



Machinery Breakdown Insurance

Policy Wording

Contract of Insurance and Insurance Agreement

This Policy forms part of Your contract of insurance. Your contract of insurance consists of:

1. This Policy document; and
2. The Schedule which details the cover applying to You and which may be updated from time to time. The Schedule will include any changes to the standard cover described in this Policy; and
3. Your proposal or application form including any written or oral statements or documents made or supplied by You; and
4. Any endorsements added either by way of Schedule or otherwise.

Under this contract of insurance You, as the Insured party, agree to pay the premium(s) stated in the Schedule and Western Pacific Insurance Limited (WPIL) agrees to provide the insurance cover set out in this Policy and according to this contract of insurance.

Some terms used in this Policy have specific meanings. Where words begin with an upper case letter the meaning of those words or terms are set out in the definitions section of this Policy document.

Defined words include any plurals or other derivatives of those words or terms as the context requires.

Headings are used for reference only and are not part of the Policy for interpretation purposes.

Index

	Page
What is covered by this Contract of Insurance	2
Claims and what will be paid	4
What is not covered by this contract of Insurance	6
Other important information and terms	7
Policy Definitions	8

What is covered by this Contract of Insurance

This policy contains wording making the Policy subject to average. In respect of Section A below, relating to Indemnified Damage, the wording in relation to average applies only if the Machinery is underinsured at the time of the Loss and if so then:

1. The wording has no effect if you suffer total loss on an item of Insured Machinery; or
2. In the event of partial loss for Indemnified Damage on Machinery, the most WPIL will pay will be in the same proportion to the actual loss suffered by You being based on the proportionate percentage difference between the Sum Insured for that Machinery and the full value of that Machinery.

In respect of Section B below, relating to Insured Categories of Consequential Loss, the wording in relation to average will apply where the Sum Insured is less than the amount calculated to be payable with those Insured Categories to which the average wording applies having a Sum Insured calculated in accordance with the particular wording in that Insured Category.

In no situation will the amount payable under this contract of insurance be more than the amount of the Sum Insured for Machinery or under each Insured Category.

As an example of how the average wording works – if your Machinery is worth \$40,000.00 and the Sum Insured is \$20,000.00 then, for example, if You suffer a loss of \$10,000.00, and the wording in relation to average applies, then the maximum amount payable by WPIL is \$5,000.00.

SECTION A: Indemnified Damage

WPIL covers Indemnified Damage occurring to insured Machinery as described in the Schedule or costs incurred by You as covered by the wording of this Policy.

WPIL will only pay for Indemnified Damage while the Machinery is working, at rest, or while being moved, dismantled, reassembled or reinstalled for the purposes of inspection, cleaning, repair, overhaul, relocation or adjustment within the Business Location and cover for payment by WPIL commences only after the completion of a successful initial commissioning of operation of the Machinery at the Business Location.

Please note the wording in relation to the calculation of what amount will be paid by WPIL in the section headed 'Claims and what we will pay'.

WPIL will cover (to a maximum of \$10,000.00) the topping up of or replacement of refrigerant gas which is required following Indemnified Damage occurring to an item of Machinery provided, however, that WPIL shall not pay under the provision for any cost where the damage occurs or replacement or additional refrigerant gas is required in pursuance of the Machinery being altered or modified to incorporate the use of a more environmentally friendly product or process.

SECTION B: Consequential Loss Provisions

WPIL covers (to a maximum of the Sum Insured) Business Interruption which results from Indemnified Damage. The amount payable under a claim is calculated as detailed in each 'Insured Category' below. The specific cover under each Insured Category only applies when you have opted for cover to be taken under that category and that option is specified in the Schedule.

