



# Financial Institution Electronic and Computer Crime Policy

## SCHEDULE

CHUBB INSURANCE COMPANY OF AUSTRALIA LIMITED  
(A.B.N. 69 003 710 647)  
Herein called the Company

Name of **INSURED** (including its **Subsidiaries**):  
(name and address)

Policy Number:

ITEM 1. POLICY PERIOD: from 4:00pm on to 4:00pm on

ITEM 2. AGGREGATE LIMIT OF LIABILITY: \$

ITEM 3. SINGLE LOSS LIMIT OF LIABILITY - DEDUCTIBLE AMOUNTS:

The amounts set forth below shall be part of and not in addition to the AGGREGATE LIMIT OF LIABILITY. If "NOT COVERED" is inserted opposite any specified INSURING CLAUSE, such INSURING CLAUSE and any other reference to such INSURING CLAUSE in this Policy shall be deemed to be deleted.

<u>INSURING CLAUSE</u>	<u>SINGLE LOSS LIMIT OF LIABILITY</u>	<u>DEDUCTIBLE AMOUNT</u>
1. <b>COMPUTER SYSTEMS</b>	\$	\$
2. <b>ELECTRONIC DATA, ELECTRONIC MEDIA, ELECTRONIC INSTRUCTIONS</b>	\$	\$
3. <b>ELECTRONIC COMMUNICATION SYSTEM</b>	\$	\$
4. <b>INSURED'S SERVICE BUREAU OPERATIONS</b>	\$	\$
5. <b>ELECTRONIC TRANSMISSION</b>	\$	\$
6. <b>CUSTOMER VOICE INITIATED TRANSFERS</b>	\$	\$
7. <b>EXTORTION</b>	\$	\$

ITEM 4. **INSURED'S FINANCIAL INSTITUTION BOND:**

ITEM 5. The liability of the Company is also subject to the terms of the following endorsements executed simultaneously herewith:

IN WITNESS WHEREOF, THE Company has caused this Policy to be signed by its authorised employee.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorised Employee

The Company, in consideration of payment of the required premium, and in reliance on the PROPOSAL and all other statements made and information furnished to the Company by the **INSURED**, and subject to the SCHEDULE made a part of this Policy and to all other terms and conditions of this Policy, agrees to pay the **INSURED** for:

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### **INSURING CLAUSES**

**Computer Systems** 1. Loss resulting directly from the **INSURED** having transferred, paid or delivered any funds or property, established any credit, debited any account or given value as the direct result of the fraudulent preparation, or the fraudulent modification of **Electronic Instruction** or the fraudulent input of **Electronic Data** directly into:

- (a) the **INSURED'S Computer System**,
  - (b) a **Service Bureau's Computer System**,
  - (c) an **Electronic Funds Transfer System**, or
  - (d) a **Customer Communication System**.
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**Electronic Data,  
Electronic Media,  
Electronic Instruction** 2. Loss resulting directly from:

- (a) the fraudulent modification of **Electronic Data, Electronic Media** or **Electronic Instruction** being stored within or being run within any system covered under INSURING CLAUSE 1,
- (b) robbery, burglary, larceny or theft of **Electronic Data, Electronic Media** or **Electronic Instruction**,
- (c) the acts of a hacker causing damage or destruction of **Electronic Data, Electronic Media** or **Electronic Instruction** owned by the **INSURED** or for which the **INSURED** is legally liable while stored within a **Computer System** covered under INSURING CLAUSE 1, or
- (d) the damage or destruction of **Electronic Data, Electronic Media** or **Electronic Instruction** owned by the **INSURED** or for which the **INSURED** is legally liable while stored within a **Computer System** covered under INSURING CLAUSE 1, provided such damage or destruction was caused by a computer program or similar instruction which was written or altered to intentionally incorporate a hidden instruction designed to damage or destroy **Electronic Data, Electronic Media** or **Electronic Instruction** in the **Computer System** in which the computer program or instruction so written or so altered is used.

