

landlord's

'safetynet plus' policy



CHU Underwriting Agencies Pty Ltd (AFS Licence No: 243261) is an underwriting agency acting on behalf of the insurer QBE Insurance (Australia) Limited ABN 78 003 191 035 (AFS Licence No: 239545)

Landlord's 'SafetyNet Plus' Policy

Product disclosure statement and Policy wording

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Important Information and Notices

Product disclosure statement and insurance policy wording

This document is a Product Disclosure Statement (PDS) and is also our insurance Policy wording. Please note that it operates as a PDS under the Corporations Act 2001 (Cth). Other documents may comprise our PDS and we will specifically tell you if this is the case in the relevant document.

This document contains important information to help you understand this insurance. It is up to you to choose the cover you need. This document contains information which can help you decide. Any advice in this document is of a general nature only and has not considered your objectives, financial situation or needs. You should carefully consider the information provided having regard to your personal circumstances to decide if this insurance is right for you.

Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited ABN 78 003 191 035 (QBE) AFS Licence No: 239545 of Level 5, 2 Park Street Sydney.

We have authorised the information contained in this PDS and it is operative from 28 December 2015.

Authority to act on our behalf

We have given CHU Underwriting Agencies Pty Ltd ABN 18 001 580 070 (CHU) a binding authority to market, underwrite, settle claims and administer this Policy on our behalf.

Any matters or enquiries you may have should be directed to them in your State. The contact details of their offices are shown on the back cover of this document.

Under the terms of this binding authority CHU act as our agent, and not yours, but liability within the terms and conditions of the Policy remains at all times with us.

About CHU

CHU Underwriting Agencies Pty Ltd is a specialist strata and community title insurance intermediary and holds an Australian Financial Services licence (AFS Licence No: 243261) to issue and advise on general insurance products.

What you should read

To understand the features, benefits and risks of this insurance and to determine if it is appropriate to you, it is important that you read:

- ◆ all of this Important Information and Notices part – this information is designed to help you understand this insurance and your rights and obligations under it.
- ◆ the Landlord's 'SafetyNet Plus' Policy part which commences on page 16.
It tells you about:
 - ◇ what makes up the insurance (ie: your contract with us which we call a Policy);
 - ◇ important definitions that set out what we mean by certain words;
 - ◇ the cover we can provide (see **Policies 1 to 9**);
 - ◇ what excesses you may have to pay (see 'Payment of excesses' below for guidance);
 - ◇ when you are not insured (see **General Exclusions** and other exclusions under **Policies 1 to 9**);
- ◆ what you and we need to do in relation to claims (see page 27);
 - ◇ your and our cancellation rights (see page 29).
- ◆ the relevant proposal form you need to complete to apply for cover (if applicable).
 - ◇ any Schedule (refer to the definition of Schedule on page 21) when it is issued to you.
- ◆ any other documents we may give you which vary our standard terms of cover set out in this document.

These documents should be read carefully together. It is important that they are kept in a safe place.

Summary of cover and significant benefits and risks

The following is a summary only and does not form part of the terms of your insurance. We give examples of some of the significant benefits and risks but you need to read the Landlord's 'SafetyNet Plus' Policy part of this document which sets out the terms and conditions of this insurance to make sure it matches your expectations.

What you are covered/not covered for

Policy 1 – Contents

This policy covers you for accidental loss or damage to your contents that occurs during the period of insurance.

This cover also includes special benefits up to specified limits, for example:

- ◆ loss or damage by an insured event to your contents while in the open air at your situation - up to \$1,500 (see **Special Benefit 1 of Policy 1**);
- ◆ removal and disposal of the residue of damaged contents – up to ten percent (10%) of the contents sum insured (see **Special Benefit 2 of Policy 1**);
- ◆ fusion damage to domestic electric motors - up to \$2,000 (see **Special Benefit 3 of Policy 1**).

Some events we do not cover include:

- ◆ loss or damage to fixed floor coverings (other than carpets or carpet underlay), stoves, built-in air conditioners and heaters, hot water services and garbage disposal units;
- ◆ loss or damage to clothing, personal effects, jewellery, furs, gold plated or silver plated items, gold or silver items, uncut or unset gemstones;
- ◆ loss or damage to pictures, works of art or antiques (other than furniture) in excess of \$5,000 any one item or in total more than twenty percent (20%) of the Sum Insured for **Policy 1**;
- ◆ loss or damage to video cameras, photographic equipment, stamps, coins, documents, manuscripts, cash or negotiables of any kind;
- ◆ accidental breakage of glass in windows, doors, stoves or ovens, toilet cisterns, pans, baths, sinks, and hand basins, TV sets, video, radio, computer or other electrical equipment, and items such as glassware, drinking glasses or ornaments.

See **Policy 1** for full details of cover, limits that apply and how we will settle your claim for these covers.

Policy 2 – Building damage

This policy covers loss or damage to the walls, windows, doors, floors, ceilings or fixtures of your lot/unit or investment home caused:

- ◆ by vandalism or malicious acts; or
- ◆ by theft (including damage caused by theft);

by your tenants or their invitees if such damage is not covered by any insurance Policy effected:

- ◆ by the Body Corporate on the building containing your lot/unit; or
- ◆ by you on your investment home.

See **Policy 2** for full details of cover, limits that apply and how we will settle your claim for these covers.

Policy 3 – Loss of rentable value

This policy covers loss of rentable value if your lot/unit or investment home cannot be occupied due to loss or damage:

- ◆ for which a claim is admitted under **Policy 1** or **Policy 2**; or
- ◆ to the building containing your lot/unit if caused by an event covered the Body Corporate's building insurance Policy; or
- ◆ to property in the immediate vicinity if caused by an event covered under **Policy 1** which prevents access to your lot/unit or investment home.

We do not pay for loss of rentable value:

- ◆ following loss or damage which is not covered under **Policy 1** or **Policy 2**;
- ◆ for any period beyond that reasonably necessary to repair/replace your contents or repair your lot/unit or investment home;
- ◆ for any period where your lot/unit or investment home has reasonable access and is fit to be occupied;
- ◆ if your tenant continues to pay rent during the time your lot/unit or investment home is not fit to be occupied.

See **Policy 3** for full details of cover, limits that apply and how we will settle your claim for these covers.

Other policies

We can also cover you against:

- ◆ tenants default in payment of rent following their departure without notice (see **Policy 4**);
- ◆ tenants default in payment of rent that requires a court or tribunal eviction order (see **Policy 5**);
- ◆ legal expenses for minimising claims under **Policies 3, 4 and 5** (See **Policy 6**);
- ◆ legal liability for accidental death or bodily injury to other persons as well as accidental damage to other person's property. The event causing the liability must occur during the period of insurance (see **Policy 7**);
- ◆ legal liability for employees under workers compensation legislation for property investors if your contents are situated in Western Australia (see **Policy 8**);
- ◆ cost of professional fees if you are audited by the Australian Tax Office or another government organisation (see **Policy 9**).

