



ZURICH

Because life changes.

AllGuard Business Insurance

Electronic Equipment Section

Introduction

This Cover Section forms part of Your Policy and must be read together with the General Conditions and Limitations of Cover, the Schedule, the Proposal and any Endorsements.

This Cover Section only forms part of Your Policy when the ELECTRONIC EQUIPMENT SECTION is shown in the Schedule and is limited to the Period of Insurance indicated.

Definitions

The following definitions shall apply to words used in this Cover Section and Endorsements that apply to this Cover Section.

BREAKDOWN

Breakdown means the actual breaking, seizing, deformation or melting of any part of the Insured Property while that Insured Property is in use that is caused by mechanical, electrical or electronic defect within the Insured Property that causes sudden malfunction that requires repair or replacement before the Insured Property can resume normal operation.

COMPUTER

Computer means any electronic device that is used to:

1. store or process data; or
2. control machinery.

COMPUTER VIRUS

Computer Virus means an executable programme or computer code segment that is self-replicating, requires a host programme or executable segment in which it can be contained, and which destroys or alters the host, programme or other computer code or data, causing undesired programme or computer system operation.

DAMAGE OR DAMAGED

Damage or Damaged means physical damage, destruction or loss and in relation to Data, Software and Media Material includes corruption of Data or Software.

DATA

Data means any facts, information or records that are stored on Media Material.

EXPENDABLE ITEMS

Expendable Items means items and parts that are normally not reused and require frequent or periodic replacement.

FLOOD

Flood means the covering of normally dry land with:

1. Water released or that has escaped from the normal confines of:
 - (a) any watercourse whether natural or altered;
 - (b) any lake whether natural or altered;
 - (c) any reservoir canal or dam; or
2. Water that cannot enter any watercourse lake reservoir canal or dam because of:
 - (a) water already contained within these normal confines; or
 - (b) water that has already been released or has escaped from any of these normal confines.

INSURED DAMAGE

Insured Damage means any sudden or unforeseen physical Damage or destruction to any part of the Insured Plant which requires repair or replacement before normal operation can be resumed.

INSURED PLANT

Insured Plant means plant that is shown in the Schedule.

INSURED PROPERTY

Insured Property means the insured property that is shown in the Schedule.

MEDIA MATERIAL

Media Material means any optical discs or any magnetic medium that can be used to store Data or Software such as but not limited to tapes, discs or cards.

SOFTWARE

Software means any instructions used to control the operation of a Computer provided that these instructions are recorded on Media Material.

Limitation of Cover to Part A & B

UNDER-INSURANCE

In the event of Damage, We will not be liable for more than the proportion of the Damage which the Sum Insured bears to eighty percent (80%) of the total new replacement value of the Insured Property at the time of the Damage.

Part A - Material Loss or Damage Cover - Part A

When Part A - Material Loss or Damage is shown in the Schedule, We will pay up to the Sum Insured shown for Insured Property, for the cost of replacing or at Our option repairing Insured Property that is accidentally Damaged during the Period of Insurance.

Limitations of Cover - Part A

1. Excess

You are liable for the Excess applicable to Part A for each and every event that gives rise to Damage.

2. Improvements

If an item of Insured Property that is Damaged cannot be repaired or replaced without improving the output, capacity or efficiency of that item, then Our payment will be limited to the cost of replacing that item less an amount equal to the value of any such improvement(s).

3. Territorial Limits

Cover only applies to Damage that occurs within the Territorial Limits shown in the Schedule or if Territorial Limits are not shown in the Schedule then cover is limited to Damage that occurs within Australia.

4. Exclusions

Cover is further limited by the Exclusions that follow.

Exclusions - Part A

1. We will not pay for Damage caused by or arising from:

- (a) the cleaning, testing, altering or repairing of Insured Property;
- (b) atmospheric conditions including but not limited to dryness, dampness and temperature, unless directly resulting from Damage to an air-conditioning system used to control the atmosphere in which the Insured Property operates; and

(c) dishonest acts or misappropriation, of Insured Property by You or Your directors, partners, employees or officers.

2. We will not pay for any legal liability.

3. We will not pay for any Damage to Data, Records, Software or Media Material unless these items are covered under the Optional Extensions of Cover to Part A of this Cover Section.

4. We will not pay for Damage directly caused by:

- (a) a Breakdown;
- (b) the presence or action of insects or vermin;
- (c) gradually operating causes such as but not limited to wear and tear, mildew, corrosion, fading, rusting or other forms of oxidation;
- (d) error or omission in design, plan or specification;
- (e) failure of design;
- (f) faulty materials or faulty workmanship;
- (g) inherent vice or latent defect; or
- (h) change in texture or finish.