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**Electronic  
Communication  
System** 3. Loss resulting directly from the **INSURED** having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value on the faith of any electronic communications directed to the **INSURED**, which were transmitted or appear to have been transmitted through:

- (a) an **Electronic Communication System**,
- (b) an automated clearing house, custodian, or
- (c) a telex, TWX, **Telefacsimile** instruction, or similar means of communication,

directly into the **INSURED'S Computer System** or **Communication Terminal**, and fraudulently purport to have been sent by a customer, automated clearing house, custodian, or financial institution, but which communications were either not sent by said customer, automated clearing house, custodian, or financial institution, or were fraudulently modified during physical transit of **Electronic Media** to the **INSURED** or during electronic transmission to the **INSURED'S Computer System** or **Communication Terminal**.

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**Insured's Service  
Bureau Operations**

- 4. Loss resulting directly from a customer of the **INSURED** having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value as the direct result of the fraudulent input, the fraudulent modification or the fraudulent destruction of **Electronic Data** stored within, or being run within, the **INSURED'S Computer System**, or during electronic transmission through data communication lines from the **INSURED'S Computer System** into the customer's **Computer System**, while the **INSURED** is acting as a **Service Bureau** for said customer, which fraudulent acts were committed by a person who intended to cause the **INSURED** or the **INSURED'S** customer to sustain a loss or to obtain financial gain for such person or any other person, and for which loss the **INSURED** is held to be legally liable.

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**Electronic  
Transmission**

- 5. Loss resulting directly from a customer of the **INSURED**, or any automated clearing house, or custodian, or financial institution having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value on the faith of any electronic communications, purporting to have been directed by the **INSURED** to such customer, automated clearing house, custodian, or financial institution initiating, authorising, or acknowledging, the transfer, payment, delivery or receipt of funds or property, which communications were transmitted, or appear to have been transmitted through:

- (a) an **Electronic Communication System**,
- (b) an automated clearing house, custodian, or
- (c) a telex, TWX, **Telefacsimile** instruction, or similar means of communication,

directly into a **Computer System** or **Communication Terminal** of said customer, automated clearing house, custodian, or financial institution, and fraudulently purport to have been directed by the **INSURED**, but which communications were either not sent by the **INSURED**, or were fraudulently modified during physical transit of **Electronic Media** from the **INSURED** or during electronic transmission from the **INSURED'S Computer System** or **Communication Terminal**, and for which loss the **INSURED** is held to be legally liable.

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**Customer Voice  
Initiated Transfers**

6. Loss resulting directly from the **INSURED** having transferred any funds on the faith of any **Voice Initiated Funds Transfer Instructions** made by a person purporting to be:
- (a) a **VIT Customer**,
  - (b) an authorised representative of the **VIT Customer**, or
  - (c) an employee who was authorised by the **INSURED** to instruct other employees to transfer funds,

provided, however, such instructions were received by an employee specifically designated to receive and act upon such instructions, and such acts were committed by said person described in a., b. or c. above for the purpose of making an improper personal financial gain for such person or any other person.

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**Extortion**

7. Loss resulting directly from the **INSURED** having surrendered any funds or property to a person other than an employee of the **INSURED** where said person has gained or alleges to have gained unauthorised access to the **INSURED'S Computer System** and threatens to:
- (a) cause the **INSURED** to transfer, pay or deliver any funds or property using the **INSURED'S Computer System**,
  - (b) sell or disclose confidential security codes to another person or party, to enable the recipient of such confidential security codes to cause the **INSURED** to transfer, pay or deliver any funds or property using the **INSURED'S Computer System**, or
  - (c) damage or destroy the **INSURED'S Electronic Data** or the **INSURED'S Electronic Instruction** while stored within the **INSURED'S Computer System**;

provided, however, that before surrendering any funds or property the **INSURED** makes every reasonable effort to conduct an investigation which provides a reasonable basis for concluding said threat is technologically credible, and the **INSURED** reports said threat to the Federal, State or Territory police force or other law enforcement agency having jurisdiction over such matters and reasonably complies with the recommendations, instructions or suggestions of such law enforcement agency.