Other important information

In addition to the preceding covers, inclusions and exclusions there are other times when this insurance may or may not provide cover.

Please read the Landlord's 'SafetyNet Plus' Policy part of this document which sets out the inclusions and exclusions to make sure the cover we provide matches your expectations.

We may also refuse to pay or reduce the amount we pay under a claim:

- ◆ if you do not comply with the cover conditions (please read the Landlord's 'SafetyNet Plus' Policy part of this document for details of the conditions to make sure you understand your obligations);
- ◆ if you do not comply with the Duty of Disclosure (see Duty of disclosure notice below for details); or
- ◆ if you make a fraudulent claim.

We may also cancel your Policy in certain situations permitted by law. For example, if you breach your duty of disclosure or a condition of the insurance.

Some important things to remember are:

Keep receipts – You should keep receipts, invoices or other evidence of ownership and value of all property that you insure because if you make a claim you may be asked to prove ownership and value in order for us to pay the claim.

Total loss – When your contents are a total loss and we have paid out the total sum insured, this insurance ceases. If you replace your contents, this requires a new insurance contract commencing at that time with an applicable premium.

Overdue Premium – You must pay your premium on time otherwise your insurance may not operate. If you have not paid by the due date or your payment is dishonoured we may cancel the Policy. CHU will do so by providing you with written notice.

Renewing your insurance – When renewing your insurance with us you must advise us of any changes to your claims or insurance history. CHU will notify you in writing of any effect a change may have on your insurance renewal.

Please read the Landlord's 'SafetyNet Plus' Policy part of this document which sets out details of the conditions to make sure you understand your obligations, as these are only some examples.

Monetary limits on the cover

We can insure you up to the amount of the sum insured or other specified limits for your contents. These amounts are specified in the relevant clauses in the Landlord's 'SafetyNet Plus' Policy part or on the Schedule.

Covers for building damage, loss of rentable value, loss of rent (departure by tenant), loss of rent (default by tenant), legal expenses, liability to others, workers compensation and Government audit costs insure you up to a set limit of liability which is shown on the Schedule.

You need to make sure you are happy with the relevant sum(s) insured and limits. If you do not adequately insure yourself you may have to bear the uninsured proportion of any loss yourself.

You should also advise CHU of any changes in the details of the information you have given us, otherwise your insurance may not be sufficient.

Excesses may apply. See **Payment of excesses** section over.

Payment of excesses

Excesses may also apply to any claim under this insurance.

An excess is an amount you have to pay each time you make a claim. The excesses that are applicable are noted on the Schedule.

An excess will be applied for each incident where a claim is made.

We will tell you the amount of any excess when you apply for cover. They may vary according to a number of factors, such as your lot/unit or investment home location and your insurance history.

Goods and Services Tax

The policy has provisions relating to GST. In summary, they are as follows but please read the provisions in full. They can be found in Landlord's 'SafetyNet Plus' Policy part under 'Goods and Services Tax – how it affects any payments we make'.

- ◆ The amount of premium payable by you for this Policy includes an amount on account of the GST on the premium (including any administration fee charged by CHU).
- ◆ The sum insured and other limits of insurance cover shown on your policy documentation are GST inclusive.
- ◆ When We pay a claim, your GST status will determine the maximum amount we pay.

There may be other taxation implications affecting you, depending upon your circumstances. We recommend you seek professional advice.

Need assistance?

If you have any questions or are unsure about any aspect of this insurance product please ask CHU staff for assistance.

Applying for cover

Based on the information you provide when applying for this insurance, we may be able to offer cover and terms specific to you. Once we have agreed to cover you we will issue you with a Schedule confirming this, including the following information:

- ◆ the sum(s) insured and situation of your lot/unit or investment home;

- ◆ excess(es) applicable; and
- ◆ premium including taxes and charges and any administration fee charged by CHU.

The cost of this insurance

In order to calculate your premium, we take various factors into consideration, including:

- ◆ the sum(s) insured;
- ◆ the address of your lot/unit or investment home;
- ◆ your insurance history;
- ◆ the security features of your lot/unit or investment home.

The premium also includes amounts payable in respect of compulsory government charges including Stamp Duty, GST, any State based levies and CHU's administration fee (see their Financial Services Guide for details).

- ◆ When you apply for this insurance, you will be advised of the premium. If you choose to effect cover, the amount will be set out on the Schedule.

21 day cooling off period

If you want to return your insurance after your decision to buy it, you may cancel it and receive a full refund. To do this we must receive your request either in writing or via email within 21 days of you receiving the Schedule.

This cooling off right does not apply if you have made or are entitled to make a claim. Even after the cooling off period ends you still have cancellation rights, however we may deduct certain amounts from any refund (see page 29 for details).

Confirming transactions

You may contact CHU in either writing, email or by phone to confirm any transaction under your insurance if you do not already have the required insurance confirmation details.

Your duty of disclosure

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms. You have this duty until we agree to insure you. You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- ◆ reduces the risk we insure you for;
- ◆ or is common knowledge;
- ◆ or we know or should know as an insurer;
- ◆ or we waive your duty to tell us about.

If you do not tell us something

If you do not tell us anything you are required to tell us, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

The General Insurance Code of Practice

QBE Australia is a signatory to the General Insurance Code of Practice. The aims of this Code are fully supported by CHU.

The Code aims to:

- ◆ Commit us to high standards of service
- ◆ Promote better, more informed relations between us and you
- ◆ Maintain and promote trust and confidence in the general insurance industry
- ◆ Provide fair and effective mechanisms for the resolution of complaints and disputes between us and you
- ◆ Promote continuous improvement of the general insurance industry through education and training

You can obtain a copy of the Code from your local CHU office or from www.codeofpractice.com.au

How to make a claim

Please contact CHU to make a claim. They also have an after-hours Emergency Claims Hotline that you can contact on 1800 022 444.

You should advise them as soon as possible of an incident which could lead to a claim.

Having the required documentation and possibly photographs of the items will assist you in having your claim assessed and settled.

When you make a claim you must:

- ◆ provide details of the incident and when requested complete the claim form we send you;
- ◆ allow us to inspect your contents and take possession of any damaged item;
- ◆ take all reasonable steps to reduce the damage or loss and prevent further loss or damage;
- ◆ inform the police immediately following theft, vandalism or malicious damage;
- ◆ not dispose of any damaged items without first seeking our approval; and
- ◆ not get repairs done, except for essential temporary repairs, until we give you authority and we reserve the right to choose the repairer or supplier.