1. Insured Categories

The Insured Categories which follow apply only when You have opted for cover for that particular category and the option is specified in the Schedule:

- a. Loss of Indemnified Profit:
 - i. Reduction in Turnover – WPIL covers loss of Indemnified Profit which shall be assessed by multiplying the Indemnified Profit Rate by the Turnover Reduction for the Indemnity Period.
 - ii. Increase in cost of working – WPIL covers Your reasonable expenditure necessarily incurred to avoid or diminish your Turnover Reduction but only if the additional expenditure does not exceed the amount obtained by multiplying the Indemnified Profit Rate by the amount of the reduction in Turnover avoided by the additional expenditure.

- iii. Reduced Expenses – WPIL will deduct from a claim the sum saved during the Indemnity Period for expenses and costs of Your Business operation (which would normally be paid out of Indemnified Profit) which will either cease or reduce because of the Indemnified Damage.
 - iv. This Insured Category is subject to average; therefore, if the Sum Insured is less than the amount of the annual Indemnified Profit (or pro rata of an annual) the amount payable shall be proportionately reduced in the event of a claim for loss.
- b. Wages:
- i. WPIL covers the Turnover Reduction obtained by multiplying the Wages Rate by the Turnover Reduction during the Indemnity Period.
 - ii. Increase in cost of working – WPIL covers Your reasonable expenditure necessarily incurred to avoid or diminish your Turnover Reduction but only if the additional expenditure does not exceed the sum obtained by multiplying the Wages Rate by the amount of the reduction in Turnover avoided by the additional expenditure.
 - iii. Wages Savings – WPIL will deduct from any amount payable under a claim, any sum saved during the Indemnity Period for Wages which ceases or reduces as a result of the Indemnified Damage.
 - iv. This Insured Category is subject to average; therefore, if the Sum Insured is less than the amount obtained by applying the Wages Rate to the annual Turnover (or pro-rata of an annual) the amount payable shall be proportionately reduced in the event of a claim for loss.
- c. Wages – Split Period Basis:
- i. Turnover Reduction – During the Initial Period (as detailed in the Schedule) WPIL covers the sum obtained by multiplying the Wages Rate by the Turnover Reduction and then subtracting any savings in Wages.
 - ii. For the remainder of the Indemnity Period, WPIL covers the sum obtained by multiplying the Wages Rate by the Turnover Reduction and subtracting any savings in Wages but to a maximum amount being the sum obtained by multiplying the remainder percentage detailed in the Schedule by the Wages Rate by the Turnover Reduction and then adding any savings in Wages deducted in the paragraph above.
 - iii. WPIL covers Your insurable expenditure necessarily incurred to avoid or diminish your Turnover Reduction but only if the additional expenditure does not exceed the sum obtained by multiplying the Wages Rate by the amount of the reduction in turnover avoided by the additional expenditure.
 - iv. This Insured Category is subject to average; therefore, if the Sum Insured is less than the amount obtained by applying the Wages Rate to the annual Turnover (or pro-rata of an annual) the amount payable shall be proportionately reduced in the event of a claim for loss.
- d. Payroll:
- i. WPIL covers the Turnover Reduction obtained by multiplying the Payroll Rate by the Turnover Reduction during the Indemnity Period.
 - ii. Increase in cost of working – WPIL covers Your reasonable expenditure necessarily incurred to avoid or diminish your Turnover Reduction but only if the additional expenditure does not exceed the sum obtained by multiplying the Payroll Rate by the amount of the reduction in Turnover avoided by the additional expenditure.
 - iii. Payroll Savings – WPIL will deduct from any amount payable under a claim, any sum saved during the Indemnity Period for Payroll which ceases or reduces as a result of the Indemnified Damage.

- iv. This Insured Category is subject to average; therefore, if the Sum Insured is less than the amount obtained by applying the Payroll Rate to the annual Turnover (or pro-rata of an annual) the amount payable shall be proportionately reduced in the event of a claim for loss.
- e. Extra Increase Cost of Working:
 - i. WPIL covers any reasonably incurred additional expenses not otherwise covered by this Policy provided they are incurred during the Indemnity Period in avoiding or diminishing the Turnover Reduction or in an effort to resume or maintain Your normal Business operations but WPIL does not cover for any reinstatement of Property Damage to Your property or such expenditure recoverable under any other provision.
- f. Claims Quantification Costs:
 - i. WPIL covers Your reasonable accounting or other professional fees and the reasonable costs Your own employees incur in quantifying a claim under the Policy but only to a maximum of the Sum Insured.

