Value means the cost necessary to replace, repair or rebuild the Property Insured to a condition substantially the same as but not better or more extensive than its condition at the time the Damage occurred taking into consideration its age, condition and remaining useful life; but not exceeding:

- (a) the value of the Property Insured at the time when the Damage occurred, if deemed a constructive total loss by the Insurer; or
- (b) the difference in the value of the Property Insured before and after the occurrence of the Damage, in the event of partial loss

Where the Property Insured is a building, the value thereof will be determined excluding the value of the plot of land upon which the building is situated.

### INSURED

The Insured means the parties named in the Schedule and also their:

- (a) subsidiary companies, organisations and other associated companies as defined under Section 50AAA of the Corporations Act 2001 (Commonwealth);
- (b) social and sports clubs (including the committees and officers from time to time of unincorporated bodies) and the trustees of the named parties' superannuation and pension funds and welfare organisations; and
- (c) all organisations and other entities to whom (whether mortgagees, lessors, joint ventures or other parties with a legal or equitable interest in the Property Insured) the named party has a responsibility to maintain insurance;

for their respective interests, rights and liabilities but only to the extent that they are not more specifically insured.

### INSURER

The Insurer means Ansvr Insurance Limited ABN 21 007 216 506. AFSL 237826

If more than one Insurer is listed as subscribing to this Policy, each Insurer shall only be responsible for the percentage (%) of the indemnity subscribed against their name.

### LAND VALUE

Land Value means the sum certified by the Valuer General as being the value of the land as described in the Schedule after due allowance has been made for variations in or other circumstances affecting such certified value either before or after the Damage or which would have affected the certified value had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable, the true value of the land pertaining both before and after the Damage.

### MALICIOUS DAMAGE

Malicious Damage means the intentional and wilful destruction of or damage to the Property Insured by any person or persons (other than the insured), including persons engaged in Burglary, Theft or any attempt thereof but not Theft of property.

### MONEY

Money means current coin, bank notes, currency notes, cheques, travellers cheques, stored value cards, securities and negotiable instruments, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities), credit card sales and/or discount house vouchers, postal orders, money orders, unused postage and revenue stamps and including the value of stamps contained in franking machines and shall also include any cash carrying bag used with the transit; whilst contained at the Situation and whilst in transit to and from the Situation anywhere in Australia, including whilst contained in the night safe of any bank or financial institution where the Insured transacts business, and in the personal custody of the Insured and/or persons authorised by the Insured whilst contained in their private residences.

It does not include collectible items (for example coin or stamp collections) anticipated revenue or any kind of crypto currency.

### PERIOD OF INSURANCE

Period of Insurance means the period shown in the Schedule.

### POLICY SCHEDULE

The Policy Schedule, also referred to as the Schedule means the Schedule attached to this Policy or any later Schedule issued on renewal or variation by way of Endorsements.

### POLLUTION OR CONTAMINATION

Pollution or Contamination means Damage arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon any property, land, atmosphere or any watercourse or body of water (including groundwater).

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## Significant changes from the previous policy wording (continued)

### PREMISE(S)

Premises(s) means the situation or situations shown in the Schedule attaching to this policy and any other situation in Australia owned or occupied by the Insured for the purposes of the Business or elsewhere in Australia where used by the Insured or where the Insured is undertaking work or has goods or property.

### PROPERTY INSURED

Property Insured means all tangible property both real and personal of every kind and description (except as excluded by this policy) included in the Insurer's Schedule of Declared Values of property to be covered under this Policy, belonging to the Insured or for which the Insured is responsible, or has assumed responsibility to insure prior to the occurrence of any Damage, including all such property in which the Insured may acquire an insurable interest during the Period of Insurance.

However, Property Insured shall not include premises not owned or leased by the Insured, but temporarily occupied by the Insured without any contractual liability for insurance thereof.

For customers goods not within the definition of Property Insured, where the Insured has elected to insure "Unspecified Customers' Goods not otherwise insured and a Sub-Limit of Liability is shown in the Schedule, Property Insured shall include customers' goods to the extent that they are not otherwise insured. The Coinsurance Memorandum will not apply to "Unspecified Customers' Goods not otherwise insured.

### SITUATION(S)

Situation(s) means the situation or situations shown in the Schedule attaching to this policy and any other situation in Australia owned or occupied by the Insured for the purposes of the Business or elsewhere in Australia where used by the Insured or where the Insured is undertaking work or has goods or property.

### SOLAR PANELS

Panels designed to absorb the sun's rays as a source of energy for generating electricity or heating. It is intended that the definition includes the panels including all fixings, mountings, inverters and all associated wiring.