These are only some of the things that you must do if making a claim. Please refer to page 27 which sets our claims information and what you must do if making a claim

Dispute resolution

If there's something you'd like to talk to us about, or if you'd like to make a complaint, please contact your nearest CHU office and speak to one of our staff. When you make your complaint please provide as much information as possible. Our aim is to resolve all complaints within 15 business days.

If we haven't responded to your complaint within 15 days, or if you're not happy with how we've tried to resolve it, you can ask for your complaint to be escalated for an Internal Dispute Resolution (IDR) review by a Dispute Resolution Specialist. If you're not happy with the final decision, or if we've taken more than 45 days to respond to you from the date you first made your complaint, you can contact the Financial Ombudsman Service Australia (FOS Australia).

FOS Australia is an ASIC approved external dispute resolution body which resolves insurance disputes between consumers and insurers, at no cost to you. QBE is bound by FOS Australia's decisions but you're not. You can contact FOS Australia directly and they'll firstly advise you if your dispute falls within their Terms of Reference. If your dispute doesn't fall within the FOS Australia Terms of Reference, then you may wish to seek independent legal advice.

CHU will provide the contact telephone number and address of FOS upon request.

Our privacy promise

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. We are bound by the Privacy Act 1988 (Cth.), when collecting and handling your personal information. Both we and CHU have a Privacy Policy which explains what sort of personal information we hold about you and what we do with it.

We will only collect personal information from or about you for the purpose of assessing your application for insurance and administering your insurance Policy, including any claims you make. We will only use and disclose your personal information for a purpose you would reasonably expect.

We may need to disclose personal information to reinsurers (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, our advisers and those involved in the claims handling process (including assessors and investigators), for the purpose of assisting us and them in providing relevant services and products, or for the purposes of litigation. We may disclose personal information to people listed as co-insured on your Policy and to family members or agents authorised by you.

We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request your consent to any other purposes.

By providing your personal information to us, you consent to us making these disclosures. Without your personal information we may not be able to issue insurance cover to you or process your claim.

You also have the opportunity to find out what personal information we and CHU hold about you and, when necessary, correct any errors in this information. Generally we will do this without restriction or charge. For further information about our and CHU's Privacy Policy or to access or correct your personal information, please contact your nearest CHU office.

If you're not satisfied with our final decision relating to a complaint on your privacy or how we've handled your personal information, you can contact the Office of the Australian Information Commissioner (OAIC). CHU will provide the contact telephone number and address of the OAIC on request.

A copy of both Privacy Policy information brochures may be obtained from your local CHU office or from the respective websites www.chu.com.au and www.qbe.com

Updating our Product Disclosure Statement

We may update the information contained in this PDS when necessary. A paper copy of any updated information is available to you at no cost by calling CHU. They will issue you with a new PDS or a supplementary PDS, where the update is to rectify a misleading or deceptive statement or an omission, which is materially adverse from the point of view of a reasonable person deciding whether to obtain or renew this insurance.

Contact details

If you have any questions or you would like any further information regarding this insurance please call your nearest CHU office (see the back cover of this document). If you need to contact us our address is shown under the 'Insurer' part of this PDS.

Landlord's 'SafetyNet Plus' Policy

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It is very important that You read this Policy carefully and make sure You are satisfied with this insurance.

What makes up this policy?

This Policy and the Schedule must be read together as they form Your insurance contract.

Important: Sometimes We need to change the wording of Your Policy because the insurance varies depending on a number of factors. We do this by adding what is called an Endorsement.

This Policy sets out what You are insured for and those circumstances where You will not be insured.

Some words and expressions have been given a specific meaning in this Policy and You will find their meaning under Definitions herein. These specific meanings only apply to these words when they begin with a capital letter.

Payment of premium

Provided We receive the premium, We will insure You as set out in this Policy and the Schedule in respect of an insured Event occurring during the Period of Insurance.

You must disclose all previous claims

You are asked at the time You take out this insurance to give Us full and correct details concerning any:

- ◆ renewal or insurance policy declined, cancelled or refused, or where any excess was imposed;
- ◆ claim refused by an insurer;
- ◆ claim made;
- ◆ criminal conviction or finding of guilt for an offence;

in relation to You because any of these may affect the premium and extent of insurance.

For example We may be entitled to:

- ◆ charge You an additional premium;

- ◆ impose (back dated) restrictions declining Your insurance back to when this information should have been advised to Us;
- ◆ decline to insure You;
- ◆ refuse a claim.

When renewing Your Policy with Us You must also advise Us of any changes to Your claims, insurance or criminal history. We will notify You in writing of the effect a change may have on Your renewal.

General definitions – the meaning of some words

The words listed below have been given a specific meaning in this Policy and these specific meanings apply when the words begin with a capital letter.

There are other definitions which are specific to **Policy 7** and these appear in the appropriate Policy section.

Act of Terrorism

means 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:

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

Allowable Reletting Expenses

means reasonable reletting expenses as specified in the current Tenancy Agreement for Your Lot/Unit or Investment Home and/or in terms of the Residential Tenancy Act or similar legislation applying where Your Lot/Unit or Investment Home is situated.

Body Corporate

means the body incorporated under the provisions of the Strata Schemes Management Act, Strata Titles Act, Community Titles Act or similar legislation applying where Your Lot/Unit is situated who is responsible for the control and administration of the common property.

Bond Monies

means the greater of:

- a** the amount of money held as security for the performance obligations under a tenancy or letting agreement such as outstanding Rent or damage; or
- b** an amount of money calculated on the basis of four (4) weeks Rent if the amount of money held in terms of Clause a is equivalent to a lesser period than four (4) weeks.

Contents

means Your:

- a** household furniture and furnishings that are not built-in, household goods and appliances such as stereos, computers, TV's, VCR's, refrigerators, dishwashers (plumbed-in and freestanding), washing machines, and dryers;
- b** curtains, carpets, carpet underlay, rugs, other unfixed floor coverings, and internal blinds;
- c** above-ground spas, above-ground swimming pools, pool cleaning and gardening equipment, plants in pots or containers;
- d** pictures, works of art or antiques (other than furniture) up to a maximum of \$5,000 any one item and in total twenty percent (20%) of the Sum Insured for Policy 1;
- e** (applicable to Lots/Units only):
 - i** light fittings, ceiling fans, garden sheds and fixtures installed for the exclusive use and enjoyment of Your Lot/Unit if they are not covered, or not required to be covered by law, under any insurance Policy effected by Your Body Corporate;
 - ii** paint, wallpaper and temporary wall, floor and ceiling coverings within Your Lot/Unit if it is situated in New South Wales;
 - iii** temporary wall, floor and ceiling coverings within Your Lot/Unit, and mobile or fixed air-conditioning units exclusively servicing Your Lot/Unit if it is situated in Queensland;

at Your Situation.