Claims and what we will pay

1. If You make a claim under this Policy, part of that claim must be paid by You (the "Excess"). The Excess is detailed in the Schedule, or may be detailed in the provisions of this Policy detailing specific types of cover, and will be deducted from any amount payable by WPIL under this Policy.
2. If anything happens or an Event occurs which may result in a claim being made on this Policy, then as soon as You know about that Event You must:
 - a. Do as much as You can to minimise any Loss or liability and prevent further damage, Loss or liability.
 - b. Report any burglary, arson, theft, vandalism or intentional or malicious damage to the police.
 - c. Tell WPIL immediately.
 - d. Do as much as You can to obtain details of any other persons, property, vehicle or any other item involved and also any witnesses involved.
 - e. Tell WPIL immediately if any information or assistance is asked for or any communication or documentation is received by You.
3. Unless WPIL agrees You must not:
 - a. Incur any cost or expense in connection with the claim.
 - b. Dispose of any property which is part of the claim.
 - c. Start repairs or replace any item unless necessary to minimise the Loss or prevent further Loss as detailed above.
 - d. Negotiate or pay or settle or admit or deny any claim.
 - e. Start any legal proceedings.
 - f. Pass or abandon any item of Insured Property to WPIL or any other party unless agreed to by WPIL.
 - g. Do anything which may prejudice WPIL's ability to defend a claim made against You or to recover any part of any Loss from any person responsible.
4. If WPIL so requires You must:
 - a. Authorise any other party to provide personal information about You in connection with Your claim to us.
 - b. Complete any claim form and return it to WPIL within any period requested.
 - c. Allow WPIL to inspect the property involved in any claim.
 - d. Provide a statutory declaration to confirm the Loss or liability claimed and submit to cross-examination under oath if WPIL so requires.
 - e. Provide any information or help as WPIL may reasonably require to support the claim.
5. If WPIL accepts a claim, WPIL is entitled to act in Your name and on Your behalf in relation to that claim at our cost. WPIL can also retain any property that WPIL have paid a claim for or dispose of it and be entitled to keep the proceeds of any sale. WPIL is also entitled to take over any legal rights You may have in relation to the recovery

under this Policy for Your Loss and is able to exercise such rights for WPIL's benefit. Any such action or exercising of legal right will be at WPIL's cost including any amount payable to You but You must agree to assist if WPIL reasonably requires it and provide any information WPIL reasonably requests.

6. If WPIL accepts a claim for Indemnified Damage under part A of the section headed "What is covered by this contract of Insurance" WPIL may choose to indemnify you either by repair or by replacement of the Damaged Machinery along with payments of any costs detailed as covered as this Policy.

If Indemnified Damage to an insured item of Machinery can be repaired, WPIL will pay all expenses incurred to repair the Machinery to its state of operation immediately prior to the Indemnified Damage occurring.

WPIL will pay for the cost of materials and wages incurred in repairing the Machinery if repairs are able to be completed at the Business Location including a reasonable allowance for any overheads. WPIL is entitled to take into account any salvage value of parts replaced and if any parts are not able to be sourced then WPIL's liability is limited to the latest available price list for those parts from the parts manufacturer or supplier.

If an item of Insured Machinery is totally destroyed WPIL has the option to either:

- a. Supply a replacement item of Machinery similar in condition, capacity and type to the insured item of Machinery immediately before the Indemnified Damage occurred and also any costs for reasonable freight and installation charges; or
- b. Pay to You the actual value of the item of the Insured Machinery as it was immediately before the Indemnified Damage occurred making allowance for reasonable depreciation costs from the value of the item of Machinery if replaced as new.