Provided that We will pay for Damage to Insured Property that is not otherwise excluded or limited that results from such Damage.

5. We will not pay for any loss of use or consequential loss, other than the Damage to Insured Property that is covered under the proviso to Exclusion 4. above.

Extension of Cover - Part A

1. Removal of Debris

Following accidental Damage to Insured Property that is covered by Part A of this Cover Section We will additionally pay for removing, storing and disposing of debris.

Provided that this cover is limited to ten percent (10%) of the Sum Insured shown for Insured Property.

2. Damage to Premises During a Theft

We will pay for the cost of repairing Buildings that are Damaged at the Premises during the theft or attempted theft of Insured Property.

Provided that the Sum Insured for Insured Property covered by Part A of this Cover Section is not exceeded.

Optional Extensions of Cover - Part A

If shown in the Schedule the following extensions shall apply:

1. The Cost of Restoring Data

If the Cost of Restoring Data is shown in the Schedule then Cover under Part A is extended to include the costs incurred in restoring Data and Software that are accidentally Damaged together with the cost of replacing any Damaged Media Material, up to the amount shown in the Schedule for this Optional Extension.

Provided that We will not pay for Damage:

- (a) to Data, Software or Media Material caused by a failure or defect in the Media Material;
- (b) to Data that was generated, altered or processed more than five (5) working days prior to the date of the Damage;
- (c) caused by an error in processing Data or error in the use of Software;
- (d) caused by erasure, deletion or overwriting of any Data or Software;
- (e) caused by unauthorised access being gained to any operating system that is used by any part of the Insured Property via any communications system; or
- (f) caused by the operation or presence of Software that alters or erases Data or Software in a manner that is undesired by You.

2. Increased Cost of Working

If Increased Cost of Working is shown in the Schedule We will pay for costs that are in excess of Your normal total Computer operating costs,

provided that:

- (a) these costs are incurred as a result of accidental Damage to Insured Property that is covered by Part A of this Cover Section;
- (b) these costs were reasonably incurred in order that Your Business may operate in a manner that is as close as possible to Your normal Business operations;
- (c) these costs are limited to the amount shown in the Schedule for this Optional Extension; and

(d) We will not pay for:

- (i) any expenditure incurred after a period of 90 days following the Damage; and
- (ii) any expenditure incurred during the first 24 hours immediately following the Damage.

Part B - Breakdown Cover - Part B

When Breakdown is shown in the Schedule, We will pay up to the Sum Insured for the cost of repairing or, at Our option, replacing Insured Property which occurs during the Period of Insurance.

Limitations of Cover - Part B

1. All Insured Property that can be repaired must be repaired, however, where the cost of repair is deemed to be uneconomical due to the extent of Insured Damage settlement shall be as follows:
We will at Our option either:
 - (a) supply a replacement of the same type model capacity and condition to replace the Damaged item as it was immediately before the Insured Damage;
 - (b) if such a replacement item is not available We will supply a similar item of no lesser capacity than the Damaged item;
 - (c) if the item was manufactured more than six (6) years prior to the date of loss We will pay no more than the estimated cost of similar parts for similar type of plant currently available in addition to estimated labour costs to effect the repair.
2. We will not pay more than the Sum Insured for any one event.
3. You are liable for the Excess for each and every event that results in Damage.
4. Where Insured Damage is confined to a part of the plant or other property, We will pay the cost of repairing or at Our option replacing that part plus the dismantling or rebuilding costs that are necessarily incurred to repair or replace that part.
5. If an item of Insured Property cannot be repaired without improving the output capacity or efficiency of that item then Our payment will be limited to the cost of replacing that item less an amount equal to the value of such improvement(s).

6. If it is necessary to replace parts which are unavailable or obsolete we will not pay more than the estimated cost of similar parts for similar type of plant currently available.

Exclusions - Part B

1. We will not pay for the repair or replacement of:

- (a) glass or ceramic components other than when used as electrical insulation;
- (b) the chipping or scratching of painted or polished surfaces or other aesthetic defects that do not affect the function of the Insured Property;
- (c) fuses and other devices designed for safety or protection that are Damaged through their normal operation;
- (d) the wearing or wasting away of material caused by normal wear and tear, atmospheric conditions, mildew, fading, rust, corrosion or other forms of oxidisation;
- (e) any alterations, additions, cleaning, adjustments, inspections or maintenance of Insured Property;
- (f) electrical and electronic glass bulbs, tubes, X-ray tubes, laser tubes, heating elements, lighting facilities and electrical contacts;
- (g) Expendable Items such as but not limited to belts, batteries, photosensitive cartridges, print heads, tapes, ribbons;
- (h) coin or card operated machines, portable equipment such as but not limited to Computers, communication equipment;
- (i) plant not owned by You or used at the Premises.

