



## Allianz Commercial Strata

Policy Document.

(Product Disclosure Statement)

Commercial Strata

**If this insurance has been issued through an insurance intermediary**

If your policy has been issued through our agent, or a broker who is acting under an agency agreement such as a binder with us, then they are acting as our agent and not as your agent.

If your policy has been issued by a broker, other than a broker acting under such an agency arrangement with us, then the broker is acting as your agent.

Note: You may purchase insurance through the insurer of your choice.

Where this policy has been arranged through an intermediary, a commission is payable by us to them for arranging the insurance.

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# Introduction

This document contains information designed to help you decide whether to buy our Commercial Strata Package Policy.

## About Allianz

Allianz Australia Insurance Limited AFS Licence No. 234708, ABN 15 000 122 850 is the insurer of the policy and is one of Australia's largest general insurers. We utilise years of local expertise, combined with global experience to offer a wide range of products and services to our customers. As a member of the worldwide Allianz Group, we are committed to continuous improvement of our products and services and strive to achieve this through knowledge transfer within the Group, dedicated technical research units, sharing globally new product developments and a wide range of risk management services.

## Summary of the available covers

You can apply to buy any of the following – you choose what you need:

Cover Type	Summary of covers (See relevant benefit for details, relevant limits, and specific conditions and exclusions that apply)
Benefit One – Material Loss or Damage Insurance	This covers you for any physical loss or destruction of or damage to the insured property.
Benefit Two – Legal Liability	This covers you for amounts you are legally liable to pay as compensation for an occurrence or series of occurrences, resulting in unexpected and unintentional personal injury or damage to property.
Benefit Three – Fidelity Guarantee	This covers you in respect of the fraudulent embezzlement or fraudulent misappropriation of funds set aside for the purpose of management of the body corporate or company title property specified in the schedule.
Benefit Four – Personal Accident Insurance (Voluntary Workers)	This provides for payment of a set amount to a voluntary worker as a result of bodily injury.
Benefit Five – Office Bearers' Liability and Legal Expenses Insurance	This covers any officer for amounts they become legally liable to pay by way of damages, judgements, settlements, costs of investigation, legal expenses and legal costs arising out of certain claims.
Benefit Six – Machinery Breakdown	This covers physical loss of or damage to either specified or unspecified machinery occurring at the insured property.
Benefit Seven – Workers' Compensation	This provides workers' compensation insurance as required by the Act in your State or Territory and is the subject of a separate policy document.

## Understanding your policy and its important terms and conditions

To properly understand the policy's significant features, benefits and risks You need to carefully read:

- about each of the available types of cover and benefits in the relevant Benefits One – Seven (the cover provided under each Benefit can be affected by the following);
- the rest of this "Introduction" section – this sets out how you apply for cover, the basis on which we insure you, the duty of disclosure you need to meet before we insure you, our privacy information and our dispute resolution procedures;
- the "Definitions of Terms" section – this sets out what we mean by certain words used in the policy;
- the "General conditions applicable to all benefits" section – this sets out certain general rights and obligations that you and we have. If you do not meet them we may be able to refuse to pay a claim;

- the "General exclusions applicable to all benefits" section – this sets out the general exclusions and limits that apply to all covers and benefits;
- the schedule and any endorsements or other written changes to the cover we issue you with – these contain specific details relevant to you and can affect the cover.

## Applying for cover

When you apply for the policy by completing a proposal, we or our representative will confirm with you:

- the covers you require (including the property you wish to cover, the limits you require for certain covers (if optional), whether any third parties will be noted as having an interest, and the excesses that you must contribute for certain claims) – we only cover you for those policy sections and optional benefits shown as covered on your schedule up to the relevant specified limits.

The maximum amount we will pay will not exceed the sum insured or the limit of indemnity for the relevant Benefits shown as insured on your schedule.

The policy sets out the cover we provide. You need to decide if the limits, type and level of cover are appropriate for you and will cover your potential loss. If they are not, you may be underinsured and have to bear part of any loss yourself.

You should also read the GST Notice in the “General conditions applicable to all benefits” section to understand how GST is applied to a claim;

- whether any standard terms need to be varied (this may be by way of an endorsement);
- the period of insurance;
- your premium – the base premium we charge varies according to your risk profile (e.g. location of risk, the type of property being insured, the cover required, other persons being insured and your claims history etc). In some cases discounts may apply if you meet certain criteria we set. You will also have to pay any compulsory government charges (e.g. Stamp Duty and GST) and Fire Services Levy (where applicable). In some cases a service fee will apply where you select to pay your premium by instalments.

We tell you the total amount payable when you apply and when and how it can be paid. This is confirmed in the schedule we issue you with.

If you pay your premium by instalments, refer to the “General conditions applicable to all benefits” section for important details on your and our rights and obligations. Note that an instalment premium outstanding for 14 days may result in our refusal to pay a claim.

The above details are recorded in the schedule we issue to you after cover is entered into.

## Cooling off and cancellation rights

You have cooling off and cancellation rights (see “General conditions applicable to all benefits” section on page 7 for details).

## Basis on which we insure you

We agree to insure you:

- based on the information provided in your proposal and subject to payment of the required premium by the required date.
- in accordance with the policy terms and conditions – your policy is made up of your proposal, this policy document, the schedule and any written endorsements we issue to you. You should carefully read all of these as if they are one document and keep them in a safe place.

If you require further information about the policy or wish to confirm a transaction, please refer to the contact details on the back cover.

## Information on this Product Disclosure Statement (PDS)

This policy provides a number of covers which may or may not be provided to you as a retail client under the Corporations Act 2001 (Cth) depending on your circumstances. Only the parts of this policy document relevant to cover provided to you as a retail client and any other documents we tell you are included, make up

the PDS for the purposes of the Act. It is important that you read this document and all other policy documentation we provide to ensure you are happy with the cover you choose. Ask us if you have any concerns.

Information in the PDS may need to be updated from time to time. You can obtain a paper copy of any updated information without charge by calling us on the telephone number provided on the back cover of this Policy Document. If the update is to correct a misleading or deceptive statement or an omission, that is materially adverse from the point of view of a reasonable person deciding whether to acquire the cover, we will provide you with a new PDS or a supplementary PDS.

Preparation Date 02/09/2005.

## Your duty of disclosure

Before you enter into an insurance contract with us, the Insurance Contracts Act 1984 requires you to provide us with the information we need to enable us to decide whether and on what terms your proposal for insurance is acceptable and to calculate how much premium is required for your insurance.

The Act imposes a different duty the first time you enter into the policy with us to that which applies when you renew, vary, extend, reinstate or replace your policy. We set these two duties out below.

### Your duty of disclosure when you enter into this policy with us for the first time

You will be asked various questions when you first apply for this policy. When you answer these questions, you must:

- give us honest and complete answers,
- tell us everything that you know, and
- tell us everything that a reasonable person in the circumstances could be expected to tell us.

### Your duty of disclosure when you renew, vary, extend, reinstate or replace your policy

When you renew, vary, extend, reinstate or replace the policy, your duty is to tell us before the renewal, variation, extension, reinstatement or replacement is made, every matter known to you which:

- you know, or
- a reasonable person in the circumstances could be expected to know,

is relevant to our decision whether to insure you and whether any special conditions need to apply to your policy.

### What you do not need to tell us for either duty

You do not need to tell us about any matter:

- that diminishes our risk,
- that is of common knowledge,
- that we know or should know as an insurer, or
- that we tell you we do not need to know.

### Who do the two duties above apply to?

Everyone who is insured under the policy must comply with the relevant duty.

### What happens if you or they do not comply with either duty?

If you or they do not comply with the relevant duty, we may cancel the policy or reduce the amount we pay if you make a claim. If fraud is involved, we may treat the policy as if it never existed and pay nothing.

## Privacy information

We are required to comply with state and federal privacy legislation, which covers the collection, handling, storage and disclosure of your personal information (including sensitive information).