Where the value of any cost in preparing an item of Machinery exceeds the actual value of the insured item of Machinery immediately before the Indemnified Damage occurred then that item of Machinery will be deemed to have been totally destroyed.

7. **Average**

Unless specified otherwise then where the Sum Insured declared in the Schedule for any item of Machinery is less than the correct amount then the amount payable by WPIL for Indemnified Damage shall be reduced in such proportion as the Sum Insured corresponds to the new correct replacement value.

8. **Maximum Amount Payable**

The most WPIL will pay for any one Insured Category is the specific Sum Insured shown in the Schedule for that category and for all Insured Categories is the total Sum Insured shown in the Schedule during any Indemnity Period unless a different amount is shown elsewhere in this Policy.

A fair allowance will be made by WPIL in settling Your claim if the Indemnity Period is 12 months or longer and You have a shortage of Stock after the expiry of the Indemnity Period due to Turnover being maintained from stores of Stock held by you during that Indemnity Period.

9. **Sub Limits**

The most WPIL will pay under each Insured Category under this Policy is the amount specified in this Policy or the amount specified in the Schedule, whichever is the higher.

10. **Reinstatement Of Sum Insured**

Following WPIL paying on a claim under this Policy, WPIL will reinstate Your Sum Insured and WPIL can ask You to pay an additional premium.

11. **Payment on Account**

WPIL will make interim payments on a claim if evidence can be produced to the satisfaction of WPIL that a claim is payable under this Policy.

12. **Finite Departments**

Subject always to the maximum amount payable detailed above this Policy shall apply separately to each department of your Business where your Business is conducted in departments which have separately identifiable trading information and results.

What is not covered by this Contract of Insurance

Under this contract of insurance WPIL does not cover Loss caused by:

1. Or associated to a Computer Virus to Electronic Information, and any liability arising from this and including not covering loss of use, reduction in functionality or any other associated Loss or expense in connection with the Electronic Information, but WPIL does cover resultant physical damage to other Insured Property, which is not otherwise excluded.
2. Loss, liability, prosecution or expense of any type in connection with contamination, pollution or seepage.
3. Except as covered for refrigerant gas in the section headed 'What is covered by this Contract of Insurance' WPIL does not cover loss caused by operating media such as fuels, chemicals, catalysts, heat transfer media, cleansing agents, lubricants and filter substances.
4. Faults or defects in Machinery existing at the time this contract of insurance is entered into or on any subsequent renewal which are known to you and disclosed to WPIL.
5. Experiments, overload or similar or associated tests requiring the imposition of abnormal operating conditions for the Machinery.
6. The direct application of any tool or procedure in the course of repair, maintenance, alteration, inspection, modification or overhaul.
7. Damage to foundations and masonry, dyes, patterns, moulds, stamps, punches, blocks, engravings or coatings on rolls and cylinders, rubber, textiles, synthetics or parts made of glass.
8. Damage to parts which suffer a high rate of depreciation or wear and tear by the nature of their use including, but not limited to, fuses, batteries, brushes, tyres, refractory material, burner jets, grate bars, cables, other than electrical conductors, crushing services, screens and sieves, hammers, balls, ware plates, conveyor belts or bands or elevator belts or bands, chains, joining and packing materials, flexible pipes, grinding wheels, belts, straps, ropes, grinding wheels and filter cloths.
9. Damage to replaceable parts which are exchangeable including, but not limited to, saw blades, drill bits, drills, knives and shear pins.
10. Any consequential loss of any kind except as insured under Section B of the section headed 'What is covered by this Contract of Insurance'.
11. Unless such an item of Machinery or plant is specified as covered in this Schedule, WPIL does not cover any hired plant, any mobile plants such as mobile cranes, forklift trucks, any laboratory test equipment including instruments or electronic data processing equipment other than such equipment forming an integral part of any item of Machinery used in production.
12. Burglary or theft, or attempted burglary or theft, impact by waterborne craft, land borne craft and vehicles and animals, aircraft or any other aerial device or an article dropped from an aircraft or other aerial device, fire, smoke, chemical or dust explosion of any kind, lightning, soot, wind, flood, storm, snow, hail, ice, water, frost, accidental leakage or spillage of gas, vapour or liquid.
13. Gradual deterioration, erosion or corrosion, scratching of painted or polished surfaces, wasting or wearing away or wearing out of any part caused by the normal or ordinary use or working of that part as part of the Machinery or caused by direct consequences of progressive or continuous influences of chemical or atmospheric action but other Indemnified Damage resulting from these causes shall be covered by WPIL.
14. The cost of any provisional repairs unless those repairs are part of a final repair for Indemnified Damage and do not increase the overall total repair cost.
15. The cost of overhauls, maintenance, improvements, additions or alterations or extra charges incurred for overtime, labour charges or work performed on public holidays or for express courier or freight charges, unless otherwise agreed to by WPIL.
16. The amount of any Excess shown in the Schedule which will be deducted from every claim. If more than one item of Machinery is damaged by any one occurrence of Indemnified Damage You will not be required to bear more than the highest single Excess applicable to those items of Machinery effected.