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**GENERAL  
AGREEMENTS**

**Joint Insured**

- A. Only the first named **INSURED** shall be deemed to be the sole agent of the others for all purposes under this Policy, including but not limited to the giving or receiving of any notice or proof required to be given and for the purpose of effecting or accepting any amendments to or termination of this Policy. Each and every other **INSURED** shall be conclusively deemed to have consented and agreed that none of them shall have any direct beneficiary interest in or any right of action under the Policy and neither the Policy nor any right of action shall be assignable.

Knowledge possessed or discovery made by any **INSURED** shall constitute knowledge possessed or discovery made by all of the **INSUREDS** for the purposes of this Policy.

All losses and other payments, if any, payable by the Company shall be payable to the first named **INSURED** without regard to such **INSURED'S** obligations to others, and the Company shall not be responsible for the application by the first named **INSURED** of any payment made by the Company. If the Company agrees to and makes payment to any **INSURED** other than the one first named, such payment shall be treated as though made to the first named **INSURED**. The Company shall not be liable for loss sustained by one **INSURED** to the advantage of any other **INSURED**.

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**Representations  
Made by Insured**

B. The **INSURED** represents that all information it has furnished in the PROPOSAL for this Policy or otherwise is complete, true and correct. Such PROPOSAL and other information constitute part of this Policy.

The **INSURED** must promptly notify the Company of any change in any fact or circumstance which materially affects the risk assumed by the Company under this Policy.

Any fraudulent misrepresentation, omission, concealment or incorrect statement of a material fact, in the PROPOSAL or otherwise, shall be grounds for avoidance of this Policy.

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**Additional Offices,  
Consolidation,  
Merger or Purchase or  
Acquisitions of Assets  
or Liabilities-Notice  
To Company**

C. If the **INSURED**, while this Policy is in force, merges or consolidates with, or purchases or acquires the assets or liabilities of another institution, the **INSURED** shall not have the coverage afforded under this Policy for loss which has:

- (1) occurred or will occur on premises, or
- (2) arisen or will arise out of such assets or liabilities, of such institution, unless the **INSURED**:
  - (a) gives the Company written notice of the proposed consolidation, merger or purchase or acquisition of assets or liabilities prior to the proposed effective date of such action, and
  - (b) obtains the written consent of the Company to extend some or all of the coverage provided by this Policy to such additional exposure, and
  - (c) on obtaining such consent, pays to the Company an additional premium.

Notwithstanding anything stated above to the contrary, the Company hereby agrees to provide coverage which shall be effective on the date of acquisition under the Policy for those acquired institutions in which the **INSURED** owns greater than fifty percent (50%) of the voting stock or voting rights either directly or through one or more of its **Subsidiaries** for the remainder of the Policy Period, with no additional premium, provided the acquired institution meets all of the following conditions:

- (i) the assets shall not exceed ten percent (10%) of the **INSURED'S** assets,

- (ii) there shall be neither any paid nor pending Bond or Computer Crime Policy claim for the three (3) year period prior to the date of acquisition, and
- (iii) the **INSURED** is not aware of any disciplinary action or proceeding by Federal, State or Territory officials involving the acquired institution as of the date of acquisition.

The Company further agrees that, as respects any acquisition that involves a Federal, State or Territory regulatory assisted acquisition or assumption of assets and/or liabilities, coverage shall be provided under the Policy for the remainder of the Policy Period as long as conditions (i) and (ii) above are met. As respects such acquisition or assumption of assets and/or liabilities, coverage applies only to a **Single Loss** fully sustained by the **INSURED** on or after the date of such acquisition or assumption. All of the circumstances, conditions or acts causing or contributing to such **Single Loss** must occur on or after the date of such acquisition or assumption for coverage to apply.