In the course of providing products and services, Allianz may, in certain circumstances, disclose your personal information (including sensitive information) to third parties (such as other insurers, reinsurers, loss adjusters, external claims data collectors, your employer, insurance reference bureaus, investigators, and agents or other parties as required by law) in order to:

- decide whether to issue a policy;
- determine the terms and conditions of a policy;
- compile data;
- assess and verify your current and subsequent insurance applications and details;
- create, underwrite, price and issue a policy;
- administer and maintain a policy; and
- investigate, verify, assess, manage and pay a claim.

If you do not provide the relevant personal information we may not be able to do business with you.

Where you provide Allianz with personal information about other individuals, you must be authorised to provide that information and agree to inform them of the information contained within this privacy statement.

Allianz aims to ensure that your personal information is accurate, up to date and complete. Please contact us on 13 2664 EST 8am-6pm, Monday-Friday if you would like to seek access to this information or in order to revise any information we have on record that is incorrect or incomplete. If you have any issues regarding the way Allianz has handled your personal information you may contact us. All complaints are managed through our internal Privacy Complaint Procedure. Should you wish to obtain further information about Allianz's privacy policies, please contact us on 13 2664 and ask for a copy of our "General Insurance Information Privacy Code" booklet.

From time to time we may advise you of other Allianz products or services that may be relevant or of interest to you. If you do not wish to receive this advice, please call the Allianz Direct Marketing Privacy service line on 13 2664 EST 8am-6pm, Monday-Friday or indicate your decision in the appropriate area of the privacy section of our website at [www.allianz.com.au](http://www.allianz.com.au).

## General Insurance Code of Practice

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry.

We keenly support the standards set out in the Code.

You can obtain more information on the Code of Practice and how it assists you by contacting us. Contact details are provided on the back cover of this policy.

## Dispute resolution process – helping you solve any problems

Complaints or disputes are not an everyday occurrence at Allianz. We strive to do things the right way and keep our customers happy.

Sometimes though, complaints or disputes do occur and

when this happens, our objective is to resolve any disagreement as amicably and as quickly as possible. We believe the best way to achieve this is to provide you with an opportunity for an unbiased review of the issue.

### Here's what to do if a complaint or dispute arises

Regardless of whether the complaint or dispute involves our staff, an agent, loss adjuster, assessor, investigator or the service we provide, simply contact 13 2664 EST 8am-6pm, Monday-Friday, speak to one of our call centre operators and provide them with the details of the issue concerning you. They will attempt to resolve the complaint or dispute; if they are unable to do so they will log it and refer it to the appropriate business unit for resolution.

Within our organisation we have established a complaints and disputes resolution process. This is a free service. It is a system designed to log, track, escalate and monitor complaints received from clients and customers about our services and products. A staff member involved in the complaints and disputes resolution process will write to you within 15 working days advising the outcome of the review and reasons for their decision. We do not consider a complaint or dispute to be resolved until a proposed resolution or solution has been communicated to you and you have accepted the resolution or solution.

### If you are not satisfied with the outcome of this process

If we are unable to resolve the complaint or dispute we will offer you the option of referring the matter to the insurance industry's external independent complaints scheme subject to eligibility.

The scheme will only review complaints or disputes if they have gone through our internal complaints and disputes resolution process.

## Contact for assistance or confirmation of cover

If you need to confirm any policy transaction or clarify any of the information contained in this policy document or if you have any other queries, please refer to the contact details on the back cover.

## Renewal procedure

Before your policy expires we will normally offer renewal by sending a notice advising the amount payable to renew the policy. The sums insured for some benefits may have changed at each renewal as we make allowance for possible increases in the value of your assets. It is important that you check the sums insured before renewing each year to satisfy yourself that they continue to represent current full replacement values, to ensure you are fully covered in the event of a major loss.

## Terrorism Insurance Act

We have determined that this policy (or part of it) is a policy to which the Terrorism Insurance Act 2003 applies. We have reinsured our liability under the Act with the Commonwealth Government reinsurer, the Australian Reinsurance Pool Corporation (ARPC). As a consequence, we are required to pay a premium to ARPC and that amount (together with the cost of that part of the cover provided by us and administrative costs associated with the legislation) is reflected in the premium charged to you. As with any other part of our premium, it is subject to Government taxes and charges such as GST, stamp duty and where applicable, fire service levy.

For further information contact Allianz or your intermediary.

# Definitions of terms

A301 The following words have the following special meanings wherever they appear.

**“you”, “your”, “yours”**

Wherever these words are used they mean the insured, or they relate to the insured.

**“we”, “us”, “our”, “Allianz”** means Allianz Australia Insurance Limited AFS Licence No. 234708, ABN 15 000 122 850 of 2 Market Street, Sydney, NSW 2000.

A302 The following words have the following special meanings.

Term	Definition
<b>“aircraft”</b>	Any aeroplane, helicopter, balloon, glider, hang glider or other flying craft but not a model aircraft.
<b>“authorised litigation”</b>	Any step in litigation which is approved by us.
<b>“bodily injury”</b>	An injury to a person caused solely and directly by violent accidental external and visible means. The injury must be independent of any other cause.
<b>“company title property”</b>	An insured property owned by a company other than a body corporate.
<b>“common contents”</b>	The appliances, equipment, furniture and fittings in any common area of the insured property, which are owned by the insured. It does not include aircraft, vehicles or watercraft.
<b>“damage to property”</b>	Physical damage to or destruction of tangible property including the loss of use of the damaged property.
<b>“endorsement”</b>	An amendment to this policy which limits or extends your cover.
<b>“excess”</b>	The sum of money specified in the schedule which you pay in the event of a claim.
<b>“flood”</b>	The inundation of usually dry land by water overflowing from the normal confines of any natural water course or lake, whether or not altered or modified, or of any reservoir, canal or dam.
<b>“insured”</b>	The body corporate or company title property specified in the schedule.
<b>“insured property”</b>	The buildings and common property contained in the Registered Strata Plan or Company title referred to in the schedule including: <ul style="list-style-type: none"> <li>• the units, lots or shares of the members;</li> <li>• any improvement of a structural nature;</li> <li>• any fixtures, fixed plant, machinery and underground services owned by you or for which you are responsible.</li> </ul>
<b>“land value”</b>	The value of your land ascertained by reference to the sum certified by the Valuer General subject to any circumstance which may affect the certified value before or after the insured event.
<b>“legal costs”</b>	Costs or disbursements payable to any other party in the litigation.
<b>“legal expenses”</b>	Costs and disbursements reasonably and necessarily incurred in authorised litigation but not costs or disbursements payable to any other party in the litigation.
<b>“litigation”</b>	Any civil proceeding in a court or tribunal exercising judicial power and any dispute resolution process approved by us.
<b>“members’ fixtures and improvements”</b>	The fixtures and improvements (not being common contents) owned by any member forming part of the member’s unit, lot or share but excluding: <ul style="list-style-type: none"> <li>• any fixtures belonging to a tenant or removable by a lessee at the end of a lease;</li> <li>• anything described in any Act or Regulation governing strata plan/company title property as not forming part of a building;</li> <li>• carpets or underlay however fixed, vinyl and cork or similar material unless fixed with an adhesive or are loose laid on manufacturer’s instructions;</li> <li>• any curtain and blind;</li> <li>• any light fitting or electrical appliance which is not built in and which can be removed without interference to the electrical wiring.</li> <li>• <b>In New South Wales only:</b> any paint, varnish, stain and similar treatment, wallpaper, fabric or similar soft wall and ceiling finish.</li> </ul> <p>Where any part of this definition is contrary to any Act or Regulation governing strata plan and company title property then the requirements of that Act or Regulation will apply.</p>