17. Loss caused by any act of terrorism, which means an act including but not limited to the use of force or violence or the threat of force or violence of any person or groups of persons whether acting alone or on behalf of or in connection with any organization or government which, by its nature or context, is done for or in connection with political, religious, ideological, ethnic or similar purposes or reasons, including with the intention to influence any government or to put fear into the public or any section of the public.
18. Loss, prosecution or expense of any type connected with Natural Damage including by earthquake, underground fire, tsunami, volcanic activity and hydrothermal or geothermal activity.
19. Loss arising from nuclear weapons, ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste which results from the combustion (including self-sustaining process of nuclear fission) of nuclear fuel.
20. War, invasion, act of foreign power, war-like operations, whether war has been declared or not.
21. Civil war, rebellion, revolution, insurrection, military or usurped power.
22. Confiscation, acquisition, loss or damage by order of any government, local body or authority.

Other important information and terms

1. Disclosure

When applying for insurance, You have a general legal duty of disclosure. You must tell WPIL everything that may be relevant to WPIL's decision to issue, renew or alter this contract of insurance. All statements and representations must be true and correct. All benefits under this Policy will be forfeited if any claim under this Policy is in any respect fraudulent.

If You are not sure whether to disclose a fact to WPIL, You should discuss the situation with WPIL or your broker.

2. Breach of Terms

No claim will be payable under this Policy if any person entitled to any benefit under the Policy breaches any of the terms and conditions set out in this contract of insurance.

3. Change of Circumstances

You must advise WPIL of any change of circumstances relevant to the Policy as soon as You are aware of the change of circumstances and any such information which may effect WPIL's decision whether or not to provide or renew insurance to You and on what terms.

A change of circumstance includes, but is not limited to, Yourself or any person entitled to a benefit under this Policy committing, being charged with or convicted of any criminal offence but not including traffic offences.

4. Reasonable Care

You must ensure that You take all reasonable steps to prevent Loss.

5. Governing Law

This Policy and the contract of insurance are governed by the laws of New Zealand. Any dispute in relation to the contract of insurance can only be determined by the courts of New Zealand.

The terms and conditions of this Policy are always subject to the provisions of the Insurance Law Reform Act 1977 and the Insurance Law Reform Act 1985 including Your rights contained in those two Acts.

6. Payment of Premium

Unless specifically agreed by WPIL in the Schedule, it is acknowledged by You that no cover shall be provided under this contract of insurance until any premium is paid by You to WPIL or an agent nominated by WPIL.

7. Premium Adjustments

Where a premium for this policy has been calculated using estimated figures, then that premium is a provisional premium only for the applicable Twelve Month Period.

Within 3 months of the expiry of the applicable Twelve Month Period, You must tell WPIL what the actual figures are. WPIL will re-calculate the actual premium based on those actual figures.