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***Change of Control  
Notice to  
Company***

- D. The **INSURED** shall notify the Company at the earliest practical moment, not to exceed sixty (60) days, after the **INSURED** learns of a change of control.

There shall be no coverage under the Policy for any loss involving a partner, shareholder or affiliated group of shareholders that acquires control if such loss occurs after the date such party acquired control and if notice of such change in control is not received by the Company within the sixty (60) day time period.

As used in this GENERAL AGREEMENT, control means the power to determine the management or policy of a controlling holding company or of the **INSURED** by virtue of partnership interest or voting share ownership. A change in control, for the purpose of the required notice, means a change in ownership of voting shares or voting rights which results in direct or beneficial ownership by a shareholder or an affiliated group of shareholders of ten percent (10%) or more of such shares or voting rights.

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***Notice to Company  
of Legal  
Proceedings Against  
Insured- Election to  
Defend***

- E. The **INSURED** shall notify the Company at the earliest practical moment, not to exceed sixty (60) days after the **INSURED** receives notice, of any legal proceeding brought to determine the **INSURED'S** liability for any loss, claim or damage which, if established, would constitute a covered loss under this Policy. Concurrent with such notice, and as requested thereafter, the **INSURED** shall furnish copies of all pleadings and pertinent papers to the Company.

The Company may, at its sole option, elect to conduct the defence of all or part of such legal proceeding. The defence by the Company shall be in the name of the **INSURED** through legal representatives selected by the Company. The **INSURED** shall provide all reasonable information and assistance as required by the Company for such defence.

If the Company elects to defend all or part of any legal proceeding, the court costs and reasonable legal fees and legal expenses incurred by the Company and any settlement or judgment on that part defended by the Company shall be a loss under the applicable INSURING CLAUSE of this Policy. In addition, if the amount demanded in the legal proceeding is greater than the amount recoverable under this Policy, or if a Deductible Amount is applicable, or both, the Company's liability for court costs and reasonable legal fees and legal expenses incurred in defending all or part of such legal proceeding is limited to the proportion of such court costs and reasonable legal fees and legal expenses incurred that the amount recoverable under this Policy bears to the total of the amount demanded in such legal proceeding.

If the Company declines to defend the **INSURED**, no settlement without the prior written consent of the Company or judgment against the **INSURED** shall determine the existence, extent or amount of coverage under this Policy, and the Company shall not be liable for any costs, fees and expenses incurred by the **INSURED**.

Amounts paid by the Company for court costs and reasonable legal fees and legal expenses shall be in addition to the **Single Loss** Limit of Liability stated in ITEM 3. of the SCHEDULE, subject to Section 3.b.

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**Nominee**

- F. Loss sustained by any nominee organised by the **INSURED** for the purpose of handling certain of the **INSURED'S** business transactions and composed exclusively of its employees shall, for all the purposes under this Policy and whether any partner of the nominee is concerned or implicated in such loss, be deemed to be loss sustained by the **INSURED**.

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**CONDITIONS AND LIMITATIONS**

As used in this Policy:

**Section 1. Definitions**

- (a) **Communication Terminal** means a teletype, teleprinter or video display terminal, or similar device capable of sending or receiving information electronically. It does not mean a telephone.
- (b) **Computer System** means a computer and all input, output, processing, storage, off-line media libraries, and communication facilities which are connected to a computer and which are under the control or supervision of the operating system(s) or application(s) software used by the **INSURED**.
- (c) **Customer Communication System** means those communications systems which provide customers of the **INSURED** with direct access to the **INSURED'S Computer Systems**.
- (d) **Electronic Communication System** means electronic communication operations by Fedwire, Clearing House Interbank Payment System (CHIPS), Society of Worldwide International Financial Telecommunication (SWIFT), similar automated interbank communication systems, and Internet access facilities.
- (e) **Electronic Data** means facts or information converted to a form useable in **Computer Systems** and which is stored on **Electronic Media** for use by computer programs.