Contents does not include:

- ◆ animals, birds, insects, reptiles or pets of any kind;
- ◆ fixed floor coverings (other than carpet or carpet underlay), stoves, built-in air conditioners and heaters, hot water services, garbage disposal units;
- ◆ clothing, personal effects, jewellery, furs, gold plated or silver plated items, gold or silver items, uncut or unset gemstones;
- ◆ video cameras, photographic equipment, sporting equipment, stamps, coins, documents, manuscripts, cash or negotiables of any kind;
- ◆ bicycles, Vehicles, caravans, trailers, Watercraft, aircraft or accessories for these Vehicles or craft;
- ◆ plants, hedges, trees or shrubs in gardens (except those in pots or tubs);
- ◆ unless We specifically agree to such inclusion in writing.

Depreciation

means the reduction in the value of the item due to Wear and Tear.

Electronic Data

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

Endorsement

means a written alteration to the terms, conditions and limitations of this Policy which is shown on the Schedule.

Erosion

means being worn or washed away by water, ice or wind.

Event, Events

means a happening or an incident not intended to happen which occurs during a particular interval of time and causes or results in loss or damage, or series of loss or damage happening from that one Event, that is insured by this Policy.

Excess

means the amount You have to contribute towards a claim. You will find the amount of any excess shown on the Schedule or within the Policy.

Family

means any member of Your family who lives permanently with You, including Your partner.

Flood

means the covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:

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

Fusion

means the process of fusing or melting together the windings of an electric motor following damage to the insulating material as a result of overheating caused by electric current.

Indemnity Value

means the cost to rebuild, replace or repair property to a condition which is equivalent to or substantially the same as but not better nor more extensive than its condition at the time of loss taking into consideration age, condition and remaining useful life.

Investment Home

means Your tenanted residential building including:

- a** domestic fixtures and fittings such as light fittings, stoves, built-in air conditioners and heaters, hot water services, garbage disposal units;
- b** domestic outbuildings such as garages, carports and garden sheds;

- c fixed floor coverings such as floor tiles and parquetry but not carpets or carpet underlay;

at Your Situation.

Lot/Unit

means an area shown on a plan as a Lot or Unit in terms of the Strata Titles Act, Community Titles Act or similar legislation applying where Your Lot/Unit is situated.

Period of Insurance

means the period for which You are insured. It commences at the time We agree to give You insurance and finishes at 4pm on the day of expiry. The expiry date is shown on the Schedule.

Policy

means Your insurance contract which consists of this policy wording and the Schedule.

Premium

means the amount We require You to pay for this Policy to operate. It includes Government charges and is shown on Your Schedule.

Property Manager

means the Real Estate company, firm or other entity acting as manager or agent for Your Lot/Unit or Investment Home.

Rainwater

means the rain which falls naturally from the sky. It includes Rainwater run-off over the surface of the land but not Flood.

Rent

means an amount of money calculated on the rent level payable by Your Tenant that applied immediately prior to Your Tenant's departure without notice or default in payment, up to a maximum of \$1,000 per week, unless We otherwise agree in writing.

Rentable Value

means an amount of money calculated on the basis of the annual amount of money payable by a Tenant or lessee (including any 'outgoings' payable) that applied immediately prior to the happening of loss or damage to Your Lot/Unit or Investment Home.

Schedule

means one of the following:

- a** the Policy Schedule;
- b** the renewal notice You have paid;
- c** the Endorsement sent to You.

Situation

means the place shown on the Schedule where:

- a** the Lot/Unit or Investment Home containing Your Contents is located; or
- b** if You sell Your Lot/Unit or Investment Home and purchase a replacement property the place where such replacement property is located provided You notify Us within thirty (30) days of such purchase.

Storm

means a violent wind sometimes combined with thunder, heavy falls of rain, hail or snow.

Sum Insured / Limit of Liability

means the amount shown on the Schedule for the Policies We have agreed to cover and is the maximum amount We will pay, inclusive of claimant's costs and expenses recoverable from You, for all claims under each of the Policies during the Period of Insurance, unless otherwise stated in a Policy.

Tenancy Agreement

means a written agreement between You and Your Tenant to occupy Your premises in terms of the Residential Tenancy Act or similar legislation applying where Your Lot/Unit or Investment Home is situated.

Tenant

means a person or persons renting or occupying Your Lot/Unit or Investment Home in terms of a Tenancy Agreement.

Tsunami

means a sea or ocean wave caused by an earthquake, earth tremor or seismological disturbance under the sea.

Vandalism, Malicious Acts

means vandalistic or wilful acts motivated by malice, vindictiveness or spite that are intended to cause loss, damage or harm for the sake of doing harm.

Such acts do not mean damage caused by or associated with:

- a** maintenance or repair operations;
- b** unclean, unhygienic or untidy living habits;
- c** lack of care;
- d** failure to control children or domestic pets;
- e** scratching, denting or chipping.

Vehicle, Vehicles

means:

- a** any type of machine on wheels or self-laid tracks made or intended to be propelled by other than manual or animal power and any trailers or other attachments made or intended to be drawn by any of those machines; and
- b** which is or should be registered and/or insured under legislation in the State or Territory of Australia in which it is being used.

Vehicle or Vehicles does not mean wheelchairs, garden appliances or golf buggies.

Watercraft

means any vessel, craft or thing made or intended to float on or in or travel through water.

Wear, Tear

means damage or a reduction in value through age, ordinary use or lack of maintenance.

We, Our, Us

means QBE Insurance (Australia) Ltd ABN 78 003 191 035.

You, Your

means:

- a** the person or persons; or
- b** company, firm or other entity acting as Property Manager for Your Lot/Unit or Investment Home; named on the Schedule.

General conditions – which apply to all policies

1 Alteration of risk

You must promptly advise Us of any changes in the details of the information You have given Us, or if the nature of the occupation or other circumstances affecting Your Lot/Unit or Investment Home is changed in such a way as to increase the risk of loss or damage or the likelihood of liability losses.

If You do not do so We may not be liable for any loss, damage or liability caused or contributed to by any such change or alteration.

2 Excess

You must pay or contribute the amount of any Excess shown in this Policy or on the Schedule for each claim made. Payment of the Excess may be requested when the claim is lodged, or may be deducted from Our payment.

Should more than one Excess be payable for any claim arising from the one Event, such excesses will not be aggregated and the highest single level of Excess only will apply.

3 Reinstatement of sum insured

After We have admitted liability for a claim We will automatically reinstate the Sum Insured to its pre-loss amount without any additional Premium having to be paid.

This condition does not apply:

- a when We pay a total loss;
- b when We pay the full Sum Insured;
- c to Special Benefits 1 and 2 of Policy 6;
- d to Policy 9.

4 Tenancy Agreement

Cover under this Policy only applies when there is a current Tenancy Agreement in place between You and Your Tenant.