<b>Term</b>	<b>Definition</b>
<b>“member”</b>	A member of the body corporate or shareholder of the company title property.
<b>“money”</b>	Coins, bank notes, cheques, payment orders, unused postage and revenue stamps.
<b>“occurrence”</b>	An occurrence or series of occurrences resulting in unexpected and unintentional personal injury or damage to property. Repeated exposure to substantially the same general conditions shall be one occurrence.
<b>“officer”</b>	Any member of the council or committee or governing body of the insured.
<b>“personal injury”</b>	Any of the following: <ul style="list-style-type: none"> <li>• death;</li> <li>• bodily injury, sickness, disease, disability;</li> <li>• shock, fright, mental injury, mental anguish;</li> <li>• false arrest, false imprisonment, wrongful detention, malicious prosecution;</li> <li>• wrongful eviction, wrongful entry or other invasion of privacy;</li> <li>• assault and battery not committed by or at the direction of the insured, unless committed for the purpose of preventing or eliminating danger to persons or property.</li> </ul>
<b>“period of insurance”</b>	Means the period of time commencing on the effective date stated in the schedule and ending on the expiry date stated in the schedule and any subsequent period for which the renewal premium applicable has been paid to and accepted by us.
<b>“pollutants”</b>	Any solid, liquid, gaseous or thermal irritants or contaminants such as smoke, vapour, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
<b>“pressure equipment”</b>	Boilers, pressure vessels and pressure piping as defined in any applicable Australian Standards.
<b>“proposal”</b>	Means the application form completed by you or on your behalf in which you provide the information upon which we relied to arrange this policy.
<b>“rainwater”</b>	Rain falling from the sky and rainwater runoff over the surface of the land.
<b>“redevelopment property”</b>	Property which is being redeveloped or which is intended for redevelopment.
<b>“retroactive date”</b>	The date from which officers have been continuously insured under one policy, or under successive policies, which provided the same cover as or similar cover to this policy.
<b>“sea”</b>	Ocean, sea, harbour or tidal water.
<b>“schedule”</b>	Means the current attachment to the policy that specifies the situation, those sections and benefits that are in force and the details of the property insured.
<b>“storm”</b>	Violent weather, including strong winds and thunderstorms, which may be accompanied by rain, hail or snow.
<b>“sum insured”</b>	The maximum amount we will pay for the benefit or the part of the benefit as stated in the schedule.
<b>“vehicle”</b>	Any car, truck, van, trailer, caravan or other motorised machine on wheels or tracks. It does not mean wheelchairs, garden appliances or golf buggies, not requiring registration.
<b>“watercraft”</b>	Any motorised vessel, designed to float on or through water and any sailing vessel exceeding 3 metres in length.
<b>“wrongful act”</b>	Any actual or alleged act, error, omission, negligence, breach of duty, misrepresentation or conduct of any officer while acting as a member of the council, committee or governing body.



# General conditions applicable to all benefits

## Fraudulent misrepresentation and non-disclosure

A401 We may not give you cover if there has been fraudulent misrepresentation, misdescription or non-disclosure concerning the insured property or of any matter which must be disclosed to us.

## Knowledge

A402 What you know about any matter also includes what others for whom you are legally responsible, know about such matters.

## Insured property – Your responsibilities

A403 You shall take and cause to be taken all reasonable precautions:

- (a) for the safety of the insured property;
- (b) to prevent bodily injury and damage to property;
- (c) to comply with all statutory obligations and regulations imposed by any authority;
- (d) in the selection of employees;
- (e) to comply with all reasonable recommendations made by us to prevent loss or damage.

## Alteration of Risk

A404 You must advise us in writing as soon as possible if any of the following changes occur after the effective date:

- (a) the removal of any common contents or alteration to the buildings, except as otherwise permitted by us;
- (b) in the profession carried on at the insured property;
- (c) or where the nature of the occupation or other circumstances affecting the insured property are changed in such a way as to increase the risk of loss, damage or liability;
- (d) where the insured property is unoccupied, for a period of more than 60 days;
- (e) you being wound up or the administration of the insured property being carried on by a liquidator, administrator or receiver or permanently discontinued;
- (f) by your interest ceasing.

## Storage of Hazardous Goods

A405 Where hazardous goods are stored at the insured property by any person as part of that person's business, such goods must be stored in quantities and in a manner as permitted by any relevant law or regulation.

## Your representative – authorisation

A406 By entering into this policy you agree that the person representing you when completing the proposal is authorised to give and receive information on your behalf in relation to all matters arising under this policy and in accordance with the Insurance Contracts Act 1984.

## Interests of Other Parties

A407 We will not be required to recognise the interests of any third party under this policy unless written notice of such interest has been given to and accepted by us.

## Properties situated in Victoria

A408 This policy covers the prescribed events and additional benefits set out in Schedule 2 of the Subdivision (Body Corporate) Regulations 1989.

A409 In particular, we agree that:

- (a) the interests of mortgagees may be noted on the policy;
- (b) before terminating or cancelling the policy we shall give not less than 14 days notice to any mortgagee whose interest is noted on the policy; and
- (c) where a member or a member's tenant or occupier breaches the conditions of the policy we cannot void the whole policy, but we shall have a right of indemnity against the member who or whose tenant or occupier breached the policy.

## Notice of Events

A410 You shall give to us notice in writing as soon as:

- (i) you know of any event which may give rise to a claim; or
- (ii) you know of any threat of legal proceedings or you are served with any legal proceedings.

## Claims – Your responsibilities

A411 Without admitting liability, you shall tell anybody wishing to make a claim against you to put their claim in writing. You shall send any such claim to us as soon as you receive it. You must not enter into any agreement which limits or cancels our rights.

A412 On the happening of any event resulting in a claim under this policy you shall:

- (a) take all reasonable precautions to prevent or minimise further loss, damage or liability;
- (b) take all practicable steps to recover lost or stolen property and identify any guilty persons;
- (c) immediately notify us, and if property is lost or if theft or malicious damage is suspected inform the Police;
- (d) deliver to us full particulars of the claim in writing within 60 days of the event happening;
- (e) not negotiate, admit or repudiate any claim by any person;
- (f) furnish all such information and documentary evidence as we may require.

A413 You shall take all reasonable care and precautions to preserve all property which might provide necessary or useful evidence in connection with any claim. So far as may be reasonably practicable you should not alter or repair any premises, machinery, furnishings, fittings, appliances or plant without our consent until we have had an opportunity of inspection.

## Fraudulent Claims

A414 If you or any person acting on your behalf:

- (a) makes a fraudulent claim under this policy; or
- (b) engages in any fraudulent activity in order to obtain a benefit under this policy;

then all benefits normally payable in respect of such claim or benefit shall be forfeited.

## Other Insurance

A415 If you make a claim against this policy, you must notify us of any other insurance covering the same loss or damage.

### **Claims – Our rights**

A416 You shall allow us to enter the buildings where loss or damage has occurred and to take and keep possession of or deal with the property in a reasonable manner. No property may be abandoned to us.

### **Court proceedings – Our rights**

- A417 We shall have the right to investigate, defend or settle in your name and on your behalf any claim made under the policy.
- A418 We shall have the right to take over and conduct in your name the defence or settlement of any claim.
- A419 You shall give such information and assistance as we may reasonably require.

### **Subrogation**

A420 You agree that we can take any legal action in your name and at our expense against any person to recover the cost of claims paid to you. Any funds recovered will be for our benefit except where legal expenses are recovered under benefit 5.

### **Subrogation Rights**

A421 If, without our written consent, you enter into an agreement which limits or cancels our right to recover any claim, then we may not cover you under this policy to the extent that our rights have been affected. Any payment made to you will have to be refunded to us.

### **Jurisdiction**

A422 This policy shall be governed by the law of the State or Territory in which it was issued. The courts of that State or Territory shall have jurisdiction in relation to any dispute.

### **Cancellation**

- A423 You can ask us to cancel your policy at any time. If you cancel we will refund the premium we have received less a short period rate for the time the policy has been in force. We may cancel this policy at any time as allowed by law giving written notice to you. Such notice may be delivered personally or posted to you at the address last known to us. Cancellation of the policy shall be effective no earlier than 4.00pm on the third business day after the notice was given to you or if posted 4.00pm on the date set out in the notice.
- A424 If we cancel, we will refund to you that part of the premium we have received that relates to the unexpired period of the policy.

### **GST Notice**

This policy has a GST provision in relation to premium and our payment to you for claims. It may have an impact on how you determine the amount of insurance you need. Please read it carefully. Seek professional advice if you have any queries about GST and your insurance.

### **Sums insured**

All monetary limits in this policy may be increased for GST in some circumstances (see below).