### STORM

Storm means a violent disturbance of the atmosphere which can include strong winds, rain, rainwater (water falling from the skies that runs off over the surface of the land (and may include overflowing water from stormwater drains)), lightning, hail, snow or dust. Storm does not mean Storm Surge or a cyclone named by the Bureau of Meteorology.

### THEFT

Theft means the physical removal of property without the consent of the owner with the intention of depriving the owner of the rightful possession of that property or its use.

### UNSPECIFIED DAMAGE

Unspecified Damage means Damage caused by any peril or circumstance not more specifically covered or excluded by this Policy. Unspecified Damage never includes: fire; lightning; thunderbolt; explosion; implosion; fusion; collapse; smoke and/or steam; earthquake, subterranean fire, volcanic eruption and/or tsunami; impact; aircraft and/or other aerial devices and/or articles dropped therefrom, sonic boom and/or space debris; impact by a water vessel or craft; Burglary, Theft; breakage of glass; loss of Money; the acts of persons taking part in riots or civil commotions or of strikers or locked-out workers or of persons taking part in labour disturbances or of other malicious persons (including those engaged in Theft or attempted Theft) or the acts of any lawfully constituted authority in connection with the foregoing acts or in connection with any conflagration or other catastrophe; fraudulent or dishonest acts; subsidence, erosion, earth movement or collapse resulting therefrom, or landslide; cyclone; water from or action by the sea; Storm and/or tempest and/or rainwater and/or wind and/or hail, and/or Flood, and/or snow and/or ice and/or water or other liquids or substances discharged, overflowing or leaking from apparatus, appliances, pipes or any other system at the Premises or elsewhere or any other peril or circumstance mentioned under the heading Sub-Limits of Liability in the Schedule.

### WATERCRAFT

Watercraft means any vessel, craft or thing made or intended to float on or through water and that is powered or designed to be powered by motor, or that is a sailing craft exceeding 3 metres in length.

## Environment improvement – Better Green Coverage

Applicable to buildings and other property not rated and certified under the Green Star systems of Green Building Council of Australia or equivalent Energy Star qualified requirements.

Following Damage to Property Insured by a peril or event covered by this Policy, the insured may elect to repair or replace Damaged Property Insured (building and contents excluding stock in trade of the business) with materials or equipment that comply with Green Standards applicable at the date of the Damage to improve the energy or water efficiency of the Property Insured and reduce environmental impacts.

Subject to the liability of the insurer not being increased beyond the Limit(s) of Liability stated in the Policy Schedule, the insurer will pay the following additional costs necessary and reasonably incurred by the insured for environmental enhancements.

- a) The fees and charges for the service of a Green Star accredited professional person or any competent environment verifier to specify the work required to comply with Green Standards in the repair or replacement of Damaged Property Insured.
- b) The reasonable additional costs of performing the specified work.
- c) For air quality management in flushing out the air in the repaired, replaced or rebuilt property with one hundred percent (100%) outside air as required by The Green Building Council of Australia Green Star® or LEED® standards.

The amount recoverable under this Memorandum is excluded from the calculation of Co-Insurance.

The insurer's liability under this Memorandum "Green Standards" is limited in the aggregate in any one Period of Insurance to twenty percent (20%) of the amount that would have otherwise been payable to repair or replace the Damage Property had this Memorandum not been effected but not exceeding the Sub Limit of Liability stated in the Policy Schedule against Environmental improvements – Better Green Coverage.

## Unoccupancy Provision

### 1. Alteration

Subject to Section 54 of the Insurance Contracts Act 1984 (Cth), the Insurer(s) shall not be liable for loss, destruction of or damage to any property insured hereunder caused or contributed to by any alteration after the commencement of this Policy.

- a) by removal of such Property from the Premises other than as provided under the terms of Property Exclusion 1;
- b) in the trade or processes of manufacture carried on at the Premises or whereby the nature of the occupation or other circumstances affecting the Premises and/or the Insured's property therein contained shall be changed in such a way as to increase the risk of loss, destruction or damage;
- c) whereby any premises containing any property insured hereunder shall become unoccupied, and so remain for a period of more than sixty (60) days; or
- d) whereby the Insured's interest ceases except by will or the operation of law.

**This has been Increased from 30 days.**

## 72 Hour Exclusion

2. Any Loss or Damage caused by a bushfire, flood (if cover is provided) or Storm with 72 hours from the commencement or modification including increasing an insured amount of this policy.