General Condition 4 does not apply to **Policies 1, 2, 7, 8** and **9**.

5 Unoccupancy

Cover under this Policy is suspended if Your Lot/Unit or Investment Home is unoccupied for more than ninety (90) consecutive days, unless You notify Us and We otherwise agree in writing.

General Condition 5 does not apply to **Policies 7, 8** and **9**.

General exclusions – what we do not insure under any policy

We will not pay for any loss, damage, benefit, legal liability, compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, arising directly or indirectly from or in any way connected with:

1 Act of Terrorism

Any Act of Terrorism where such act is directly or indirectly caused by, contributed to, resulting from, or arising out of or in connection with biological, chemical, or nuclear weapons, pollution or contamination.

2 Asbestos

Liability to pay for personal injury or property damage caused by or arising directly or indirectly out of or in connection with the actual or alleged use or presence of asbestos.

3 Consequential loss

Consequential loss, loss of use or Depreciation unless otherwise specifically provided by this Policy.

4 Electronic Data

Losses to Electronic Data. However cover is otherwise provided by this Policy for losses to Electronic Data arising out of fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, aircraft and/or other aerial device and/or articles dropped therefrom, sonic boom, theft which is a consequence of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such Electronic Data, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising, Storm, Rainwater, water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes.

5 Intentional damage

Any deliberate or intentional damage or liability or omission caused or incurred by You, Your Family or by any person acting with Your or their express or implied consent.

6 Nuclear materials

Ionising radiation from, or contamination by radio-activity from, any nuclear fuel or nuclear waste from the combustion of nuclear fuel.

7 War, expropriation

War or warlike activities including invasion, act of a foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, use of military or usurped power, looting, sacking or pillage following any of these, or the expropriation of property.

Goods and Services Tax – how it affects any claim payments we make

The Sum Insured and other limits of insurance of insurance cover shown on Your Policy documentation are GST inclusive.

When We pay a claim, Your GST status will determine the amount We pay.

When You are:

- a** not registered for GST, the amount We pay is the Sum Insured or the other limits of insurance cover including GST;
- b** registered for GST, We will pay the Sum Insured or the other limits of insurance cover less any Input Tax Credit to which You are entitled or would be entitled if You made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through Your Business Activity Statement (BAS).

You must advise Us of Your correct Australian Business Number and Taxable Percentage. Any GST liability arising from Your incorrect advice is payable by You.

Where the settlement of Your claim is less than the Sum Insured or the other limits of insurance cover, We will only pay an amount for GST (less Your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover Your loss, We will only pay the GST relating to Our settlement of the claim.

We will (where relevant) pay You on Your claim by reference to the GST exclusive amount of any supply made by any business of Yours which is relevant to Your claim.

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those

expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is Your entitlement to an Input Tax Credit on Your Premium as a percentage of the total GST on that Premium.

Claims information

1 What you must do

As soon as You discover that an Event likely to result in a claim has occurred, You must:

- a** take all reasonable steps to reduce the loss or damage and to prevent any further loss or damage;
- b** inform the police immediately following theft, Vandalism or Malicious damage.

2 What you must not do

Whatever the circumstances You must not:

- a** admit guilt or fault (except in court or to the Police);
- b** offer or negotiate to pay a claim;
- c** admit liability;
- d** dispose of any damaged items without first seeking Our approval.

3 How to make a claim

When You make a claim You must:

- a** promptly inform CHU Underwriting Agencies Pty Ltd by telephone, in writing or in person. You may have to contribute towards Your claim if Your notification is late and results in higher costs for Us or harms Our investigation opportunities;
- b** provide details of the Event and when requested complete and return Our claim form promptly together with all letters, documents, valuations, receipts or evidence of ownership that You have been asked to provide;
- c** provide written statements under oath if We require it;
- d** be interviewed about the circumstances of the claim, if We require this;
- e** allow Us to inspect Your Contents and take possession of any damaged item to deal with it in a reasonable way;
- f** provide Us as soon as possible with every notice or communication received concerning a claim by another person or concerning any prosecution, inquest or other official inquiry arising from the Event.

4 Our approval needed for repairs

Except for essential temporary repairs You are not authorised to commence repairs without Our approval.

5 Repairs or replacement

We have the right to nominate the repairer or supplier to be used.

6 You must assist us

Before We will pay anything under this Policy, You must:

- a** comply with all the requirements of this Policy; and
- b** give Us all information and assistance which We reasonably require in relation to the claim and any proceedings.

7 False or misleading information

We may deny part or all of Your claim if You are not truthful and frank in any statement You make in connection with a claim or if a claim is fraudulent or false in any respect.

We may also report any suspected fraudulent act to the Police for further investigation.

8 Claim administration and legal proceedings

When a claim is admitted under this Policy, We have the right at Our discretion to exercise all Your legal rights relating to the Event and to do so in Your name.

We will take full control of the administration, conduct or settlement of the claim including any recovery or defence that We may consider is necessary.

9 Salvage value

We are entitled to any salvage value on recovered items and damaged items that have been replaced.

10 Contribution

Where the Event insured by this Policy is also insured elsewhere and We have paid more than Our reasonable share of Your claim, We may exercise Our right to seek contribution from the other insurer or insurers.

Cancellation – how your policy may be cancelled

1 Cancellation by You

You may cancel all or part of this Policy at any time by giving Us notice in writing.

2 Cancellation by Us

We may cancel this Policy on any of the grounds set out in the Insurance Contracts Act 1984 and We will always tell You of this in writing.

3 Refund of Premium

On cancellation, a refund of Premium will be calculated equal to the unexpired period of this Policy less any administration fee and any non-refundable Government charges.

4 No refund of Premium

Where We have paid the total Sum Insured on a claim Your Policy with Us is deemed to have been fulfilled and there is no refund of any Premium.

Policy 1 – Contents

What we insure

We insure You up to the Sum Insured shown for **Policy 1** on the Schedule, against:

- ◆ accidental loss or damage to Your Contents which occurs during the Period of Insurance.

Special benefits

Special Benefits are included in addition to Your Sum Insured for **Policy 1**.

1 Contents in the open air

We will pay up to \$1,500 for loss or damage to Your Contents in the open air at Your Situation, from any Event claimable under **Policy 1**.

For the purpose of **Special Benefit 1** 'open air' means any part of the building containing Your Lot/Unit or Your Investment Home not fully enclosed by walls and roofing (such as a carport or balcony).

2 Debris removal

We will pay up to ten percent (10%) of the Sum Insured for **Policy 1** for the reasonable cost of removal and disposal of the residue of Your damaged Contents.

3 Electric motors

We will pay up to \$2,000 for the cost of repairing or replacing an electric motor forming part of Your Contents which has been burnt out by electric current.