### **Claim settlements – Where we agree to pay**

When we calculate the amount we will pay you, we will have regard to the items below:

- Where you are liable to pay an amount for GST in respect of an acquisition relevant to your claim (such as services to repair a damaged item insured under the policy) we will pay for the GST amount.  
We will pay the GST amount in addition to the sum insured/limit of indemnity or other limits shown in the policy or in the schedule.  
If your sum insured/limit of liability is not sufficient to cover your loss, we will only pay the GST amount that relates to our settlement of your claim.  
We will reduce the GST amount we pay for by the amount of any input tax credits to which you are or would be entitled.
- Where we make a payment under this policy as compensation instead of payment for a relevant acquisition, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to had the payment been applied to a relevant acquisition.
- Where the policy insures business interruption, we will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by your business that is relevant to your claim.

### **Disclosure – Input tax credit entitlement**

If you register, or are registered, for GST you are required to tell us your entitlement to an input tax credit on your premium. If you fail to disclose or understate your entitlement, you may be liable for GST on a claim we may pay. This policy does not cover you for this GST liability, or for any fine, penalty or charge for which you may be liable.

# General exclusions applicable to all benefits

## What we will not pay for

A501 The policy does not cover loss, destruction, liability, or damage:

a. **War**

caused by, contributed to by or arising from any war, whether war be declared or not, hostilities or rebellion, civil war, revolution, insurrection, military or usurped power, invasion, act of foreign enemy;

b. **Nuclear**

caused by, contributed to by or arising from ionising radiation or contamination by radioactivity from:

- (i) any nuclear fuel or from any nuclear waste; or
- (ii) the combustion of nuclear fuel (including any self-sustaining process of nuclear fission); or
- (iii) nuclear weapons material;

c. **Lawful seizure**

caused by, contributed to by or arising from the lawful seizure, detention, confiscation, nationalisation or requisition of the property insured;

d. **Wilful acts**

caused by, contributed to by or arising from any actual or alleged:

- (i) dishonest, fraudulent, criminal or malicious act;
- (ii) wilful breach of any statute, contract or duty; or
- (iii) conduct intended to cause loss or damage or with reckless disregard for the consequences, carried out by you or any person acting with your knowledge, consent or connivance;

e. **Territorial limits**

occurring outside the Commonwealth of Australia except as specifically stated otherwise in the appropriate Benefit.

A502 Except as specifically provided otherwise, this policy does not cover:

- a. consequential loss of any kind;
- b. legal liability to pay compensation or damages;
- c. damage caused by faults or defects known to you or any employee or representative whose knowledge in law would be deemed to be yours and not disclosed to us at the time this policy was entered into.

A503 This policy does not cover any loss or damage to any appliance, machinery, equipment or other property which is a computer or which contains or comprises any computer technology (including computer chip or control logic) and which fails to perform or function in the precise manner for which it was designed for any reason arising from the performance or functionality of such computer technology (including computer chip or control logic).

## A504 **Terrorism**

Notwithstanding any provision to the contrary within this policy or any endorsement thereto, this policy excludes and does not cover death, injury, illness, loss, damage, cost or expense directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any act of terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

An act of terrorism includes any 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 organisation(s) or government(s) de jure or de facto, and which:

- (i) involves violence against one or more persons; or
- (ii) involves damage to property; or
- (iii) endangers life other than that of the person committing the action; or
- (iv) creates a risk to health or safety of the public or a section of the public; or
- (v) is designed to interfere with or to disrupt an electronic system.

This policy also excludes and does not cover death, injury, illness, loss, damage, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any act of terrorism.

## A505 **Electronic Data Exclusion**

Notwithstanding any provision to the contrary in this policy or any endorsement thereto, it is agreed as follows:

This policy does not cover any loss or damage of whatsoever kind arising directly or indirectly out of:

- a. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of *ELECTRONIC DATA*;
- b. error in creating, amending, entering, deleting or using *ELECTRONIC DATA*;
- c. total or partial inability or failure to receive, send, access or use electronic data for any time or at all; or
- d. any business interruption losses resulting therefrom,

regardless of any other contributing cause or event whenever it may occur, unless such loss or damage is a direct consequence of otherwise insured physical damage and provided that reinstatement of data media and/or business interruption is insured by this policy.

*ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.*

Any terrorism exclusion that applies to this policy prevails over this exclusion.

# Benefit 1 – Material loss or damage insurance

## What do we cover?

- B101 We cover you for any physical loss or destruction of or damage to the insured property during the period of insurance.
- B102 We cover fees of architects, surveyors and consulting engineers. This includes all incidental costs for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in reinstatement of damage to the insured property. It does not include costs, fees and salaries for preparing any claim against this policy.
- B103 We cover any fee or contribution that must be paid to any authority to obtain a permit to reinstate the insured property. This does not include any fines or penalties imposed upon you by any authorities.
- B104 We cover costs and expenses necessarily and reasonably incurred in:
- (a) extinguishing a fire at or in the vicinity of the insured property;
  - (b) preventing or reducing imminent damage by any other event covered by this policy, including damage to gain access;
  - (c) recharging of fire fighting appliances;
  - (d) shutting off the supply of water or other substance following accidental discharge from any fire protection equipment or otherwise escaping from intended confines;
  - (e) protecting and making safe the insured property pending repair or replacement;
  - (f) the removal, storage, disposal of debris, demolition, dismantling, shoring up, propping, underpinning or other temporary repairs to insured property consequent upon damage which we have agreed to pay for;
  - (g) the demolition and removal of any of the insured property belonging to you which can no longer be used for its intended purpose if such demolition and removal is necessary for the purpose of the reinstatement or replacement of insured property.
- B105 After the insured property has been damaged, we will cover you for your legal liability for the cost of cleaning, removal, storage and/or disposal of debris from any premises, roadways, services, railways or waterways of others. We will not pay for such costs if:
- (a) you are covered under any other insurance policy;
  - (b) you entered into an agreement to pay such costs without our written consent, unless that liability would have attached even in the absence of such agreement; or
  - (c) your liability arises as a consequence of the discharge, dispersal, release or escape of pollutants.

## Leaking Water or Oil

- B106 We will pay you for damage caused by:
- (a) leaking, bursting, discharging or overflowing of water tanks, water apparatus or water pipes;
  - (b) leakage of oil from any fixed oil installation, including tanks, apparatus and pipes.

- B107 If we accept liability under this clause we will pay any exploratory costs reasonably incurred in locating the source of damage. We will also pay not more than \$500 for the cost of repair or replacement of the defective part or parts of the tanks or pipes causing the said damage.

## Automatic Reinstatement of Cover

- B108 In the event of any claim, we will automatically reinstate the sum insured. We may at our option charge an additional premium based on the amount of the claim and the unexpired term of the policy from date of loss.

## Rewriting of Records

- B109 We cover the cost of preparing and/or rewriting your records which have been lost or damaged at the insured property or while lodged with your managing agent or at a bank for safe keeping. This cover shall not exceed \$2,000 for any one claim.

## Common Contents

- B110 We will pay you for the loss of common contents while such contents are at the insured property or are temporarily removed or are in transit anywhere in Australia. Our liability for loss of common contents shall be an additional amount not exceeding 1% of the sum insured unless otherwise stated in the schedule.

## Gates and Fencing

- B111 We will pay the cost of repairs or replacement of gates and fencing where the damage is caused by a storm except where vermin, insects, gradual deterioration, wear and tear, rust or corrosion has primarily contributed towards the loss. You will not repair/replace any fencing without our consent until we have had an opportunity of inspection.
- B112 Where the gates or fencing are over 20 years of age, we will at our option pay the reasonable cost of repair or replacement to a condition equal to but not better than its depreciated value at the time of damage occurring based on condition and state of repair.

## Replacement of Locks and Keys

- B113 We will pay the cost of replacing locks and keys if, as a result of actual or attempted theft occurring at the insured property, the keys are stolen or if there are reasonable grounds to believe that locks and/or keys have been duplicated. In either case the most we will pay for any one claim is \$1,000.

## How much will we pay?

- B114 The total amount we will pay for all cover under this benefit 1 will not exceed the sum insured unless we specifically state that it will. The amount we pay for damage to a redevelopment property is different and is set out in clauses B130 and B131.