## Endorsements attaching to and forming part of the Industrial Special Risks Insurance Policy.

A number of endorsements were previously attached to the back of the policy. These have now been Incorporated into the main body of the wording. these Include:

### SECTION 1 – MATERIAL LOSS OR DAMAGE

#### The Indemnity

- Electronic access / swipe cards
- Emergency evacuation
- Liability to make enquiries
- Personal property of residents
- Statutory Inquiries
- Damage diminution and accidental discharge costs
- loss minimisation costs
- Unpacking expenses
- Exploratory costs
- Demolition and removal of owned property
- Reinstatement of undamaged property
- Award for liability for employees' clothing and/or tools
- Personal property of employees and others
- Accompanied baggage in Australia
- Expediting expenses
- Cost of clearing blocked drains, pipes, filters and pumps
- Liability for duty
- Amended co-Insurance proviso

#### The Property Insured

- Customers Goods
- Property Insured
- Property of guests and lodgers
- Money – extended definition

#### Basis of settlement

- Landscaping
- Heritage protection
- Notable old buildings without legal protection
- Election to claim indemnity value
- Leased equipment – residual value
- Securities
- Basis of settlement
- Valuation of property – employees and clubs
- Jewellery and furs of employees and others
- Goods sold but not delivered
- Works of art, antiques and curios
- Pairs and sets
- Religious artefacts and scrolls

#### Memoranda to Section 1

- Labels, containers and wrappings
- Declared values
- Reinstatement or replacement provisions
- Reinstatement elsewhere
- First loss insurance – theft and money



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## Significant changes from the previous policy wording (continued)

- Additional extra cost of reinstatement
- Extra cost of reinstatement elsewhere
- Floor space ratio index
- Acquired companies
- Co-insurance memorandum – amended
- Average/under insurance
- Output replacement
- Constructive total loss
- Changes in a temperature controlled environment
- Buildings of architectural and historic interest
- Abandoned undamaged portion of a building
- Undamaged foundations
- Undamaged ancillary and/or peripheral equipment
- Application of deductibles
- Environment Improvement – better green coverage

## SECTION 2 – BUSINESS INTERRUPTION

- Property at outside stores and outworker’s premises
- Pressure vessel perils

### **Basis of Settlement**

- Gross profit – average/under insurance amended
- Refundable Accommodation Deposits
- Dual Pay-roll average/under insurance amended
- Temporary accommodation
- Severance pay
- Rent payable
- Rent receivable
- Contractual fines and penalties
- Accounts receivable
- Gross rental specification

### **Memoranda**

- Gross rentals elsewhere after damage
- Departmental clause
- New business
- Standard gross rentals
- Annual gross rentals
- Gross revenue specification
- Annual gross revenue
- Standard gross revenue
- Research establishment expenses

### **Definitions**

- Gross Rentals
- Standard Gross Rentals
- Annual Gross Rentals
- Research establishment expenditure
- Annual research revenue
- premium adjustment clause
- annual turnover definition deleted
- Government incentives
- Consolidated period
- Insured pay-roll
- Pay-roll: amended definition

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## Significant changes from the previous policy wording (continued)

### Memoranda to section 2

- Rent Payable
- Computer
- Departmental clause
- Accumulated stocks
- Remote premises of public utilities
- Other contributing properties
- Turnover/output alternative amended
- Specified suppliers and/or customer's premises
- Denial of access to specified suppliers or customer premises
- Suppliers and/or customers of specified customers
- Unspecified suppliers and/or customer's premises
- Royalties receivable
- Interdependency – Australia
- Infectious or contagious diseases, vermin, pests or defective sanitary arrangements; food or drink poisoning; murder, suicide
- Temporary removal exemption
- Money carriers – other insurance
- Business hours
- loss discovered late
- Decorative livestock
- Paved areas
- Property in the open air (storm)
- Fusion
- Machinery breakdown (physical damage and expediting expenses)
- EDP breakdown
- Pressure vessel perils
- Resultant damage to pressure vessels

### Property Exclusion

- Off-premises overhead transmission and distribution lines

### Perils Exclusion

- Demolition of damaged property
- Terrorism Act
- Prevention of imminent damage
- Nuclear exempt equipment
- Flood
- Theft of property in open air
- Theft in open – resultant damage
- Cyber
- Subsidence caused by seismological disturbance
- hold up theft
- depreciation of undamaged stocks
- Loss of land value

### General Exclusions

- Vermin or pests, toxic substances
- Sanctions
- Computer Crime, Cyber Attack

### Memoranda applicable to all sections

- Amount of policy not reduced by loss
- Event
- Public authorities, storage, lease and hire agreements
- Adjustment of premium

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## Significant changes from the previous policy wording (continued)

- premium adjustment – gross rentals
- declarations of acquired property

### Conditions applicable to all sections

- Alteration
- Sprinkler installations
- Other insurance
- Cancellation by the insured
- Notification of claims
- Insurers rights
- Subrogation
- Order of priority – subrogation recoveries
- Termination of cover under section 2
- Breach of condition

### Optional covers

- Golf Clubs
- Changes in a temperature controlled environment
- Fusion
- Machinery breakdown (damage and expediting expenses)
- EDP Breakdown
- General Property Cover – Australia
- Property In Transit – Australia



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