If the motor forms part of a sealed unit We will also pay for the cost of replacing gas.

If the motor in a sealed unit cannot be repaired or replaced because of the unit's inability to use a different type of refrigerant (a new gas as required by regulation) or parts are no longer available then We will only pay the cost that would have been incurred in repairing a sealed unit in an equivalent modern day appliance. If an equivalent modern day appliance is not available, then one as close as possibly equivalent will be the basis of any claim.

We will not pay for:

- a motors under a guarantee, warranty or maintenance agreement;

- b** loss or damage to other parts of any electrical appliance, computer software or data stored on a computer;
- c** lighting or heating elements, fuses, protective devices or switches;
- d** contact at which sparking or arcing occurs in ordinary working.

Exclusions – what we do not insure

We will not pay for loss or damage caused by or resulting from:

- 1** Flood.
- 2** lack of maintenance, rust, oxidation, corrosion, Wear, Tear, depreciation, any gradual process or Your failure to:
 - a** maintain Your Lot/Unit or Investment Home in a reasonably good state of repair; or
 - b** have fixed a building defect that You were aware of or should reasonably have been aware of.
- 3** overwinding, mechanical breakdown or derangement, electrical breakdown or derangement, or failure caused by electric current.

However We will pay if the loss or damage is due to:

- a** Fusion of electric motors as covered under Special Benefit 3;
- b** lightning;
- c** power surge when such Event is confirmed by the supply authority; or
- d** if fire damage results.
- 4** any action of the sea, high water or high tide, storm surge or tidal wave.

However We will pay if the loss or damage is due to Tsunami.
- 5** accidental breakage of:
 - a** glass forming part of windows, doors, fixtures, built-in furniture, stoves or ovens, TV sets, VCR's, radio, computer or other electrical equipment;
 - b** toilet cisterns, pans, baths, sinks, and hand basins;
 - c** items such as glassware, drinking glasses or ornaments.
- 6** Erosion, subsidence, landslide, mudslide, shrinkage, or any other Earth Movement or collapse.

However We will pay if the loss or damage is due to:

- a** earthquake or seismological disturbance, explosion, physical impact by aircraft;
- b** bursting, leaking or overflowing of water tanks, pipes, drains, gutters or other water or liquid carrying apparatus (but not Flood).

- 7 underground (hydrostatic) water.

However We will pay if the loss or damage is due to bursting, leaking or overflowing of water tanks, pipes, or drains.

- 8 inherent vice, latent defect, vermin, mice, rats, termites, insects, fungus, mildew, or by pecking, biting, chewing or scratching by birds or animals.

However We will pay if any of these causes directly result in loss or damage from any other Event claimable under Policy 1 such as fire or glass breakage.

- 9 any process involving the application of heat being applied directly to any part of Your Contents.

However We will pay if any other part of Your Contents is damaged or destroyed by fire.

- 10 any process of cleaning involving the use of chemicals other than household cleaning chemicals.

- 11 from staining, fading or fraying.

However We will pay if such loss or damage directly results from any other Event claimable under Policy 1.

Claims – how we will settle your claim

The amount We pay under **Policy 1** will be the reasonable cost of replacing or repairing lost or damaged Contents to a condition which is equivalent to or substantially the same as but not better nor more extensive than when they were new, subject to the following provisions:

- 1 replacement or repair of damaged carpets and curtains is limited to the room, hallway or passageway where the damage occurs;
- 2 when We wish to replace or repair and You do not want this to occur We will only pay Indemnity Value.

We will not pay for the cost to replace undamaged Contents.

For each and every claim You have to pay the amount of Excess shown on the Schedule for **Policy 1**.

Excesses

Earthquake

You have to pay or contribute in relation to earthquake or seismological disturbance the first \$100 of the cost of loss or damage which occurs during any one period of seventy two (72) consecutive hours.

Other excesses

Whenever an Excess Number and amount is shown on the Schedule, You have to pay or contribute the stated amount for each loss arising out of or consequent upon that numbered Event.

The Event to which the number refers is:

- 1** Damage by water or liquid, caused by the bursting, leaking, discharging or overflowing of tanks, apparatus or pipes.
- 2** Damage by water or liquid, other than that caused by the bursting, leaking, discharging or overflowing of tanks, apparatus or pipes.
- 3** Breakage of or damage to glass or mirrors.
- 4** Storm and/or Rainwater.
- 5** Any Event of any kind.
- 6** Damage to electric motors.
- 7** Malicious acts, vandalism, graffiti.
- 8** Impact caused by road Vehicles or animals.
- 9** Burglary or theft or any attempt thereat.

Policy 2 – Building damage – malicious damage

What we insure

We insure You up to the Sum Insured shown for **Policy 2** on the Schedule, against loss or damage caused:

- ◆ by Vandalism or Malicious acts; or
- ◆ by theft (including damage caused by theft);

by Your Tenants or their invitees to the walls, windows, doors, floors, ceilings or fixtures of Your Lot/Unit or Investment Home which occurs during the Period of Insurance.

Claims – how we will settle your claim

We will pay the cost of repairing the damaged walls, windows, doors, floors, ceilings or fixtures of Your Lot/Unit or Investment Home.

We will not pay if such damage is covered by any insurance Policy effected:

- ◆ by the Body Corporate on the building containing Your Lot/Unit; or
- ◆ by You on Your Investment Home.

Policy 3 – Loss of rentable value

What we insure

We insure You for loss of Rentable Value if during the Period of Insurance Your Lot/Unit or Investment Home becomes unfit to be occupied for its intended purpose:

- 1** by loss or damage for which a claim is admitted under Policy 1 or Policy 2; or
- 2** by loss or damage to Your Lot/Unit or Investment Home for which a claim is admitted under any insurance Policy effected by the Body Corporate in the case of a Lot/Unit or by You in the case of an Investment Home; or
- 3** by murder or suicide occurring at Your Situation; or
- 4** by damage to other property at Your Situation or in the immediate vicinity by an Event claimable under Policy 1 or Policy 2 and reasonable access to Your Lot/Unit or Investment Home is prevented as a consequence of such damage.

Claims – how we will settle your claim

The amount We pay is limited to the earlier of:

- a** a period ending not more than six (6) weeks following repair or replacement of Your Contents or Lot/Unit or Investment Home; or
- b** the date from which Your Lot/Unit or Investment Home is re-tenanted; or
- c** the period shown for Policy 3 on the Schedule.

Any amount so payable will be reduced by:

- i** the amount You are entitled to recover or is recovered under any insurance Policy effected by the Body Corporate in the case of a Lot/Unit or by You in the case of an Investment Home; or
- ii** any Rent paid by Your Tenant during the period in which Your Lot/Unit or Investment Home is unfit to be occupied for its intended purpose.