## Reinstatement or Replacement

- B115 We shall pay the cost of reinstatement of the insured property after it is damaged. By 'reinstatement' we mean:
- (a) where the insured property is lost or destroyed, in the case of property other than a building, the replacement thereof, by similar property. In either case the rebuilding or replacement is to a condition equal to but not better or more extensive than its condition when new.

- (b) where the insured property is damaged, the repair of the damage and the restoration of the damaged portion of the insured property to a condition substantially the same as but not better or more extensive than its condition when new.
- (c) where the insured property is lost or destroyed other than a building no deduction in respect of wear, tear or depreciation will be made on the insured property not exceeding 20 years of age from date of manufacture.

**Extra Cost of Reinstatement or Replacement**

- B116 We will also pay the extra cost of reinstating, demolishing or dismantling the damaged insured property to comply with any legislation or regulation, subject to the following conditions:
- (a) the reinstatement work must be started and finished within a reasonable time. We will not pay for any costs associated with any unreasonable delay.
  - (b) we will not pay for any extra cost incurred by you in complying with any legislation or regulation which you were required to comply with prior to the damage of the property.
  - (c) all other insurances covering the insured property effected by or on your behalf shall be on a similar basis.
  - (d) we will only pay these costs to the extent that the sum insured has not otherwise been exhausted or we state in the schedule that you have an additional sum insured for extra reinstatement costs.
  - (e) we will only pay the extra costs of reinstating that part of the insured property which is actually damaged where the cost of reinstatement is less than 50 per cent of the estimated cost of reinstatement of the insured property had it been totally destroyed.

**Floor Space Ratio Index (Plot Ratio)**

- B117 If the insured property is damaged so as to constitute total loss or constructive total loss and the regulations or requirements of any authority only permit reinstatement subject to a reduced floor space ratio index, then we will also pay the difference between:
- (a) the cost of reinstatement incurred in accordance with the reduced floor space ratio index; and
  - (b) the cost of reinstatement which would have been incurred had a reduced floor space ratio index not been applicable.

The costs in (a) and (b) above include any costs necessarily incurred to comply with the requirements of any legislation or regulation.

- B118 Any payments made for the difference between (a) and (b) in clause B117 shall be made as soon as the said difference is ascertained on completion of the reinstatement and certified by the architect acting on your behalf in the reinstatement of the insured property.

**Loss of land value**

- B119 If a competent authority:
- (a) refuses permission to reinstate the insured property we will pay the difference between the land value before and after the destruction or damage, or

- (b) allows only a partial reinstatement of the insured property we will pay the difference between the land value after such reinstatement and the land value before the destruction or damage.

- B120 The amount referred to in clause B119(a) or (b) will be reduced by any sum paid by way of compensation by such competent authority.
- B121 The total amount we will pay under this event will be the lesser of the sum insured or \$500,000.
- B122 We will pay you following the ruling of the competent authority which results in the loss of land value. If the competent authority changes its ruling resulting in an increase in the land value after we have made a payment to you but before the completion of the reinstatement, you must refund to us any money we have paid to you which exceeds the revised land value.
- B123 If we disagree with you over the land value, our disagreement will be referred to two registered valuers for a decision. We shall each appoint one valuer. If the two registered valuers do not agree, a third registered valuer appointed by the President of the Commonwealth Institute of Valuers as an expert shall decide the land value and that decision shall be final and binding on both parties. The third registered valuer will at the time of determining the land value decide which party is to pay the costs of this referral.

**Replacement by similar styles and materials**

- B124 If the architectural features and structural materials of the insured property possess a particular ornamental, antiquarian or historical character, or the same materials are not readily available, it is agreed that in calculating the cost which would have been incurred in reinstatement if the whole of the property had been destroyed, we will pay the cost of a similar type of building of current design and materials and of reasonably equivalent utility and capacity.

**Loss of rent**

- B125 We will pay for loss of rent of any unit, lot or share which becomes untenable as a result of damage to property. We will pay you your actual loss of rent. Where you agree to a rental rebate as a direct result of such damage, we will pay you the amount of that rebate. We shall pay for lost rent during the time reasonably necessary for reinstatement not exceeding 24 months. The annual rent (or the rentable value in cases where the member is the occupant of the unit, lot or share) will be the basis of calculation.
- B126 Our liability for loss of rent shall be an additional amount not exceeding 15% of the sum insured unless otherwise stated in the schedule.
- B127 This benefit shall also include the reasonable cost of temporary accommodation of a domestic pet owned by you or by a member and normally kept in the insured property.

**Property in the open air**

- B128 We will pay up to \$1,000 for any one loss while in the open air at the insured property.

**Landscaping**

- B129 We will also pay up to \$500 for any one loss in respect of rockeries, trees, shrubs and plants owned by you or for which you are responsible.

## Redevelopment properties

- B130 When a redevelopment property is damaged or destroyed we pay the cost of repair, reinstatement or replacement subject to due allowance for wear and tear, depreciation and betterment. If the redevelopment property is not repaired or reinstated, settlement shall be restricted to the cost of demolition and/or removal of debris only.
- B131 We do not pay for any amount pursuant to clauses B115 to B129.

## Conditions applicable to Benefit 1

- B132 Please refer to the conditions applicable to all benefits starting with clause A401.

## Timing of Payment

- B133 We will not make any payment before the cost of reinstatement has been incurred by you.

## Limit of Payment

- B134 We will not pay more than the value of the insured property at the time of the damage to property.

## Purchase of another property

- B135 If you obtain our prior consent you may purchase an existing building on another site to replace the one destroyed. We will deem this 'reinstatement' for the purpose of this benefit. If we give our consent, we will not pay any more than the estimated cost of rebuilding the building destroyed.

## Exclusions applicable to Benefit 1

- B136 Please refer to the exclusions applicable to all benefits starting with clause A501.
- B137 We will not pay for any physical loss, destruction or damage caused directly or indirectly to:
- (a) money, jewellery, furs, bullion, precious metals or stones;
  - (b) livestock, animals, birds or fish;
  - (c) retaining walls resulting from a storm;
  - (d) the insured property undergoing construction, erection, demolition, alteration or addition costing more than \$100,000;
  - (e) empty premises undergoing demolition;
  - (f) carpets resulting from staining, fading or fraying;
  - (g) the popping of swimming pools or the accidental breakage, chipping or lifting of tiles of swimming pools or their surrounds;
  - (h) **in Queensland only:** the exterior paintwork of the insured property by rainwater or by water resulting from a storm or by water seeping or percolating through walls, roofs or floors.
- B138 We will not pay for any physical loss, destruction or damage directly or indirectly caused by or arising out of:
- (a) any legal liability whatsoever (except for your legal liability described in clause B105);
  - (b) consequential financial loss of any kind associated with any commercial or private activity carried on at the insured property, other than loss of rent in accordance with clauses B125 to B127;
  - (c) incorrect siting of buildings;
  - (d) demolition ordered by any competent authority due to a failure by you or your agents to obtain any necessary building permits;

- (e) loss or damage to pressure equipment arising out of failure by you or your employees or agents to comply with any Australian Standards applicable to pressure equipment;
- (f) water from or action by the sea, highwater or flood except if resulting from an earthquake. The earthquake excess stated in B138 (g) also applies;
- (g) erosion, subsidence, earth movement or collapse unless resulting from earthquake. In the case of an earthquake, there is an excess for each claim or series of claims during a period of 72 hours of \$20,000 or one per cent of the sum insured for Benefit 1, whichever is the lesser amount;
- (h) normal setting, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration;
- (i) birds, moths, termites or other insects;
- (j) vermin;
- (k) rust or oxidation;
- (l) mildew, mould, contamination, discharge, dispersal, release or escape of pollutants, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation;
- (m) disease;
- (n) inherent vice or latent defect;
- (o) change in texture or finish;
- (p) smut or smoke from industrial operations apart from smut or smoke arising from sudden and unforeseen damage;
- (q) tree roots;
- (r) wear and tear, corrosion, fading, chipping, scratching or marring, gradual deterioration or developing flaws;
- (s) normal upkeep or making good;
- (t) error or omission in design, plan or specification or failure of design;
- (u) faulty materials or faulty workmanship;
- (v) mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any machine or electrical and/or electronic device;
- (w) kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt thereat.