- (f) **Electronic Funds Transfer System** means automated teller machines, point of sale terminals, and other similar operating systems and includes any shared networks, Internet access facilities, or other similar facilities for such systems, in which the **INSURED** participates.
- (g) **Electronic Instruction** means computer programs converted to a form useable in a **Computer System** to act upon **Electronic Data**.
- (h) **Electronic Media** means the magnetic tape, magnetic disk, optical disk, or any other bulk media on which data is recorded.
- (i) **INSURED** means the **INSURED** named in Item 1 of the SCHEDULE and any **Subsidiary** as at the commencement of this Policy.
- (j) **Money** means a medium of exchange in current use authorised or adopted by a domestic or foreign government as part of its currency.
- (k) **Service Bureau** means a natural person, partnership or corporation authorised by written agreement to perform data processing services using **Computer Systems**.
- (l) **Service Bureau's Computer System** means those **Computer Systems** owned, leased or operated by a **Service Bureau**.
- (m) **Single Loss** means all covered loss, resulting from:
  - (1) any one act of burglary, robbery or attempt at either, in which no employee is implicated, or
  - (2) any one act or series of related acts on the part of any natural person resulting in damage or destruction of **Electronic Data**, **Electronic Media**, or **Electronic Instruction**, or
  - (3) all acts other than those specified in (m).(1) and (m).(2) caused by any natural person or in which such person is implicated, or
  - (4) any one event not specified in (m)(1), (m)(2) or (m)(3).
- (n) **Subsidiary** means any organisation that, at the inception date of the Policy, is named in the Proposal or is created during the Policy Period and of which more than fifty percent (50%) of the outstanding securities or voting rights representing the present right to vote for election of directors is owned or controlled by the **INSURED** either directly or through one or more of its subsidiaries.
- (o) **Telefacsimile** means a system of transmitting written documents by electronic signals over telephone lines to equipment maintained by the **INSURED** for the purpose of reproducing a copy of said document. **Telefacsimile** does not mean electronic communication sent by Telex or similar means of communication, or through an electronic communication system or through an automated clearing house.
- (p) **VIT Customer** means any corporation, partnership, proprietor, trust or natural person having an account with the **INSURED** and having a written agreement with the **INSURED** for customer voice initiated funds transfers.

- (q) **Voice Initiated Funds Transfer Instructions** means those oral instructions authorising the transfer of funds in a **VIT Customer's** account to a financial institution for credit to accounts designated by the **VIT Customer**:
- (1) made over the telephone, and
  - (2) directed to those employees specifically authorised by the **INSURED** to receive such instructions by telephone at the **INSURED'S** offices, and
  - (3) by the **VIT Customer** or a natural person authorised and appointed by the **VIT Customer** to request by telephone the transfer of such funds.

For the purposes of these definitions, the singular includes the plural and the plural includes the singular, unless otherwise indicated.

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**Section 2.**

This Policy does not directly or indirectly cover:

**Exclusions**

- (a) loss not reported to the Company in writing within sixty (60) days after termination of this Policy in its entirety;
- (b) loss due to riot or civil commotion, outside the Commonwealth of Australia, or any loss due to military, naval or usurped power, war or insurrection. This Section 2.b., however, shall not apply to loss which occurs in transit, provided that when such transit was initiated, there was no knowledge on the part of any person acting for the **INSURED** of such riot, civil commotion, military, naval or usurped power, war or insurrection;
- (c) loss covered under the **INSURED'S** Financial Institution Bond stated in Item 4 of the Schedule, or caused by an employee of the **INSURED** or caused by anyone authorised to access **Computer Systems**;
- (d) loss resulting from the effects of nuclear fission or fusion or radioactivity;
- (e) loss of potential income including, but not limited to, interest and dividends not realised by the **INSURED** or by any customer of the **INSURED**;
- (f) loss resulting from an indirect or consequential loss of any nature;
- (g) damages of any type for which the **INSURED** is legally liable, except compensatory damages, but not multiples thereof, arising directly from a loss covered under this Policy;
- (h) any costs, fees and expenses incurred by the **INSURED** in establishing the existence of or amount of loss covered under this Policy, except to the extent covered under GENERAL AGREEMENT E;
- (i) loss of any confidential information, material or data;