Policy 4 – Loss of rent (departure by tenant)

What we insure

We insure You for loss of Rent up to the lesser of:

- ◆ the period shown for **Policy 4** on the Schedule; or
- ◆ until Your property is re-let;

if during the Period of Insurance Your Tenant absconds from Your Lot/Unit or Investment Home.

However We will not pay for loss of Rent unless it is legally due to be paid by Your Tenant in conformity with the terms of the Tenancy Agreement.

Any amount so payable will be reduced by the amount of Bond Monies remaining after the deduction of Allowable Reletting Expenses, unless contrary to Law in Your State.

Special condition

You or Your Property Manager must take reasonable steps to re-let the property as soon as the departure of the Tenant is discovered. If You or Your Property manager fail to do so We will not pay for any additional loss of Rent caused by such delay.

Policy 5 – Loss of rent (default by tenant)

What we insure

We insure You for loss of Rent up to the lesser of:

- ◆ the period shown for **Policy 5** on the Schedule; or
- ◆ until Your property is re-let;

if during the Period of Insurance Your Tenant:

- a** defaults in the payment of Rent that requires the issue of a court or tribunal order for termination or eviction;
- b** defaults in the payment of rent following the issue of a termination notice to vacate the premises by You or Your Property Manager;
- c** does not depart following the service of a court or tribunal order for termination or eviction and resists all attempts by You or Your Property Manager to gain vacant possession;
- d** dies while occupying Your Lot/Unit or Investment Home under a sole person Tenancy Agreement;
- e** is released from the requirements of the Tenancy Agreement by a court or tribunal on the grounds of hardship.

We will not pay for loss of Rent unless it is legally due to be paid by Your Tenant in conformity with the terms of the Tenancy Agreement, other than under **Clause e** above when relief is granted by a court or tribunal.

Any amount so payable will be reduced by the amount of Bond Monies remaining after the deduction of Allowable Reletting Expenses, unless contrary to Law in Your State.

Special benefit

- 1** We will pay up to \$250 for the cost of changing door and/or window locks if Your Tenant is:
 - a** evicted by an officer of the court or tribunal; and
 - b** the court or tribunal has issued an order that the locks be changed.

Special condition

If You or Your Property Manager fail to issue and act on a court or tribunal termination or eviction order We will not pay for arrears that accrue from the date such action should have been taken until the time the Tenant subsequently departs.

Policy 6 – Legal expenses

What we insure

When a claim is payable under **Policies 3, 4 or 5** We will pay, up to the Sum Insured shown for **Policy 6** on the Schedule, for legal expenses provided they are incurred:

- a** with Our prior written approval; and
- b** are for the express purpose of minimising a claim.

Special benefits

Special Benefits are included in addition to Your Sum Insured for **Policy 6**.

1 Property manager costs

When a claim is payable under **Policies 3, 4 or 5** We will pay up to \$500 in any one Period of Insurance for the cost of Your Property Managers time in representing You in court or at a tribunal to obtain a court or tribunal order against Your Tenant.

We will not pay unless such expense is specifically included in the Managing Agent Agreement between You and Your Property Manager.

2 Breach of agreement costs

If Your Tenant commences an action against You alleging a breach by You of the Tenancy Agreement We will pay up to \$500 in any one Period of Insurance for the cost of legal or similar type expenses You incur in defending such action.

We will not pay unless You obtain Our written approval prior to incurring such costs.

Policy 7 – Liability to others

What we insure

We insure You, up to the Limit of Liability shown for **Policy 7** on the Schedule, should You become legally responsible to pay compensation for:

- ◆ Personal Injury; or
- ◆ Property Damage;

resulting from an Occurrence in connection with the ownership of:

- ◆ Your Lot/Unit and Contents; or
- ◆ the Contents of Your Investment Home.

Additional benefit

This Additional Benefit is included provided the Limit of Liability for **Policy 7** is not otherwise expended in respect of any one Event.

1 Cost of defending a claim

We will pay:

- a all legal costs and expenses incurred by Us;
- b reasonable cost of legal representation You necessarily incur with Our written consent at a coronial inquest or inquiry into any death which may be the subject of a claim for compensation under Policy 7;
- c other reasonable expenses You necessarily incur that We have agreed to reimburse; and
- d all interest accruing after judgment has been entered against You until We have paid, tendered or deposited in court the amount that We are liable to pay following judgment.

Exclusions – what we do not insure

1 We will not pay for any claim:

- a in respect of Personal Injury to You or Your Family.
- b in respect of Personal Injury to any employee arising out of or in the course of their employment with You. This exclusion does not apply to an ‘eligible person’ as defined under the WorkCover Queensland Act.
- c for any liability to pay benefits under any workers’

compensation, accident compensation or similar legislation applying where Your Lot/Unit or Investment Home is situated.

- d** in respect of damage to property:
 - i** belonging to, rented by or leased by You, Your Family or in Your or their physical or legal control;
 - ii** belonging to any person who is deemed a worker or employee within the provisions of any workers' compensation, accident compensation or similar legislation apply where Your Lot/Unit or Investment Home is situated.
- e** arising out of Your trade, business, profession, occupation or any other activity that earns money or income other than the ownership of Your Lot/Unit or Investment Home at Your Situation.
- f** arising out of the ownership of Your Investment Home other than its Contents.
- g** arising out of:
 - i** alteration or renovations to Your Lot/Unit where the cost of such work, including labour and materials, exceeds \$50,000;
 - ii** the ownership of land or building at Your Situation unless liability attaches to You as owner of Your Lot/Unit by virtue of the Strata Titles Act or Community Titles Act or similar legislation apply where Your Lot/Unit is situated, or by the Articles or By-laws of Your Body Corporate.

Exclusion 1 g does not apply to Investment Homes.

- h** caused by or arising out of the ownership, possession, or use by You of any Vehicle, Watercraft, aircraft or aircraft landing areas.
- i** arising from vibration or from the removal or weakening of or interference with the support of land or buildings or any other property.
- j** arising out of any liability imposed by contract or agreement except to the extent that such liability would have been implied by law.
- k** arising out of the discharge, dispersal, release or escape of pollutants into or upon property, land, the atmosphere or any water course or body of water or any costs and expenses incurred in the prevention or remediation of such contamination or pollution.
- l** made or action instituted:
 - i** outside Australia;
 - ii** which is governed by the laws of a foreign country.

- 2 We will not pay any fine, penalty or punitive, exemplary, aggravated or additional damages resulting from the multiplication of compensatory damages imposed against You.

Special definitions

The words listed below have been given a specific meaning and apply to **Policy 7** when they begin with a capital letter.

Occurrence

means an Event, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury or Property Damage neither expected nor intended to happen by You.