- B139 Exclusions B138 (f) to (w) shall not apply to subsequent loss, destruction or damage to the insured property if that loss, destruction or damage is otherwise covered under benefit 1.

## Endorsement 1

### Extra cost of Reinstatement or Replacement

- B140 If your schedule states that endorsement 1 is applicable to your policy, then the following clause B116(e) will apply instead of the clause B116(e) above:
- B116(e) We will pay the extra cost of reinstatement or repair to undamaged parts of the insured property up to the sum insured set out in endorsement 1.

# Benefit 2 – Legal Liability

## What do we cover?

- B201 We will indemnify you up to the sum insured for all sums which you become legally liable to pay as compensation for an occurrence.
- B202 The occurrence must happen during the period of insurance and must arise out of and/or in connection with the ownership and condition of the insured property.

## How much will we pay?

- B203 We will pay what you are liable to pay as compensation resulting from any one occurrence not exceeding the sum insured. We will also pay your legal costs in addition to the sum insured in accordance with clause B204.

## Legal Expenses and Legal Costs

- B204 We will pay the following legal costs:
- (a) legal expenses incurred in defending any court proceedings against you claiming compensation and/or damages for personal injury or damage to property. We will pay those costs even if the proceedings are groundless, false or fraudulent;
  - (b) all legal costs awarded against you in any such proceedings;
  - (c) all interest accruing after entry of judgement until we have paid, tendered or deposited in court such part of any judgement as does not exceed the sum insured.
- B205 We reimburse reasonable expenses incurred by you with our written consent, other than loss of earnings.
- B206 If a compensation payment in excess of the sum insured has been made to dispose of a claim, then we will only pay to amounts referred to in clauses B204 and B205 in the same proportion that the sum insured bears to the compensation payment.

## Conditions applicable to Benefit 2

- B207 Please refer to the conditions applicable to all benefits starting with clause A401.

## Exclusions applicable to Benefit 2

- B208 Please refer to the exclusions applicable to all benefits starting with clause A501.
- B209 We do not pay for claims arising out of the following:
- (a) your trade or profession other than as owner of the insured property and/or common contents;
  - (b) the use of watercraft, aircraft or vehicles;
  - (c) any agreement unless such liability would have attached in the absence of such agreement;
  - (d) the insured property undergoing construction, erection, demolition, alteration or addition costing more than \$100,000;
  - (e) damage to any land or fixed property arising directly or indirectly from vibration, subsidence or from the removal or weakening of or interference with support to land, buildings or any other property;

- (f) your failure to take or cause to be taken all reasonable precautions to comply with all statutory obligations and regulations imposed by any authority;
  - (g) failure by you or your employees or agents to comply with any Australian Standards applicable to pressure equipment;
  - (h) your ownership, occupation or control of any property or structure used as a landing area for aircraft where the claim arises out of such use. The term 'landing area' shall include any area on which aircraft land, take off, or are housed, maintained or operated;
  - (i) fines or punitive, exemplary, liquidated or aggravated damages;
  - (j) breach of any duty owed in a professional capacity by you and/or persons for whom you may be legally liable;
  - (k) contamination by any substance gradually discharged, dispersed, released or escaping into or upon land, the atmosphere, or any water course or any body of water including the cost of removing, nullifying or cleaning up pollutants. Provided that this exclusion will not apply to claims arising from an event caused by:
    - (i) a sudden identifiable, unintended and unexpected happening which takes place in its entirety at a specific time and place; and
    - (ii) is indemnified in not more than one annual period of original insurance;
  - (l) any claim brought against you in any country outside the Commonwealth of Australia;
  - (m) any claim for personal injury or damage to property occurring outside the Commonwealth of Australia. This clause shall not apply to such claims arising from the presence outside the Commonwealth of Australia of any person who is normally resident in the Commonwealth of Australia not being a manual worker in your employ.
- B210 We will not pay for claims for personal injury or damage to property:
- (a) suffered by any person arising out of or in the course of your employment of that person;
  - (b) arising under any workers' compensation legislation or any other legislation which provides for payment in the nature of compensation;
  - (c) to any person undertaking any work experience or similar scheme;
  - (d) as a result of any act or omission on your part or on the part of your members or their tenants arising wholly or partly out of the occupation of a member's unit, lot or share.
- B211 This Benefit does not cover any actual or alleged liability:
- (a) arising directly or indirectly out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.
  - (b) arising directly or indirectly out of or in any way connected with your internet operations. This exclusion does not apply to liability otherwise covered by this policy which would have arisen irrespective of your internet operations.

Internet operations includes but is not limited to, the following:

- a. use of electronic mail systems by you or your employees, including part-time and temporary staff, and others acting on your behalf;
- b. access through your network to the world wide web or a public internet site by you or your employees, including part-time and temporary staff, and others acting on your behalf;
- c. access to your intranet (meaning internal company information and computing resources) which is made available through the world wide web for your customers or others outside your organisation; and
- d. the operation and maintenance of your website.

Nothing in this exclusion shall be construed to extend coverage under this Benefit to any liability which would not have been covered in the absence of this exclusion.

## Benefit 3 – Fidelity Guarantee

### What do we cover?

B301 We will indemnify you in respect of the fraudulent embezzlement or fraudulent misappropriation of funds set aside for the purpose of management of the insured.

### How much will we pay?

B302 We will pay you the amount embezzled or misappropriated but no more than the sum equivalent to the multiplication of \$300 by the number of units, lots or shares in the insured property, or \$30,000 whichever is the lesser.

### Conditions applicable to Benefit 3

B303 Please refer to the conditions applicable to all benefits starting with clause A401.

### Exclusions applicable to Benefit 3

B304 Please refer to the exclusions applicable to all benefits starting with clause A501.

B305 This benefit does not cover:

- (a) any payment under this benefit which is made in contribution with:
  - (i) any bond effected under Section 79 of the Strata Titles Act 1973 of New South Wales or its equivalent in the legislation of other States; or
  - (ii) any fund providing for infidelity; until such bonds or funds have been exhausted.
- (b) any fraudulent misappropriation committed after the initial discovery of loss.
- (c) any claims for losses discovered more than 6 months after the cancellation or non-renewal of this policy.
- (d) any embezzlement or misappropriation committed prior to the effective date.



# Benefit 4 – Personal Accident Insurance (Voluntary Workers)

## What do we cover and how much will we pay?

B401 If an event in column A happens to a voluntary worker as a result of bodily injury then we will pay to the voluntary worker the corresponding amount in column B. Where the voluntary worker dies, we will pay the voluntary worker's executor or administrator.

Column A Event	Column B Amount Paid
(a) Death	\$50,000
(b) Total and irrecoverable loss of all sight in both eyes	\$50,000
(c) Total and permanent loss of the use of both hands or the use of both feet or the use of one hand and one foot	\$50,000
(d) Total and permanent loss of use of one hand or of the use of one foot	\$25,000
(e) Total and irrecoverable loss of all sight in one eye	\$25,000
(f) Total disablement from engaging in or attending to usual profession, business or occupation in respect of each week of disablement	\$500
(g) Partial disablement from engaging in or attending to usual profession, business or occupation in respect of each week of disablement	\$250
(h) Travel expenses in obtaining medical treatment following bodily injury to a voluntary worker in the aggregate of any one loss	\$500
(i) Uninsured expenses following bodily injury to a voluntary worker limit any one loss	\$500
(j) Reasonable cost of domestic assistance following bodily injury to a voluntary worker limit any one loss	\$500

## Conditions applicable to Benefit 4

- B402 Please refer to the conditions applicable to all benefits starting with clause A401.
- B403 The event must occur within 12 months of sustaining such bodily injury.
- B404 The event must occur during the period of insurance while the voluntary worker is actually engaged in voluntary work on your behalf in or about the insured property.
- B405 This benefit will only apply in respect of work organised by and at the direction of the insured, its committee or its duly appointed delegate.
- B406 If the voluntary worker becomes entitled to payment under more than one of the events in clause B401

- (a) to (g) in respect of the same bodily injury then:
- (a) payment will not be made for any event that is included in any other event for which a greater amount is payable;
- (b) payment will not exceed in the aggregate the amount payable for the event in B401(f).