- (j) liability assumed by the **INSURED** by agreement under any contract, unless such liability would have attached to the **INSURED** even in the absence of such agreement;
- (k) loss of **Electronic Data**, **Electronic Media** or **Electronic Instruction** while in the mail;
- (l) loss resulting directly or indirectly from:
  - (1) written instruction or advice;
  - (2) telegraphic or cable instruction or advice; or
  - (3) instruction or advice by voice over the telephone, unless covered under Insuring Clause 6;
- (m) loss resulting directly or indirectly from forged, altered or fraudulent negotiable instruments, securities, documents or written instruments used as source documentation in the preparation of **Electronic Data**;
- (n) loss of negotiable instruments, securities, documents or written instruments except as converted to **Electronic Data** and then only in that converted form;
- (o) loss through the surrender of property away from premises of the **INSURED** as a result of a threat;
  - (1) to do bodily harm to any natural person, except loss of **Electronic Media** or **Electronic Data** in transit in the custody of any natural person acting as messenger of the **INSURED**; provided that when such transit was initiated there was no knowledge by the **INSURED** of any such threat, or
  - (2) to do damage to the premises or property of the **INSURED**, unless covered under INSURING CLAUSE 7;
- (p) loss resulting from mechanical failure, faulty construction, error in design, latent defect, wear or tear, gradual deterioration, electrical disturbance, **Electronic Media** failure or breakdown or any malfunction or error in programming or errors or omissions in processing; or
- (q) loss resulting directly or indirectly from the input of **Electronic Data** at an authorised electronic terminal of an **Electronic Funds Transfer System** or a **Customer Communication System** by a customer; or other person who had authorised access to the customer's authentication mechanism.

**Section 3.**  
**LIMIT OF LIABILITY**

**Aggregate Limit  
of Liability**

The Company's total cumulative liability for a **Single Loss** exclusive of court costs and attorneys' fees of all **INSUREDS** discovered during the Policy Period shall not exceed the Aggregate Limit of Liability as stated in Item 2. of the SCHEDULE. Each payment made under the terms of this Policy shall reduce the unpaid portion of the Aggregate Limit of Liability until it is exhausted.

On exhausting the Aggregate Limit of Liability by such payments:

- (a) the Company shall have no further liability for loss or losses regardless of when discovered and whether or not previously reported to the Company, and

- (b) the Company shall have no obligation under GENERAL AGREEMENT E. to continue the defence of the **INSURED** and on notice by the Company to the **INSURED** that the Aggregate Limit of Liability has been exhausted, the **INSURED** shall assume all responsibility for its defence at its own cost.

The unpaid portion of the Aggregate Limit of Liability shall not be increased or reinstated by any recovery made and applied in accordance with SECTION 8. In the event that a loss of property is settled by indemnity in lieu of payment, then such loss shall not reduce the unpaid portion of the Aggregate Limit of Liability.

**Single Loss Limit  
of Liability**

The Company's liability for each **Single Loss** shall not exceed the applicable **Single Loss** Limit of Liability as stated in Item 3. of the SCHEDULE or the unpaid portion of the Aggregate Limit of Liability, whichever is less. If a **Single Loss** is covered under more than one Insuring Clause, the maximum payable shall not exceed the largest applicable **Single Loss** Limit of Liability.