2. We will not pay for Damage caused directly or indirectly by:

- (a) fire, smoke, soot, extinguishing of a fire or subsequent demolition;
- (b) lightning, hail, wind, rain, Flood, snow, storm, earthquake, subsidence, landslide, earth movement, subterranean fire and volcanic eruption;
- (c) impact by:
 - (i) aircraft or other aerial devices or pressure waves created by their travelling at sonic or supersonic speed;
 - (ii) impact by landborne vehicles or waterborne craft;

- (d) malicious damage, theft or attempted theft;
- (e) the application of any tool or process to the plant in the course of maintenance, inspection, repair, alteration, modification or overhaul;
- (f) the installation, construction or erection of Insured Plant other than dismantling movement and re-erection for the purpose of cleaning, inspection and repair;
- (g) the Insured Plant being subject to testing or intentionally overloaded or operated in excess of its normal designed operating specification; or
- (h) a deliberate act or omission or neglect on Your part.

Optional Extensions to Cover - Part B

If shown in the Schedule the following extensions shall apply:

1. The Cost of Restoring Data

If the Cost of Restoring Data is shown in the Schedule then the Cover under Part B is extended to include the costs incurred in restoring Data and Software that are lost or Damaged as a result of Insured Damage, up to the amount shown in the Schedule for this Optional Extension.

Provided that we will not pay for Damage:

- (a) to Data, Software or Media Material caused by a failure or defect in the Media Material;
- (b) to Data that was generated, altered or processed more than five (5) working days prior to the date of damage;
- (c) caused by an error in processing Data or error in the use of Software;
- (d) caused by erasure, deletion or overwriting of any Data or Software;
- (e) caused by unauthorised access being gained to any operating system that is used by any part of the Insured Property via any communications system; or
- (f) caused by the operation or presence of a Computer Virus that alters or erases Data or Software in a manner that is undesired by You.

2. Increased Cost of Working

If Increased Cost of Working is shown in the Schedule We will pay for the costs that are in excess of Your normal total Computer operating costs.

Provided that:

- (a) these costs are incurred as a result of Insured Damage of Insured Property that is covered by Part B of this Cover Section;
- (b) these costs were reasonably incurred in order that Your Business may operate in a manner that is as close as possible to Your normal Business operations;
- (c) these costs are limited to the amount shown in the Schedule for this Optional Extension;
- (d) We will not pay for:
 - (i) any expenditure incurred after a period of 90 days following the Damage; and
 - (ii) any expenditure incurred during the first 24 hours immediately following the Damage; and
- (e) caused by the operation or presence of a Computer Virus that alters or erases Data or Software in a manner that is undesired by You.

Special Conditions - Part B

EXAMINATIONS

You will permit Our representatives to inspect the Insured Plant at any reasonable time during the Period of Insurance and You will prepare the Insured Plant at Your expense for such an inspection.

Provided that any inspection by Us is for Our purposes only and does not warrant that the Insured Plant is safe or that it is free of defects.

Additional Benefits Applying to Part A and Part B

1. Additional Repair Costs

Following Insured Damage to Insured Plant that is covered by this Cover Section We will reimburse You for reasonable costs of the following items if necessarily incurred:

- (a) the cost of hiring temporary plant;
- (b) the cost of temporary repairs;
- (c) the extra cost of expediting permanent repairs; and

- (d) consultants fees approved by Us.

Provided that the total additional cost for any one breakdown does not exceed \$5,000 or fifty percent (50%) of the normal cost of repair whichever is the greater of the two amounts. We will not pay more than the Sum Insured shown in the Schedule.

2. Temporary Cover

We will provide temporary cover for a period of up to 30 days for additional plant which is installed or bought into use during the Period of Insurance.

Provided that:

- (a) this plant is of a similar type to the plant that is shown in the Schedule;
- (b) the additional plant is free from defects;
- (c) the additional plant will not be covered until it has worked satisfactorily for eight (8) hours and has become Your responsibility;
- (d) You supply details of any additional plant to Us in writing within 30 days that immediately follow installation of this plant;
- (e) the Sum Insured and Excess for the additional plant will be that specified for a similar item or group of items of plant in the Schedule; and
- (f) You pay the Premium that We require for this additional plant.