Any difference between the actual and the provisional premiums will either be payable to WPIL or refunded to You following an actual calculation. If a refund is payable it will be limited to a maximum of 50% of the provisional premium calculated.

8. Other Insurance Policies

If any other insurance policy is arranged in relation to the Insured Property, then You must advise WPIL immediately and if there is any such other policy applicable, then WPIL will only pay out on this Policy over and above the amount payable by the relevant insurance company under any other policy.

9. Secured Parties

No security holder is covered by this Policy unless WPIL acknowledges this in writing or as detailed in the Schedule to this Policy.

Payment by WPIL to a party holding a security interest over the Insured Property (as advised in writing by You) will meet all of WPIL's obligations under this Policy for the Loss.

WPIL is authorised to disclose Your personal information to any holder of a financial security over Insured Property.

10. Notices

Any notice or disclosure to be given to WPIL by You under this Policy must be given in writing to either WPIL's head office or our approved agent.

Notice by WPIL to You under this Policy will be given by delivery in person or posted to the last postal address advised to WPIL by You.

11. Joint Insured Parties

If You or The Insured as detailed in the Schedule is more than one individual then You are each jointly insured and any breach by one individual of those joint persons shall be taken as being a breach by all of them.

Payment under this contract of insurance to any party named in the Schedule shall constitute settlement of all of our obligations under this contract of insurance for any such claim.

12. Cancellation

WPIL can cancel this Policy by giving You 30 days notice which notice period shall start from the day WPIL delivers or posts the notice. Any unused premium, on cancellation, will be paid to You on a pro-rata basis.

This contract of insurance can be cancelled by You by giving notice to WPIL and any unused premium will be refunded to You on a pro-rata basis subject to any minimum premium be retained by WPIL.

13. Amendment

WPIL can amend this contract of insurance by giving You 30 days notice which notice period shall start from the day WPIL deliver or post the notice.

Any amendment to this contract of insurance proposed by You will only take effect if agreed to in writing by WPIL.

14. GST

Any amount to be paid under a claim shall exclude GST only if WPIL can recover the GST amount. Otherwise any other amount mentioned in this policy shall include GST.

15. Inflation

The Sum Insured will be increased at each renewal of this Policy to reflect WPIL's estimated increase in The Insured's consumer costs and inflation may also be a factor in WPIL setting any premium payable by You for cover under this Policy and on any renewal.

Policy Definitions

The words defined below are used throughout this policy. Any other definitions are shown in the section to which they apply.

"Accidental" means unintended and unexpected by The Insured.

"Business" means your business as described in the Schedule.



“Business Interruption” means interference or interruption to Your Business operation caused by Indemnified Damage to insured Machinery.

“Business Location” means the premises described in the Schedule at which You operate Your Business.

“Computer Virus” means unauthorised instructions or code of a harmful, corrupting or other nature and including maliciously introduced unauthorised code and/or instructions (whether programmatic or otherwise) and which infiltrate or propagate themselves through a system or network of computers of any nature and includes but is not limited to Worms, Trojan Horses, and Time of Logic Bombs.

“Electronic Information” means information concepts or facts transformed or converted to a form that can be communicated, interpreted or processed by electromechanical data processing or other electronic equipment and includes instructions for processing, software, programs and other instructions used to process, manipulate or amend information, data or such electronic equipment

“Event” means a single event or a series of events arising from one original cause or source.

“Excess” means the first part of each and every claim which shall be deducted by WPIL in any settlement of that claim and which can be either a specified amount or a percentage of a claim.

“Indemnified Damage” means, unless otherwise excluded, physical damage which is unforeseen and unintended by You and which requires immediate repair or replacement of Machinery before that Machinery can again operate in its normal way.

“Indemnified Profit” means the amount by which the sum of Turnover plus the amount of the closing stock exceeds the sum of the opening stock plus the amount of Un-indemnified Work Expenses. In calculating the amount of Indemnified Profit you must calculate the opening and closing stocks in accordance with Your normal accounting methods and the words used have to have the usual meaning attached to them as used in Your annual accounts and book keeping records.