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**Section 4.  
Discovery**

This Policy applies only to loss first discovered by an officer of the **INSURED** during the Policy Period. Discovery occurs at the earlier of an officer of the **INSURED** being aware of:

- (a) facts which may subsequently result in a loss of a type covered by this Policy, or
- (b) an actual or potential claim in which it is alleged that the **INSURED** is liable to a third party,

regardless of when the act or acts causing or contributing to such loss occurred, even though the amount of loss does not exceed the applicable Deductible Amount, or the exact amount or details of loss may not then be known.

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**Section 5.  
Notice to Company-  
Proof-Legal  
Proceedings  
Against Company**

- (a) The **INSURED** shall give the Company notice at the earliest practicable moment, not to exceed sixty (60) days, after discovery of a loss, in an amount that is in excess of 50% of the applicable Deductible Amount, as stated in Item 3. of the SCHEDULE.
- (b) The **INSURED** shall furnish to the Company proof of loss, duly sworn to, with full particulars, within six (6) months after such discovery.
- (c) Legal proceedings for the recovery of any loss under this Policy shall not be brought prior to the expiration of sixty (60) days after the proof of loss is filed with the Company or after the expiration of twenty four (24) months from the discovery of such loss.
- (d) This Policy affords coverage only in favour of the **INSURED**. No claim, suit, action or legal proceeding shall be brought under this Policy by anyone other than the **INSURED**.

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**Section 6.  
Deductible Amount**

The Company shall be liable under this Policy only for the amount by which any **Single Loss** is greater than the applicable Deductible Amount as stated in Item 3. of the SCHEDULE, and is equal to or less than the applicable **Single Loss** Limit of Liability.

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**Section 7.**  
**Valuation**  
**Money**

Any loss of **Money**, or loss payable in **Money** shall be paid, in the **Money** of the Commonwealth of Australia or the dollar equivalent of it, determined by the free market rate of exchange in effect at the time of discovery of such loss.

**Electronic Data,  
Electronic Media  
or Electronic  
Instruction**

In case of loss of, or damage to, **Electronic Data, Electronic Media, or Electronic Instruction** used by the **INSURED** in its business, the Company shall be liable under this Policy only if such items are actually reproduced from other **Electronic Data, Electronic Media, or Electronic Instruction** of the same kind or quality and then for not more than the cost of the blank media and/or the cost of labour for the actual transcription or copying of data which shall have been furnished by the **INSURED** in order to reproduce such **Electronic Data, Electronic Media, or Electronic Instruction** subject to the applicable Limit of Liability.

However, if such **Electronic Data** cannot be reproduced and said **Electronic Data** represents securities or financial instruments having a value, then the loss will be valued as indicated in the Securities and Other Property paragraphs of this Section.

**Other Property**

The value of any loss of property other than as stated above shall be the actual cash value or the cost of repairing or replacing such property with property of like quality and value, whichever is less.

**Securities**

The value of any loss of securities shall be the average market value of such securities on the business day immediately preceding discovery of such loss provided, however, that the value of any securities replaced by the **INSURED**, with the consent of the Company and prior to the settlement of any claim for them, shall be the actual market value at the time of replacement. In the case of a loss of interim certificates, warrants, rights or other securities, the production of which is necessary to the exercise of subscription, conversion, redemption or deposit privileges, the value of them shall be the market value of such privileges immediately preceding their expiration if said loss is not discovered until after their expiration. If no market price is quoted for such securities or for such privileges, the value shall be fixed by agreement of the parties.

If the applicable coverage of this Policy is subject to a Deductible Amount, or is not sufficient in amount to indemnify the **INSURED** in full for the loss of securities for which claim is made hereunder, the liability of the Company under this Policy is limited to the payment for, or the duplication of, so much of such securities as has a value equal to the amount of such applicable coverage.