B407 After the occurrence of any one of the events in B401(b) to B401(e) we will have no further liability under this benefit if the same voluntary worker sustains additional injuries in the future.

B408 Payments will not be made under events B401(f) or (g):

(a) for more than 104 weeks in total for any one disablement;

(b) for the first week of disablement;

(c) for more than one of B401(f) and B401(g) for the same period of time;

(d) to voluntary workers who are not in receipt of wages, salaries or other remuneration.

B409 Compensation will not be payable for any event:

(a) unless the injured voluntary worker obtains and follows medical advice from a legally qualified medical practitioner as soon as possible after any bodily injury occurs;

(b) happening to children under the age of 12 years.

## Exclusions applicable to Benefit 4

B410 Please refer to the exclusions applicable to all benefits starting with clause A501.

B411 We will not pay any claim for:

(a) more than four voluntary workers in any one event;

(b) any actual or attempted intentional self-injury or suicide;

(c) childbirth or pregnancy even if the childbirth or pregnancy may have been accelerated or induced by accident;

(d) any event which happens when a voluntary worker is less capable than usual of taking care of himself/herself by reason of mental unsoundness or by intoxicating liquor, narcotics or drugs;

(e) any injury for which the voluntary worker or any other person has the right to claim any compensation from his/her employer or any other person under any legislation or any other legislation providing for payment in the nature of compensation, whether such right is exercised or not.

# Benefit 5 – Office Bearers’ Liability and Legal Expenses Insurance

## What do we cover?

### Part 1 – Claims against an officer

- B501 We will indemnify any officer for all amounts payable by way of damages, judgements, settlements, costs of investigation, legal expenses and legal costs arising out of a claim:
- first made against that officer during the period of insurance; and
  - immediately notified to us in writing during the period of insurance; and
  - arising out of a wrongful act which occurred subsequent to the retroactive date; and
  - for which that officer has not been indemnified, and is not entitled to be indemnified, by the Insured.

### Part 2 – Claims paid by you on behalf of an officer

- B502 We will indemnify you for all amounts payable by way of damages, judgements, settlements, costs of investigation, legal expenses and legal costs arising out of a claim:
- first made against that officer during the period of insurance; and
  - immediately notified to us in writing during the period of insurance; and
  - arising out of a wrongful act which occurred subsequent to the retroactive date; and
  - for which you have indemnified (and were entitled to indemnify) that officer.

### Part 3 – Claims for legal expenses

- B503 We will indemnify you against legal expenses in connection with authorised litigation arising out of:
- your conduct of the ordinary business and affairs of a commercial strata body corporate; and
  - an act or omission (other than a wrongful act) which occurred subsequent to the effective date; and
  - a claim first made by or against you during the period of insurance; and
  - a claim immediately notified to us in writing during the period of insurance.

## How much will we pay?

- B504 This amount payable by us in the aggregate for all claims under part 1 and 2 shall not exceed the sum insured.
- B505 The amount payable by us in the aggregate for all claims under part 3 shall not exceed the sum insured of \$20,000.
- B506 If more than one body corporate is specified in the schedule, the limits in clauses B504 and B505 shall apply to the aggregate of all claims against all bodies corporate.

### Excess

- B507 We are not liable to pay the first \$1,000 of legal expenses for each and every separate claim under part 3.

### Co-Insurance

- B508 You shall co-insure 10% of all legal expenses between the first \$1,000 and \$11,000 for each and every separate claim under clause B503.

## Conditions applicable to Benefit 5

- B509 Please refer to the conditions applicable to all benefits starting with clause A401.

### Authorised litigation

- B510 If you want us to authorise any step in litigation, you must give us notice in writing immediately when you first become aware that the relevant litigation:
- may be commenced or, if the litigation arises without warning;
  - has commenced.
- B511 In exercising our discretion to authorise any step in the litigation we will take into account:
- the strengths and weaknesses of your case;
  - the amount of money at stake;
  - the significance of the issues in the litigation to your on-going business and affairs;
  - the amount of legal expenses to be incurred in the particular step and which may be incurred if the litigation proceeds to a final determination;
  - any delay in notifying us about the litigation or that the litigation may arise; and
  - any other matter which we reasonably consider to be relevant.
- B512 You must keep us fully informed of all developments in the litigation.

### Other conditions

- B513 If any officer or the insured refuses to:
- make a settlement offer recommended by us; or
  - accept a settlement offer made by another party when acceptance is recommended by us; then our liability for the claim shall not exceed the amount of that offer. In addition, our liability for legal expenses and/or legal costs shall not exceed the amount of those expenses and disbursements incurred up to the date upon which our recommendation was made.
- B514 Any sum paid by us in the discharge or settlement of any threatened claim or in relation to any circumstances which might give rise to a claim, shall be deemed to be a payment made in the discharge or settlement of a claim under this policy. In particular and without limiting the generality of the foregoing, it shall be a payment included in the calculation of the maximum payment made under this benefit.
- B515 You will be covered under this benefit if, during the period of insurance, you give us notice in writing immediately of:
- the receipt by any officer or by you of notice from any person of an intention to make a claim against any officer or the insured; or
  - any circumstances which you or any officer believe may give rise to a claim against you or any officer.

- B516 No officer or the insured shall admit liability for or settle any claim or incur any legal expenses, legal costs or any expenses in connection with any claim without our consent.
- B517 We shall be entitled at any time to take over and conduct, in the name of any officer or the insured, any proceedings arising out of or relating to any claim covered under this benefit.
- B518 We will not exercise any rights of subrogation against any employee of the insured unless the employee was guilty of dishonest, fraudulent, criminal or malicious conduct or serious or wilful misconduct.
- B519 We shall be entitled to pursue, in your name or the name of any officer, recovery of any legal expenses, legal costs or any other expenses. When such costs are recovered (whether by us, by you or by any officer) we will keep, or you or any officer will refund to us, the amount we have paid. If the costs recovered are less than what we have paid, then the amount of costs kept by or refunded to us will be shared on a proportionate basis in accordance with the co-insurance clause B508.
- B520 If we do not authorise litigation on the ground that you are likely to succeed, but you continue with the litigation and succeed, then we will retrospectively authorise each reasonable and necessary step in the litigation and pay your legal expenses relating to those steps.
- B521 All losses arising out of the same act or omission or series of related acts or omissions of one or more officers shall be considered to be a single occurrence.
- B524 Where any particular officer is aware of any fact or matter, that knowledge shall not be imputed to any other officer for the purposes of clause B523.
- B525 We shall not make any payment for any claim which is a result or arises out of:
- (a) any cost of your time spent in preparing or pursuing any claim or legal expenses;
  - (b) any salaries or remuneration of any officer or your servants or agents;
  - (c) any claim made or threatened or in any way intimated before the effective date;
  - (d) any claim arising from any circumstances of which any officer had become aware prior to the effective date and which a reasonable person in the position of that officer would, at any time prior to the effective date, have considered may give rise to a claim under this policy;
  - (e) any claim first notified to us after the expiry of the policy;
  - (f) any litigation brought against any officer and/or the insured in a court of law outside Australia;
  - (g) any claim of libel or slander;
  - (h) any claim brought about or contributed to by any dishonest, fraudulent, criminal or malicious act or omission of any officer. This exclusion does not apply to the costs of a successful defence of such a claim;
  - (i) any legal expenses under part 3 involving a claim between you and:
    - (i) any officer;
    - (ii) any member;
    - (iii) any owner or occupier of any unit or lot within the insured property;
    - (iv) any person claiming an interest in any members' fixtures and improvements;
    - (v) any servant or agent of the insured;
    - (vi) Allianz or its servants or agents.