“Indemnity Period” means the period which starts when the Indemnified Damage occurred or if a stand down or exclusion period is stated in the Schedule, then at the end of that stand down period and ends no later than the number of months detailed in the Schedule as the Indemnity Period during which Your Business operation is effected by that Indemnified Damage.

“Initial Period” means the portion of the Indemnity Period which starts with the commencement of the Indemnity Period and ends no later than the specified number of weeks detailed in the Schedule as the Initial Period.

“Indemnified Profit Rate” means the rate of Indemnified Profit to Turnover which would have been achieved during any part of the Indemnity Period but for the Indemnified Damage occurring as adjusted by any relevant trend to fairly reflect the figure calculated for the relevant period.

“Location” means the location or locations referred to in the Schedule.

“Natural Damage” means damage resulting directly from a natural disaster such as earthquake, subterranean fire, volcanic eruption, tsunami, geothermal activity, hydrothermal activity, or fire caused by any of these and measures taken under proper authority following any of these to reduce the impact of them or prevent damage spreading.

“Payroll” means gross salaries and wages including proportions of other statutory costs relating to salaries and wages for all employees of Your Business.

“Payroll Rate” means the rate of Payroll to Turnover which would have been achieved during any part of the Indemnity Period but for the Indemnified Damage occurring as adjusted to fairly reflect the figure calculated for the relevant period.

“Period of Insurance” means the period detailed in the Schedule and any renewal further agreed to by WPIL and for which You pay the applicable premium.

“Policy” means this policy wording forming part of the contract of insurance between The Insured and WPIL.

“Pressure Vessel” means those parts of any Insured Property including all controls, systems (but not part of a Building) and integral parts that are subjected to intentionally generated fluid pressure or vacuum.

“Property Damage” means loss to property which would be covered as a claim under a Material Damage Policy if the property was owned by You.

“Revenue” means monies paid to You or money billed by You for work done or services provided by You as part of Your Business Operation.



“Schedule” is the most recent and current policy Schedule including any expiry notice or insurance renewal issued to You.

“Stock” means trading Stock and materials in trade.

“Sum Insured” means the amount shown in the Schedule as being the maximum amount payable by WPIL under this contract of insurance, either in relation to a Sum Insured specifically for a particular item of Machinery or Insured Category, or as a total Sum Insured as the context requires. The Sum Insured, either at the commencement of this contract of insurance or any renewal of this contract of insurance must not be less than the replacement value at the time of commencement of renewal.

“Turnover” means either of:

- a. All money or other reimbursements received by You for goods and services in connection with Your Business; or
- b. such other measure of Your Business operation that gives the most equitable results.

As adjusted by any relevant trend to fairly reflect the figure calculated for the relevant period.

“Turnover Reduction” means the amount that Your Turnover falls short of Your Turnover Revenue that would have been achieved during any part of the Indemnity Period if the Indemnified Damage had not occurred.

“Twelve Month Period” means the Period Of Insurance unless Your premium is paid quarterly or monthly or if the Period Of Insurance is more than twelve months then the Twelve Month Period is any Twelve Month Period commencing from the date this policy commenced and each Twelve Month Period thereafter.

“Un-indemnified Work Expenses” means those of Your expenses which are no longer incurred by You when Your Business is not able to operate or continue as adjusted to fairly reflect the figure calculated for the relevant period.

“Wages” means the value of all remuneration including pro rata proportions of statutory payments and other costs relating to wages of all of your employees except those employees who are remunerated by way of salary.

“Wages Rate” means the rate of Wages to Turnover that would have been achieved by Your Business by any part of the Indemnity Period but for the Indemnified Damage occurring.

“WPIL, us, our and/or we” means Western Pacific Insurance Limited (WPIL).

“You, Your and/or The Insured” means the insured person(s) or party named in the Schedule.