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**Section 8.**  
**Subrogation**  
**- Assignment**  
**- Recovery**

In the event of a payment under this Policy, the Company shall be subrogated to all of the **INSURED'S** rights of recovery against any person or entity to the extent of such payment. On request, the **INSURED** shall deliver to the Company an assignment of the **INSURED'S** rights, title and interest and causes of action against any person or entity to the extent of such payment.

Recoveries, whether effected by the Company or by the **INSURED**, shall be applied net of the expense of such recovery in the following order:

- (a) first, to the satisfaction of the **INSURED'S** covered loss which would otherwise have been paid but for the fact that it is in excess of either the applicable **Single Loss** Limit of Liability or Aggregate Limit of Liability,

- (b) second, to the Company in satisfaction of amounts paid in settlement of the **INSURED'S** claim,
- (c) third, to the **INSURED** in satisfaction of the applicable Deductible Amount, and
- (d) fourth, to the **INSURED** in satisfaction of any loss suffered by the **INSURED** which was not covered under this Policy.

Recovery from reinsurance or indemnity of the Company shall not be deemed a recovery under this Section.

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**Section 9.  
Co-Operation  
of Insured**

At the Company's request, and at reasonable times and places designated by the Company, the **INSURED** shall:

- (a) submit to examination by the Company and subscribe to the same under oath, and
- (b) produce for the Company's examination all pertinent records, and
- (c) co-operate with the Company in all matters pertaining to the loss.

The **INSURED** shall execute all papers and render assistance to secure to the Company the rights and causes of action provided for under this Policy. The **INSURED** shall do nothing after loss to prejudice such rights or causes of action.

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**Section 10.  
Termination**

This Policy terminates in its entirety at the earliest occurrence of any of the following:

- (a) immediately on the receipt by the Company of a written notice from the **INSURED** of its decision to terminate this Policy, or
- (b) immediately on the appointment of a trustee, receiver or liquidator to act on behalf of the **INSURED**, or the taking over of the **INSURED** by State or Federal officials, or
- (c) immediately on the dissolution of the **INSURED**, or
- (d) immediately on the taking over of the **INSURED** by another entity, or
- (e) immediately on exhausting the Aggregate Limit of Liability, or
- (f) immediately on expiration of the Policy Period.

This Policy terminates as to any **Service Bureau** immediately on the **INSURED**, or any of its directors or officers not acting in collusion with such **Service Bureau**, learning of any dishonest act committed by such **Service Bureau** or its employees at any time against the **INSURED** or any other **Service Bureau** or entity.

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**Section 11.  
Other Insurance**

To the extent that it is permitted by the Insurance Contracts Act (Cth) 1984, coverage under this Policy shall apply only as excess over any other valid and collectible insurance, indemnity or suretyship, whether such insurance is stated to be primary, contributory, excess or contingent, obtained by or on behalf of the **INSURED**.

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**Section 12.  
Conformity**

If any limitation within this Policy is prohibited by any law controlling this Policy's construction, such limitation shall be deemed to be amended so as to equal the minimum period of limitation provided by such law.

**Section 13.  
Change or  
Modification**

This Policy or any instrument amending or affecting this Policy may not be changed or modified orally. No change in or modification of this Policy shall be effective except when made by written endorsement to this Policy signed by an authorised employee of the Company.

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**Section 14.  
Ownership**

This Policy shall apply to loss of property and loss of **Electronic Data, Electronic Media** or **Electronic Instruction** owned by the **INSURED**, held by **INSURED** the in any capacity or for which the **INSURED** is legally liable. This Policy shall be for the sole use and benefit of the **INSURED** named in the SCHEDULE.

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**Section 15.  
Territory**

Coverage under this Policy shall extend anywhere in the world.

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**Section 16.  
Choice of Law and  
Jurisdiction**

The construction, interpretation and meaning of the provisions of this Policy be determined in accordance with the law of the Commonwealth of Australia. Any disputes relating to the construction, interpretation and meaning of this Policy shall be submitted to the exclusive jurisdiction of the courts of the Commonwealth of Australia.

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