Personal Injury

means:

- a bodily injury (including death and illness), disability, fright, shock, mental anguish or mental injury;
- b false arrest, wrongful detention, false imprisonment or malicious prosecution;
- c wrongful entry or eviction or other invasion of the right of privacy;
- d a publication or utterance of defamatory or disparaging material;
- e assault and battery not committed by You or at Your direction unless committed for the purpose of preventing or eliminating danger to person or property;

which happens at Your Situation during the Period of Insurance.

Property Damage

means:

- a physical damage to or destruction of tangible property including its loss of use following such physical damage or destruction; or
- b loss of use of tangible property which has not been physically damaged or destroyed provided that the loss of use has been caused by an Occurrence;

which happens at Your Situation during the Period of Insurance.

Policy 8 – Workers compensation – property investors

What we insure

This cover is only available if Your Lot/Unit or Investment Home is situated in Western Australia.

Your Policy Schedule will show if You are insured for workers compensation for employees in Western Australia.

When You are covered for workers compensation for employees We will insure You for all amounts You become legally liable to pay to Your employees under the Western Australia workers compensation legislation.

Policy 9 – Government audit costs

What we insure

We insure You, up to the Sum Insured shown for **Policy 9** on the Schedule, for Professional Fees You reasonably incur with Our written consent arising from an Audit first notified to You verbally or in writing during the Period of Insurance, or within thirty (30) days thereafter, in connection with Your Lot/Unit or Investment Home at the Situation.

We will not pay more than the Sum Insured for **Policy 9** in any one Period of Insurance.

Special benefit

This Special Benefit is included in addition to Your Sum Insured for **Policy 9**.

1 Record keeping audit

We will pay up to \$1,000 in any one Period of Insurance for Professional Fees You reasonably incur with Our written consent in connection with a Record Keeping Audit.

Exclusions – what we do not insure

1 We will not pay for Professional Fees:

- a** if prior to the commencement of the Period of Insurance You, or any person acting on Your behalf:
 - i** received any notice of a proposed Audit;
 - ii** had information that an Audit was likely to take place;
 - iii** had information that would indicate to a reasonable person that an Audit was likely to take place.
- b** if a return, or a document required to be lodged in relation to an Audit, has not been lodged:
 - i** at all;
 - ii** properly;
 - iii** by the due date.
- c** for any Audit that is conducted specifically for the purposes of determining if a fine, penalty or prosecution should be imposed in connection with:
 - i** any act or omission by You; or
 - ii** any failure, act or omission arising from or in connection with Your statutory obligations.
- d** charged by someone other than a Professional Adviser unless We have given Our prior written consent.

- e** relating to the Audit of Your taxation and financial affairs unless the return is first lodged:
 - i** during the Period of Insurance; or
 - ii** not more than twelve (12) months prior to the original inception date of Policy 9;or relates to a return for a financial year not more than three (3) years prior to the date You receive notification of an Audit.
- f** relating to an Audit if You fail to comply with any requirement or obligation imposed upon You by any relevant legislation if a return in relation to the Audit was not prepared or reviewed by Your Professional Adviser prior to dispatch.
- g** if You breach any conditions in this Policy, including failing to comply with any requirement imposed by any relevant legislation or failing to do what You must do if You intend to make a claim or You make a claim.

2 We will not under any circumstances pay for the cost of:

- a** any fines, penalties, interest or adjustment of tax, additional tax, duty, government impost or similar charges.
- b** any review pertaining to You maintaining any industry status, licence, membership or compliance with any employee related legislation or regulations.
- c** the gathering of data or information by any government, statutory body, authority or agency that is not directly part of an Audit.

Special conditions

1 You must:

- a** make all efforts to comply with the relevant legislation, procedures and guidelines issued by the Australian Taxation Office, or Commonwealth, State or Territory Department, Statutory Body or Agency in relation to the maintenance of records, books and documents;
- b** lodge taxation and other statutory returns within the prescribed time limits or if an extension is granted within the further period granted;
- c** upon becoming notified of an Audit or impending Audit promptly inform CHU Underwriting Agencies Pty Ltd by telephone, in writing or in person;

- d** obtain CHU Underwriting Agencies Pty Ltd written approval before engaging a Professional Adviser, other than Your accountant, and notify them of all Professional Fees Your accountant proposes to charge.

2 An Audit commences:

- a** at the time You first receive notice that an Auditor proposes to conduct an Audit; and
- b** is completed when:
 - i** the Auditor has given written notice to that effect; or
 - ii** the Auditor notifies You that it has made a Final Decision of a Designated Liability; or
 - iii** when the Auditor has issued an assessment or amended assessment of a Designated Liability.

Special definitions

The words listed below have been given a specific meaning and apply to **Policy 9** when they begin with a capital letter.

Audit

means an audit or investigation of Your taxation and financial affairs by the Australian Taxation Office, or by a Commonwealth, State or Territory Department, Statutory Body or Agency in relation to and following the lodgement of Your return(s), including but not limited to Business Activity Statement (BAS), Capital Gains Tax, Fringe Benefits Tax, Income Tax, Prescribed Payment and Group Tax Returns, Payroll Tax, Stamp Duty, Compliance with Superannuation Industry Supervision Act 1993 and Workers Compensation Returns.

Auditor

means an officer who is authorised under Commonwealth, State or Territory legislation to carry out an Audit of Your taxation or financial affairs.

Designated Liability

means Your obligation to pay an amount under Commonwealth, State or Territory Legislation.

Final Decision

means a written notification of the Auditors' completed views in connection with a Designated Liability and includes any written statement which is intended by the Auditor to be its findings or the basis upon which it proposes to act in connection with a Designated Liability.

Professional Adviser

means:

- a** an accountant who is a member of a nationally recognised accounting body, registered tax agent or tax consultant;
- b** any other professional person or consultant engaged by or at the recommendation of the accountant with Our prior written approval, but does not mean You or any person working for You under a contract of employment.

Professional Fees

means the reasonable and necessary fees, costs and disbursements incurred in connection with an Audit that would be payable by You to Your Professional Adviser for work undertaken in connection with an Audit, but does not mean or include fees, costs and disbursements that:

- a** form part of an annual or fixed fee or cost arrangement; or
- b** relate to any subsequent objection or appeal or request for review in respect of the Audit, or any assessment, amended assessment or Final Decision of the Auditor; or
- c** were rendered by a third party in relation to which Our written consent was not obtained before those fees were incurred; or
- d** relate to or are associated with the preparation of any accounts, financial statements or documents or to any attendance or service which would have been or would or should ordinarily or prudently have been prepared prior to or at the time that the lodgement of any return or document was required to be lodged in connection with a Designated Liability.

Record Keeping Audit

means any enquiry or investigation to determine the extent of your compliance with the record keeping requirements of relevant legislation that You have to comply with.

Notes

Notes

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