### Exclusions applicable to Benefit 5

- B522 Please refer to the exclusions applicable to all benefits starting with clause A501.
- B523 We shall not make any payment for any claim which is a result or arises out of:
- (a) any profit or advantage gained by an officer where the officer was not legally entitled to such a profit or advantage or where the officer may be held accountable to the insured for any such profit or advantage;
  - (b) any officer being given money or a gratuity without your authorisation where such authorisation is necessary pursuant to your Memorandum of Articles or is prescribed by law;
  - (c) any notice of circumstances which has been given under any other policy where that other policy expired prior to the effective date;
  - (d) any personal injury or damage to property. This exclusion will not apply to claims which arise where you or any officer have negligently failed to arrange public liability insurance;
  - (e) any fine, penalty or punitive, exemplary, additional or like damages;
  - (f) any duty, tax, levy or other impost;
  - (g) any conflict of duty or interest of any officer;
  - (h) any intentional exercise of power by an officer where the exercise of such power is for a purpose other than for which such power was conferred.

# Benefit 6 – Machinery Breakdown

## What do we cover?

- B601 We will indemnify you if all or part of the insured items suffer any physical loss or damage which require repair or replacement. The insured items must be lost or damaged while located in or on the insured property and during the period of insurance. You have the choice of insuring your unspecified machinery (Part A) or you may nominate which machinery will be covered (Part B).
- B602 In this benefit insured items means those items defined in part A or chosen by you in part B. Your choice is set out in your schedule.

## What machinery is insured?

### Part A – Unspecified Machinery

- B603 All items of mechanical and electrical plant and machinery forming part of the insured property and for which you are responsible except for:
- items driven by motors exceeding 4hp/3kW unless specifically included in the schedule.
  - television, video or audio equipment other than security system equipment.
  - the mechanical components of clothes washers, dryers or extractors.
  - bore pumps.
  - machinery installed or placed by members subsequent to the original building construction.
  - machinery forming part of any passenger or goods elevator unless specifically included in the schedule.

### Part B – Individually Specified Machinery

- B604 Only those items individually listed and described in the schedule are covered under part B.

## How much will we pay?

- B605 We will at our option replace or repair the insured item or pay its value up to an amount not exceeding the sum insured. The amount paid to repair the insured item will be the amount necessary to return the damaged item to its former state of serviceability and will include:
- (a) the cost of dismantling, re-erection and removal of debris;
  - (b) charges for overtime and work on public holidays;
  - (c) freight within the Commonwealth of Australia including transportation as freight by a scheduled service or by any recognised airline;
  - (d) the cost for the replacement of refrigerant lost from insured items as a direct result of damage up to an amount not exceeding 5% of the total cost of the claim;
  - (e) the cost of temporary repairs and hire of a temporary replacement item during the time taken to repair damage to any insured item up to an amount not exceeding 5% of that total cost of the claim.

- B606 No deduction will be made for depreciation in respect of parts replaced.
- B607 Where a damaged item is replaced with a new item or is not repaired, we will pay:
- (a) the estimated cost (including items in B605) which would have been incurred for necessary repairs to return the damaged item to its former state of serviceability; or
  - (b) the sum insured for the item;
- whichever is the lesser.
- B608 Where repairs to a damaged but repairable item cannot be effected because of unavailability of replacement parts, or unavailability of the refrigerant medium for which the system was originally designed, we will pay:
- (a) the estimated cost (including those costs set out in B605) which would have been incurred for necessary repairs to return the damaged item to its former state of serviceability. Where necessary, the estimated cost of unavailable parts will be based on the cost of available parts from similar equipment which is still in production; or
  - (b) the sum insured for the item;
- whichever is the lesser.
- B609 The excess and the value of any salvage will be subtracted from the amount calculated above.
- B610 We will not be liable to make any payment under this benefit unless you have produced to our reasonable satisfaction all accounts, invoices, receipts and other documentation indicating that the repairs have been effected or the replacement has taken place.

### Newly installed items

- B611 Where part A is selected, any item of machinery which is installed at the insured property during the period of insurance will be insured under this benefit from the completion of successful initial startup, testing and handover of the item by the installer. Provided that:
- (a) our liability for any additional item will not exceed 20% of the sum insured;
  - (b) at the end of the period of insurance, you must give us details of all newly installed items;
  - (c) you must pay the additional premium which will be calculated having regard to the type and value of the machine and the period during which it has been insured.

## Conditions applicable to Benefit 6

- B612 Please refer to the conditions applicable to all benefits starting with clause A401.
- B613 You, your employees and agents must at your expense comply with any Australian Standards applicable to pressure equipment.
- B614 We, our employees and agents will at any reasonable time have the right to inspect and examine any item insured by this policy and you must provide to us, our employees or agents all details and information.
- B615 In addition to general condition A416:
- (a) When you notify us of any loss or damage, you may carry out repairs or make good any minor

damage. You must give us an opportunity to inspect the loss or damage before any other repairs or alterations are effected. If no inspection is carried out by us within a reasonable period of time having regard to the location of the risk, weather conditions and any other relevant factors, you may proceed with such repairs or replacement;

- (b) you must take all necessary steps to ensure that the operation of the insured items is at all times carried out so as to minimise the risk of any claim being made under this benefit.

## Exclusions applicable to Benefit 6

B616 Please refer to the exclusions applicable to all benefits starting with clause A501.

B617 This policy does not cover any loss, damage or liability directly or indirectly caused by or arising out of or aggravated by:

- (a) fire, smoke or soot;
- (b) extinguishing of a fire or subsequent demolition;
- (c) direct lightning;
- (d) chemical explosion (other than explosion of flue gas in boilers);
- (e) impact of vehicles or watercraft;
- (f) earthquake, subterranean fire or volcanic eruption;
- (g) landslip or subsidence;
- (h) the conduct of any person or persons taking part in any riot, strikes, lockout, civil commotion or malicious persons acting on behalf of, or in connection with any political organisation;
- (i) aircraft or articles dropped therefrom;
- (j) storm;
- (k) rainwater;
- (l) flood;
- (m) water escaping discharged or leaking from any pipe, water system or vessel;
- (n) theft or attempts thereat.

B618 We do not pay the cost of:

- (a) replacement of damaged, worn or spent filters, refrigerant dryers, jointing, gland packing, seals, refractory materials, glass components, ceramics, fabrics and all operating media;
  - (b) replacement of component parts worn through normal use or operation;
  - (c) adjustment, cleaning or recharging of refrigeration or airconditioning equipment;
- unless necessary as part of the repair or loss or damage insured by this policy.

B619 We do not pay for the cost of replacing damaged, worn or spent belts, ropes, cables, chains, tyres, fuses, electric heating elements, electric contacts, thermostats, thermostatic expansion valves, batteries, lubricants or fuel.

B620 We do not pay for the cost of:

- (a) preventative maintenance work;
- (b) alterations, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation;

- (c) replacement or restoration, following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);

- (d) repair of scratches to painted or polished surfaces;

- (e) loss or damage due to faults or defects known to you or any of your employees at the time you apply for this policy and not disclosed to us;

- (f) modifications to or replacement of components of substitute refrigerant medium for refrigeration or airconditioning equipment to allow the system to operate with a substitute refrigerant medium in place of the medium for which the system was originally designed;

- (g) loss or damage to pressure equipment arising out of failure by you or your employees or agents to comply with any Australian Standards applicable to pressure equipment.

B621 Insurance cover will cease for any insured item which has sustained damage and is operated without being repaired properly and without delay.

## Benefit 7 – Workers’ Compensation

B701 Where You have requested Workers’ Compensation cover as part of this Commercial Strata Insurance policy, the relevant insurer from the list below provides workers’ compensation insurance as required by the relevant Act in Your State or Territory.

In accordance with the relevant Act in Your State or Territory this cover is the subject of a separate Policy wording.

When this cover is operative it is provided by:

- Allianz Australia Insurance Limited  
ABN 15 000 122 850 in the Australian Capital Territory, Western Australia and Tasmania; or
- Allianz Australia Workers’ Compensation (NSW) Limited ABN 17 003 087 545 in New South Wales (We act as the agent of this insurer in arranging insurance in NSW, not as your agent).



For all enquiries please call  
your Insurance Intermediary.

Allianz Australia Insurance Limited  
AFS Licence No. 234708  
ABN 15 000 122 850  
Registered Office:  
2 Market Street, Sydney NSW 2000.  
Telephone: 13 2664